

Modern Methods of Construction: Advice and Market Options

Affordable housing providers are looking to use modern methods of construction to deliver more housing that is sustainable. Still in its infancy, it is a priority for many organisations and for government. Working with a range of partners, Altair has helped housing providers be clear about their options, risk and potential reward.

Why Modern Methods of Construction? (MMC)?

Research suggests that there is a need for 340,000 more homes every year in the UK to meet existing and new demand. Over 40 per cent of these will need to be affordable, either through social or affordable rent, or for affordable home purchase (i.e. shared ownership). As a result, housing associations and local authorities are seeking to deliver new homes to meet ever increasing need. MMC are being used by a number of sectors, including infrastructure, education, health and housing to deliver construction projects using alternative supply chains and faster, more efficient economical technologies.



Examples of our work

Case Study: South Wales RSL Partnership

A partnership of seven Welsh RSLs, funded by the Welsh Government, appointed Altair to undertake research into the optimum solutions for the delivery of 250+ off-site manufactured homes in South Wales. The aim of the work was to make recommendations on the best approach for delivering off-site homes and possible business structures for OSM delivery.

The work was divided in three phases. First, we identified all the various delivery options for off-site housing through extensive market research, review of best practice and engagement with stakeholders. Then, we developed a criteria-based assessment model for testing off-site

delivery options. We created a multi-level scored options appraisal at four progressive stages of detail where several potential options were assessed, weighted, scored, and ranked resulting in one preferred stage option. The final phase included financial testing of the viability of options and recommendations being made. Following

the results of Phase 3 Altair produced a detailed report which included recommendations to the partnership on the best approach for delivering off-site homes, affordably along with the possible business structures for delivery.

Case Study: Advantage South West

Altair is currently supporting Advantage South West, an innovative LLP providing procurement services to its 4 founding members and other housing associations and local authorities across the South West of England. In recognition of the construction skills crisis and the role of off-site manufacturing (OSM) to deliver more homes quickly, ASW commissioned Altair to serve as professional advisors on OSM. The dual phased project will independently evaluate and recommend appropriate OSM products for ASW and will explore the potential for ASW's longer-term partnership options based in the South West.

Government and others have identified that MMC can simultaneously help deliver much needed supply and help address social, environmental and economic initiatives through factory homebuilding and precise manufacturing principles. For housing providers, MMC can help deliver homes to site faster, with minimal disruption to local communities and using more sustainable materials. MMC also offers the potential to deliver new homes at a lower cost and with lower running costs than traditionally constructed homes.

Expertise

At Altair, we are acutely aware of the challenges our clients face to deliver more housing in a changing political and economic landscape. Drawing on extensive knowledge of the affordable housing and property sectors, we support our clients to utilise modern methods of construction to meet their new build goals.

We know MMC products and arrangements may seem complicated or even risky. We are here to help. Our services help match your goals for new development, whether they be price, speed or sustainability or all three, with the right MMC products and technologies. We can support you by:

- Keeping you up to date: Our experienced researchers monitor new findings from the MMC sector, government and others to ensure you and your board are informed of the potential opportunities and challenges of MMC as the market evolves
- Connecting you with the market: Using our familiarity with the UK MMC market and our internal databases of suppliers, we can help you determine who is delivering the products you should consider for your developments
- Helping you navigate the many options available: We have developed a bespoke modelling tool to evaluate new-to-market MMC products against your specific needs
- Supporting you to get the most out of partnerships: We are an experienced advisor to RPs seeking partnership with MMC manufacturers and other clients seeking to build development capacity through JVs and new companies
- Developing the business case: Using development appraisal techniques and costing data collected from manufacturers, we can support you to write the business case for using MMC

Altair Consultancy & Advisory Services

Altair is one of the world's leading housing and regeneration consultancies specialising in the provision of affordable homes and the management of large residential developments. We have unique expertise in establishing partnerships between housing developers, local authorities, national governments, financial institutions and NGOs to generate sustainable affordable housing projects.

Altair Consultancy & Advisory Services

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