



VISTA[®]



INSURANCE FOR MODULAR DEVELOPMENTS

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The Conservative Government set out its homebuilding target in 2019, to try and make inroads into the affordability and availability of UK Housing. Their target is 300,000 homes every year by the mid 2020's.

In 2019/2020, 242,700 homes were constructed, this dropped to 216,490 in 2020/21 but this was partly due to the Covid-19 pandemic. In 2022, 204,530 homes were completed in the UK. There are concerns output will fall short and the industry is looking to modern methods of construction from new market entrants to bridge the gap.

Modern methods of construction (MMC) or Offsite Construction means that components are assembled off site, rather than on site. This can be as simple as a panel or as complex as a whole house or modules that will make a block of apartments.

This method of construction is commonplace in the commercial and hotel/student accommodation sector and growing in the residential with many major house builders getting on board.

There are many benefits of MMC, and these include:



Speed – The control of a factory environment with weather plus enabling doubling up on site can improve the build speed by 50%.



Quality and safety – Robust design and build processes and quality control backed by ISO 9001 plus better working conditions.



Sustainability – Far less waste than a traditional building site and energy efficient designs to systems.



Better cost control – Assuming factory volume, whole life costs calculations and build times.

Even with all these benefits, historically prefabricated housing, as it was called post WW2 was of poor design, quality and had safety concerns. However, numerous countries in the world, including the UK, are successfully building using MMC homes as core housing stock both safely, efficiently and stylishly.

Insurers are concerned with the supply chain, responsibilities and handovers on site, water ingress protection, fire and transit damage.

The biggest concern, is the risk of a large-scale systemic failure that effects more units than a traditional scheme of houses, built one at a time.

Accreditation schemes such as The Build Offsite Property Assurance Scheme (BOPAS) look to assure the build product for durability and make clear maintenance requirements over the life of the system.

They also undertake annual factory audits and carry out an in-factory inspection of the completed product.

At Vista insurance brokers we have specialist construction teams who can look at all aspects of modular manufacturer and on-site build, we understand the risks and underwriter concerns at each stage of the supply chain.

A major concern for developers and investors is the saleability of these units.

Vista Insurance Brokers are the only broker member of Build Offsite and we are committed to arranging latent defects and structural warranty cover for these schemes. We have been involved in some very complex cases, these include mixed refurbishment and modular and some in very unusual locations with bespoke design. We look at all projects, both large and small.



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