



Building Faster and Smarter: Modular Construction in Multifamily Housing

Introduction

Developers across North America are increasingly turning to modular construction to address housing needs. In cities facing housing shortages – from Vancouver to Los Angeles – modular building methods have delivered apartments, offices, and even hotels in record time. **Modular construction** involves fabricating building modules (e.g. complete apartment units or sections) in a factory, then transporting and assembling them on-site like building blocks. This approach is gaining traction for multifamily housing projects such as duplexes, eightplexes, townhomes, and mid-rise apartment buildings. The appeal is clear: projects can be built faster and often at lower cost, with quality control and sustainability benefits that traditional construction struggles to match.

In Western Canada, and British Columbia (B.C.) in particular, modular construction is on the rise as a solution to high construction costs and labor shortages. Local governments and developers are piloting modular rental complexes and even offices and hotels, drawn by the promise of quicker timelines and consistent quality. This whitepaper explores real-world case studies of successful modular projects across North America – including rental housing developments, office buildings, and hotels – and highlights the key benefits they demonstrate. We'll dive into how modular construction can save costs, speed up construction, improve sustainability, ensure high quality, and what financing and government incentives are boosting its adoption. The tone is conversational and practical,



aiming to give B.C. and Western Canadian developers an accessible overview of why modular construction is taking off, backed by examples and data. Let's explore how building "off-site" is helping put up homes and buildings **on-site** faster than ever.

Faster Construction Timelines and Quick ROI

One of the most touted advantages of modular construction is **speed**. Because modules are built in a factory at the same time as onsite work (like foundations and utilities) is happening, total project time shrinks dramatically. How much faster can it be? Industry studies show modular projects can be completed **30-50% faster** than traditional builds.¹

In fact, the average multifamily modular project in the U.S. takes about 8 months from permit approval to occupancy, versus roughly 20 months for a similarly sized site-built project.² That means modular buildings can start generating rental income or other revenue a year earlier – a huge win for developers and investors.

Real-world examples bear out these time savings. In Los Angeles, a 232-unit apartment project next to the city's central jail was conceived and completed in an astonishing six-month turnaround from "idea to occupancy." This rapid modular build provided much-needed affordable homes for formerly homeless individuals *and* let the city see an immediate return on its investment.³ Another dramatic example comes from the hotel industry: Marriott International embraced modular methods to speed up hotel openings. One of its new high-rise hotels in New York – a 26-story tower – was stacked and assembled **in just 90 days** using pre-fabricated modules.⁴ Marriott found that using modular construction could cut typical hotel build times roughly in half, meaning guests check in sooner and revenue flows earlier.⁵

In British Columbia, modular projects have likewise demonstrated breakneck speed. Under Canada's Rapid Housing Initiative (more on that later), a women's supportive housing project in Surrey, B.C. known as "Little's Too" was built with 44 modular units. Once the site was ready, the four-story building's modules were **craned into place in only five days**,

¹ americanprogress.org

² americanprogress.org

³ urbanland.uli.org

⁴ modscape.com.au

⁵ modscape.com.au



drastically reducing neighborhood disruption.⁶ In other words, an entire apartment building was essentially *installed* on its foundation within a week – a process that would take months in a conventional build. Another B.C. example: a 12-unit Indigenous housing complex in North Saanich was designed and constructed in under 12 months by using factory-built modules, meeting a tight timeline to deliver much-needed affordable homes.⁷

Faster construction isn't just about bragging rights – it has real financial benefits. For rental developers, every month saved is a month of additional rent income. As one modular builder put it, “the sooner you complete a building... the sooner it can be occupied and start collecting revenue”.⁸ In essence, modular construction lets developers open doors to tenants sooner, which improves cash flow and project profitability. Quicker builds also lower construction financing costs (since loans are outstanding for a shorter period) and reduce exposure to market risks (like interest rate changes or material cost inflation over time). Whether it's a duplex or a large apartment block, shaving off months of build time is a game-changer.

It's important to note that much of modular's speed advantage comes from **performing work in parallel**. While site crews pour the foundation and prep utilities, factory crews are simultaneously constructing the modules – walls, floors, finishes, and all. There are also **fewer weather delays**, since modules are built indoors. Anyone who's built in B.C. knows how rain or winter conditions can stall a job site. With modular, a wet month is less of a problem because your units were built in a climate-controlled plant. When the modules arrive, they're largely complete – often 80–90% finished – requiring only assembly and final hookups. In the Surrey “Little's Too” project, for example, doing so much off-site meant far less time needed on the busy urban site, which was good for both the schedule and the neighbors.⁹ All told, these factors enable modular projects to come together with surprising speed, helping address housing needs on a much faster timeline.

Cost Savings and Efficiency

⁶ modular.org

⁷ modular.org

⁸ urbanland.uli.org

⁹ modular.org



Cost savings are another big reason developers are exploring modular construction, especially for multifamily housing. Building in a factory can be more efficient and predictable, potentially lowering labor and material costs. Modular construction has the potential to **cut construction costs by around 20%** in many cases.¹⁰ This is partly because factory production minimizes waste (we'll talk more about waste reduction in the sustainability section) and can take advantage of bulk purchasing of materials. It's also because projects that finish faster incur less labor cost overall and lower carrying costs (interest on loans, site overhead, etc.).

While cost outcomes can vary by project, there are impressive examples of savings. In California, CRATE Modular built an affordable housing village called Solis Community that achieved remarkable cost per unit. The average cost was about **\$245,000 per apartment**, roughly *half* of the typical \$535,000 per unit price tag for affordable units in California at the time.¹¹ That's a dramatic reduction. The project's modular approach – using recycled shipping containers as modules – helped drive down costs and deliver units for under \$250k each, a figure almost unheard of in Los Angeles. It's a case study of how modular methods can make projects financially viable that might otherwise be too expensive.

Beyond such headline examples, modular construction tends to reduce many “hidden” costs. For instance, having a large portion of the build done off-site means less **on-site labor**, which in places like Western Canada can be a huge cost savings due to skilled labor shortages. A Massachusetts developer noted that more and more developers “realize they can't find tradespeople” and are coming to modular builders because “they want the efficiency in terms of cost and speed that modular provides”.¹² With factories handling much of the work, developers can hire a smaller on-site crew, or avoid the premium pay often needed to attract trades to remote areas or busy urban centers. Lower on-site labor also means fewer scheduling headaches and potentially avoiding costly delays. In short, modular can **alleviate the labor shortage cost premium**.

Another cost-related benefit is greater **price certainty**. Traditional projects can suffer from cost overruns due to weather delays, change orders, theft/vandalism on site, or fluctuating material waste. Modular projects, on the other hand, are more controlled. One B.C. modular builder reported that working closely with a First Nations community on a

¹⁰ civicwell.org

¹¹ urbanland.uli.org

¹² naahq.org



modular housing project gave the client “certainty of cost, schedule, and quality”.¹³ Because the build process is more predictable and factory-like, budgets are easier to stick to – a relief to developers and their lenders. Fewer surprises in construction translate to fewer budget surprises. It’s worth noting that modules are constructed under contract at a fixed price, which can lock in a large portion of the project cost upfront. This leaves fewer variables during on-site completion.

Modular construction can also unlock **economies of scale**. If you’re building multiple similar units – say an eightplex (8-unit building) or a row of townhomes – doing it modularly means you can repeat the production process efficiently for each module. This drives down the per-unit cost. An industry expert pointed out that off-site construction allows for production of large volumes of housing at lower cost by leveraging factory repetition, in a way that building homes one-by-one on scattered sites cannot.¹⁴ Essentially, it’s the difference between crafting each building from scratch versus having a streamlined assembly line for housing components. The more units you build, the more this pays off. Some modular developers even keep a base design or “base box” that they know works, and then adapt it slightly for each project. For example, ANC Modular in Canada used a standard modular unit design as a base to concurrently design a fourplex, a duplex, a townhome complex, and a four-story apartment – all different configurations using the same core modules.¹⁵ This kind of repeatable design approach can significantly cut design and engineering costs and simplify production, yielding savings that can be passed on to the project’s bottom line.

Of course, modular isn’t *always* cheaper in every scenario – there is an upfront cost to setting up factory production and transporting modules. For smaller projects or custom high-end builds, those costs might offset the savings. However, as modular manufacturing capacity grows in Western Canada, those logistics costs are coming down. And when looking at the full picture – including faster revenue, lower interest costs, and minimized overruns – many developers are finding that modular delivers a strong **bang for the buck**. At the very least, it often comes in at a “reasonable, palatable” cost that competes well with traditional construction.¹⁶ In the best cases, as seen in Los Angeles and elsewhere, it can slash costs and make previously unaffordable projects pencil out.

¹³ modular.org

¹⁴ urbanland.uli.org

¹⁵ modular.org

¹⁶ naahq.org



Sustainability and Quality Advantages

Modular construction isn't just faster and potentially cheaper – it's also proving to be **greener and higher-quality** in many respects. Building in a controlled factory setting can greatly reduce material waste, improve energy efficiency, and ensure consistent quality standards that are hard to achieve on a chaotic open job site. These sustainability and quality benefits are a major draw, especially in regions like B.C. that prioritize green building and high performance homes.

Waste reduction is a standout environmental benefit of modular building. In traditional construction, dumpsters full of scrap wood, drywall cut-offs, and packaging are a common sight – a lot of material goes to waste due to on-site cutting and fitting. In a factory, however, materials can be optimally cut with precision tools, and leftovers can often be recycled or reused for the next module. Studies have shown that modular construction can reduce construction waste by **up to 90%** compared to conventional methods.¹⁷ This is a staggering improvement – imagine shrinking nine dumpster loads of waste down to one. A U.K. report by WRAP (Waste & Resources Action Programme) is frequently cited for this 90% waste reduction figure, and North American builders are seeing similar efficiencies. Everything from timber off-cuts to excess packaging is minimized. For developers in B.C., where landfill costs and sustainability mandates are growing, this reduction in waste directly saves money and helps meet green targets.

Modular projects also tend to have a **smaller carbon footprint**. Less waste means less energy expended producing materials that never get used. Additionally, fewer worker trips to the site and a shorter construction timeline mean lower emissions associated with the build. Some modular manufacturers are even able to optimize designs for energy efficiency. For instance, the first modular Passive House in Canada was built in Bella Bella, B.C. – a staff housing complex for a remote community hospital. The six-unit townhome complex was precision-built by Metric Modular in a factory and shipped to site, achieving rigorous Passive House standards. The result is a building that consumes **80% less energy** than a comparable traditionally built complex.¹⁸ Hitting this level of performance is easier when every junction and insulation detail can be carefully crafted in a controlled environment. The Bella Bella project showed that modular construction can meet

¹⁷ [modular.org](https://www.modular.org)

¹⁸ [rockwool.com](https://www.rockwool.com)



ultra-high efficiency goals (like Passive House or B.C.'s Energy Step Code Level 4) even in challenging climates. In Surrey's "Little's Too" modular housing, the building met B.C. Energy Step Code 4 – indicating top-tier energy efficiency – thanks to quality fabrication and insulation of each module.¹⁹

Building in a factory not only helps the planet – it also often **improves build quality** for the occupants. Think about it: in a factory, each module goes through standardized quality inspections. Workers use jigs and automated tools to ensure every wall is straight and every corner properly sealed. There's no rain soaking the framing during construction, no snow slowing down installation of windows – the modules are protected from the elements until they are ready to be placed on the finished foundation. This tends to produce a better-finished product with fewer defects. As one industry expert noted, factory settings allow for more reliable work and reduce rework, waste, and errors – issues that in on-site builds often lead to higher costs and lower quality for the end buyer or renter.²⁰ When the modules arrive on-site, they are typically about 90% complete, with plumbing, electrical, finishes, and fixtures already installed under factory supervision. This level of quality control can be hard to match on a busy construction site where multiple trades overlap.

Modular buildings also meet the same building codes and standards as site-built ones – and sometimes exceed them. A common question is, "Are modular buildings as durable and high-quality as regular buildings?" The answer from studies and code officials is yes: a modular building will last as long as a conventionally built one (if not longer), because it's made of the same materials and to the same codes.²¹ In fact, modules are often **built stronger** than typical construction to withstand the rigors of transportation and craning. This means extra reinforcement is added, which can make the structure very robust. For example, when two modular apartment buildings were erected in Toronto as supportive housing, the goal was to challenge the perception that modular couldn't integrate seamlessly or durably. The resulting buildings not only fit into the community aesthetically, but also delivered high-quality housing for residents in need.²²

From the resident's perspective, a well-built modular apartment is essentially indistinguishable from a site-built one – except perhaps for fewer call-backs for repairs.

¹⁹ modular.org

²⁰ urbanland.uli.org

²¹ csagroup.org

²² modular.org



Hotel operators have found that prefabricated guest rooms come out “exactly to spec” and guests can’t tell the difference, except that the hotel opened sooner! In one modular AC Hotel case, the rooms and finishes were indistinguishable from any other Marriott property, proving that quality wasn’t sacrificed for speed.²³ Likewise, tenants in modular rental units enjoy the same (or better) sound insulation, energy comfort, and aesthetic as traditional units. The consistency of factory construction often means tight seams and well-insulated walls, contributing to energy savings for tenants and a comfortable living environment free of drafts or leaks.

There’s also a **sustainability boost in the community** when using modular. The shorter time on-site and more efficient process means less noise, dust, and disruption for neighbors and local businesses. On a busy urban infill project, having modules delivered and set in a week (as in the Surrey example) means less prolonged street closure and construction nuisance. For rural or sensitive sites, modular reduces environmental disturbance since workers and materials are not coming and going for months on end. In B.C.’s remote areas, modular construction has allowed housing to be built despite short construction seasons and difficult logistics – for example, modules can be barged to sites that would be hard to service with a large crew over many months.²⁴ By doing most of the work off-site, the ecological footprint at the building location is minimized.

Lastly, modular construction can improve **worker safety**, which is a often-overlooked aspect of sustainability (social sustainability). Working in a factory is generally safer than a construction site – there are fewer fall hazards, controlled conditions, and no need to work at great heights or in bad weather. This leads to fewer injuries, which is better for workers and can reduce project downtime. A U.S. study noted that construction laborers face high rates of falls and injuries on traditional sites, whereas modular factories can significantly cut those risks.²⁵ A safer build is a more sustainable build in terms of human resources.

In summary, modular construction aligns well with sustainability goals by generating far less waste, enabling energy-efficient design, and lowering the community and environmental impact of construction. At the same time, it often raises the bar on quality control, resulting in buildings that meet strict standards and provide long-lasting performance. For developers in Western Canada, these factors can help meet provincial

²³ urbanland.uli.org

²⁴ rockwool.com

²⁵ americanprogress.org



green building mandates and deliver a product that tenants and investors can feel good about.

Financing and Government Incentives

If modular construction is so advantageous, one might wonder: why isn't everything being built this way already? Historically, one challenge has been **financing and insurance** for modular projects, since the process is a bit different from the norm. However, this is rapidly changing, and governments and financial institutions are actively encouraging modular construction through incentives and updated policies – especially in Canada.

One issue has been that lenders weren't always familiar with modular projects and saw them as riskier simply because they fell outside traditional loan models. In Canada, the federal housing agency (CMHC) admitted that modular construction “does not fit our traditional underwriting and financing profile”.²⁶ Basically, banks weren't sure how to value a building that partially exists off-site or how to handle the fact that a lot of the cost (the modules) is incurred upfront in the factory. To address this, CMHC worked with the industry to develop new **underwriting guidelines specific to modular projects**.²⁷ These guidelines, introduced in 2020, help lenders better finance modular developments, by clarifying how to secure loans against modules and ensure funds flow when modules are delivered. This kind of framework gives banks confidence that modular builds are solid investments. Similarly, insurance companies have gotten more comfortable with modular methods as successful case studies accumulate.

On the incentive side, governments are putting real money on the table. Perhaps the biggest boost in Canada has been the **Rapid Housing Initiative (RHI)** launched in 2020, a federal program explicitly designed to fund modular affordable housing. The RHI was a \$1 billion program (in its first round) that *only* funded projects that could be delivered quickly – within 12 months – which essentially meant modular construction in most cases.²⁸²⁹

²⁶ modular.org

²⁷ modular.org

²⁸ modular.org

²⁹ modular.org



The goal was to create up to 3,000 new affordable units urgently, especially to respond to COVID-19-related homelessness. The program was wildly successful: it exceeded its targets and actually funded over 4,700 units across Canada in that initial round.³⁰ Given the success, the federal government put another \$1.5 billion into a second round of RHI, aiming for 4,500 more units (which is also being exceeded, with projections of over 5,400 units).³¹ These modular homes are going up in cities big and small – from Vancouver and Surrey in the west to Toronto in the east – demonstrating that with funding and political will, modular can deliver a *lot* of housing quickly.

British Columbia's government also jumped on modular construction as a solution to the housing crisis. Starting in 2017, B.C. launched a **Temporary Modular Housing (TMH)** program to rapidly house homeless and vulnerable populations. The province funded thousands of modular supportive housing units on temporarily available sites. By 2021, over **2,000 units of housing had been built through TMH in B.C.**,³² providing shelter for people in need and proving the concept along the way. These were "temporary" in the sense that the modular buildings could be relocated as needed (since they're essentially portable), but in practice many have become longer-term community housing assets. The TMH program showed local developers and officials that modular really works – buildings that would normally take years were up and running in months, with costs that were considerably lower than typical condo or apartment builds. It was a big factor in modular gaining mainstream acceptance in the region.

Other incentives and supports are emerging too. Some cities expedite permits for modular projects, recognizing that the design is pre-approved and much of the work is off-site. In Vancouver, for instance, the city created a streamlined approvals process for the modular housing that was part of the TMH program. This reduced bureaucratic delays – an important kind of "speed" not related to construction itself but to getting shovels in the ground faster. There are also tax incentives in some jurisdictions. In Canada, certain provinces provide sales tax reductions on pre-fabricated buildings or offer grants for innovative construction that improves energy efficiency (modular often qualifies). Utilities might chip in with energy-efficiency rebates if the modular units come outfitted with heat

³⁰ modular.org

³¹ modular.org

³² happycities.com



pumps or solar panels, etc. Essentially, stakeholders across the board are starting to align to make modular projects easier to finance and approve.

Large financial institutions are also showing confidence. In 2021, two of Canada's biggest banks (Scotiabank and BMO) committed a combined \$22 billion toward financing affordable housing over 10 years,³³ and explicitly indicated support for modular construction projects under programs like RHI. In the U.S., the Biden Administration's Housing Supply Action Plan (2022) proposed offering more favorable financing for modular and manufactured housing as a way to boost supply.³⁴ This included measures like allowing easier underwriting for modular apartments and making federal funds available for off-site construction methods. While those plans are still evolving, it signals high-level recognition that modular is part of the solution.

For developers in Western Canada, all this means it's becoming easier to get modular projects financed and supported. There are directories of modular manufacturers (MBI has one)³⁵ to help developers find partners and even consultants who specialize in modular to guide projects through approvals. Moreover, **faster construction equals faster revenue**, which itself is a compelling aspect for lenders – a building that's earning rent in 8 months instead of 16 is a safer bet to lend on. Some lenders will now factor in that reduced timeline when sizing construction loans (since interest carry is lower and income starts sooner).

In summary, early hurdles in financing modular construction are being addressed through new guidelines and growing lender experience. Government incentives – from direct funding programs to expedited permitting – are actively encouraging modular builds, particularly for the much-needed affordable housing segment. The combination of public and private support is making the economics of modular projects more attractive than ever. If you're a developer in B.C., you'll find a more receptive environment today for a modular proposal than even just five years ago. As one industry leader observed, *"We fully expect modular adoption to continue to grow and likely accelerate as developers, architects, and their clients look for ways to leverage the unique benefits of modular construction."*³⁶

³³ modular.org

³⁴ urbanland.uli.org

³⁵ modular.org

³⁶ modular.org



With financial and policy barriers gradually lowering, modular construction is poised for even broader adoption.

Market Demand and the Western Canada Outlook

The construction industry can be slow to change, but modular building is clearly gaining momentum – and the **market demand** is rising accordingly. In North America, modular construction accounted for roughly **6% of all new construction starts in 2022**, up from just about 2% in 2015.³⁷ That means the market share nearly tripled in under a decade. Much of this growth has been driven by the pressing need for housing and the industry's search for more efficient ways to build. Developers are hearing about modular success stories and seeing competitors break ground (and finish) faster, which piques interest.

Notably, the **multifamily housing sector is leading the modular charge**. For the third year in a row, multifamily projects made up the largest portion of the commercial modular market – about 32% in 2022.³⁸ This includes apartments, condos, townhouses, etc. It's higher than other segments like offices (around 19%) or education buildings (~16%).³⁹ The fact that multifamily is at the forefront makes sense: the need for rental housing is high, units are repetitive (ideal for factory construction), and speed to market is crucial for developers to start earning rent. In Western Canada's hot rental markets (think Greater Vancouver, Vancouver Island, the Okanagan, and Calgary/Edmonton), there is strong demand for new rental properties. Modular construction is increasingly seen as a way to meet that demand by delivering projects faster and potentially at lower cost. We're seeing proposals for modular mid-rise apartments and even stackable townhome developments in these regions as a response to tight housing supply.

Tenant acceptance of modular-built rentals has been positive – in fact most tenants probably never realize their building was factory-built unless someone tells them. What renters do notice is when a building is brand new and ready for occupancy sooner. For example, if you can deliver a new eightplex rental property months ahead of a competing project, you can capture tenants first in a low-vacancy market. That **first-mover advantage** is driving some developers to modular. They know that in markets like B.C.'s Lower

³⁷ naahq.org

³⁸ naahq.org

³⁹ naahq.org



Mainland, new rentals get snapped up quickly; being able to finish a project faster not only saves costs but also means units lease up and stabilize income earlier. This can be a big draw for investors and REITs (Real Estate Investment Trusts) focused on rental housing.

The **office and hospitality sectors** are also showing increased curiosity about modular, which boosts overall demand. While offices are a smaller slice of the modular pie, there have been successful projects like modular-built field offices for resource companies in Northern Alberta, or modular coworking spaces in urban centers. These demonstrate that the method isn't limited to housing. The hotel industry, as mentioned earlier, has seen brands like Marriott and citizenM roll out modular hotels to accelerate expansion. Hotel developers love the idea of opening doors months sooner, and some are now specifically requesting modular in their RFPs. All of this cross-sector activity feeds into a growing modular industry that can serve various needs. When modular factories have steady work from hotels, offices, and apartments, they can invest in better production lines and increase capacity – which in turn benefits developers of all types with more reliable supply and potentially lower costs. In Western Canada, companies like NRB Modular Solutions, Metric Modular, Nomodic, and others are scaling up and showcasing a range of building types (from schools to seniors' housing to offices), proving the versatility of modular construction to the market.

Crucially, **developer perception** has shifted in recent years. It's no longer seen as a risky, experimental approach. As one construction CEO said, a few years ago many builders were skeptical or only interested in modular to achieve LEED points, but now **"more and more developers"** are coming because they simply can't find labor and need a solution.⁴⁰ The value proposition of modular – efficiency in cost and speed – is clicking for a broader audience. We're hearing far less of "will modular work?" and more of "who can do my modular project?". In B.C. and Alberta, a number of developers are in planning or construction with modular multi-unit projects, ranging from affordable housing funded by government to market-rate rental buildings. Municipalities are also adding modular options into their toolkits for infill housing. For instance, the City of Vancouver after its success with temporary modular housing is now considering modular construction for some permanent affordable housing projects and even civic buildings, encouraged by how well the previous units performed.

⁴⁰ naahq.org



Market demand is also being influenced by the broader push for **affordable housing and sustainability**. Modular aligns well with these trends, as we've discussed – it can make housing more affordable by cutting construction costs and time, and it delivers energy-efficient buildings with less waste. Community advocates and non-profit housing providers in Western Canada have taken notice. Some non-profits are partnering with modular companies to deliver co-op housing or supportive housing faster than they could via conventional means. As these projects succeed, word spreads and demand increases. Essentially, success breeds success: each successful modular development (with happy residents, on-time delivery, and solid financial performance) becomes a marketing vehicle for the modular approach itself.

In British Columbia, the provincial government's ambition to build thousands of new homes (including affordable rentals) in the coming years could further boost modular adoption. B.C. has climate action goals and a construction workforce crunch, both of which point toward modular as a smart strategy. The fact that B.C. has local modular manufacturers and expertise is an advantage – developers can source modules regionally (supporting local jobs) rather than importing from far away, which addresses past concerns about high transportation costs or lack of customization. We're likely to see modular construction continue growing in Western Canada, not just because it's "trendy," but because the market fundamentals demand it: **speed, cost-effectiveness, and quality** are exactly what the current housing market needs.

As one industry leader in Canada put it, *"Given its inherent benefits of speed, scalability, and reliability, modular construction should continue to be seen as the ideal solution to supply much-needed housing quickly."*⁴¹

That sentiment is increasingly shared by developers and policymakers who face pressure to deliver results. With strong market demand for rentals and an ongoing need for efficient office and hotel development, modular construction is poised to move from a niche alternative to a mainstream construction method in the region. The trajectory in North America is unmistakable – and British Columbia and Western Canada are very much part of that story, if not at the leading edge of it.

Conclusion

⁴¹ modular.org



Modular construction has moved beyond theory and into practice, proving itself with successful projects across North America. From duplexes and townhomes to mid-rise apartments, offices, and hotels, the case studies we've discussed highlight how building in modules can yield **faster timelines, lower costs, improved sustainability, and high quality**. A recap of the key benefits:

- **Speed:** Modular multifamily projects can be completed in roughly half the time of conventional builds.⁴² Developers get buildings open and occupied sooner, whether it's a rental 8-plex or a new hotel. Examples like the 232-unit L.A. project finished in 6 months and a 26-story NYC hotel stacked in 90 days show what's possible.^{43,44} Faster completion means faster return on investment.
- **Cost Savings:** By leveraging factory efficiencies and shorter schedules, modular construction can trim construction costs by 10–20% or more.⁴⁵ It also offers cost certainty and reduces surprise overruns. One project cut unit costs from \$535k to \$245k by going modular.⁴⁶ Developers benefit from needing fewer on-site trades (critical amid labor shortages) and starting revenue flow months earlier.
- **Sustainability:** Building modular generates far less waste – up to 90% less material waste by some estimates⁴⁷ – making it a greener choice. Modules built in B.C. have achieved top energy performance (Passive House and Step Code 4), using 80% less energy than traditional builds.⁴⁸ The reduced site disturbance, shorter construction and improved worker safety all contribute to modular's sustainability advantage.
- **Quality Control:** Factory fabrication means consistent quality and rigorous inspections for each module. Modular buildings meet the same codes as site-built and can last just as long.⁴⁹ In many cases, quality is enhanced – there's less weather damage, and things like insulation and air-sealing are done with precision. As one expert noted, modular greatly reduces rework and errors, resulting in a high-quality finished product.⁵⁰ Occupants and guests can't tell the difference except that the building feels solid and well-built.

⁴² americanprogress.org

⁴³ urbanland.uli.org

⁴⁴ modscape.com.au

⁴⁵ civicwell.org

⁴⁶ urbanland.uli.org

⁴⁷ modular.org

⁴⁸ rockwool.com

⁴⁹ csagroup.org

⁵⁰ urbanland.uli.org



- **Financing & Incentives:** Governments are backing modular projects with funding and policies. Canada's RHI program poured billions into modular affordable housing, delivering thousands of units in a short span.⁵¹ B.C.'s own modular initiatives housed vulnerable people quickly (2000+ units since 2017).⁵² Financing is catching up too – lenders and insurers are increasingly comfortable with modular, and new guidelines make it easier to fund. Public and private incentives are aligning to de-risk modular construction for developers.
- **Market Demand:** The share of new buildings using modular methods is steadily climbing as more developers see the benefits. Modular is no longer uncharted territory; it's a proven approach used in multifamily housing more than any other sector now.⁵³ In Western Canada, where the need for fast, cost-effective housing is pressing, developers and communities are embracing modular solutions for rentals, offices, and more. The pipeline of modular projects is growing, and local expertise is in place to support this demand.

For developers in British Columbia and Western Canada, the takeaway is that modular construction is *not* just a theoretical or experimental idea – it's a practical, tested method that can help meet project goals and timelines in ways traditional building might not. The friendly advice from those who have done it: involve modular experts early, plan the design around module dimensions, and coordinate closely between factory and site teams. When done right, modular construction can feel like a well-orchestrated symphony, with different parts coming together seamlessly. And as we've seen, the end result can be new homes and buildings delivered **better, faster, and often cheaper** – a win-win for developers, residents, and communities alike.

Western Canada's construction landscape is evolving, and modular construction is poised to play a major role in that evolution. With its combination of speed, savings, and sustainability, modular offers a compelling answer to the region's call for more housing and modern infrastructure. The case studies and data from across North America make one thing clear: building smarter with modular can help us all build more – and build better. As modular construction continues to gain traction, developers in B.C. and beyond have an exciting opportunity to lead the way, leveraging these innovations to create the next

⁵¹ modular.org

⁵² happycities.com

⁵³ naahq.org



generation of quality housing, offices, and hotels that our communities so greatly need. The modular momentum is here, and it's building one module at a time.

Lake Country Modular Homes
515 Beaver Lake Rd
Kelowna, BC V4V 1S5
(250) 766-2214
info@lakecountrymodular.com