

Leader

Off-site, on target?

The UK construction industry needs a change in mindset and skills if our housing targets are going to be achieved, says Richard Ogden



In many parts of the UK, there is a pressing need for high quality, new and refurbished homes to meet the requirements of a growing population. But how can we fulfil our housing shortage, and have we considered learning from other countries?

I recently travelled to Japan with a group of manufacturers from Ireland, the UK and New Zealand to review the Japanese off-site market. Over the last 50 years, Japan has led the world in using off-site manufacturing techniques for construction projects. For the most part, this is a housing- and apartment-based market but on a pro rata scale is unmatched anywhere in the world. Their total annual output is approximately 1m homes to meet the needs of a population approximately twice that of the UK. Some 20% of this market will be met by housing that has been fully manufactured in factories.

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The UK has a huge housing need – over 3m new homes by 2020. However, delivery is at an all-time low and last year only 70,000 homes were built. The UK's best-ever annual figure for new build homes was 440,000 to cope with slum clearance and post-war reconstruction. This figure was mostly enabled by adopting industrialised building systems and redeploying wartime manufacturing facilities. These new prefab homes had a design life of only 10 years and were intended as a short-term solution to the housing crisis; however in Birmingham recently, some of these 50-year-old prefabs gained listed status. So much for temporary buildings.

So, how can our industry adapt to the latest housing challenge? What new skills do construction professionals need to meet these demands? What new thinking and leadership needs to be deployed by industry and politicians?

I believe that old project management skills, while highly relevant to the traditional construction sector, need to change to embrace an assembly process involving an increasing range of off-site products and

components. To design, specify and then receive factory-made components for on-site assembly we need a new set of skills – but can today's project managers adapt and rise to this challenge?

Also, most modern manufacturing industries use the techniques of standardisation and component assemblies – why not the construction industry?

Reaching for the 'book of excuses' for an explanation of the relatively modest take up of off-site solutions, we hear that off-site is always more expensive. I accept that if looking to off-site as something to be fitted in with traditional construction methods then you might be able to justify this perception. However, an increasing number of serial clients look to off-site solutions to help them simplify and rethink the overall construction process, to identify and drive out waste and, as a result, deliver a step-change in quality and value. Ask leading off-site clients such as BAA and MOJ what they do and why they do it. It's all about client value.

Price over value?

The UK new homes market has long been dominated by price competition rather than a broader view of value. However, things are changing with the cranking up of the requirements in the Code for Sustainable Homes. I believe that the Code, backed up by new Building Regulations, will drive the industry towards the wholesale adoption of off-site solutions. Change will happen and the industry will have no commercial choice but to respond to the new demands and new working practices.

This then brings me back to Japanese practice and the preparedness of Japanese consumers to accept that housing and other construction products carrying a 'factory made' badge is a confirmation of quality and value. It is not for the supply side of our industry to tell consumers and clients that they are wrong. If the UK is to avoid repeating the various manufacturing mistakes of the recent past then we need to acquire new skills and embrace these new methods... and not merely find reasons why they will not work in the UK and delude ourselves that our construction industry is different. In an increasing global market for skills as well as products, this would be a very short-sighted view.

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