

Government action needed for sector to address **housing crisis**

A study investigating the Modern Methods of Construction (MMC) sector in England reveals that Government could stimulate the MMC sector to deliver safe, affordable and sustainable homes, but policymakers would need to introduce two key reforms:

- i) end the domination of volume housebuilders, and
- ii) introduce more robust regulatory and financing mechanisms to drive social rental housebuilding, raise industry standards and closely monitor the impact and value of MMC.

What evidence did we draw on?



72 interviews with housing industry stakeholders

in Government, local authorities, housing associations, NGOs, academia, the MMC and construction industry; stakeholders worked in housing, planning, building safety, procurement, development and other disciplines



40 interviews with residents

living in MMC homes



84 survey responses from residents

living in 12 different MMC housing schemes (private and social)



Insights from an MMC housing development **database** we compiled

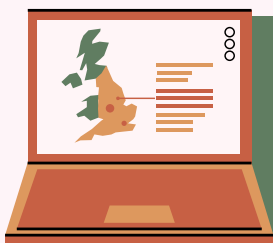


Our **visits to MMC factories** and sites



Construction and MMC industry **events**

During the 30-month study period, we:



Developed an **interactive map** of MMC housing developments in England

Documented **104 MMC firms involved in schemes** including social housing estates, private brownfield developments and large apartment blocks

Recorded **215 schemes completed or in progress** across England where these firms were delivery contractors

- **94** for private developers
- **70** for housing associations
- **41** for local authorities
- **10** for NGOs

19 of our recorded schemes 'stalled' due to contractor insolvency, equating to 4289 homes

We estimate this equates to **19,636 homes started, completed or planned to be built** using MMC contractors

Key findings



Lack of evidence:

Some stakeholders' faith that MMC enables safe, high-quality residential housebuilding is not supported by robust, independent evidence



Uncertain government support:

Inconsistent policies and frameworks hinder MMC progress



Quality concerns:

Design and build quality of MMC homes are unpredictable, with mixed resident experiences



Contractor struggles:

Many firms face demand instability and collapse, eroding trust



Regulatory gaps:

Fire safety and build standards remain unclear, especially for MMC



Barriers to social housing:

MMC faces restrictions on land and funding for social housebuilding



Training shortfalls:

Insufficient apprenticeship and training opportunities in the MMC sector

Recommendations for policymakers

We recommend Government commissions a wide-ranging review of MMC, addressing:



Evidence

- The economic and social value of all investments into MMC firms and social housebuilding schemes to date through Homes England
- Why resident post-occupancy evaluations are ad hoc in residential construction schemes (including MMC schemes), and how to incentivise them



Regulation

- Whether local authority building control mechanisms should be transferred to a national regulator
- The likely impact of the Ministry of Housing, Communities and Local Government (MHCLG) adopting a clearer 'presumption in favour' of MMC
- Whether statutory frameworks for assessing the safety and quality standards of MMC products and systems are adequate
- Whether testing and certification of MMC products, systems and completed homes is robust
- How to prevent MMC being drawn into the cost-cutting industry culture exposed by the Grenfell reports



Investment and planning

- Whether dedicated MMC funding, standards and planning regimes will improve the safety, quality, sustainability and affordability of new housing stock in England
- How land and funding could be made available to community-led MMC housebuilding schemes
- Whether local planning authorities have the necessary expertise and understanding of MMC
- What investments in specific training and apprenticeship schemes for advanced construction and modern methods are required



MMC is not a panacea, but it could play a key role in addressing the housing crisis. **Clear policies, regulation and targeted investments are needed to support social rental housebuilding, as is a reckoning with the volume housebuilding model underpinning our current crisis.**

Read our full report: ['Modern Methods of Construction: an answer to the housing crisis?'](#)