

Is Modular Right for Me?

A Guide to Modular Construction for Community Land Trusts

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Module + Grounded Solutions Network

Modular construction can be a powerful tool for community land trusts (CLTs) looking to create more affordable homes, particularly when a community has vacant land, a need for new construction, and limited capacity to manage increasingly complex development projects. But modular is not the right fit for every project.

The best time to evaluate modular construction is early in the development process, before a project is fully designed or financed. This guide walks through the key questions CLTs can ask at each stage of project development to determine whether modular construction could help them deliver their vision.

What Is Modular Construction?

Modular construction is a method of building new homes in a factory, where modules are constructed under controlled conditions and then transported to the project site. Once delivered, the modules are placed on a permanent foundation, connected, and completed with site work.

Modular homes look and function just like conventionally site-built homes. They are designed to meet local building codes and are financed and owned as real property once placed on a permanent foundation.

Modular construction is **not** the same as manufactured housing. Manufactured homes are built to a different federal code and are often purchased as a finished product and placed on a site. Modular construction is generally better understood as an alternative way to construct a site-built home.

Modular is also generally a new construction strategy. Rehabilitation, historic renovation, and adaptive reuse projects are typically not good candidates for modular construction.

Consideration I: Visioning & Financial Feasibility

Before identifying a specific property, a CLT should establish what it is trying to accomplish and whether it has the resources and organizational capacity to move a project forward.

Community Need

If you are collecting information from residents and community partners about housing needs, consider the number and type of homes needed, affordability levels, household sizes, and whether the community is looking for homeownership, rental, or both.

Shared Equity Models

CLTs use shared-equity models to preserve affordability over time while creating opportunities for residents to build wealth. Resale restrictions, ground lease terms, and subsidy structure will influence the type and cost of housing you develop.

Resources

Are you building relationships with funders, identifying grants, and understanding the timing of public and private financing opportunities? Early financial feasibility work can help establish a realistic target for development costs.

Internal Capacity

New construction requires dedicated development capacity. Often the CLTs that are successful at modular have or will need a development director or another staff member who can manage site control, financing, consultants, permitting, and construction. A new organizational leader, development initiative, or strategic shift can be a good opportunity to evaluate whether modular construction could support your goals.

Frequently Asked Questions for Visioning and Financial Feasibility

What types of housing can modular construction support?

Nearly any type of new residential housing can potentially be built using modular construction, including affordable rental and homeownership projects. Modular construction can be especially useful for CLTs developing a small series of similar homes, duplexes, cottage clusters, or urban infill housing.

Can modular construction use the same financing sources as traditional?

Yes, modular construction can work with many of the same financing sources as conventional new construction. Because a modular home is permanently installed on a foundation and becomes real property, it can generally be financed and appraised like other new construction.

For an early, “back-of-the-napkin” feasibility analysis, CLTs can begin by using a site-built construction cost assumption. As the project advances, a modular builder can help identify where modular construction may create efficiencies and where costs may differ because of transportation, site work, foundation requirements, or other project-specific factors.

Is modular really faster than traditional building techniques?

Yes, modular construction has an estimated time savings window of 172 days, and can significantly speed up the construction process. Other phases of housing development will be similar to traditional construction and depend on the local municipality and the project; securing funding, engineering, permitting, and closing out construction.

One consideration when working with a modular manufacturer is pre-approved plans. Usually firms will have a catalog of home designs that have been designed for manufacture, with efficiencies in repeatability. Selecting those designs and manufacturer’s standard specifications (cabinets, windows, floors) can make the design process more seamless compared to custom floor plan changes.

Consideration II: Site Evaluation

Once you have a project concept, the next question is whether you have a site that can accommodate modular construction.

Modular construction is most useful when you are evaluating a specific property or parcel.

Vacant lots are often ideal, particularly when they can accommodate a standardized home or small group of homes.

Have you established what types of homes your community needs and what buyers or renters can afford? Bedroom count, square footage, parking, and comparable home prices are important inputs for selecting an appropriate modular design.

Before selecting a home design, understand the site's zoning requirements, including setbacks, lot coverage, height, density, parking, and allowable housing types.

Frequently Asked Questions

When should we reach out to a modular builder?

Early. Once you have a potential site and a general understanding of your housing needs, a modular builder can help evaluate whether the site is a good candidate and identify models or designs that could fit.

Bringing a builder into the conversation early can prevent you from spending time and money designing a project that ultimately cannot be manufactured, transported, or installed efficiently.

How do I know if my lot is ready for modular construction?

There are several physical and logistical considerations:

- **Lot dimensions:** Modular homes can work on narrow lots, but available width and depth will affect your options.
- **Slope and grading:** Steep or difficult sites may require additional site work.
- **Utilities:** Existing utility locations and connections need to be evaluated.
- **Parking:** Determine early how parking requirements affect the site's usable area.
- **Overhead utilities:** Power lines and other obstructions can affect module delivery and crane operations.
- **Crane access:** Modules are lifted into place using a crane. The site needs an appropriate area for the crane to set up, often called a crane pick site.
- **Transportation access:** Trucks need a viable route from the manufacturing facility to the site, including sufficient road width, turning radius, bridge clearances, and access from major highways.

A modular builder can help evaluate these conditions before you commit to a particular design.

Consideration III: Building Your Project Team

Modular construction changes how a project is delivered, but it does not eliminate the need for a strong local project team.

Architect

Many modular manufacturers also offer turn-key solutions including architecture, or can let you know if they need an Architect of Record (AOR) or could bring their own. If bringing in an architect partner, ideally that architect is comfortable collaborating with a modular manufacturer early in the design process. The architect and manufacturer will need to coordinate the building design, local code requirements, site conditions, and manufacturing requirements.

General Contractor

Your local GC will typically remain an important part of the project, particularly for site preparation, foundations, utility connections, transportation coordination, module set, and site completion. If possible, identify a GC with modular experience. If they have not worked with modular construction before, make sure they are comfortable coordinating with a manufacturer and adapting their construction sequencing accordingly.

Local Workforce

Modular construction can shift some construction activity from the jobsite into a manufacturing facility. That can have both advantages and tradeoffs for a community.

For communities struggling to find enough local contractors to meet housing demand, moving a portion of construction into a factory may increase capacity. At the same time, transportation distance and the location of the manufacturing facility can affect project costs and the distribution of local construction work.

Engineers

Depending on your site, a civil engineer may be required to produce site surveys/subdivision plans, schematic site plans, utility coordination, site plan entitlements, water and sewer tap-in permitting, and civil engineering design and construction documents. A larger site with more complex terrain and multiple housing units planned will likely require the assistance of a civil engineer.

Structural engineers may be required to confirm load calculations and foundation design. These services are sometimes included in a civil engineer's scope as an additional service that can be provided if needed.

Geotechnical engineers may be required if the site is in a location that may have additional concerns for vertical construction. This may include a site that has been undermined or is located on a steep slope.