



**LUCINTEL INSIGHT
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FIVE TRENDS SHAPING THE FUTURE OF THE PREFABRICATED HOUSING MARKET

The prefabricated housing market is growing and gaining traction due to raising awareness of the high customizability and short construction times that prefabricated housing offers. Smart technologies and efficient green approaches are bringing new opportunities in the building of various manufactured homes, modular homes, panelized homes, and precut homes. Prefabrication promotes sustainability and reduces waste, which are “musts” according to Green

Building Standards and Certification Systems. The major growth drivers for this market are increasing construction activities and eco-friendly practices.

The prefabricated housing market is divided into several segments, such as manufactured homes, modular homes, panelized homes, and precut homes. Key players in the prefabricated housing market include Algeco Scotsman, Kirby Building Systems LLC, Skyline Corporation, Lindal Cedar Homes, and Butler Manufacturing Company. These have been working on different strategies to drive sales using highly influential marketing approaches; however, as we examine the challenges and opportunities ahead in this market, companies can benefit from a strategy of developing prefabricated housing made solely of bio-degradable materials, as well as considering the key target market trends we have identified. Lucintel predicts the global prefabricated housing market will be valued at \$19.9 billion by 2025, with an expected CAGR of approx. 4.3% between 2020 and 2025.

Lucintel identifies five trends set to influence the global prefabricated housing market. Most of the industry players and experts agree that these five trends will accelerate developments in the prefabricated housing industry in the near future. In terms of the widespread knowledge about the prefabricated housing market already on the horizon, there is still a lack of unified perspective on the direction the industry is moving to proactively address developments. To help bring more clarity to this gap, our study aims to provide insights concerning the direction that changes are taking and how these changes will impact the prefabricated housing market.

1. Use of Fly-Ash Concrete in Prefabricated Housing

Use of fly ash in prefabricated housing is environmentally friendly, as industries' fly ash material is effectively being used to create quality building materials. Fly ash has very small particles, making concrete extremely dense and reducing the



concrete's permeability. It can add greater strength to buildings. Fly-ash concrete is also resistant to acid and sulphate attacks.

2. Use of Recyclable Materials and Energy-Efficient Prefab Homes

Prefab homes can be constructed solely of bio-degradable materials that also help homeowners save on energy costs such as heating and cooling bills. For instance, construction materials can be bio-degradable, and the home's appliances comprise the highest energy-efficiency smart design products. Supporting the saving of energy is one of the latest trends for prefab homes.

Modular buildings are installed with energy-efficient systems, for example energy-efficient glass, geothermal systems, solar panels, and other green features. As a result, not only the actual construction of the building is green, but the long-term use and maintenance of the building also work out to be quite sustainable. Modular construction not only reduces energy consumption during the building process by around 67%, but it also reduces energy costs for the occupants.



Modular buildings are constructed with recycled and recyclable materials such as recycled steel, recycled wood, and even recycled glass. For instance, Mobile Modular uses 100% recyclable glueless carpet tiles made from post-consumer materials. Not every part of a building can be made of recycled materials, but all parts can certainly be reused over and over again without seeing much wear and tear.



3. Adoption of Dry Construction Technique in Prefabricated Housing

Dry construction technique (DCT) involves lightweight construction of interior walls, ceilings, and floors using plastered or microfiber board that is joined at the time of installation. Dry construction supports the creation of high-quality, low-cost, time-effective, and eco-friendly projects.



4. Tiny Prefab Homes

Tiny prefabs are one of the most popular types of homes being constructed today, and you can find them in an array of styles and plans. Downsizing is a popular choice when it comes to deciding on a home today. People are realizing that cutting back on the size of their home, along with the volume of their belongings, can be liberating and really helps their bank account as well. Tiny prefab homes can be just a few hundred square feet, with a loft bedroom and tiny kitchen and bath, or a bit bigger with a couple of bedrooms and a larger bath area.

No matter how small or large a tiny prefab home is, there will be plenty of attractive storage ideas implemented, as well as efficient ways of adding space for doing laundry or to use as an office.



5. Country-Style Prefab Homes

Country-style homes are most often thought of being located primarily in the country, however, now that everyone seems to want a piece of the serene lifestyle, one can find country-style homes anywhere. With prefab homes on the rise, having your own country-style home set in your very own choice of any city and state is possible, although rural areas tend to still be the most popular locations



for this style of home. Country-style prefab homes are trending, and one can easily have that interior country look that is so much in demand, with a large centralized open kitchen that flows into the main living area. Another trend among prefab homes is a big front porch, a common feature for country style homes, and a traditional feature that allows families to gather and enjoy sunrises and sunsets together.

Strategic Considerations for Key Players in the Prefabricated Housing Market

The prefabricated housing industry is dynamic and ever-changing. Successful industry players are necessarily masters of innovation, change and adaptation. To retain this status, they need to be attentive to current trends. We believe there will be promising opportunities for prefabricated housing in the residential and commercial end use sectors. As per Lucintel's latest market research report (Source: <https://www.lucintel.com/prefabricated-housing-market.aspx>), the [prefabricated housing market](#) is expected to grow with a CAGR of approx. 4.3% from 2020 to 2025, and reach \$19.9 billion by 2025. This market is primarily driven by increasing construction activities and eco-friendly practices.



Trends and Forecast for the Global Prefabricated Housing Market (US \$B) (2014-2025)



Source: Lucintel

Whether you are new to the prefabricated housing market or an experienced player, it is important to understand the trends that impact the development process, as these trends as listed above will lead players to create long-term strategy formulation that will allow them to remain competitive and successful in the long run. For example, to capture growth, some of the strategic considerations for players in the prefabricated housing market are as follows:

- Prefabricated housing market players can increase their capabilities to construct prefabricated houses solely from bio-degradable materials, and which can help homeowners save energy costs.
- Players can focus on the use of fly-ash concrete for prefabricated house, as it is resistant to acid and sulphate attacks, and is expected to lead future trends.
- Investment to increase competencies for the dry construction technique, which will help in creating high-quality, low-cost, time-effective, and eco-friendly construction projects
- Research and development activities for the development of low-cost manufactured homes



Note: In order to gain better understanding, and learn more about the scope, benefits, and companies researched, as well as other details in the prefabricated housing market report from Lucintel, click on <https://www.lucintel.com/prefabricated-housing-market.aspx>. This comprehensive report provides you with in-depth analysis on market trends and forecast, segment analysis, regional analysis, competitive benchmarking and company profiling of key players. In addition, we also offer **strategic growth consulting** to meet your customized needs. We have worked with many PE firms and corporate customers in the process of their market entry and M & A initiatives.



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- Management comprised of PhDs, MBAs, and subject matter experts. Head quarter in Dallas, USA.

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