



TESTIMONY TO THE
U.S. SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
SUBCOMMITTEE ON HOUSING, TRANSPORTATION, AND COMMUNITY DEVELOPMENT
“HOUSING SUPPLY AND INNOVATION”
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Off-site construction includes a variety of processes including production of volumetric modules (fully enclosed rooms with six sides), wall panels with integrated insulation and building system components, bathroom or kitchen pods, pre-fabricated accessory dwelling units (ADUs), tiny homes, and shipping containers that are constructed in a factory. These processes enable economies of scale, c

state to state—some states allow third-party agencies to conduct both plan review and in-factory inspections whereas others only allow state employees to perform these functions.

There is also inconsistency in the types of projects and components covered in each state—some only cover residential construction and others just commercial, and some include closed panels where others only cover volumetric modules. In the remaining eleven states, the off-site construction approvals process is left entirely to local jurisdictions who may have neither the capacity nor capability to effectively approve such projects. Varying requirements increase costs for manufacturers and the resulting variation in construction practices makes code enforcement more difficult.

To incentivize increased use of off-site construction, programs must be designed to effectively inspect and approve factory-built components. To address the gap in consistency of current compliance processes, the International Code Council and Modular Building Institute (MBI) have developed the ⁶ (“1200”), and
and

consensus standards wherever possible in their procurement and regulatory activities in lieu of expending public resources developing government-unique standards.

Congress should encourage HUD to provide grants and direct technical assistance for state and local governments to adopt and implement the 1200 and 1205 standards. HUD can further support more widespre