



## Reinventing the construction industry



A driver of innovation in the construction sector, Modulous needed to finance and commercialise its technology-driven approach to creating modular homes. It turned to Cripps to help with the commercialisation of the product and to arrange the finance to allow the company to grow at pace.

### The challenge: making modular construction efficient

Being a trailblazer isn't easy, but Modulous wasn't afraid to push boundaries and re-think the traditional industry approach to construction and, more specifically, off-site construction.

To date, off-site construction has been slow to take off. The high level of investment required to build the factories initially and the lag between this and seeing a return on investment has been off-putting. Historically, large numbers of people, often with competing priorities, have been involved in the design process, making it slow and inefficient.

### Our approach: tech specialists with construction sector understanding

We have been involved with supporting Modulous from the start: investing time to understand the vision for the company, and its ambitions, has been crucial in allowing us to support them. It's an exciting journey and we are genuinely committed to helping Modulous succeed.

Given Modulous' growth ambitions, identifying the right team of experts early was important. Drawing on experts in technology, construction and financing we assembled a team with the specialist skills and sector knowledge needed. We spent time at the outset understanding what was important to Modulous, meaning our



legal advice was commercial, practical, and supported the company's ambitious objectives.

## The outcome: homes that can be built at scale and pace, globally.

Modulous invested heavily into years of research and created a high-performance, productised Kit of Parts to standardise the unseen elements of building construction. Each element of the kit has a digital equivalent in its software, ensuring price and procurement information is available upfront. The Kit of Parts is manufactured within the global supply chain, which means there aren't the usual costs associated with fixed factories and local workers can assemble the kit close to the construction site.

The digital platform allows developers to run feasibility studies in real time, generating optimised solutions based on the Kit of Parts that can be refined by the architectural team before being output to standard software packages. Contractors can leverage the platform to procure the Kit of Parts, enabling a single digital thread throughout the design and construction cycle, to de-risk development and drive efficiency into the whole process.

Ultimately, the platform will allow developers to look for land and financiers to access the system with funding requirements for projects. The system will then match up the opportunity, funding, product, and construction plans in one place to optimise the life-cycle of the development. Whether it is Transport for London looking to provide new homes above one of its stations or a utility company aiming to develop part of its unused rural estate, Modulous can provide a library of options to get the best result for all parties.

## How we made a difference

We were able to provide Modulous with all the legal support an ambitious and thriving business needs. Our commercial contracts and intellectual property experts, with input from our construction team, are working closely with Modulous to help them structure their contractual relationships with customers and suppliers. We have developed, drafted and negotiated a contract with the software developers involved in building their core software platform.

Our corporate and finance specialists have supported Modulous in securing debt and equity financing (with some of it coming from PE), in each case, drawing on our experience of advising other clients on their growth journeys.

In common with Modulous, we enjoy taking an open approach when it comes to assisting on a project. Innovation and new technologies disrupt sectors and help them to evolve, which in turn, need advisers to think differently. We find this both challenging and rewarding.



Construction is the least digitised of any major industry bar agriculture and notoriously it is responsible for 40% of global carbon emissions. The global housing crisis and escalating climate emergency are the twin imperatives driving our vision to reimagine the industry, but ambition alone is not enough. Cripps has been instrumental in our commercialisation strategy, helping us to navigate market complexities and to implement a robust commercial and operating framework around our core IP.

Mel Ragnauth, Co-founder and Chief Commercial Officer, Modulous