

FIRST EDITION FOR CONSULTATION

Offsite Construction Roadmap 2026–2036

New Zealand's case for Advanced Offsite construction

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LAUNCHED

COLAB26 · The Atrium, Wintec
Hamilton, 17 September 2026

DATE

September 2026

STATUS

First edition — open for sector
feedback to 31 October 2026

Feedback: info@offsitenz.com · www.offsitenz.com

FIRST EDITION

About This First Edition

This is the first edition of OffsiteNZ's Offsite Construction Roadmap 2026–2036, launched at COLAB26 on 17 September 2026. It is published for sector feedback, not as a finished position.

The Roadmap sets out the case for Advanced Offsite construction in Aotearoa New Zealand, a set of decade targets, and ten actions grouped into three parts: **Part A creates the demand**, **Part B removes the friction**, and **Part C builds the capability**. Each action pairs a specific ask of government (or another partner) with a reciprocal OffsiteNZ commitment.

Throughout the document, “We want your feedback” boxes mark the questions we most want the sector to test. Feedback is open now through **31 October 2026**. Section 7, “How We’ll Finalise This Roadmap”, explains how feedback will shape a final version for the Government formed after the 7 November 2026 general election.

Figures, targets and policy references are drawn from publicly available New Zealand government, Stats NZ, MBIE, Te Waihangā, BRANZ, ConCOVE and industry sources, and from OffsiteNZ's own research, current as at September 2026. Where a figure has known limitations, these are stated in the text. Sources are listed in Appendix A.

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Foreword

New Zealand's construction sector has never faced a more consequential decade.

The housing shortage that has defined a generation is not easing — it is deepening. The workforce that builds our homes, schools, hospitals and public facilities is ageing faster than it is being replaced, and the pipeline of public infrastructure renewal across Defence, health, education and policing is larger than at any point in living memory. At the same time, the legally binding commitment New Zealand made under the Zero Carbon Act requires us to find ways to build with less carbon embedded in every structure we raise.

The answer to all four of these pressures points in the same direction: building smarter, not just harder. Offsite construction — the precision manufacture of building components and complete buildings in controlled factory environments — is not a niche technology or a future aspiration. It is already happening, here, at scale, across OffsiteNZ's membership and across the public programmes that government agencies are now accelerating. Around nine percent of New Zealand's builds today draw on offsite-manufactured components, roughly triple the share of a decade ago. The question is no longer whether offsite construction is viable in New Zealand. It is whether we are prepared to back it at the scale the country now needs.

This Roadmap is OffsiteNZ's answer to that question. It sets out a ten-action plan for the decade to 2036, built around a simple proposition: that offsite construction should be the default, not the exception, for the building types best suited to it — and that reaching that point requires deliberate, coordinated action from industry and government together.

This Roadmap sets out what OffsiteNZ believes is needed to build on that progress — for individual businesses, for the wider value chain, and for the partnership between industry and government that will determine how quickly Aotearoa can advance offsite construction across New Zealand. It draws on the methodology of prefabAUS's 2023–2033 Roadmap, but it is grounded throughout in New Zealand's own policy settings, institutions and challenges.

This is a first edition, and we are publishing it to be tested. We want to hear where we have it right, where we have it wrong, and what is missing, before a final version goes to the Government formed after this year's general election.

We commend this Roadmap to our members, to our government partners, and to the wider construction, manufacturing and housing sectors, and we look forward to working together to build the future we want.

Craig Kellington
Board Chair, OffsiteNZ

Dan McNelis
Interim CEO, OffsiteNZ

Executive Summary

9% → 30%

The headline target: offsite-manufactured components as a share of total New Zealand builds, 2021 baseline to 2036

Aotearoa New Zealand stands at a turning point. A generational housing shortfall, a tightening and ageing construction workforce, rising expectations for climate resilience and decarbonisation, and sustained fiscal pressure on government capital programmes are converging on the same answer: building smarter, not just harder.

Offsite manufacturing already contributes components to an estimated 9 percent of New Zealand construction builds, up from 3 percent in 2014 — a tripling based on a 2021 OffsiteNZ-commissioned analysis of Stats NZ building consent data, since referenced in ConCOVE Tūhura and Scarlatti's June 2023 prefabrication workforce research. Government commitments to grow its own use of Modern Methods of Construction are expected to accelerate this share further, though the underlying market-share figure has not been re-measured since 2021. That puts Aotearoa ahead of Australia's roughly 5 percent uptake, but still well behind world leaders such as Sweden, Finland and Norway (45–80 percent of new homes), Japan (15 percent), and Singapore (very high uptake, with prefabrication mandated in major public projects).

Where we are. New Zealand has genuine advantages that most countries building offsite sectors are still trying to create. We have BuiltReady, a government-backed national certification scheme for modular building components — a certification pathway that Australia and the United Kingdom are still working to establish. We have a single national building consent framework, which means a certified manufacturer can operate at national scale without redesigning for every jurisdiction. And we have decades of experience with relocatable buildings across the Defence, education and rural sectors, an established base that Advanced Offsite construction can build on directly.

We are also at a pivotal policy moment. The Commerce Commission's December 2022 residential building supplies market study made actions that bear directly on offsite construction, and its Recommendation 7 called on government to develop and implement an all-of-government strategy to coordinate and boost offsite manufacturing. Government agreed in May 2023. The OffsiteNZ MMC/OSM Project delivered the industry's initial contribution. Three years on, the all-of-government strategy remains unimplemented. This Roadmap is the industry's call to complete what was started — and its commitment to do its part.

What is needed. Progress has stalled not because the technology is unproven or the appetite is absent, but because the conditions that allow offsite construction to scale — demand certainty, consistent standards, accessible finance, a trained workforce, and a policy environment that treats factory-certified buildings on equal terms with conventionally built ones — are not yet in place. The most consequential single change New Zealand can make is also among the most achievable: a formal government commitment to minimum offsite content across publicly funded housing, schools, health and Defence projects, backed by published forward pipelines that allow manufacturers to plan capacity. Without demand certainty, manufacturers cannot justify investment in automation. Without automation, costs cannot fall. Without falling costs, clients will not shift. The cycle is broken at the demand end — and only government can break it.

This Roadmap is built around two paired terms. Modern Methods of Construction (MMC) describes the full spectrum of offsite construction activity, from pre-nailed frames and panels through to volumetric modules and complete buildings. Advanced Offsite describes the strategic direction: a precision-manufactured, digitally-integrated approach to building that constitutes a genuinely new industrial capability for Aotearoa.

This Roadmap sets out OffsiteNZ's vision and a ten-point action plan for the decade to 2036. It draws on the structure of prefabAUS's *Building the Future We Want: A Prefabrication Industry Roadmap 2023–2033*, but is grounded throughout in New Zealand's own institutions, policy settings and challenges.

The Roadmap's ten actions are:

The ten are grouped into three parts. **Part A creates the demand. Part B removes the friction. Part C builds the capability.**

■ PART A – CREATE THE DEMAND

- 1 Implement Commerce Commission Recommendation 7 — deliver the all-of-government offsite construction strategy.
- 2 Build scale through strategic public procurement across housing, schools, health, Police and Defence.
- 3 Position offsite construction within Going for Housing Growth and Kāinga Ora's delivery pipeline.

■ PART B – REMOVE THE FRICTION

- 4 Fix BuiltReady's zero uptake and establish a consistent, nationwide consenting pathway — including regulatory parity for certified modular buildings.
- 5 Develop and adopt a standard form of contract for offsite construction.
- 6 Improve access to capital and finance for offsite manufacturers and their customers.

■ PART C – BUILD THE CAPABILITY

- 7 Build the future workforce, with a focus on apprenticeships, Māori and Pacific participation, and gender diversity.
- 8 Build Design for Manufacture and Assembly (DfMA) capability across the sector.
- 9 Re-establish the industry–government forum, with COLAB as its annual anchor.
- 10 Commission flagship projects and measure their productivity, carbon and cost advantages.

Realising this vision will require sustained partnership between industry, central and local government, iwi and Māori housing providers, the finance sector, and education and training providers. None of these actions are achievable by OffsiteNZ or its members alone — but together, they offer a credible pathway to a construction sector that builds faster, more affordably, more sustainably, and with greater resilience for every part of Aotearoa.

VISION

Our Vision, Our Objectives: 2026–2036

Over the coming decade, OffsiteNZ will work toward an Aotearoa New Zealand offsite construction sector of growing scale and significance — one that helps deliver secure, healthy, affordable housing for all New Zealanders, while increasingly meeting the needs of an ageing population, growing regional economies, and Aotearoa's Treaty partnership obligations to Māori.

An industry that delivers higher productivity, speed and quality not only to housing, but to the public infrastructure New Zealanders rely on — schools, hospitals, Police stations and Defence facilities — many of which face acute renewal pressure over the coming decade.

An industry that contributes meaningfully to New Zealand's climate and environmental goals under the Climate Change Response (Zero Carbon) Amendment Act 2019, through buildings with lower embodied carbon, greater resource efficiency in production, and the ability to relocate, reuse and repurpose buildings rather than demolish them.

An industry that strengthens New Zealand's manufacturing base and regional economies, reducing reliance on imported building products and imported labour, and creating secure, skilled careers across Auckland, Waikato, Wellington, Canterbury and the regions.

A sector that is genuinely advanced — not only in how buildings are made, but in how they perform over their lifetime, supporting ageing in place, resilience to flood, storm and seismic events, and lower running costs for owners, tenants and government alike.

By 2036, OffsiteNZ's ambition is for offsite construction to be the default, not the exception, for the building types best suited to it — standardised housing typologies, schools, healthcare facilities, and defence and emergency accommodation — underpinned by consistent standards, a skilled workforce, and confident financiers and clients.

TARGETS

Offsite Construction Targets, 2026–2036

These are the targets as they stand in this first edition. We want the sector to test them, and several are deliberately still open for feedback.

#	THEME	TARGET
T1	Sector growth	Offsite-manufactured components grow from an estimated 9% of total construction builds (2021 baseline) to 30% by 2036.
T2	Public sector leadership	Government meets or exceeds its existing commitment to grow offsite procurement by a minimum of 10% year-on-year across agencies.
T3	Production	70–80% of publicly funded standardised housing, school and healthcare buildings delivered using panelised, volumetric, hybrid or complete-building offsite methods by 2036, with certified manufacture the default where certification is available.
T4	Affordability	Demonstrate a sustained cost advantage for offsite relative to conventional construction on comparable standardised builds.
T5	Productivity (speed)	Demonstrate a build-time advantage of 40–60% for standardised housing typologies relative to conventional construction.
T6	Resource efficiency	50–80% reduction in construction waste for offsite-manufactured builds, consistent with net-zero and circular economy goals.
T7	Carbon reduction	Demonstrated reduction in embodied carbon for offsite builds, contributing to New Zealand's 2050 net-zero target.
	OPEN FOR FEEDBACK	
T8	Standards and certification	In partnership with MBIE, raise the number of BuiltReady-certified manufacturers from zero (2026 baseline) to a material, publicly reported figure by 2028, and sustain year-on-year growth thereafter, with OffsiteNZ delivering the industry certification drive and MBIE the scheme support, guidance and procurement recognition needed to make certification worth holding.
T9	Workforce	Lift women's participation in the offsite workforce to 25% by 2036 (from circa 16% across the wider construction sector), and grow the dedicated prefabrication workforce in line with ConCOVE/Scarlatti projections.
	OPEN FOR FEEDBACK	
T10	Major government programmes	Offsite construction supplies a clearly defined and growing share of Kāinga Ora's pipeline, the Defence Estate Portfolio Plan 2025–2040, Police capital works and Ministry of Education school builds.
T11	Business growth	Raise the number of OffsiteNZ member businesses achieving formal offsite construction accreditation or certification from the 2025/26 baseline, with year-on-year growth reported publicly.
T12	Public and market perception	Majority of surveyed government agencies, developers and home buyers recognise offsite construction as comparable or superior in quality to conventional construction.

Table continues on the next page.

#	THEME	TARGET
T13	Regulatory parity OPEN FOR FEEDBACK	BuiltReady-certified modular buildings formally recognised as ‘permanent’ for consenting, finance and insurance purposes, with no BCA discrimination between certified modular and conventional construction.

Table 1: Offsite construction targets, 2026–2036. Structure adapted from prefabAUS (2024); targets set to New Zealand conditions. They are a shared point of reference for discussion, not audited forecasts.

 WE WANT YOUR FEEDBACK

Are these the right targets, and are they ambitious enough? We particularly want views on the three marked “open for feedback”: how carbon reduction should be measured and what level it should reach (T7), whether 25% women’s participation by 2036 is the right workforce target (T9), and how regulatory parity for certified modular buildings should be defined (T13). Tell us, too, if a New Zealand-specific target is missing.

1

SECTION 1

Why Now: The Case for Offsite Construction in Aotearoa

-
- 1.1 A housing shortfall that has shaped a generation
 - 1.2 A construction workforce under sustained pressure
 - 1.3 A decarbonisation mandate with a construction-shaped gap
 - 1.4 Public infrastructure renewal across Defence, Police, health and education
 - 1.5 Government has already agreed

New Zealand's construction sector is operating under simultaneous pressure from four directions that, individually, each demand a response. Together they are urgent — and they all point toward the same answer. A fifth factor makes the case more pressing still: on the central question, government has already agreed.

1.1 A housing shortfall that has shaped a generation

New Zealand has experienced faster growth in real house prices over the past two decades than any other OECD country, and housing has moved from being abundant and reasonably affordable to scarce and expensive for many New Zealanders. Government has responded with the Going for Housing Growth programme, structured around three pillars: freeing up land for development, improving infrastructure funding and financing, and providing incentives for councils and communities to support growth, backed by an Incentives for Growth Fund of up to \$400 million over four years from 2026/27.

These are necessary conditions for closing the housing gap. They are not sufficient ones. Land supply and finance reform creates the conditions for homes; it does not build them. New Zealand needs a construction sector that can convert land supply into completed dwellings at pace, and at a scale that the current system — constrained by skilled trades shortages and project-by-project delivery — demonstrably cannot sustain. Home ownership rates have declined across every age cohort under 65, and rental affordability has deteriorated in most main centres (Te Waihangā, New Zealand Infrastructure Commission).

Separately, the Government has recently expanded the building consent exemption for granny flats specifically to support “a wider range of off-site building methods” — a clear signal that offsite construction is now seen by central government as part of the housing supply solution, not a niche alternative to it.

Standardised, repeatable housing typologies — the kind best suited to offsite manufacture — are exactly what is needed to convert land supply and finance reform into completed homes at the pace New Zealand needs. More than half of new consents nationally are now for multi-unit typologies: the building type where offsite construction offers its greatest advantage in speed, cost and quality consistency.

1.2 A construction workforce under sustained pressure

Construction is one of New Zealand's largest industries: in the December 2025 quarter, 295,100 people — 10.2 percent of everyone working in New Zealand — worked in construction as their main job, and the sector contributed around 6–8 percent of real GDP. At the same time, the workforce is ageing and the industry is structurally exposed to skills shortages: women remain heavily under-represented (around 16 percent of the construction workforce), and industry commentary points to a substantial cumulative shortfall in skilled trades over the decade to the mid-2030s.

Approximately one in five New Zealand employers operates in construction, underlining how many small and medium businesses depend on the sector's health. The structural problem is not the size of the workforce but its composition and trajectory: it is ageing faster than it is being replaced, and immigration has partially offset this pressure without being a durable substitute for developing domestic capacity.

Offsite manufacturing offers a partial structural answer — factory-based roles are more attractive to a wider range of workers, including women, and a single skilled technician can support far higher output than is possible on a conventional site.

The mechanism is worth stating plainly, because it is often assumed rather than explained. Factory-based roles operate in safer, more controlled environments with more predictable hours and better ergonomic conditions. Those characteristics consistently attract a wider pool of workers — including women, career-changers, and people transitioning from other manufacturing sectors — than site-based construction does. Lifting the offsite share of construction is therefore not only a productivity strategy. It is a workforce strategy, and one of the few available that does not depend on immigration settings.

1.3 A decarbonisation mandate with a construction-shaped gap

Under the Climate Change Response (Zero Carbon) Amendment Act 2019, New Zealand is committed to net-zero emissions by 2050. Embodied carbon — the emissions locked into the materials and construction of a building — is estimated to account for roughly 8–9 percent of New Zealand’s total greenhouse gas emissions. MBIE’s Building for Climate Change work explicitly identified the use of offsite construction and prefabrication as one of the practical levers available to reduce emissions associated with building activity.

This is a significant share of a national carbon budget, and one of the harder shares to reduce. Unlike operational carbon, where electrification and renewable generation can drive substantial progress, embodied carbon reductions require changes to how buildings are designed, what they are made of, and how they are assembled. Offsite construction addresses all three. The international performance evidence is consistent: waste reductions of up to 80–90 percent compared to conventional site-based construction (WRAP; MDPI Sustainability, 2019), carbon reductions of up to 40 percent in the construction phase (Mordor Intelligence; Swedish Wood), and construction time reductions of up to 50 percent (McKinsey, 2019; EU BUILD UP, 2025), which further reduce the carbon and energy costs of site activity.

The gap is real, and it applies to offsite construction too. MBIE’s Building for Climate Change programme sets a glide path for heating demand from 60 kWh/m² in 2026 to 15 kWh/m² by 2030. OffsiteNZ’s own 2024 Low Carbon Housing analysis modelled six current offsite housing prototypes and found heating demand ranging from 22 to 95 kWh/m², so most are not yet on track for the final cap. Offsite construction’s precision makes the 2030 standard more achievable than it is on site, but that advantage has to be designed in; it will not arrive on its own.

Offsite construction’s ability to support relocation, reuse and end-of-life disassembly of buildings — rather than demolition — is a further, currently under-utilised advantage that aligns directly with circular economy goals. Action 10 sets out how this recognition can be formalised in regulatory and procurement settings.

1.4 Public infrastructure renewal across Defence, Police, health and education

New Zealand’s public estate faces a wave of renewal need that is well suited to offsite delivery at scale:

- **Defence:** the Defence Estate Portfolio Plan 2025–2040 covers an estate of around 81,000 hectares and 4,700+ buildings with an infrastructure replacement value of roughly \$2.8 billion. More than 70 percent of NZDF infrastructure now has less than 20 years of useful life remaining, and the Government has committed up to \$600 million to the “Homes for Families” defence housing programme alone, with construction already under way at Linton, Burnham, Ohakea and other camps and bases.
- **Police:** station and facility renewal forms part of the wider public-sector building pipeline, with the repeatable, standardised building types that offsite delivery suits.
- **Education and health:** schools and healthcare facilities are, internationally, among the building types best suited to offsite delivery given their need for scale, repeatability and minimal disruption to operating communities.

Homes for Families deserves particular attention, because it is textbook Advanced Offsite: high repeatability, standardised housing typologies, a sophisticated institutional client with a long forward planning horizon, and a geographic spread across multiple bases that rewards a factory production model over site-by-site construction. A formal commitment to Advanced Offsite delivery for Homes for Families, backed by a published five-year production programme, would be the single most powerful demand signal available to New Zealand manufacturers today.

In education, the supply chain familiarity built over decades of classroom relocatables is a direct foundation for the next step: Advanced Offsite delivery of whole learning environments, libraries, specialist rooms and multi-room clusters. In health, reduced site disruption is a decisive advantage on operating hospital campuses, where conventional construction imposes real clinical and operational costs.

None of these programmes is currently coordinated as a unified offsite construction demand signal. Each agency procures independently. Manufacturers therefore cannot plan capacity against the aggregate pipeline; the sector stays fragmented; and the cost advantages of scale remain unrealised. Actions 1 and 2 set out how this changes.

1.5 Government has already agreed

One of the most important and least-cited facts about New Zealand's offsite construction sector is that the Government has already formally agreed to a suite of regulatory and strategic changes that directly advance the sector. Four of the nine recommendations from the Commerce Commission's December 2022 market study into residential building supplies fall squarely within OffsiteNZ's territory:

- **Recommendation 1:** Introduce competition as an objective to be promoted in the building regulatory system.
- **Recommendation 5:** Create a national system to share information about building products and consenting.
- **Recommendation 6:** Establish an education and mentoring function to facilitate a better-coordinated approach by Building Consent Authorities.
- **Recommendation 7:** Develop and implement an all-of-government strategy to coordinate and boost offsite manufacturing.

The Government agreed to all four in May 2023 (MBIE, 17 May 2023). Three years later, none has been fully implemented. This Roadmap is OffsiteNZ's renewed proposal for how to deliver on commitments government has already made — not a new ask, but a plan for completing unfinished business.

This matters for how the Roadmap should be read. It is not a wish-list requiring new policy, new legislation or new appropriation. Commerce Commission Recommendation 7 in particular asks government to deliver something it has already agreed to do, using policy architecture that already exists. That makes Action 1 of this Roadmap the least demanding of the ten and the one that unlocks the rest: without a coordinating framework, the remaining nine stay a set of individually worthwhile initiatives with nothing holding them together across electoral cycles.

2

SECTION 2

What is Modern Methods of Construction?

2.1 The MMC spectrum

2.2 Advanced Offsite: where this Roadmap is pointing

2.3 Where Advanced Offsite works best

2.4 Digital integration and artificial intelligence

2.5 Beyond the build: new business models

2.1 The MMC spectrum

Modern Methods of Construction is the internationally recognised term for the full spectrum of approaches to building that use factory-based manufacture, precision engineering, and systematic assembly to deliver buildings that are faster, more consistent and more resource-efficient than conventional on-site construction. OffsiteNZ has already used this language in its own project work — the Accord MMC OSM Project — and it is the term most readily understood by government procurement agencies, financiers, and building regulators in New Zealand and internationally.

It is worth being precise about scope. As used internationally, and in the widely adopted UK seven-category framework, MMC is broader than offsite construction alone. It encompasses offsite manufacture in its various forms, but it also covers near-site manufacture — factory-style production established adjacent to a large project — and site-based process innovation, including on-site 3D printing, robotics, and systematised construction approaches that improve productivity without moving production into a factory.

This Roadmap concentrates on the offsite end of that spectrum, because that is where OffsiteNZ's membership is concentrated today and where the most immediate policy barriers sit. But OffsiteNZ's interest, and the logic of the actions that follow, extends across the full MMC spectrum. Many of the constraints identified in this Roadmap — inconsistent consenting, absent demand signals, finance friction, workforce supply — apply with equal force to near-site and site-based innovation. OffsiteNZ intends to represent innovative construction in Aotearoa broadly, not one category within it.

MMC covers a spectrum of approaches, from the most basic to the most industrially sophisticated:

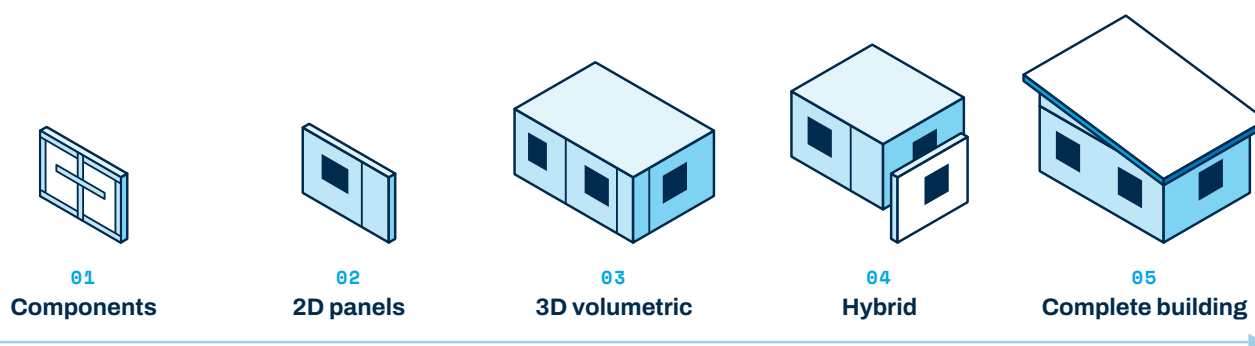


Figure 1: The MMC spectrum, from components to complete buildings.

INCREASING OFFSITE CONTENT →

LEVEL OF OFFSITE	DESCRIPTION AND EXAMPLES
Pre-manufactured components	Individual building components manufactured in a factory and assembled on site: pre-nailed roof trusses and wall frames, precast concrete elements, engineered timber components. Already common in New Zealand.
2D panelised systems	Flat panels — walls, floors, roof cassettes — manufactured in a factory to precise dimensions and assembled on site. Faster than stick-framing; enables tighter tolerances and better thermal performance.
3D volumetric modules	Three-dimensional units — such as bathroom pods, kitchen modules, or plant rooms — fully fitted out in the factory and craned into the structure on site.
Hybrid systems	A combination of 2D and 3D approaches, often the most practical route for larger or more complex buildings. Allows standardisation of high-repetition elements while retaining design flexibility elsewhere.
Complete buildings (modular)	Entire volumetric structures assembled from fully-fitted modules — from housing units and classrooms to multi-storey apartment buildings and healthcare facilities.

Table 2: The MMC spectrum as applied in New Zealand.

2.2 Advanced Offsite: where this Roadmap is pointing

Not all MMC delivers equal value. Advanced Offsite, as used in this Roadmap, describes MMC that comprehensively integrates digital design and manufacturing (BIM, DfMA, digital twins), precision production processes and automation, supply chain coordination, and new through-life business models. Advanced Offsite is where construction meets advanced manufacturing — and where the largest gains in productivity, cost, quality, carbon performance and workforce attraction are available.

The distinction matters because basic prefabrication — moving conventional construction into a factory without changing the underlying methods — captures some of the benefits of a controlled environment but does not fundamentally change productivity, cost or carbon performance. This is the “offsite by location, not by method” problem identified in Section 3.3, and it describes a significant share of what is currently counted as offsite construction in New Zealand. The gap between offsite-by-location and Advanced Offsite is where most of the available value sits.

2.3 Where Advanced Offsite works best

Offsite construction is not equally advantageous for every building. Three factors determine suitability: scale, repeatability and logistics. Where a programme delivers many similar units, where the design can be standardised without compromising outcomes, and where transport distances and site access are manageable, offsite delivery is strongly advantaged. Where a building is bespoke, geometrically complex or on a highly constrained site, conventional construction may remain the better route. Being explicit about this strengthens rather than weakens the sector’s case: it demonstrates that the Roadmap’s targets rest on realistic assessment rather than universal advocacy.

BUILDING TYPE	SUITABILITY	NEW ZEALAND POSITION
Standardised housing (social, affordable, build-to-rent)	Very high	Highest-volume opportunity. Kāinga Ora pipeline and Going for Housing Growth both suited. Multi-unit typologies now over half of consents.
Defence accommodation and housing	Very high	Homes for Families is the strongest near-term flagship opportunity: repeatable typologies, institutional client, multi-site programme, long planning horizon.
Schools and learning environments	Very high	Decades of relocatable classroom experience. Natural progression to whole learning environments and specialist rooms.
Healthcare facilities	High	Ward blocks, consulting suites and support facilities suit modular delivery. Reduced site disruption is a significant advantage on operating hospital campuses.
Student and worker accommodation	High	High repetition, compact typologies, well suited to volumetric modules.
Apartments and multi-storey residential	Medium–High	Strong internationally; New Zealand capability less developed for taller structures. A target for demonstration projects under Action 10.
Commercial fit-out and offices	Medium	Panelised and pod-based approaches viable; bespoke design requirements limit full volumetric use.
Bespoke and heritage work	Low	Not a target market for offsite delivery; conventional methods remain appropriate.

Table 3: Offsite suitability by building type.

WE WANT YOUR FEEDBACK

Do these suitability ratings match your project experience? We would particularly like evidence from members on healthcare, student and worker accommodation, and multi-storey residential, where New Zealand experience is thinnest.

2.4 Digital integration and artificial intelligence

Digital capability is not an optional enhancement to Advanced Offsite — it is the mechanism that makes it work. BIM provides the shared model; DfMA translates design intent into manufacturable componentry; digital twins carry the information forward into operation and maintenance. Artificial intelligence is now entering this picture in ways directly relevant to New Zealand's sector, and this Roadmap treats it as an enabling capability across several actions rather than as a separate workstream.

AI-assisted design for manufacture. Research presented at prefabAUS's Offsite25 conference, including Associate Professor Dominik Holzer's work on the pathway from AI to factory, points to generative and optimisation tools that can rapidly test design variants against manufacturing constraints — reducing the specialist expertise barrier that currently limits DfMA adoption among smaller New Zealand practices. This is directly relevant to Action 8.

AI-assisted consenting. BRANZ has active research into AI-assisted building consent processing. If successful, this addresses one of the sector's most persistent frictions — the variability of consenting outcomes between BCAs — through a route that does not require legislative change. OffsiteNZ should be an active participant in this work, and it is reflected in Action 4.

AI in production planning and quality assurance. Internationally, machine vision quality inspection, predictive maintenance and production scheduling optimisation are being deployed in offsite factories. For New Zealand's predominantly small-scale manufacturers, these are more accessible than full automation and offer meaningful productivity gains at lower capital cost. OffsiteNZ's role is to make these capabilities accessible to the SME majority of its membership, not simply to advocate for their adoption — a function provided for under Action 9.

2.5 Beyond the build: new business models

Advanced Offsite manufacturers are not simply builders who work in factories. They are manufacturers — and manufacturers in other industries have long understood that the greatest long-term value lies not in the one-off sale of a product, but in the ongoing service relationship that follows it. In New Zealand this remains largely unexplored. Internationally, particularly in Japan where prefabrication and service-based business models have developed together over six decades, Advanced Offsite manufacturers offer customers through-life performance warranties, condition monitoring and predictive maintenance using sensors embedded at the point of manufacture, upgrade and reconfiguration services as household needs change, and end-of-life disassembly and component reuse.

For most OffsiteNZ members this is not a near-term priority, and this Roadmap presents it as an emerging opportunity rather than a core action. But it is the strategic direction the most sophisticated Advanced Offsite businesses globally are already taking, and Actions 9 and 10 provide space for OffsiteNZ to support members who want to move in this direction.

3

SECTION 3

Offsite Construction in Aotearoa Today

- 3.1 A growing but still emerging market
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3.1 A growing but still emerging market

3% → 9%

Share of NZ builds sourcing offsite elements, 2014 → 2021

~NZD 1.9bn

New Zealand's modular construction market

The proportion of New Zealand construction builds sourcing one or more prefabricated elements from offsite manufacturers grew from 3 percent in 2014 to 9 percent in 2021, according to a 2021 report commissioned by OffsiteNZ analysing the frequency of prefabrication terminology in residential and non-residential building consent descriptions held by Stats NZ. This figure is quoted, but not independently re-verified, in ConCOVE Tūhura and Scarlatti's June 2023 prefabrication workforce research (see Appendix A), which uses it as a baseline input for workforce demand modelling rather than testing it directly. No equivalent measurement appears to have been published since 2021, so the figure is now five years old. Independent market estimates value New Zealand's modular construction market at approximately NZD 1.9 billion, concentrated in Auckland, Wellington and Christchurch. (The underlying Ken Research estimate is USD 1.1 billion; converted here at NZD/USD 0.59 as at August 2026. All other figures in this Roadmap are New Zealand dollars unless stated.)

What the 9% figure counts. ConCOVE Tūhura and Scarlatti's June 2023 workforce research, which uses the figure as a baseline input, sets out the product scope it applies. Five product categories are recognised in New Zealand's offsite manufacturing sector, of which only some are treated as in scope.

OFFSITE PRODUCT CATEGORY	IN SCOPE?	BASIS
Components (frame and truss, aluminium and wooden joinery, kitchens, glass)	Excluded	The research focused on products traditionally constructed onsite for which offsite manufacture creates an alternative construction method. Extension to these products was signalled as future work.
Panels (wooden, concrete, steel)	Partially included — wooden panels only	As above.
Volumetrics and modules	Included	—
Hybrids	Included	—
Transportables and complete buildings	Included	—

Table 4: Product scope applied to the 9% figure. Source: Scarlatti / ConCOVE Tūhura (June 2023).

The research also excludes infrastructure, noting that prefabricated products are already treated as business as usual in that sector, so the 9% refers to residential and commercial construction only.

This matters for how the figure should be read and quoted. It measures the breadth of adoption — the share of builds using at least one qualifying prefabricated element — not the depth of offsite content within a build. It also excludes the most widely adopted form of prefabrication in New Zealand: pre-nailed frames and trusses are near-universal in residential construction, and had they been counted the figure would be substantially higher. One caveat applies even to this. The product scope described above is Scarlatti's scope for its workforce modelling, and the 2021 consent-description analysis that produced the 9% has not been located as a standalone document, so which prefabrication terms it searched cannot be confirmed.

WE WANT YOUR FEEDBACK

The 9% baseline is the best available figure, but it is five years old. OffsiteNZ intends to refresh it. If your organisation holds consent, production or project data that could help measure offsite's current share of New Zealand construction, we want to hear from you.

Christchurch remains disproportionately represented, still benefiting from a post-earthquake openness to prefabricated and modular solutions where speed, quality control and reduced on-site disruption were immediate priorities and became established practice. That tripling from 3 to 9 percent, whatever its precise measurement basis, occurred without a coordinated national strategy behind it — driven instead by individual manufacturers investing ahead of demand, a handful of forward-leaning public agencies, and the accumulated experience of decades of relocatable building delivery.

Government has set a clear demand signal: a stated commitment to “drive the uptake of offsite manufacturing by Government agencies by a minimum of 10 percent year on year.”

That commitment is welcome. What it currently lacks is a published baseline, a reporting mechanism, or an accountable owner — which means neither industry nor government can currently say whether it is being met. The honest summary of where the sector sits is this: New Zealand has real capability, real momentum and real government interest, but no mechanism that converts any of the three into scale. That is the problem this Roadmap sets out to solve.

3.2 The regulatory foundation: BuiltReady

Zero

BuiltReady-certified manufacturers on the MBIE public register, as of September 2026

New Zealand already has a purpose-built regulatory pathway for offsite construction that many larger markets, including Australia, lack: BuiltReady, a voluntary modular component manufacturer certification scheme introduced under the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021.

The scheme's design is sound. Regulations followed in 2022, certification bodies could seek accreditation from 2023, and manufacturers became eligible from 2024. A certified and registered manufacturer can issue a manufacturer's certificate confirming a modular component's compliance with the Building Code, which Building Consent Authorities must then accept. This removes the duplication of repeated site-by-site consenting scrutiny for products already assessed at the factory — precisely the friction that constrains offsite construction in markets without such a scheme.

BuiltReady is a genuine competitive advantage for the New Zealand sector — but uptake to date has been zero: as of September 2026, the MBIE public register shows no certified manufacturers, and MBIE is actively reviewing whether the scheme will continue in its current form. Growing the number of certified manufacturers is the foundational challenge for the sector (see Action 4).

This finding is material, and OffsiteNZ states it plainly rather than characterising uptake as modest or slow-growing. Two years after manufacturers became eligible, the scheme representing New Zealand's clearest structural advantage in offsite construction has not been taken up by a single manufacturer. A certification scheme with zero participants is not a foundation; it is an unanswered question.

OffsiteNZ's position is that BuiltReady's zero uptake reflects a solvable design and incentive problem, not a flaw in the underlying concept. The likely contributing factors — the lack of an accredited certification body available for manufacturers to certify through (manufacturers who have begun the process report reaching this point and being unable to proceed), certification cost relative to demonstrable commercial return, uncertainty about whether BCAs will apply the scheme consistently in practice, the absence of any procurement preference for certified manufacturers, and now uncertainty about the scheme's future — are each addressable. OffsiteNZ is surveying its manufacturer members to establish which of these barriers is decisive. Establishing why uptake is zero, and fixing it, is the highest-value regulatory task facing the sector. New Zealand built the framework; it now needs to make it work.

3.3 Value chain strengths and gaps

Drawing on the value chain framework used in prefabAUS's Roadmap, adapted to New Zealand conditions and informed by ConCOVE and Scarlatti workforce research, the following capability picture emerges across the seven links of the offsite construction value chain.

VALUE CHAIN LINK	CURRENT NZ CAPABILITY	OPPORTUNITY
Design, planning (DfMA, BIM)	Medium — BIM in growing use among larger firms; DfMA less widespread	Embed DfMA earlier in standardised housing and public-building design
Inputs, intermediate processes	Low–Medium — high import dependence for engineered timber, steel and some materials	Grow local low-carbon material supply (mass timber, responsible steel)
Procurement, supply chain	Low–Medium — fragmented, limited forward visibility of major projects	Coordinated public procurement pipelines (see Action 2)
Production, manufacturing	Low–Medium — capable but small-scale factories; limited automation	Scale-up investment supported by demand certainty and BuiltReady
Assembly	Medium — established relocatable/modular assembly capability	Extend to larger, multi-storey and higher-complexity typologies
Through-life support and systems	Low — limited use of sensors, condition monitoring or service bundling	New product-service business models
End markets, demand drivers	Medium and growing — government demand rising, public awareness still mixed	Stronger, more consistent public-sector demand signals

Table 5: New Zealand offsite construction value chain assessment, adapted from the prefabAUS framework.

WE WANT YOUR FEEDBACK

Do these capability ratings reflect your business and your supply chain? The equivalent Australian assessment was tested through industry workshops, and we intend to test this one with members through the Roadshow. Tell us where you think a rating is too generous or too harsh.

Three observations follow from this assessment.

First, the binding constraints are at the ends of the chain, not the middle. New Zealand's manufacturing and assembly capability is genuinely competent. What is weak is what comes before it — design practice and forward demand visibility — and what comes after it — finance, assurance and through-life value capture. Investment in factory capacity without addressing those bookends will not produce sustainable growth.

Second, the phrase that best captures New Zealand's current position is “offsite by location, not by method”. A significant share of what is counted as offsite construction in New Zealand is conventional building carried out under a roof. That captures some benefit — weather protection, better working conditions, some quality consistency — but not the transformative productivity gains that come from genuine design for manufacture, standardised componentry and process automation.

Third, digital capability is the connective tissue. DfMA, BIM and increasingly AI-assisted design and production planning are not a separate workstream running alongside the value chain — they are what allow each link to connect efficiently to the next. Action 8 addresses this directly.

3.4 Workforce

ConCOVE Tūhura's offsite manufacturing workforce research — undertaken with OffsiteNZ and Scarlatti — provides New Zealand's first detailed picture of who builds our offsite-manufactured housing, where, and in what trades. This existing body of work is a strong foundation for the workforce actions in Section 5. Note: ConCOVE Tūhura's TEC-funded term ended December 2025 and the workforce dashboard currently has no confirmed custodian — an issue Action 7 specifically addresses.

Australia has now moved first on a related gap. prefabAUS has partnered with Melbourne Polytechnic on Australia's first formal qualification for prefab installers, a Certificate III in Prefabrication Installation designed to upskill existing tradespeople. New Zealand has no equivalent qualification (see Action 7).

This matters more than it might appear. Workforce data is the evidence base for every training, apprenticeship and immigration settings argument the sector makes to government. Allowing it to become stale removes OffsiteNZ's ability to argue from evidence at exactly the point in the decade when workforce constraints become binding. The dashboard is hosted on Waihangā Ara Rau's Workforce Information Platform, which offers one possible route to continuity, but no funded custodian has been confirmed.

3.5 Public-sector demand: more pipeline than strategy

New Zealand already has several large, individually significant programmes that could anchor a coordinated offsite construction demand strategy, but they are not yet coordinated as one:

- Kāinga Ora's development pipeline and its current Turnaround Plan.
- Going for Housing Growth and the wider housing supply programme.
- The Defence Estate Portfolio Plan 2025–2040 and its Homes for Families housing programme.
- Ministry of Education school property programmes, historically a strong user of relocatable and modular classroom buildings.
- Health NZ capital works, where consistent quality and reduced site disruption both favour offsite delivery.
- The NZ Police capital programme.
- The legacy of the Construction Sector Accord (2019–2025) which, though its formal Transformation Plan has now closed, leaves an enduring case for structured industry–government partnership.
- Iwi and Māori housing providers delivering papakāinga and Kāinga Whenua developments.

The aggregate of these programmes is substantial. The problem is that no agency has visibility of the aggregate, no manufacturer can plan capacity against it, and no forum exists in which the total demand picture is assembled and published. Each agency procures independently, on its own timeline, with its own specifications. The result is that a pipeline large enough to justify significant manufacturing investment appears, from any individual manufacturer's vantage point, as a series of unpredictable one-off opportunities. Actions 1, 2 and 3 set out how this latent pipeline becomes an explicit, coordinated demand signal.

 WE WANT YOUR FEEDBACK

This Roadmap names iwi and Māori housing providers as partners in delivering the decade's housing pipeline. We want to hear from iwi and Māori housing providers directly: how offsite construction could best support papakāinga and Kāinga Whenua developments, and how this Roadmap should reflect te Tiriti o Waitangi.

3.6 The investment case, at a glance

\$55.7bn → \$65.4bn National construction pipeline, 2025 → 2030. This is total market size, not a government funding commitment.

For banks, investors and manufacturers weighing capital investment in New Zealand offsite capacity, the following snapshot summarises the market signals available today. It is deliberately presented as a quick-reference summary rather than a full feasibility case — Action 10 calls for a dedicated, quantified New Zealand economic benefit study, of the kind that underpinned prefabAUS's AU\$9 billion estimate for Australia, which would materially strengthen this case.

METRIC	CURRENT POSITION
Current offsite share of construction	~9% of total builds (2021), up from 3% in 2014 — subject to the measurement caveat at Section 3.1
Modular construction market value	Estimated at approximately NZD 1.9 billion (Ken Research estimate of USD 1.1 billion, converted at NZD/USD 0.59, August 2026)
Government demand growth signal	Stated commitment to grow offsite procurement by a minimum of 10% year-on-year across agencies — no published baseline or reporting mechanism

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METRIC	CURRENT POSITION
Total national construction pipeline	\$55.7 billion (2025), forecast \$65.4 billion by 2030 (MBIE National Construction Pipeline Report 2025)
New dwellings forecast 2025–2030	200,000+ new homes, with multi-unit typologies rising from 53% to 56% of consents
Key risk factors	Financing and assurance gap for lenders (Action 6); fragmentation among small manufacturers (Action 9); import dependence for engineered materials; BuiltReady scheme uncertainty (Action 4)
Key mitigants in progress	Single national consenting framework; granny flat consent exemption extended to offsite methods; government procurement growth target in place; BuiltReady framework established and under MBIE review

Table 6: Investment snapshot, compiled from sources in Appendix A. The pipeline figure is total market size, not a government funding commitment. Figures should be read as directional, not as investment advice; OffsiteNZ is not a registered financial adviser.

4

SECTION 4

Aotearoa in International Context

4.1 Australia is moving fastest — from further behind

4.2 Sweden's three steps — and where New Zealand stands

New Zealand's 9 percent uptake places it ahead of Australia, but still well behind world leaders:

COUNTRY / REGION	OFFSITE / PREFABRICATION UPTAKE AND NOTES
Finland, Norway, Sweden	Around 45%; some estimates as high as 80% of Scandinavian houses built offsite
Japan	Around 15%; high quality, mature market; world's largest prefabrication market
Singapore	Very high uptake; mandated requirements for prefabrication in major public projects
Europe (general)	Around 15%
New Zealand	Around 9% of total construction builds sourcing offsite elements (2021), up from 3% in 2014
Australia	Around 5%, with a 2023–2033 industry roadmap (prefabAUS) targeting 30% by 2033
United Kingdom	Around 5%; historically a laggard, but now pursuing active catch-up policies
United States	Around 3%, with significant rising demand

Table 7: International offsite construction / prefabrication uptake. Sources: McKinsey (2019), KPMG (2016), Mordor Intelligence, ConCOVE/Scarlati/OffsiteNZ (2024/25).

Four implications follow for OffsiteNZ's strategy: New Zealand does not need to invent a strategy from first principles; a closer relationship with prefabAUS, proposed at OffsiteNZ's 2025 AGM and not yet finalised, would give the sector a direct channel for policy learning; Australia's sector is moving quickly and the window in which New Zealand leads rather than follows is open but not indefinitely; and being a comparatively early mover is a genuine opportunity if OffsiteNZ and government act with deliberateness.

4.1 Australia is moving fastest — from further behind



Table 8: Government investment in modern methods of construction, Australia and New Zealand.

New Zealand still leads Australia on actual uptake, at around 9% against 5%. That lead is what is at risk. Australia's sector is moving on several fronts at once: a national target, the prefabAUS 2023–2033 Roadmap targeting 30% by 2033, the Prefab Council Australia's June 2026 white paper *From 5% to the Future*, Australia's first formal prefab installer qualification, and, from September 2026, an industry-wide standard form contract for prefabricated homes developed with a major lender (see Action 5). None of these yet has a New Zealand equivalent.

4.2 Sweden’s three steps — and where New Zealand stands

The most instructive international case for New Zealand is Sweden. Sweden’s offsite sector grew from low uptake to the dominant construction method following a 1994 regulatory reform (Boverket) that made three targeted policy changes: it unified building regulations nationally, removing local variations; it shifted to factory certification, so that one certified manufacturer could issue compliance certificates accepted by all authorities; and it removed the longstanding distinction between temporary and permanent buildings from its building codes.

The reform is well documented in primary sources: Boverket replaced detailed material-based building requirements with function-based performance requirements as part of EU accession, which as a direct consequence lifted the century-old prohibition on multi-storey timber construction (Nordregio, 2023; Swedish Wood). It is widely credited with enabling Sweden’s offsite sector to move from niche to mainstream. Today, around 84 percent of Swedish detached homes are built offsite (Mordor Intelligence, 2025).

New Zealand’s position against those three steps is instructive.

STEP	WHAT SWEDEN DID	NEW ZEALAND’S POSITION
1	Unified building regulations nationally — no local variations	Largely done. New Zealand’s Building Act operates under a single national framework — an advantage Australia, with increasingly divergent state-level code variations, no longer shares. Residual work: consistency of BCA consenting practice for offsite builds.
2	Shifted to factory certification — one certified manufacturer rather than repeated site inspection	Framework done, uptake zero. BuiltReady achieves exactly this in law. As at September 2026 the MBIE public register records no certified manufacturers, and MBIE is reviewing the scheme’s future. See Section 3.2 and Action 4.
3	Removed the temporary versus permanent distinction from building codes	Not done. Relocatable and modular buildings are still treated differently by BCAs, financiers and insurers. This is New Zealand’s most consequential remaining regulatory change. See Action 4 and target T13.

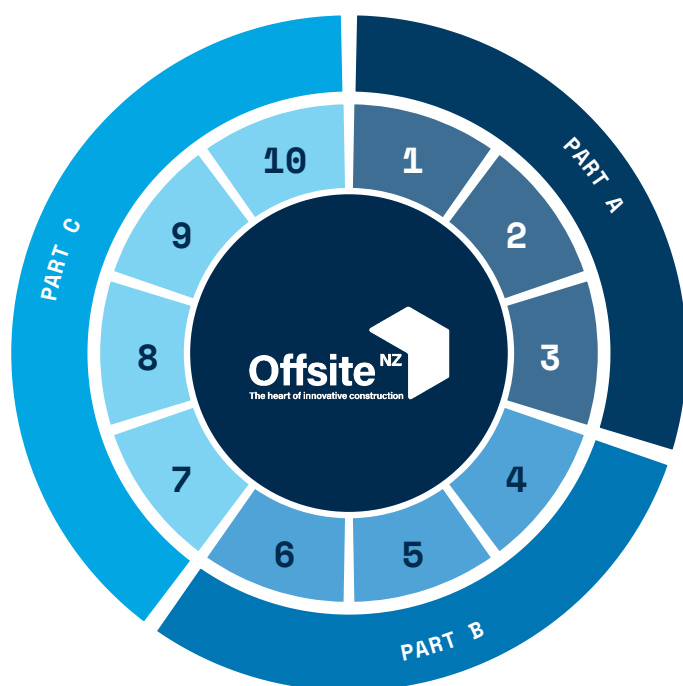
Table 9: Sweden’s 1994 three-step reform and New Zealand’s current status against each step.

An important qualification. In advocating for regulatory parity between modular and conventionally built structures, OffsiteNZ is advocating for equal treatment of buildings that meet the Building Code — not for any route that uses mobility, temporary classification or any other device to sidestep Code compliance. OffsiteNZ does not support approaches that place structures beyond the reach of proper quality assurance. Our position is that certified, Code-compliant modular buildings should be treated as permanent for consenting, finance and insurance purposes; buildings that avoid the Code should not benefit from that recognition. This distinction matters particularly if OffsiteNZ is to sponsor a quality mark of any kind, and it is carried through explicitly in Action 4.

New Zealand has already built Sweden’s Step 2 in law. Step 1 is substantially done. What remains is making Step 2 work in practice, and completing Step 3.

SECTION 5

The OffsiteNZ Roadmap: Ten Actions, 2026–2036



PART A · CREATE THE DEMAND

1 Implement Commerce Commission Rec. 7 · **2** Strategic public procurement · **3** Kāinga Ora & housing growth

PART B · REMOVE THE FRICTION

4 Fix BuiltReady's uptake · **5** Standard form contract · **6** Capital & finance

PART C · BUILD THE CAPABILITY

7 Future workforce · **8** DfMA capability · **9** Industry–government forum · **10** Flagship projects

Each action below is dual-framed: a specific, named ask of Government (or another partner), and the reciprocal commitment OffsiteNZ and its members will make in return. This differs deliberately from prefabAUS's original Roadmap, which was framed solely as a set of asks of Australian government; a partnership structure is both more persuasive to government and a clearer internal mandate for OffsiteNZ's own work programme and member obligations.

Read together, the “Ask” lines form OffsiteNZ's advocacy position for government and partner agencies. The “Commitment” lines form OffsiteNZ's own work programme, and OffsiteNZ will report publicly against them.

Each action opens with a case paragraph setting out the problem it addresses and why it matters, before the ask and commitment. The ten are grouped into three parts, and the sequence is deliberate: **Part A creates the demand, Part B removes the friction** that stops that demand converting into delivered buildings, and **Part C builds the capability** to sustain it across the decade. Each part depends on the one before it. Within that sequence, Action 5 — a standard form of contract for offsite construction — is the one deliverable OffsiteNZ can produce regardless of whether government acts.

WE WANT YOUR FEEDBACK

Are these the right asks of government, and the right commitments from OffsiteNZ and its members? If your organisation would be part of delivering a commitment, tell us whether it is realistic.

A

SECTION 5 · TEN ACTIONS · PART A

Create the demand

Actions 1 to 3 establish the demand and coordination conditions that everything else depends on. Without a coordinating strategy and a visible forward pipeline, manufacturers cannot justify investment in capacity, and the remaining actions have nothing to scale into. These three are also the least demanding of government: they ask for coordination, disclosure and a published target, not new legislation or new appropriation.

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1. Implement Commerce Commission Recommendation 7
 2. Build scale through strategic public procurement
 3. Position offsite construction within Going for Housing Growth and Kāinga Ora's pipeline

01 Implement Commerce Commission Recommendation 7: develop and deliver the all-of-government offsite construction strategy

This is the foundational action. Without a coordinating framework, the remaining nine remain a set of individually worthwhile initiatives with nothing holding them together across electoral cycles — vulnerable to changes of minister, agency priority and budget round. It is also the least demanding of the ten: it asks government to deliver something it has already agreed to do, using policy architecture that already exists, without new legislation or new appropriation.

The industry has already delivered its half. The OffsiteNZ MMC/OSM Project produced the sector analysis, the workforce evidence base and the engagement infrastructure that a national strategy would draw on. What has not followed is a lead agency, an agreed baseline, or any public reporting. Three years is long enough to conclude that the commitment will not deliver itself.

THE ASK OF GOVERNMENT

In December 2022, the Commerce Commission made Recommendation 7 of its residential building supplies market study: ‘Develop and implement an all of government strategy to coordinate and boost offsite manufacturing.’ Government agreed in May 2023. The ask is simple: government now delivers its half. Formally name offsite construction and prefabrication as a recognised priority within Going for Housing Growth implementation and within Te Waihangā’s National Infrastructure Plan, and within the industry–government forum proposed at Action 9 — with agreed baseline metrics (cost, time, waste, carbon) that government will track and report against.

OFFSITENZ’S COMMITMENT

OffsiteNZ will resource and maintain baseline data on the sector’s behalf, report progress annually, and provide a standing technical liaison point for MBIE, HUD and Te Waihangā. The MMC/OSM Project delivered the industry’s initial contribution to Commerce Commission Recommendation 7; this Roadmap is the industry’s commitment to the next phase.

IMPACT & BENEFITS

High. Commerce Commission Recommendation 7 is already agreed government policy. Without implementation, individual procurement and standards initiatives will remain piecemeal and harder to sustain.

KEY PLAYERS

Central government (MBIE, HUD, Te Waihangā), OffsiteNZ, industry.

02 Build scale through strategic public procurement

Demand certainty is the single most direct lever available to government, and the one manufacturers most consistently identify as the binding constraint on investment. A manufacturer considering a multi-million dollar investment in automated production capacity needs to know that demand will exist when the line is commissioned. In the absence of forward visibility, the rational decision is to stay small, stay flexible, and compete on price for whatever work appears — which is precisely the fragmented, low-productivity equilibrium the sector is in today.

Government already has the pipeline. Across Kāinga Ora, NZDF, the Ministry of Education, NZ Police and Health NZ, the aggregate forward programme of standardised-typology buildings is substantial. What is missing is the act of publishing it as a coordinated whole, and signalling a presumption in favour of offsite delivery where building types are suitable. This costs government nothing in additional capital: it is a disclosure and coordination reform, not a spending commitment.

The scale is already visible in individual programmes. The Ministry of Education’s offsite manufactured buildings panel, established in July 2023 with six suppliers delivering against the Ministry’s standardised designs, had executed around \$65.8 million in contracts within its first year (Ministry of Education, OIA response 1330968, 2024).

THE ASK OF GOVERNMENT	
Kāinga Ora, NZDF, the Ministry of Education, NZ Police and Health NZ each publish a rolling 3/5/10-year forward programme of standardised-typology projects, with an explicit presumption in favour of offsite for suitable building types, and outcome-based (not lowest-cost-only) tender assessment.	
OFFSITENZ’S COMMITMENT	
OffsiteNZ will coordinate member capacity planning against each agency’s published pipeline, and establish a single industry liaison point per agency to reduce duplicated effort on both sides. OffsiteNZ will also publish an annual state-of-supply report so that agencies can plan against real manufacturing capacity rather than estimates.	
IMPACT & BENEFITS	High. Demand certainty is the single most direct lever available to justify New Zealand manufacturers’ investment in scale and automation.
KEY PLAYERS	Kāinga Ora, NZDF, Ministry of Education, NZ Police, Health NZ, MBIE Government Procurement, OffsiteNZ.

03 Position offsite construction within Going for Housing Growth and Kāinga Ora’s pipeline

Housing is the highest-volume, most visible application of offsite construction, and the area where public and political support can most rapidly be built. It is also where the gap between government ambition and delivery capacity is widest.

Going for Housing Growth is designed to unlock land supply and infrastructure financing. Both are necessary; neither builds houses. If land supply reform succeeds and construction capacity does not expand in step, the result is higher consent volumes without corresponding completions — a pattern New Zealand has seen before. An explicit offsite content target for government-supported housing would mirror the approach taken in Australia’s National Housing Accord and give New Zealand manufacturers the clearest possible signal to invest. Kāinga Ora’s pipeline, even under the discipline of its current Turnaround Plan, represents a substantial forward programme of standardised housing that is a natural fit for offsite delivery.

THE ASK OF GOVERNMENT	
HUD and Kāinga Ora set and publish an explicit target for the offsite construction share of new homes delivered through government-supported housing programmes, and confirm that Incentives for Growth Fund settings will not disadvantage offsite delivery timeframes relative to conventional builds.	
OFFSITENZ’S COMMITMENT	
OffsiteNZ members will provide firm capacity and lead-time commitments against that published target, drawing on the annual state-of-supply report published under Action 2 so that Kāinga Ora and HUD can plan against real manufacturing capacity.	
IMPACT & BENEFITS	High. Housing is the highest-volume, most visible application, and the area where public and political support for offsite construction can most quickly be built.
KEY PLAYERS	HUD, Kāinga Ora, local government, developers, OffsiteNZ members.

B

SECTION 5 · TEN ACTIONS · PART B

Remove the friction

Actions 4 to 6 address the three things that make an offsite project harder to execute than a conventional one at the same level of capability: an inconsistent consenting pathway, the absence of a contract form written for factory-to-site delivery, and finance and insurance settings that do not recognise value created before anything appears on site. These are transaction costs rather than capability gaps, and they are borne disproportionately by the smaller manufacturers who can least absorb them.

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4. Fix BuiltReady's zero uptake and establish a consistent, nationwide consenting pathway
 5. Develop and adopt a standard form of contract for offsite construction
 6. Improve access to capital and finance

04 Fix BuiltReady's zero uptake and establish a consistent, nationwide consenting pathway

New Zealand legislated a modular manufacturer certification scheme that most comparable countries do not have. Two years after manufacturers became eligible, not one has been certified. The public register is empty. This is the most conspicuous unexploited asset in New Zealand's offsite construction system, and the sector cannot advocate credibly for regulatory parity, procurement preference or lender assurance while the certification scheme those arguments depend on has no participants. Nor can government reasonably be asked to give procurement weighting to a certification that nobody holds.

The second half of this action is the consenting pathway itself. New Zealand's single national Building Act is a genuine advantage — one Australia is steadily losing as state variations to its National Construction Code proliferate. But a single national framework administered inconsistently by sixty-odd Building Consent Authorities does not deliver the certainty manufacturers need: a design accepted in one district may face fresh scrutiny in the next.

Compounding both is the temporary versus permanent building distinction. The distinction is not made by BuiltReady itself; it is made downstream, by BCAs applying differing interpretations, by lenders declining to treat relocatable structures as permanent security, and by insurers pricing them differently. The practical effect is the same regardless of origin: a Code-compliant modular building can be treated as a lesser asset than an identical building constructed conventionally on the same site. This suppresses investment, complicates finance, and undermines the case for factory certification. It is the step Sweden took in 1994 that New Zealand has not, and it is the substance of target T13.

One qualification bears repeating from Section 4.2: OffsiteNZ seeks parity for buildings that meet the Building Code, and does not support arrangements that use mobility or temporary classification to place structures outside the Code's reach. An industry body advocating for a quality mark cannot simultaneously advocate for routes around the standard that mark would represent.

THE ASK OF GOVERNMENT

MBIE commits to the ongoing development and promotion of the BuiltReady scheme — resolving the zero-uptake position by providing practical certification support, giving explicit procurement weighting to BuiltReady-certified components in government tenders, and directing Building Consent Authorities to accept manufacturer certificates without additional re-inspection. MBIE and BCAs further commit to resolving recurring inconsistencies in how offsite and modular consents are processed nationally. MBIE formally recognises BuiltReady-certified modular buildings as 'permanent' for consenting, finance and insurance purposes, removing the regulatory distinction that currently disadvantages offsite manufacturers and their customers (T13).

There is also a standardisation track already in motion that this Roadmap should connect to. MBIE's Building Performance group commissioned Standards New Zealand to scope the potential for a New Zealand Standard to complement BuiltReady and increase the use of offsite manufacturing — a system-based standard allowing room for innovation across construction types and products. That scoping work is the natural home for industry-developed guidance that has already been tested in practice, including OSM3604® (Action 8) and the *Design Co-ordination & Approval Process NZ* protocol (Action 5). OffsiteNZ should be represented on any expert group Standards New Zealand convenes.

In addition, MBIE to publicly confirm the future of the BuiltReady scheme, and to work with OffsiteNZ and JASANZ on a joint diagnosis of zero uptake published within six months. Where the scheme is not retained, MBIE to work with industry on a successor assurance pathway before withdrawal. MBIE to support BRANZ's AI-assisted consenting research through to implementation as a route to consenting consistency that does not require legislative change.

OFFSITENZ'S COMMITMENT

OffsiteNZ will run a coordinated member certification drive — targeting material, year-on-year growth in BuiltReady-certified manufacturers from the current zero baseline — and will provide pre-certification readiness support to members, BCA training on offsite-specific consenting practice, and a lender assurance framework to underpin confidence in certified modular buildings. OffsiteNZ will compile and share a register of member-reported consenting friction points to support MBIE's ongoing scheme review. OffsiteNZ will also survey its manufacturer membership to establish the decisive barriers to certification and publish the findings. Consider OffsiteNZ establishing an independent certification body.

IMPACT & BENEFITS

High. BuiltReady is an existing, working regulatory asset that is not yet delivering its intended market function. Fixing uptake builds directly on infrastructure already in place rather than requiring new legislation — and resolving the temporary/permanent distinction unlocks financing and insurance that currently constrain the sector's growth.

KEY PLAYERS

MBIE Building Performance, JASANZ, certification bodies, Building Consent Authorities, OffsiteNZ members, financiers and insurers. BRANZ and LGNZ on consenting consistency.

05 Develop and adopt a standard form of contract for offsite construction

Every offsite project in New Zealand currently negotiates its own contractual arrangements. Existing standard forms — NZS 3910 and its variants — were written for site-based construction, where value is created progressively on the client's land and payment follows physical progress the client can inspect. Offsite construction inverts this: substantial value is created in a third party's factory, months before anything appears on site, and the risk, payment and title questions that follow have no settled answer in the standard documents.

The consequence is transaction cost on every project, borne disproportionately by smaller manufacturers who cannot absorb bespoke legal work, and a persistent source of the payment-profile friction that Action 6 addresses from the finance side. It is also a barrier to public-sector uptake: procurement teams reasonably prefer standard forms, and their absence makes offsite look harder than it is.

This action is distinctive in one important respect. It is the only Roadmap deliverable entirely within OffsiteNZ's own control. It requires no legislation, no appropriation and no agency decision — only the organisation's own resourcing and the participation of its members. Delivering it would demonstrate that the partnership framing of this Roadmap is real, and that OffsiteNZ's commitments are not contingent on government moving first.

Two points on how it must be done. Contractor representative bodies, and Master Builders in particular, need to be at the table from the outset rather than consulted on a finished draft; a contract form developed by manufacturers alone will not be adopted by the parties on the other side of it. And while motivated suppliers within the membership have both the expertise and the incentive to contribute, they cannot credibly be seen to lead the drafting.

An early-stage industry initiative is already underway. Offsite Design Ltd and Timber Lab have developed a draft *Design Co-ordination & Approval Process NZ* — a contractor-led shop drawing coordination and approval protocol for mass timber and structural components. It defines roles, responsibilities and approval stages across the pre-construction phase, from issue of IFC documentation through to "Approved for Fabrication," and includes draft special conditions clauses for insertion into NZS 3910/3916 and the Master Builders Agreement. The gap it addresses — clashes, missing information and the absence of an agreed assembly methodology at the point where design documentation is handed to a fabricator — is one of the more common causes of cost and programme failure on offsite projects, and it recurs often enough that the sector has begun solving it without waiting for a contractual instrument.

Australia has already acted. In September 2026 prefabAUS released a standard form contract for prefabricated homes, developed with sponsorship from the Commonwealth Bank of Australia and available to builders, manufacturers, customers and lenders regardless of which lender finances the project. It aligns payments and financing to factory-built timelines. It shows that a sector-led contract can be developed with a lender at the table, which is the model this action proposes for New Zealand.

OffsiteNZ intends to develop this initiative into a formally adopted industry protocol as a near-term deliverable under this action, subject to the broad consultation described above. The protocol is early-stage and currently carries the fingerprints of the manufacturers and suppliers who developed it; giving it an industry home, and running the consultation that turns it into something contractors will sign up to, is precisely the function a neutral peak body is for.

THE ASK OF GOVERNMENT

MBIE, Kāinga Ora and the New Zealand Government Procurement branch adopt — or formally recommend — the standard form of contract developed under this action as the default for all public sector offsite construction contracts. Government incorporates the standard form into its Construction Procurement Guidelines and directs procuring agencies to use it for suitable offsite projects.

OFFSITENZ'S COMMITMENT

OffsiteNZ will lead the development of a purpose-built standard form of contract for offsite construction — either a standalone contract suite or a special-conditions overlay to NZS 3910/3916 — in partnership with members, legal advisors, and government procurement agencies. The standard form will address the specific risk allocation, payment milestone, and programme certainty requirements of the factory-to-site delivery model that existing standard forms do not adequately cover. OffsiteNZ will publish and maintain it as an open industry resource, freely available to members and non-members alike. Consultation will include contractor representative bodies, including Master Builders, from the outset.

IMPACT & BENEFITS

High, and uniquely within OffsiteNZ's direct control. A standard form of contract is the one Roadmap deliverable that OffsiteNZ can produce regardless of government action — and once published, it removes a material transaction-cost barrier that currently forces each offsite project to negotiate bespoke contractual arrangements.

KEY PLAYERS

OffsiteNZ, legal advisors, MBIE, Kāinga Ora, New Zealand Government Procurement, OffsiteNZ members. Registered Master Builders and contractor representative bodies; Offsite Design Ltd and Timber Lab as originating contributors.

06 Improve access to capital and finance

A manufacturer can have capacity, certification and a client, and still lose the project because the client cannot obtain finance on comparable terms to a conventional build. This is a persistent structural barrier in every offsite market internationally, and New Zealand is no exception.

The underlying problem is assurance rather than risk. Lenders and insurers are generally comfortable with completed modular buildings; what they are uncomfortable with is the payment profile of offsite construction, where substantial value is created in a factory before anything appears on the borrower's land. Progress payments against work in a third party's factory sit awkwardly with standard construction lending practice, and valuers lack consistent guidance for modular product. The United Kingdom addressed this through BOPAS — the Buildoffsite Property Assurance Scheme — which gives lenders a recognised framework for assessing the durability and mortgageability of offsite-built homes. New Zealand needs an equivalent, built with the finance sector rather than presented to it. This action is closely coupled to Action 4: a lender assurance framework requires an underlying manufacturer certification to reference.

THE ASK OF GOVERNMENT

Banks, the Reserve Bank and the Housing Infrastructure Fund work with OffsiteNZ to scope a New Zealand product and manufacturer assurance framework — a BOPAS-equivalent — that lenders will formally recognise for mortgage and construction finance purposes. This should include agreed treatment of factory-stage progress payments.

OFFSITENZ'S COMMITMENT

OffsiteNZ will convene members and co-fund the initial scoping work, and seek founding manufacturers willing to pilot the assurance framework ahead of wider rollout. OffsiteNZ will also engage valuation and insurance professional bodies directly, since valuer guidance is a distinct gap from lender policy.

IMPACT & BENEFITS	Medium, rising to high as the sector scales. Removes a structural barrier that otherwise constrains growth regardless of production capacity.
KEY PLAYERS	Banks, Reserve Bank of New Zealand, Housing Infrastructure Fund, BuiltReady scheme parties, OffsiteNZ. Property Institute of New Zealand and insurers.

C

SECTION 5 • TEN ACTIONS • PART C

Build the capability

Actions 7 to 10 build the sector's own capacity to deliver at the scale the first two parts make possible: the workforce to staff the factories, the design capability to make offsite worth doing, the shared infrastructure that a sector of small businesses cannot build individually, and the New Zealand evidence base that will sustain the case through the decade.

-
- 7. Build the future workforce
 - 8. Build Design for Manufacture and Assembly (DfMA) capability across the sector
 - 9. Re-establish the industry–government forum, with COLAB as its annual anchor
 - 10. Commission flagship projects and measure their productivity, carbon and cost advantages

07 Build the future workforce

The construction workforce is ageing faster than it is being replaced, women's participation sits at around 16 percent, and the trades shortfall projected over the decade to the mid-2030s is substantial. Offsite construction cannot solve this alone, but it changes the nature of the problem: factory-based production requires a different mix of skills, in safer and more predictable working conditions, accessible to a wider pool of workers than site-based construction.

This is an opportunity that will be missed without deliberate action. Offsite manufacturing roles sit awkwardly between construction and manufacturing training systems and are well served by neither; apprenticeship pathways designed for site trades do not map cleanly to factory production roles. There is also an immediate custodianship problem: the offsite workforce evidence base developed by ConCOVE Tūhura with OffsiteNZ and Scarlatti is New Zealand's only detailed picture of this workforce, its TEC-funded term ended in December 2025, and the dashboard has no confirmed owner.

THE ASK OF GOVERNMENT

Waihangā Ara Rau, tertiary providers and government apprenticeship funding (including Apprenticeship Boost) explicitly recognise and fund a dedicated offsite-manufacturing training pathway, including regional co-location of training with manufacturing facilities outside Auckland. Government also funds the re-establishment of a custodian for the ConCOVE/Scarlatti offsite workforce dashboard — a foundational data asset whose TEC-funded term ended in December 2025 and which currently has no confirmed home.

OFFSITENZ'S COMMITMENT

OffsiteNZ will work with training providers to maintain and expand the workforce evidence base, and members will commit apprenticeship placements tied to certified training pathways. OffsiteNZ will set and publicly report against a target to lift women's participation in the offsite workforce to 25% by 2036, and will develop specific programmes to grow Māori and Pacific participation. Where no funded custodian emerges, OffsiteNZ will scale the dashboard to a maintainable baseline it can sustain itself rather than allow the dataset to lapse.

IMPACT & BENEFITS

Medium, rising to high over the decade. Workforce constraints are a binding limit on industry growth regardless of demand. The workforce dashboard is a uniquely valuable asset whose loss would materially undermine the sector's ability to plan and report.

KEY PLAYERS

Waihangā Ara Rau, tertiary providers, OffsiteNZ members, MBIE, regional development agencies. TEC and Scarlatti.

08 Build Design for Manufacture and Assembly (DfMA) capability across the sector

Offsite construction fails to deliver its productivity promise when a conventionally designed building is handed to a manufacturer and adapted for factory production after the fact. The gains come from designing for manufacture from the outset — standardised componentry, repeatable connections, rationalised services routing, and tolerances set for factory rather than site conditions.

New Zealand's design professions are not yet widely equipped for this. BIM adoption is growing, particularly among larger practices, but DfMA capability remains concentrated in a small number of specialist firms. For public building programmes the consequence is that offsite is often considered too late in the design process to be viable — and design decisions made in the first weeks of a project determine whether offsite delivery is possible at all. That makes this the cheapest point in the process at which to intervene. Emerging AI-assisted design tools materially lower the expertise barrier, which is a genuine opportunity for a sector dominated by small practices.

The coordination gap between design intent and fabrication-ready documentation is a DfMA failure as much as a contractual one. The *Design Co-ordination & Approval Process NZ* protocol described under Action 5 operates at exactly that handover, and the capability programme set out here is what allows designers to reach that handover with documentation a fabricator can build from.

Industry has begun building the resources this action needs. OSM3604®, an initiative of Offsite Design Ltd, is a freely available Guideline and Code of Practice for the panelised design of offsite-manufactured light timber framed buildings — a set of proven details, coordination conventions and design rules for closed light timber frame panels, with an associated trademark intended as a quality mark for buildings designed and delivered in accordance with it. It is deliberately scoped: it suits compact, regular geometries and performs best on low-energy and Passivhaus-standard designs, and its authors are explicit that it is not appropriate for every project.

Two things make OSM3604® directly relevant to this action. It addresses light timber frame panelisation, which is the most accessible entry point to Advanced Offsite for the majority of New Zealand designers and the volume typologies in Actions 2 and 3. And it already exists, at no cost to users, which means the DfMA education programme proposed here can teach against a live New Zealand code of practice rather than commissioning one. OffsiteNZ intends to reference OSM3604® within its DfMA education programme, and to work with Offsite Design Ltd and other members on how industry-developed guidance of this kind is maintained, governed and, where warranted, put forward as an input to formal standardisation.

THE ASK OF GOVERNMENT

MBIE and the Ministry of Education embed DfMA requirements in procurement specifications for standardised government building typologies — housing, schools, Defence — and co-fund, alongside OffsiteNZ, a national DfMA education programme for architects, engineers and developers. Agencies to require DfMA consideration at concept design stage, and to fund development of standardised, DfMA-ready reference designs for high-volume typologies.

OFFSITENZ'S COMMITMENT

OffsiteNZ will develop and deliver a DfMA education programme for architects, engineers, developers and manufacturers, and will establish a peer-learning network for member businesses undertaking DfMA adoption. OffsiteNZ will publish an annual DfMA capability assessment — using the value chain framework in this Roadmap as the baseline — so that progress can be tracked and gaps identified. The education programme will include guidance on AI-assisted design tools, and OffsiteNZ will work with universities and other tertiary providers to embed DfMA into accredited architecture, engineering and quantity surveying degree programmes — as dedicated papers where the volume supports it, and as content within existing design, construction technology and professional practice papers where it does not — so that graduates enter the profession already able to design for manufacture, rather than acquiring the capability later or not at all. OSM3604® and comparable industry-developed guidance give this teaching a New Zealand evidence base to work from.

IMPACT & BENEFITS

High. DfMA is the capability gap that separates basic prefabrication from Advanced Offsite. The barrier to adoption is awareness and organisational change, not cost — which means a well-designed industry education programme can move the dial quickly and at relatively low cost.

KEY PLAYERS

MBIE, Ministry of Education, BRANZ, design professionals, OffsiteNZ members, prefabAUS. NZIA, Engineering New Zealand, NZIQS, Kāinga Ora and NZDF; universities and tertiary providers delivering accredited built-environment degrees; Offsite Design Ltd as OSM3604® originator.

09 Re-establish the industry–government forum, with COLAB as its annual anchor

The Construction Sector Accord's Transformation Plan closed in 2025, and with it went the principal forum in which industry and government worked through implementation rather than exchanged positions. Nothing has replaced it. For a sector whose central complaint is that agreed policy does not get delivered, the absence of a standing venue in which delivery is tracked is not a minor gap — it is the reason Commerce Commission Recommendation 7 has sat unimplemented for three years without anyone being accountable for saying so.

Rebuilding that forum from nothing would be slow and expensive. It does not need to be built. COLAB, OffsiteNZ's annual conference, has convened the offsite sector for more than a decade — its origins trace to the first New Zealand prefabrication industry event, held in 2010, the year before PrefabNZ was founded — and it already brings manufacturers, designers, engineers, developers, financiers, researchers and government agencies into the same room once a year. It has an established audience, a working commercial model, and — from 2026 — the Roadmap itself as its reporting spine. What COLAB currently lacks is formal standing: government attends as a guest rather than as a party with obligations, and nothing that happens there binds anyone.

The proposal is therefore narrow. Designate COLAB as the annual industry–government forum for offsite construction and MMC, with a standing government delegation, a published agenda item reporting progress against this Roadmap's ten actions and thirteen targets, and a multi-year partnership between MBIE and OffsiteNZ to underwrite the forum function and the sector data that supports it. This is cheaper than any alternative, because the convening infrastructure already exists and is already paid for by industry.

A partnership of this kind must be structured as a contract for named deliverables, not as a grant. OffsiteNZ is asking government to fund work that government needs — the sector data underpinning the baseline metrics sought at Action 1, the annual state-of-supply report under Action 2, BCA-facing training under Action 4, and the secretariat function for the forum itself. Each has a defined output and can be reported against. OffsiteNZ is not seeking core funding for its operations, and would not accept an arrangement that made its advocacy contingent on continued support.

That independence point warrants stating plainly, because this Roadmap is in several places critical of the agencies it is addressed to. A funded relationship must not soften that. OffsiteNZ proposes that any partnership agreement include an explicit acknowledgement that OffsiteNZ retains full freedom to publish findings, including those unfavourable to government agencies, and that the arrangement is terminable on notice by either party without prejudice. A peak body that cannot criticise its funder is of no use to its members or to government.

THE ASK OF GOVERNMENT

MBIE designates COLAB as the annual industry–government forum for offsite construction and MMC, with a standing delegation and a published progress report against this Roadmap tabled at each conference; and enters a three-year partnership agreement with OffsiteNZ, reviewed annually, to fund the forum secretariat, the sector data collection that underpins the baseline metrics sought at Action 1, and the annual state-of-supply report, as named contracted deliverables. Government also implements Commerce Commission Recommendation 6 (December 2022): establish an education and mentoring function for Building Consent Authorities to facilitate a better-coordinated approach to consenting and product approval for offsite builds.

OFFSITENZ'S COMMITMENT

OffsiteNZ will host and administer the forum, publish an annual progress report against the ten actions and thirteen targets, and open the forum agenda to member and agency submissions rather than setting it unilaterally. OffsiteNZ will maintain sector data as a shared public asset, develop shared technical and digital-adoption resources accessible to SME members, launch an Offsite Awards programme, pursue regional industry clusters in Auckland, Waikato and Canterbury, and operate its relationship with prefabAUS as an active channel for transfer of learning. OffsiteNZ will report publicly on any government funding received and on the deliverables it supports.

IMPACT & BENEFITS

Medium, rising to high. The forum is the machinery through which the other nine actions get implemented rather than merely agreed. Using COLAB rather than establishing something new means the convening cost is largely already borne by industry, and the arrangement is defensible as value for money on that basis alone.

KEY PLAYERS

MBIE, Te Waihangā, BRANZ, Building Consent Authorities, regional development agencies, prefabAUS, universities and research providers, OffsiteNZ members.

10 Commission flagship projects and measure their productivity, carbon and cost advantages

The case for offsite construction in New Zealand is currently made largely with imported evidence. McKinsey's global findings, Swedish uptake statistics and European waste reduction figures are all credible, but they are not New Zealand data, and decision-makers reasonably discount them. What persuades a Treasury analyst, a Kāinga Ora business case author or a bank credit committee is local evidence: this building, in this city, delivered in this time, at this cost, with this measured waste and carbon outcome, compared against a conventionally built equivalent.

The sector does not currently produce that evidence systematically. Individual manufacturers hold project data but have no shared framework for collecting or publishing it, and no incentive to publish outcomes that fall short of expectations. That reticence is understandable and self-defeating — a body of evidence that only ever reports success is correctly read as marketing.

The same measurement gap applies to carbon. New Zealand's distinctive opportunity here is relocatability: decades of practical experience relocating buildings that most countries lack, and a materially different carbon proposition from designing for demolition. None of this is currently recognised in New Zealand's carbon accounting or building regulation, and as embodied carbon reporting and eventual caps are introduced under Building for Climate Change, the treatment of relocatable and de-mountable buildings will determine whether the advantage is rewarded or ignored.

THE ASK OF GOVERNMENT

Kāinga Ora, NZDF and other agencies nominate 5–10 flagship projects as open data-sharing case studies, and government co-funds alongside industry a dedicated New Zealand economic modelling study of the sector’s benefits, comparable to the modelling that underpinned prefabAUS’s AU\$9 billion benefit estimate for Australia. The Ministry for the Environment and MBIE explicitly recognise offsite construction’s carbon and circular-economy advantages in any future embodied-carbon reporting or caps regime, including formal credit for relocatable and de-mountable building design.

OFFSITENZ’S COMMITMENT

OffsiteNZ will manage data collection across flagship projects — including cost, time, carbon and quality metrics — and publish results transparently, including where outcomes fall short of expectations, to keep the evidence base credible. OffsiteNZ members will adopt standard embodied-carbon reporting aligned to MBIE’s methodology, and OffsiteNZ will promote relocatable building design as a distinct New Zealand capability, including for future emergency and disaster-recovery housing responses.

IMPACT & BENEFITS

Medium, rising to high over the decade. Concrete, local proof points are more persuasive to government and finance than imported statistics, and credible carbon measurement data positions the sector well as embodied-carbon regulation tightens under successive Zero Carbon Act budgets.

KEY PLAYERS

OffsiteNZ, Kāinga Ora, NZDF, BRANZ, university research partners, Ministry for the Environment, Climate Change Commission, economic consultancies. NEMA on emergency housing capability.

SECTION 6

Building the Future We Want

The need has rarely been greater. New Zealand's housing shortage, construction workforce pressures, climate commitments and the scale of public infrastructure renewal across Defence, Police, education and health are converging in a way that favours offsite construction more clearly than at any previous point in the sector's history.

The capability exists. New Zealand has manufacturers producing to a high standard, designers who understand manufacturing logic, decades of relocatable building experience, a single national consenting framework, and a legislated certification pathway that most comparable countries are still trying to build. What has been missing is not capability. It is coordination — and the demand certainty that allows capability to become capacity.

This Roadmap is intended to help OffsiteNZ, its members, and its government and industry partners set clear, shared directions for the decade to 2036. None of the ten actions set out in Section 5 depends on a single actor; each requires sustained partnership between industry, central and local government, financiers, training providers, and the communities offsite construction ultimately serves.

OffsiteNZ has set out its own commitments alongside each ask of government deliberately. We are not asking government to act while industry waits. We are proposing a reciprocal programme in which both parties are accountable, and we expect to be measured against our side of it. Action 5 in particular — the standard form of contract — is a deliverable OffsiteNZ will produce regardless of whether government moves.

Working together — and learning where useful from prefabAUS's own roadmap and the relationship being built between our two organisations — OffsiteNZ believes Aotearoa can build the future it wants: housing that is faster to deliver and more affordable to own, public buildings that serve their communities sooner, and a construction sector that builds in a way that respects both people and the planet.

New Zealand has the framework, the capability and the pipeline. What it needs now is the decision to use them together.

SECTION 7

How We'll Finalise This Roadmap

This first edition is a starting point for conversation, not a finished position. OffsiteNZ met with Hon Simon Watts, Minister for Building and Construction, on 4 September 2026 to walk through this Roadmap. Discussions are ongoing.

01

Give us your feedback, now through 31 October 2026

We want to hear from members, manufacturers, designers, financiers, training providers, iwi and Māori housing providers, and government and industry partners on the targets, the ten actions, and the questions raised in the “We want your feedback” boxes throughout this document.

- **Email:** info@offsitenz.com
- **Webinar:** in October 2026
- **Member Roadshow:** November–December 2026, in Auckland, Wellington and Christchurch

Feedback will be synthesised and reported to the OffsiteNZ Board before the final version is confirmed.

02

Become a Roadmap Partner

OffsiteNZ is inviting a limited number of organisations to help fund and shape delivery of the ten actions over the decade ahead. Partnership is offered at three levels:

- **Founding Partners** (limited to five places nationally): a seat on the OffsiteNZ Roadmap Advisory Group; named in all OffsiteNZ ministerial briefings and government engagement; direct input to OffsiteNZ's public policy actions, including legislative and select committee submissions; priority access to OffsiteNZ research outputs and aggregated member data; input into direction and priorities through an annual Roadmap review; and an invitation to the first Founding Partners meeting.
- **Roadmap Partners:** participation in the OffsiteNZ Roadmap Advisory Group, and recognition across the Roadmap, COLAB and OffsiteNZ's year-round programme.
- **Supporting Partners:** recognition across the Roadmap, COLAB and OffsiteNZ's year-round programme.

Partners confirmed by 9 October 2026 will appear in the first printed edition. To discuss partnership, contact Dan McNelis, Interim CEO, at info@offsitenz.com.

03

One consolidated platform for the next Government

Feedback and confirmed Roadmap Partners will shape a final version of this Roadmap, which OffsiteNZ will present formally to the Government formed after New Zealand's 7 November 2026 general election, once portfolios are confirmed. A Roadmap tested with the sector and backed by confirmed partners is a stronger platform for an incoming Government's agenda-setting and budget process than one presented before an election result is known.

In parallel, OffsiteNZ will make a submission on the Building Amendment Bill, reinforcing the regulatory actions in this Roadmap.

Roadmap Partners

OffsiteNZ thanks the Roadmap Partners supporting this work.

9 Oct Partners confirmed by **9 October 2026** will appear in the first printed edition.

Founding Partners

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Supporting Partners

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To discuss partnership, contact info@offsitenz.com.

APPENDIX A

Principal Sources

Key sources drawn on in preparing this Roadmap (current as at September 2026; full citation details available on request):

- prefabAUS / Lance Worrall (April 2024), Building the Future We Want: A Prefabrication Industry Roadmap 2023–2033.
- Scarlatti (June 2023), *Characterising the Prefabrication Workforce: An Analysis of the Current Supply of and Demand for the Prefabrication Workforce*, prepared for The Centre of Vocational Excellence (ConCOVE Tūhura); dashboard hosted on Waihangā Ara Rau's Workforce Information Platform. Publicly available via manukau.ac.nz. This report is the source of the product-scope definition applied to the 9% figure at Section 3.1 — components and non-timber panels excluded, wooden panels partially included, volumetrics, hybrids and complete buildings included, infrastructure excluded. It also reports the workforce baseline of 2,325 FTE supply against 3,999 FTE modelled demand (Q2 2023), and models the workforce implications of market share rising to 20% and to 30%.
- Report commissioned by OffsiteNZ (2021, unpublished), analysis of residential and non-residential building consent data from Stats NZ for the frequency of prefabrication terminology in project descriptions. This is the original source of the "3% (2014) to 9% (2021)" offsite market-share figure used throughout this Roadmap; it is cited only via footnote in the Scarlatti/ConCOVE report above, has not been independently located as a standalone document, and has not been updated since 2021 — treat the 9% figure as OffsiteNZ's own historical estimate pending refresh, not an externally audited statistic.
- Stats NZ, Building New Zealand: focus on the construction industry (2025/26 releases) and Household Labour Force Survey data.
- MBIE, National Construction Pipeline Report 2025; Building and Construction Sector Trends Annual Report; BuiltReady scheme guidance and public register; Building for Climate Change programme materials.
- Te Tūāpapa Kura Kāinga / Ministry of Housing and Urban Development, Going for Housing Growth programme materials (2025/26).
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- Prefab Council Australia (June 2026), *From 5% to the Future*.
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- McKinsey & Company (June 2019), Modern Construction: From Projects to Products; EU BUILD UP (January 2025), Research Note on Offsite Construction; WRAP and MDPI Sustainability (2019) on construction waste reduction; Mordor Intelligence (2025/26) Scandinavian and New Zealand market reports.
- BRANZ Build, "Progress towards AI-assisted consenting" (2025/26), and related BRANZ research on AI in the building consent process.
- prefabAUS, "Breaking the Productivity Paradox: How AI Can Reverse Construction's Declining Efficiency" (November 2025), reporting on Associate Professor Dominik Holzer's "From AI to Factory" presentation at Offsite25 (28 August 2025).
- John Curtin Research Centre (July 2026), report on Modern Methods of Construction and manufactured housing; authors Lachlan Kerwood-McCall and Nick Dyrenfurth, research support prefabAUS.
- Offsite Design Ltd, OSM3604® Guideline and Code of Practice for panelised design of offsite-manufactured light timber framed buildings, osm3604.nz. Referenced at Actions 4 and 8.
- Standards New Zealand, "Scoping standardisation solutions for offsite manufacturing of homes", standards.govt.nz. Records MBIE Building Performance commissioning Standards New Zealand to scope a New Zealand Standard to complement the BuiltReady scheme.

APPENDIX B

Glossary and Abbreviations

BIM

Building Information Modelling

BRANZ

Building Research Association of New Zealand

BuiltReady

MBIE's voluntary modular component manufacturer certification scheme

ConCOVE Tūhura

Construction and Infrastructure Centre of Vocational Excellence

DfMA

Design for Manufacture and Assembly

HUD

Ministry of Housing and Urban Development (Te Tūāpapa Kura Kāinga)

MBIE

Ministry of Business, Innovation and Employment

MMC

Modern Methods of Construction

NZDF

New Zealand Defence Force

OffsiteNZ

OffsiteNZ Incorporated, trading name of PrefabNZ Incorporated

prefabAUS

The peak industry body for Australia's prefabrication / offsite construction sector

Te Waihangā

The New Zealand Infrastructure Commission

Advanced Offsite

MMC integrating digital design, precision production, supply chain coordination and through-life business models

BCA

Building Consent Authority

BOPAS

Buildoffsite Property Assurance Scheme (United Kingdom)

CLT / LVL

Cross-laminated timber / laminated veneer lumber

COLAB

OffsiteNZ's annual offsite construction conference

Embodied carbon

Emissions locked into a building's materials and construction, as distinct from operational energy use

JASANZ

Joint Accreditation System of Australia and New Zealand

LGNZ

Local Government New Zealand

NEMA

National Emergency Management Agency

NZS 3910 / 3916

New Zealand standard forms of construction contract

OSM3604®

Offsite Design Ltd's Guideline and Code of Practice for panelised design of offsite-manufactured light timber framed buildings

Offsite by location, not by method

Conventional construction carried out in a factory without design-for-manufacture, capturing environmental but not productivity benefits

TEC

Tertiary Education Commission

Waihangā Ara Rau

Construction and Infrastructure Workforce Development Council