

Modular Construction Market Size is Projected to Hit USD 151.53 Billion by 2032

The modular construction Market is expected to reach a valuation of USD 89.44 billion in 2024 and is projected to grow at a CAGR of 6.9 % from 2025 to 2032.

PUNE, MAHARASHTRA, INDIA, March 24, 2025 /EINPresswire.com/ -- In 2024, the global [modular construction market](#) size is reach USD 89.44 billion and the market growth is expected to grow from USD 94.84 billion in 2025 to USD 151.53 billion by 2032, exhibiting a CAGR of 6.9% during the forecast period.

The modular construction market is gaining traction due to its efficiency, cost-effectiveness, and sustainable building solutions. Modular construction involves the offsite

fabrication of prefabricated, engineered building units, such as kitchens, bathrooms, full rooms, or structural components, which are then delivered and installed at the construction site. Compared to traditional construction methods, modular construction significantly reduces project timelines, enhances air quality, and offers greater flexibility in design.

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Key industry players are increasingly adopting modular building solutions due to their advantages, including reduced material waste, improved durability, lower costs, and eco-friendly construction. Modular projects can be completed 30%-50% faster than conventional construction, addressing the growing demand for rapid urban infrastructure development. Companies like AMANA Investments in the Gulf Cooperation Council (GCC) are pioneering offsite building solutions under brands like DuPod and DuBox, integrating innovative manufacturing



Modular Construction Market Size



The modular construction market in the U.S. is expected to grow significantly, reaching an estimated value of USD 31.32 billion by 2032"

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techniques. As urbanization accelerates, modular construction is expected to play a crucial role in bridging the demand-supply gap in the global infrastructure sector.

Top Modular Construction Companies:

- Guerdon Modular Buildings (U.S.)
- Laing O'Rourke (U.K.)
- ATCO (Canada)
- Red Sea International Company (Saudi Arabia)

- Bouygues Construction (France)
- VINCI Construction Grands Projets (U.K.)
- Skanska AB (Sweden)
- Algeco (U.K.)
- KLEUSBERG GmbH & Co. KG (Germany)
- Kattera (U.S.)
- Lendlease Corporation (Australia)

Market Overview:

"TECHNOLOGICAL INNOVATIONS AND SMART MANUFACTURING DRIVING MARKET EXPANSION"

The modular construction market is experiencing significant growth, driven by the adoption of smart manufacturing technologies, building information modeling (BIM), and lean construction techniques. Permanent Modular Construction (PMC) is revolutionizing the industry by enhancing workflow efficiency, improving operational performance, and reducing waste. Major industry players, such as Skender, have invested in modular production facilities, exemplified by their advanced manufacturing site in Chicago launched in May 2022. These advancements are optimizing project timelines and reducing costs, further accelerating market expansion.

"INFRASTRUCTURE GROWTH AND GOVERNMENT POLICIES SUPPORTING MARKET DEVELOPMENT"

The rise in urbanization and industrialization across fast-growing economies such as India, China, and Vietnam is fueling infrastructure investments, propelling the modular construction market. In India, commercial property leasing surged by 30% in Q1 2022, with leased areas reaching approximately 60 million sq. ft. Moreover, government initiatives promoting green construction and waste reduction policies are driving market growth. For instance, Singapore mandates the use of Prefabricated Pre-Finished Volumetric Construction (PPVC) in projects on government-owned land. Similarly, China's State Council has targeted 30% prefabricated construction in new buildings.

"CHALLENGES AND INVESTMENT BARRIERS IN THE MODULAR CONSTRUCTION INDUSTRY"

Despite rapid growth, high initial investments in offsite manufacturing and complex pre-planning

requirements pose challenges. Strategic project planning for design coordination, transportation, and onsite installation increases costs, impacting overall market scalability. However, government subsidies and R&D investments in modular solutions are expected to mitigate these challenges, ensuring sustained market growth.

Modular Construction Market Segmentation:

- By Type

Permanent Modular Construction (PMC): Involves offsite manufacturing of prefabricated structures designed for long-term use, offering enhanced durability and efficiency.

Relocatable Modular Construction: Prefabricated, transportable structures used for temporary applications such as mobile offices, classrooms, and disaster relief housing.

- By Material

Concrete: Provides high strength, durability, and fire resistance, making it ideal for permanent modular structures.

Steel: Known for its structural integrity, flexibility, and recyclability, widely used in commercial and industrial modular buildings.

Wood: A cost-effective and sustainable material preferred for residential and small-scale modular projects.

- By Application

Commercial: Includes offices, retail spaces, and warehouses.

Healthcare: Used for hospitals, clinics, and medical facilities.

Education & Institutional: Prefabricated schools, training centers, and universities.

Hospitality: Hotels, resorts, and temporary accommodations.

Others (Residential): Modular homes and apartment complexes.

Regional Insights:

The modular construction market is witnessing strong growth across key regions due to rapid urbanization, infrastructure development, and government support.

Asia Pacific is expected to grow significantly, driven by expansion in the residential and commercial sectors. In the U.S., rising demand in healthcare, education, and multi-family homes is fueling market expansion, with 69% of contractors in the Northeast using modular components.

Europe's modular sector benefits from UK government policies supporting housing innovations and emission reduction goals. The Middle East & Africa sees growth from technological advancements, while Latin America experiences slower adoption due to market resistance.

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Report Coverage:

The modular construction market is experiencing significant growth, driven by rapid urbanization, infrastructure development, and sustainability initiatives. Modular construction involves the offsite fabrication of building components, reducing construction time and costs while enhancing efficiency, flexibility, and durability.

Increasing adoption in healthcare, education, hospitality, and residential sectors is fueling demand. Government policies, including green building regulations and emission reduction goals, further support market expansion.

Recent Industry Developments:

- ATCO Structures acquired NRB Limited, a leading Canadian manufacturer specializing in modular educational, industrial, and residential buildings.
- Vanguard expanded its modular construction capabilities by acquiring Module-AR Ltd, enhancing production capacity for temporary and permanent modular spaces.
- Mutares, a private equity firm, completed the acquisition of Byldis UK, a company specializing in modular construction solutions.

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