

# PANELISED SYSTEMS

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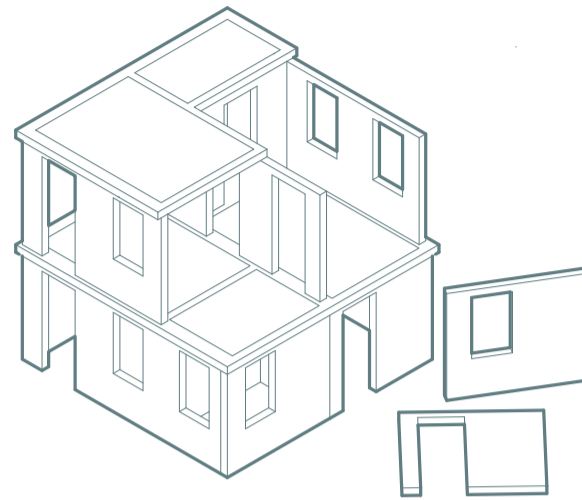
## IMPLEMENTATION GUIDELINES

This guideline indicates critical considerations and common hurdles to support potential users in selecting a product but contains no advice on which product to choose.



## DEFINITIONS

Panelised systems are panel-shaped prefabricated assemblies of walls and floors with integrated functionalities to shorten the construction time on site. A panelised system usually exists off a sandwich of different materials and is self-supporting. Panelised systems are used to construct new buildings and to refurbish or renovate existing structures.



1 | Panelised system

The main categories of panelised systems and variations are as follows:

**1. Interior wall systems:** Prefabricated interior wall systems are used to construct interior walls. These panelised walls are produced off-site in a controlled environment and then transported to the construction site for assembly. They can contain extra features like doors or conduits for technical installations. These panels expedite the building process, reduce labour costs, and improve the quality and speed of construction.

**2. Loadbearing wall systems:** Prefabricated load-bearing wall systems are used as structural parts of the load-bearing structure of a building. They can be used as interior walls or as facade systems.

**3. Facade systems:** A wide variety of panelised facade systems are on the market. These systems expedite on-site construction and can provide significant labour and time savings. Façade systems contain thermal and sound insulation, wind and water protection, air tightness, doors and windows, and most often all facade cladding.

**4. Floor systems:** Panelised factory-made floor systems are used to construct building floors. These systems expedite on-site construction and can provide significant labour and time savings. Floor systems often exist off a combination of a floor and the ceiling of the underlying story. They can even contain conduits for technical installations or parts of the floor heating systems.

**5. Roof systems:** Several types of roof elements are panelised, but there are also volumetric and folding systems on the market. For that reason, you will find a separate guideline for roof elements in our knowledge bank.

## UNDERLYING STRUCTURE

The main structural types used in panelised construction include:

**1. Timber Frame:** A traditional method using timber frames in combination with sheet materials for insulation and outer surfaces. Timber frames provide a light, cost-efficient, and easily amendable structure. The rigidity, strength, and bearing capacity of the frame can be controlled by selecting different beam sizes in the frames.

**2. Cross-Laminated Timber (CLT):** Modern engineered wood panel product offering excellent rigidity and strength. CLT exists off multiple layers of bonded wooden planks positioned in different directions. CLT comes in many different thicknesses and can replace the bearing capacity of concrete to a certain extent.

**3. Light Gauge Steel Frame:** A lightweight steel frame with high precision related to the metal stud frames used in traditional construction. Light gauge steel is an alternative to timber frames because of their dimensional stability, but often also for legislative reasons. The frame's rigidity, strength, and bearing capacity can be controlled by selecting different steel thicknesses or adding heavier steel beams. This product has a higher environmental impact than lumber, but the industry is progressing toward green steel production to overcome this.

**4. Hot Rolled or Cold Rolled Steel Frame:** A solid and durable beam structure suitable for bearing structures. This product has a higher environmental impact than the previous examples, but its bearing capacity makes it appropriate to replace concrete with a much higher environmental footprint. The steel industry is progressing toward green steel production to improve its environmental performance.

Each structure has its unique benefits and ideal use cases, with the choice depending on factors such as project requirements, structural performance, environmental considerations, budget, and desired aesthetic.



## POINTS OF INTEREST

### STRATEGIC CONSIDERATIONS

GUIDANCE	DESCRIPTION
The primary market sector	The success of off-site construction is strongly related to repeatability and production volume. Clients who specialise in a well-defined product category (e.g. single-family homes, warehouses, or hotels) have a greater chance to benefit from off-site construction than those who jump from one category to another on a project basis. Select a category with a high level of repetition or where a set of design rules could achieve this.
Geography	In the case of a pipeline of potential projects in different regions, starting with a single region simplifies the development activities. Regional requirements, codes, building norms, and other regulations will influence the design variations required. In general, the National Building Code should be considered, but most municipalities have specific wishes and zoning requirements next to that. During the design process, keeping an eye on the future target markets is beneficial in avoiding potential conflicts later on and lowering the variation level.
Main types of suppliers	<p>Not all suppliers of off-site construction have the same background. Three main categories can be distinguished:</p> <ul style="list-style-type: none"> <li>A. The Original Equipment Manufacturer provides manufacturing capabilities, technical solutions, and supplier network. They offer their expertise to produce off-site buildings or components according to client specifications within the limitations of their manufacturing standards.</li> <li>B. The System Manufacturer provides a catalogue of fully engineered and pre-manufactured products that clients may use to configure and erect new buildings. Due to their predesigned nature, these systems limit flexibility and applicability; however, they are engineered and tested and require less know-how or design and engineering work on the client side. Most System Manufacturers also erect the building on-site.</li> <li>C. The Building System Supplier is an advisor who owns the system's IP and usually provides consultancy and engineering services. The off-site products must be manufactured by external OEM manufacturers, who usually must be contracted separately.</li> </ul>
Production location	The distance of the production location to the building site or market region plays a role when selecting off-site manufacturers. A short distance is often preferable, but other considerations may outweigh this. For instance, the supplier's quality, local staff wages, material costs, or the experience level in the target region all play a role when deciding on a supplier. Critical factors with longer transportation lines are the traffic regulations that impact the dimensions of the load and an increased risk of damage. Longer distances do not necessarily mean higher costs, which depend more on topics like market circumstances, the type of transportation and the nationality of the transporter. They will, however, have a negative impact on the CO2 footprint.



GUIDANCE	DESCRIPTION
Product development partnership	It is beneficial to create a type of development partnership between the client, assisted by its architect and engineer, and the manufacturer at an early stage. This will help create efficiency by aligning the desired architectural standard with manufacturing capability. The client's commercial requirements usually lead in this process, followed by the manufacturing efficiency. The partnership's objective should be a mutually beneficial long-term relationship that allows parties to learn and improve the product going from one project to another.
Training and communication	Using off-site construction requires changing the traditional design and construction process. This means that staff will need to be trained and upskilled. Contractors will also need to understand how the process differs from typical construction, and the manufacturer should provide contractor-facing materials to educate them on the new process.



## CONTRACTING, WARRANTIES, AND PROJECT FINANCE

GUIDANCE	DESCRIPTION
Securing financing	Project financing of off-site construction projects will require additional information to be provided to financiers. Primarily, banks will want to have a guarantee that the off-site manufactured goods will be delivered and installed on-site. Until the off-site products are installed on-site, several banks view off-site construction more as financing goods than real estate.
Typical contract provisions with off-site providers	<p>Before proceeding to product reservations, clients should negotiate their contracts with the off-site system providers. Essential items to include:</p> <ul style="list-style-type: none"> <li>· Quantity and scope of delivery</li> <li>· Delivery schedule</li> <li>· Acceptance process and handovers</li> <li>· Price, including margins and contingencies</li> <li>· Payment schedule</li> <li>· A sharing mechanism for the proceeds of collective product improvement in case of multiple projects</li> <li>· Warranties</li> <li>· After-sales services and maintenance</li> </ul>

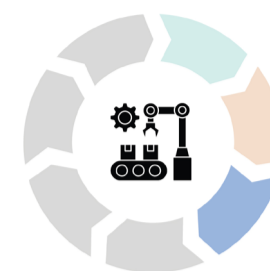


GUIDANCE	DESCRIPTION
Scope of work definition	The division of work between on-site and off-site contractors should be clearly defined in a schedule that divides the work and responsibilities between the factory and the contractors on-site. This should be included in the contracts with all parties involved to ensure the scope of work is clear to all. Grey areas should be avoided in a schedule that divides the work and responsibilities between the factory and the contractors on-site.
Product warranties	Several key provisions should be included in the off-site manufacturer warranties, including: <ul style="list-style-type: none"> <li>· Extended warranties: The warranty should cover everything after production, including storage, transportation, delivery, and installation of the modules on-site. The warranty should explicitly say that the product should be in the same condition when going into operation as it was when it left the production line.</li> <li>· Completion guarantee: This warranty stipulates that the manufacturer will manufacture and deliver their products themselves or via third parties in case the company must cease operations. In that case, the client should also obtain full ownership of the production data as collateral.</li> </ul>
Production capacity reservation	Parties must agree on a clear schedule for the delivery of design documentation to the factory and the lead times for production engineering. The manufacturer has to share the availability of the production line, the production lead-in time, and the due date for the reservation of manufacturing capacity. Based on this, the client can schedule its project and submit the production reservation to the manufacturer.
Production reservation payment	The client must usually submit a payment alongside the production reservation. This payment is according to the schedule agreed upon earlier. This payment could precede the production by up to six months. In the event that the customer cancels the order, this payment is usually not refunded.
Plan for early payments	Typically, a high percentage of the product payments to the manufacturer must be made before the panelised systems are installed on-site. The client must know this and map out this payment schedule for external financiers alongside the on-site assembly schedule. Typical payments for off-site construction that precede the on-site construction are the Production reservation, Procurement of materials, and Production batches.



## DESIGN

GUIDANCE	DESCRIPTION
Choose off-site technology for the project early	Each type of panelised system will come with specific requirements, which should be established from the onset of each project. These requirements are the design constraints that the team must adhere to. Environmental and construction approaches should be defined and agreed upon at the project onset.
Involve the manufacturer in the design process	To realise the full potential of each system, the manufacturers should be involved during the design stages. In most cases, they may ask for a consulting fee or other short-term contract. It is vital to involve the manufacturer before the building concept is drafted.
Design for Circularity	Design panelised systems for disassembly, reuse, recycling, and replacement to minimise material waste at the end of life. Panelised systems should also incorporate reused or recycled materials instead of virgin materials to support circular material use. More information on the circular economy can be found in the Knowledge Bank.
Agree to the required level of detail	Agree on what level of detail the manufacturer needs to translate the design into fabrication. Without a clear understanding of what is required on the manufacturing side, the design documents might be inadequate and delay the manufacturing schedule due to additional coordination between the architect and the manufacturer.
Plan for tolerance management	Off-site projects require strict tolerance management and a common strategy before the architectural design is detailed. Manufacturing tolerances are below 5mm, while traditional construction tolerances are up to 50mm. The interface points where traditional construction (e.g., foundations or cores) and off-site products come together must be detailed precisely. The design team must provide ways to bridge the difference. Typically, architects leave this to the contractor, but when using off-site construction, that is too late, and the contractor might be unprepared for it. Avoid “Field verify” in shop drawings.
Stick to manufacturing conditions	The design conditions for using the panelised building system must be agreed upon by the architect and the manufacturer at the start of the project. The benefit of off-site construction could be lost if the starting principles are not followed.
Codify design rules	Interfaces between panelised elements, placements, dimensions, system compatibilities, and other factors detailing the limitations of design variance should be codified. This is especially important if the building is comprised of building systems from several manufacturers. This codification leads to a coordinated set of standard details.
Develop a product library	Once developed, the panelised components and systems can be stored in a product library or catalogue. With this library, standardised and repeatable components and systems can be used by architects to quickly design new projects without recreating those components and systems from scratch. Having this library will save time and money in the design and manufacturing phases.
Implement unique design scenarios	If a unique design scenario arises (e.g. a curved shape) that falls outside of the agreed system restrictions, the team must seek advice from the manufacturer to avoid unexpected costs.
Test ideas	Testing the processes and products before manufacturing at scale is advisable. Depending on the desired result, this could be through virtual sample projects or physical prototypes. Validation testing can start as early as the first data becomes available.



## MANUFACTURE

GUIDANCE	DESCRIPTION
Production ramp-up schedule	The client must consider the time needed to set up production and synchronise with on-site preparation work in the project timeline. The client should coordinate this to establish efficient site logistics.
Prototyping	The manufacturer should provide a prototype of the product that the client can use as the baseline for quality control and sign-off. This prototype is usually one of the last units that will be installed in the building. The client should work with the manufacturer to determine the prototyping timing and agree on quality control procedures based on the prototype.
Quality control	A quality control protocol between the client and manufacturer should be established, which could sometimes include inspectors from a building authority. An MEP inspector might be needed, for example.
Acceptance process	The client and manufacturer must agree on a process for if and how the client will accept the panelised system elements before being shipped to the building site. Acceptance can go hand in hand with the transfer of ownership, which could help lower the risk for the client in case the factory experiences financial challenges. This should be done in combination with extended warranties.
Order delays	Construction projects often face delays caused by permit issuance and legal procedures. Discuss this early on and produce a contingency plan between the client and the manufacturer. This plan could include whether to store the systems or delay production and the costs associated with each option.
Post-production storage	Panelised systems should be stored in a controlled environment to avoid the risk of product deterioration.
Track and manage waste	Clients should verify that their manufacturers track the amount of waste generated and investigate ways to reduce this waste or monetise it through various reuse streams. This will help lower the environmental impact of the manufacturing process and minimise excess material costs.
Provide final documentation of product composition	Clients should verify that manufacturers provide clear documentation of the final products regarding the reversibility of connections, material type, material amount, and reuse potential. This can then be used to document the circularity of the building products and can guide actions in later lifecycle stages.



## TRANSPORTATION TO SITE

GUIDANCE	DESCRIPTION
Weather protection and product packaging	Minimise materials needed to package and protect products as much as possible to reduce transportation costs and environmental impacts. Consider reusable weather protection.
Optimise transportation routes	Utilise planning software to select the most efficient routes and means of transportation to the project site, thereby minimising fuel usage, travel time, and costs.
Plan for just-in-time delivery	Preferably, panelised systems are installed directly from the trailer and are delivered to the project site on their day of use. Manufacturers and contractors must coordinate their manufacturing and transportation timeline and delivery order. Not doing so may cause delays and cost overruns.
Quality control during transportation and on-site	Manufacturers must ensure that their products remain undamaged from when they leave the factory until they are installed onsite. Damages usually come from mishandling during transportation (penetration of the waterproof membrane, sloppy placement, deformation due to hoisting, collision, etc.) and from uneducated installation onsite (lack of temporary waterproofing, unauthorised tampering with membranes, the connection of services, etc). The QA and QC must prevent these issues.
Site preparation in time for building system arrival on-site	A detailed traffic plan must be developed to coordinate the stream of delivery trucks in line with the crane operation. Access routes should be kept free to avoid traffic jams and onsite congestion.
Weather protection and product packaging	Minimise materials needed to package and protect products as much as possible to reduce transportation costs and environmental impacts. Consider reusable weather protection.



## ON-SITE ASSEMBLY

GUIDANCE	DESCRIPTION
On-site assembly of prefabricated systems	Assemble the panelised systems onto the building as quickly as possible to avoid weather-related difficulties. Plan the on-site construction process to “practice” and reduce construction time on-site.
MEP and utility connections	Mechanical, Electrical, and Plumbing (MEP) systems will need to be connected to utilities and interconnected on-site. It is crucial to make a clear division of the on-site and off-site installation works and who is responsible for what, before the panelised systems arrive at the building site.
Avoidance of scaffolding	Offsite construction brings the opportunity to avoid scaffolding, depending on the façade that is being used. Most providers of panelised façade systems have solutions to prevent scaffolding, which results in significant cost savings.
Tolerance control on-site	During construction and the installation of panels, someone must monitor tolerance fields to avoid mismatches between in-situ works and off-site works.
Temporary weather protection during construction	There is a risk of moisture issues from the weather when assembly on-site is in progress. Temporary weatherproofing should be provided to protect the panelised systems until the building is wind and weatherproof.



## MAINTENANCE

GUIDANCE	DESCRIPTION
Data management	Clients will have full access to the digital information of their property because of the comprehensive manufacturing data. This will help to identify used products, components, and materials and ease maintenance and replacement.



## END-OF-LIFE

GUIDANCE	DESCRIPTION
Establish end-of-life scenarios for circularity	<p>With off-site construction, one can design buildings that can be disassembled and reused. The project team should investigate end-of-life scenarios that can reduce the environmental impact. Some ideas for this could include but are not limited to:</p> <ul style="list-style-type: none"> <li>· Repair and reuse components and systems: If a component or system is still functional after disassembly, repair it if needed and reuse it in future building projects.</li> <li>· Returning materials to suppliers: If a manufacturer or supplier has a “take-back” program, disassemble the products to the necessary level and return those products or materials so that they can be reused or recycled properly by their supplier.</li> <li>· Establish reimbursement arrangements: Some manufacturers have begun using a deposit-type system that reimburses clients for returning critical high-value materials to them.</li> <li>· Sell materials with high residual value: Some materials have a high residual value in secondary marketplaces and should be salvaged by the deconstruction team.</li> </ul> <p>More information on circularity can be found in the Knowledge Bank.</p>



## ONGOING IMPROVEMENT

GUIDANCE	DESCRIPTION
Set long-term goals	Goals that span multiple projects can help create a mindset for continuous improvement. Quantifiable and traceable goals are best for the entire team to track progress.
Think releases	<p>Traditional design and construction treat every project as unique and, therefore, implement every potential idea or improvement during the course of a single project, even when it is reasonably too late.</p> <p>Using off-site construction supports product releases, which means that a potential idea or improvement can be scheduled for implementation during one of the following projects when time is an issue.</p>
Log lessons learned	Establish a quality control system where stakeholders can register every fault, issue, or suggestion for improvement during the building’s design, manufacturing, construction, and operation. These data will form valuable input for product improvement and can feed into product development for the subsequent releases of the off-site product.
Product improvement	<p>Consider tracking two main categories for product improvement:</p> <ul style="list-style-type: none"> <li>· Quality improvements (coming from logging the lessons learned as mentioned above).</li> <li>· Innovation opportunities (leveraging new technical insight to improve product design, construction, use, and end-of-life).</li> </ul>
Create a product roadmap	Parties must agree upon how releases of the building systems are implemented and documented. A product roadmap helps to keep a clear overview of which projects use which building system release. How this is handled will depend on the complexity of the design and the level of change between versions.

## **COMMON PITFALLS**

The following list represents common and avoidable pitfalls of implementing Panelised Building Systems:

### **1. Project Development Pitfalls:**

- a. Unpreparedness to embark on a new way of construction and disregarding the impact on the process, like involving manufacturers at an early stage of a project.
- b. Underestimating the impact on financing structures because traditional construction financing is not tailored for the funding of manufactured products at scale.
- c. Not reaching the required scale to offset the related engineering costs for manufactured products.
- d. Keeping options open to modify the design (other than finishes) after completing the technical design.

### **2. Design and Engineering Pitfalls:**

- a. Starting to design a building without the involvement of the supplier of the panelised systems or knowing the constraints of a preferred system. Even an experienced architect will need the input of a potential supplier to realise the full potential of panelised construction and avoid unnecessary costs.
- b. Expecting a supplier to morph the design of a traditional building into a panelised structure and still realise all the benefits of panelised construction.
- c. Disregarding the interfaces and tolerance differences between manufactured products and in-situ works.
- d. Lack of detail, late changes, and unresolved topics in the design package when starting production. “Field verify” has no place in off-site construction shop drawings.

### **3. Manufacturing Pitfalls:**

- a. Project schedule delays leading to a production line standing idle.
- b. Lack of QA and QC procedures, or the execution thereof.
- c. Insufficient weatherproofing for storage outside, transportation, and assembly on-site.

### **4. Transportation Pitfalls:**

- a. Transportation comes in different classes depending on the dimensions of the load. A few centimetres extra could lead to additional permits or mandatory escorts. Manufacturers are aware of these restrictions and can inform the design team accordingly.

### **5. Onsite Assembly Pitfalls:**

- a. Improper coordination between the on-site contractor and the off-site supplier leads to logistic inefficiencies and delays.
- b. Lack of proper instruction and quality control by the off-site supplier during assembly of the panels onsite.
- c. Uncertainty about the ownership of the volumetric panelised systems once assembled onto the building.
- d. Lack of weatherproofing during construction to prevent moisture-related problems.

# BRIDGE THE GAP



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