

Brooks Pierce Attorneys Published in Construction Executive

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Brooks Pierce attorneys Anna Tison, Camden Betz and Arty Bolick were recently published in Construction Executive. The article, titled “Growth of Modular Construction Raises New Legal Questions,” addresses the legal challenges brought by the growing number of developers using modular construction.

Modular construction, which has become especially popular in the multifamily and hospitality sectors, allows for segments of a larger project to be built offsite and then transported and assembled together onsite, reducing construction costs and allowing for more efficiency. As a result, construction companies need to reconsider certain aspects of their contracts to address new legal concerns regarding whether the company producing the units is a subcontractor or manufacturer of goods, who is responsible for transportation risk and insurance, determining how to handle scheduling and coordination issues, inspection rights, risk of insolvency and warranties of construction.

“As the use of modular construction in the commercial sector continues to grow, it is important that developers and general contractors weigh the risks and rewards and then structure the contracts to provide themselves the greatest protection and to satisfy the lender’s underwriting requirements,” wrote Tison, Betz and Bolick. “While there is no way to completely eliminate risk, contract stipulations around things such as the role of the modular provider as a subcontractor, clearly outlining ownership and financial liability throughout the process, and carefully vetting the stability of the provider can minimize some of the risk and make the project go more smoothly.”

The full article is available online [here](#).