# Daiwa House Modular Europe ramps up UK modular housing to combat escalating crisis



Daiwa House Modular Europe (DHME) is intensifying its efforts to tackle the UK's pressing housing crisis by leveraging its extensive international experience in modular construction. The company’s UK managing director, Craig Garbutt, underlines the critical housing shortage confronting the country, which has reached a tipping point. Rising demands, a lack of skilled labour for traditional construction, and escalating financial burdens on temporary accommodation for homeless individuals underscore the urgency of adopting innovative solutions such as modular build methods.

DHME positions itself strategically well in the UK market, drawing on proven successes from its European operations. Its business model prioritises forming strong partnerships with local authorities and housing associations to deliver modular housing at scale, rapidly, and with consistent quality. Garbutt highlights the blueprint established by its European factories, which DHME intends to replicate in the UK once a robust order pipeline is secured. Future plans include developing facilities capable of producing both volumetric and panelised Modern Methods of Construction (MMC) homes.

The government’s current approach to procurement and planning for housing development is described as outdated and ineffective. Garbutt argues that existing systems have repeatedly failed to meet housing targets, leading to soaring costs associated with ongoing temporary housing provision. Government figures reveal a record spend of £2.29 billion in England on temporary emergency accommodation, a 29 percent hike from the previous year. Notably, £1.34 billion of this is for nightly paid accommodation, marking a 55 percent increase. Such expenditures underscore the chronic shortage of affordable housing and the unsustainable reliance on temporary solutions.

In response, DHME has launched its National Affordable Rapid Accommodation (NARA) initiative to address "emergency meanwhile use" needs rapidly and efficiently. These NARA units, offered in one to three-bedroom configurations, are designed for swift deployment, mobility between sites, and long-term reuse or conversion into permanent housing. Constructed with hot-rolled steel frames and predominantly non-combustible materials, the units prioritise safety, durability, and environmental sustainability, often achieving an EPC A rating. This initiative aims to ease pressure on local authorities by providing flexible, quality accommodation options for vulnerable populations awaiting permanent homes.

Garbutt also draws attention to a broader issue within the construction sector: the misconception around the cost of MMC volumetric solutions compared to traditional builds. While volumetric methods may initially appear more expensive on project cost plans, they significantly reduce on-site construction time, associated management costs, and commissioning phases. When considering early rental income and reduced expenditure on temporary accommodation, volumetric modular housing frequently proves more cost-effective. He stresses that government and local authorities need to adopt comprehensive procurement strategies that integrate these factors, rather than relying on outdated, less effective approaches.

The gravity of the UK housing crisis is well documented beyond DHME’s perspective. Reports from organisations such as Shelter and the Resolution Foundation illustrate the broader social and economic consequences. Shelter highlights that nearly half of new nurses, teachers, and NHS healthcare assistants in England find one-bedroom rentals unaffordable, with London and the South East experiencing the most acute shortages. Meanwhile, the Resolution Foundation reveals a dramatic rise in households living in temporary accommodation, from 50,000 in 2010 to 128,000 in 2025, largely driven by inflated private rents and inadequate housing benefits. Single-parent families are disproportionately affected, amplifying the social challenges tied to housing insecurity.

Additionally, the UK’s housing shortfall, estimated at 6.5 million homes compared to other European countries, points to structural under-delivery. Research by the Centre for Policy Studies indicates the UK has only 446 homes per 1,000 people, markedly below the European average of 542, with projections suggesting the country will not reach this average until 2115. This chronic under-supply severely limits affordability and availability, especially in economically prosperous regions like the Greater South East, where house prices are more than ten times average salaries and vacancy rates are exceptionally low.

The accumulated evidence from both industry insiders and independent research conveys that the UK’s housing crisis demands a multifaceted, urgent response. Modular construction solutions like those championed by DHME offer a promising avenue to help meet demand efficiently and sustainably. However, broader systemic reforms in procurement, planning, and funding strategies are essential to unlock the potential of modern construction methods and address the entrenched housing deficits affecting millions.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/), [[2]](https://www.daiwahousemodular.eu/en/)
* Paragraph 2 – [[1]](https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/)
* Paragraph 3 – [[1]](https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/), [[4]](https://www.reuters.com/world/uk/uk-sees-record-rise-households-temporary-accommodation-think-tank-says-2025-07-10/)
* Paragraph 4 – [[1]](https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/)
* Paragraph 5 – [[1]](https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/)
* Paragraph 6 – [[3]](https://www.ft.com/content/09586dd7-3ba4-4433-beb5-8c58278d4e52), [[4]](https://www.reuters.com/world/uk/uk-sees-record-rise-households-temporary-accommodation-think-tank-says-2025-07-10/)
* Paragraph 7 – [[5]](https://www.mortgagesolutions.co.uk/news/2025/07/01/uk-has-a-housing-shortfall-of-6-5-million-cps-says/), [[6]](https://www.centreforcities.org/publication/the-housebuilding-crisis/)
* Paragraph 8 – [[1]](https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/), [[3]](https://www.ft.com/content/09586dd7-3ba4-4433-beb5-8c58278d4e52), [[4]](https://www.reuters.com/world/uk/uk-sees-record-rise-households-temporary-accommodation-think-tank-says-2025-07-10/), [[5]](https://www.mortgagesolutions.co.uk/news/2025/07/01/uk-has-a-housing-shortfall-of-6-5-million-cps-says/), [[6]](https://www.centreforcities.org/publication/the-housebuilding-crisis/)

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## Bibliography

1. <https://ccemagazine.com/news/daiwa-house-modular-europe-is-leading-a-new-era-for-uk-housing-with-scalable-and-sustainable-solutions/> - Please view link - unable to able to access data
2. <https://www.daiwahousemodular.eu/en/> - Daiwa House Modular Europe is a European organisation with Dutch and Japanese roots, specialising in industrialised modular building. They focus on creating sustainable housing solutions in close collaboration with clients, future residents, suppliers, and their own team. Their approach emphasises harmony with society and current developments, aiming to provide comfortable, healthy, and future-proof living environments. The company has a strong commitment to sustainability and circularity, striving for the complete reuse of all components in their modular building process to ensure environmentally friendly homes for current and future generations.
3. <https://www.ft.com/content/09586dd7-3ba4-4433-beb5-8c58278d4e52> - A report by the charity Shelter reveals that renting a one-bedroom flat is unaffordable for new nurses, teachers, and NHS healthcare assistants in almost half of England due to high housing costs. Rent for an average one-bedroom property consumes more than 30% of gross pay, which the Office for National Statistics deems unaffordable, affecting 45% of newly qualified nurses, 43% of teachers, and 69% of healthcare assistants. The housing shortage is most severe in London and the South East. Shelter highlights the need for the government to invest in affordable housing, emphasising that private market solutions alone are insufficient.
4. <https://www.reuters.com/world/uk/uk-sees-record-rise-households-temporary-accommodation-think-tank-says-2025-07-10/> - A report by the Resolution Foundation reveals that the number of households living in temporary accommodation in England has surged from 50,000 in 2010 to 128,000 in 2025, largely due to a shortage of affordable housing and soaring private rents. London accounts for 72,000 of these households. Single-parent families are disproportionately affected, comprising 35% of those in temporary housing while representing only 16% of UK households. The report cites a significant mismatch between rising private rent costs—up by 54%—and housing benefits, which have increased only 36%. Compounding the issue, only 8% of affordable homes in London are built for social rent.
5. <https://www.mortgagesolutions.co.uk/news/2025/07/01/uk-has-a-housing-shortfall-of-6-5-million-cps-says/> - The UK has a housing shortage of 6.5 million homes when compared to similar countries in Europe, analysis from a think tank found. Research from the Centre for Policy Studies (CPS) showed that there were just 446 homes for every 1,000 people in Britain, the second-worst rate in Europe. By comparison, there are 560 homes for every 1,000 people in France, 516 in Germany, and the European average is 542. It found that based on recent trends, the UK will not reach the current European average of 542 homes per 1,000 people until 2115.
6. <https://www.centreforcities.org/publication/the-housebuilding-crisis/> - Britain has a severe housing crisis, especially in the most prosperous places in the Greater South East. Across England, the average house costs more than ten times the average salary, vacancy rates are below 1 per cent, and space per person for private renters has dropped substantially in recent decades. This report explores the root cause of the UK’s housing problem, how policy in this area has developed over the last 75 years, and what action policymakers need to take to deliver enough homes in the UK.
7. <https://www.amoka.co.uk/blog/the-uk-housing-shortage-two-decades-of-under-delivery> - The United Kingdom’s chronic housing shortage remains one of the most pressing structural challenges facing the economy. Despite repeated policy commitments and funding initiatives, the supply of new homes has consistently fallen short of government targets. This article offers a data-led overview of new housing completions relative to official targets between 2000 and 2024, quantifying the shortfall and analysing its implications for market dynamics, regional inequalities, and public policy.