

The Australian, 09/06/2011

Why prefab makes perfect sense



TRADING ROOM

KATHERINE JIMENEZ

TUCKED away in a busy pocket of Melbourne's central business district stands an eight-storey residential and retail complex dubbed Little Hero.

Designed by architect Nonda Katsalidis, the Russell Place building comprises 63 apartments and a retail level.

On the surface, there appears nothing unusual about the building, but there is. Using prefabricated building technology, it took just nine months to complete the entire project and only a month to install all the finished units.

The project would also become the launching pad for Unitised Building, a Melbourne-based company founded in mid-2008 by Marc Johnson and Mr Katsalidis, who invented the technology.

Prefabricated technology is

essentially a container structure that is made off-site and transported back for installation.

Unlike most prefabricated technology, which comes in a standard modular size, the units that UB makes are custom-sized, allowing them to cater for different building designs.

The UB units are also made of steel and are completely fitted out before arriving on the site.

Significantly, the technology cuts down the building time of a project by half. For example, a 150-unit block would take UB only about six months to build.

While there was a lot of prefabricated work happening around the world, Mr Johnson said theirs was different in that it had a flexible system that allowed them to build interesting and complex buildings.

"You would never know that the buildings that we're building were ever done in a prefabricated manner," he said.

Little Hero was UB's first prototype building using the prefabricated buildings technology. The idea to create the technology came after Mr Katsalidis developed the Eureka Tower, the tallest building in Melbourne.

"It was really out of that view of continued escalating costs in construction that the idea came to him (Mr Katsalidis) to move into prefabricated," Mr Johnson said.

He believes UB has taken prefabricated to the next level.

Giving UB that point of difference, he said, was the way it was able to go about breaking up a building, the structure, and provide accuracy.

UB is in its third year in operation. The partnership is split with Mr Katsalidis focused on the construction and engineering side of

the business and Mr Johnson, a former banker with JPMorgan, overseeing the corporate and finance. Mr Johnson describes the partnership as a "natural fit".

Both had a common vision. "We have very big aspirations for the technology," he said.

In 2009, the duo took on their first major shareholder — residential construction firm Hickory Developments, which owns half of UB.

Since 2008, UB has completed four projects in Victoria.

But it was the Little Hero project that was the defining moment for the company. It led to UB being awarded by VicUrban, the state's urban development agency, a 199-dwelling housing program in Coburg in late 2008.

VicUrban had a 12-month deadline to complete the project. "They came to the conclusion that UB could not only do it in the timeframe, but actually not change the building they wanted to build," Mr Johnson said.

He said the company was now looking at expanding into NSW, with several opportunities in Sydney on its radar. It was also looking at opportunities in the hotel and hospital sectors.

Another sector on the radar for UB is the mining accommodation sector in Western Australia and Queensland.

"I think it's a very big potential market for us," he said.

"What we are hearing from the mining companies... is that they are kind of getting sick of the really low end... temporary mining camp look."

Mr Johnson said people were beginning to differentiate who they worked with based on the accommodation they were able to provide.



DAVID GBRAGHTY

Marc Johnson believes Unitised Building has taken prefabricated to the next level