



An Australian Government Initiative



Regional
Development
Australia

REGIONAL DEVELOPMENT AUSTRALIA CENTRAL COAST

Modern Methods of Construction (MMC): Build Smarter, Faster and More Sustainably

Fact Sheet 3

October 2026

Modern Methods of Construction (MMC) remains a relatively small share of national construction output, but current policy, market and regulatory signals point to sustained growth. It also highlights an important methodological issue: estimates of MMC use in Australia vary considerably depending on whether sources measure modular construction, prefabricated buildings, or the wider prefabricated construction market. As a result, national MMC data should be interpreted as indicative rather than perfectly standardised.

Table 1: MMC in Australia

National Indicator	Australia	What It Suggests About MMC Use	Reference / URL
Estimated national market share	MMC or prefabrication is commonly described as accounting for less than 5% of the national construction market in recent Australian reporting (Hames Sharley, 2023).	MMC remains a relatively small share of overall construction activity, but it is increasingly recognised as a strategic growth area	Hames Sharley (2023)
Estimated market value	Commercial market estimates place Australia's modular or prefabricated construction market between approximately AUD 10.27 billion and AUD 14.57 billion in 2024, with higher estimates of AUD 17.07 billion to AUD 18.66 billion for broader prefabricated construction definitions in 2024–2025 (Mordor Intelligence, 2024).	The size of the sector is already economically significant, even though measurement varies depending on definitions and data sources	Mordor Intelligence (2024)

Growth trajectory	Recent market reports forecast continued growth, with estimates ranging from about 4.9% to 11.2% compound annual growth depending on the segment, timeframe and dataset used (Mordor Intelligence, 2024).	Despite definitional differences, multiple datasets point to sustained growth in the Australian MMC sector	Mordor Intelligence (2024)
National policy support	The Australian Government has announced support for prefabricated housing as part of efforts to improve housing supply, including national investment and work toward a voluntary national certification pathway (Australian Building Codes Board, 2026).	Government support is helping shift MMC from a niche approach toward a mainstream housing and productivity strategy	Australian Building Codes Board (2026)
Regulatory and technical guidance	The Australian Building Codes Board released a dedicated prefabricated, modular and offsite construction handbook in 2024 to improve clarity on National Construction Code compliance (Australian Building Codes Board, 2024).	National guidance indicates that MMC is now being formally integrated into mainstream building regulation and compliance practice	Australian Building Codes Board (2024)
Industry context	Building 4.0 CRC reports that the building industry employs around 1.4 million Australians and represents around 13% of GDP, with MMC positioned as a response to low productivity, high waste and labour shortages (Building 4.0 CRC, n.d.).	MMC is being framed not only as a housing solution, but also as a broader industry transformation strategy	Building 4.0 CRC (n.d.)



Figure 1. Examples of modern methods of construction, including volumetric modules, precast components, panelised systems and infrastructure modules.