

Greystar Buys Modular Apartment Development in London

The Croydon property's towers will be among the tallest in the world built using modular construction



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PHOTO: GREYSTAR

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Factory-built homes are going vertical.

Greystar Real Estate Partners, the largest apartment operator in the U.S., and a partner are acquiring a 550-unit development in London with two towers that will be among the tallest in the world to be built using modular construction, according to company executives.

Wes Fuller, executive managing director of investments at Greystar, said modular construction will shave the development time in half, down to two years from four or five, which in turn helps cut costs.

“We see a tremendous opportunity to provide quality affordable housing in a market like London that is undersupplied,” Mr. Fuller said.

The development’s towers are set to be 44 and 38 stories high, putting them among a small number of high-rise developments built using modular technology. Apartment units will be built in factories, trucked to the sites in Croydon, south London, and fitted together like puzzle pieces. The process is quicker and sometimes cheaper because workers can work through bad weather and use a more orderly process.

Still, developers often have struggled to make modular technology work on larger projects. It allows little flexibility to change the design once it is under way and can lead to clashes with construction unions, which have a tighter grip on the high-rise market.

Greystar, which is partnering with European real-estate investor Henderson Park on the acquisition, has been expanding its portfolio in Europe. Greystar and Henderson last year [acquired a \\$197 million apartment portfolio in central London](#). The companies declined to disclose the price for their recent transaction.

Modular technology is quickly gaining interest from developers, as construction and material costs skyrocket.

“This is probably not going to be the tallest building for long,” Mr. Fuller said.