



Impresa Modular Franchising: The Path to Success with Off-Site Construction



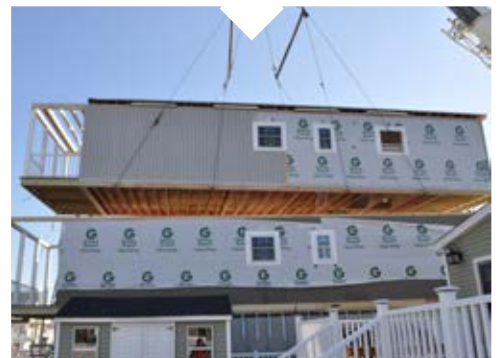


Introduction

Welcome to the future of home construction. Welcome to a world where principle construction starts and finishes in two weeks. One where the final product is stronger and more energy-efficient than any built traditionally. One where your profits are higher, your customer satisfaction is greater, and your headaches are far, far fewer.

**Welcome to the world of
off-site modular construction
and Impresa Modular Franchising.
We think you'll like it here.**

As an Impresa Modular Franchise Builder, you will gain access to powerful construction and business systems that will help you sell more and build faster. You will be backed by a team with decades of experience ready to offer plenty of advice to help you as you establish and grow your custom modular home business. Get ready to discover the Impresa Modular Franchising advantage.



Welcome to the Revolution in Home Building



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1 Off-site Construction: The Way Forward

What is Off-Site Construction?

Off-site construction consists of building homes and commercial projects at a location other than their final destination.

Modular construction uses sophisticated technology and industry leading design software to identify elements of a construction project that can be prefabricated as modules of various sizes in a controlled factory environment. The modules are then transported and delivered to the home site, set on the foundation by use of a crane, and joined together to make one integrated building. Once the modules are assembled on-site the structure is virtually indistinguishable from those built by traditional construction methods.

The potential for Modular Construction is limitless, and as the U.S. gains ground on the other parts of the world who have adopted this method as a standard, you will start seeing more residential and commercial projects being built by this process.

Modular is changing the way the world builds today, and in the future.



Why Off-Site Construction?

Current construction techniques have not evolved much over the past 180 years. The construction industry, in comparative terms with other industries, is lagging significantly in resolving historic challenges with waste management, cost overruns, schedule delays and quality control. That is, until the advent of modular construction which has brought significant improvements.

An inherently 'greener' and safer approach, modular construction generates less waste material, creates less site disturbance, all while producing a structure that is generally stronger than those built using conventional methods of construction.



Forecast for new U.S. residential construction 1999 to 2022

671.95bn USD

Lower energy use is main reason for U.S. customers to request green homes

64%

Share of construction professionals stating lower operating costs as green building benefit

65%

Share of construction professionals stating client demands drive green building

44%

2 Off-site Construction: Modular Means More

At Impresa Modular, we often combine modular construction with panelized construction. This powerful combination of Advanced Modular Off-Site Solutions (AMOSS) has been extensively used by Impresa Modular and is the basis for delivering every custom modular home across the U.S.

Combine modern modular construction with panelized construction and you have a recipe to create some truly inspired homes designed and built completely within a factory environment.

Benefits of the Advanced Modular Off-Site Solution (AMOSS)

Extensive Design Flexibility

Modular construction can produce designs for virtually any architectural style or type of home—log, chalet, vacation, contemporary/modern architecture, and just about anything in-between. Whether you're building an affordable home, a high-end custom home, two-story townhouses or entire communities, you can do it faster and more profitably with modular construction.

Reduced Financial Risk

The extended timeframe of traditional on-site construction not only exposes you to weather risks, but also leaves you at the mercy of market swings and customer fall-out. Modular construction can reduce timelines by 30-50 percent or more. This means shortening your construction loan and thus reducing the financing costs of the project for your customer.

Juggling many small subcontractors can impact your schedule and your ability to stay on budget. Modular construction decreases this risk by accomplishing more in the factory.

Finally, the home modules you order from the factory reflect the majority of the homes costs. Most decisions for the homes construction must be made upfront forcing home buyers to better think through decisions thereby resulting in less change orders. Scope creep is virtually eliminated and the risk to the overall project schedule is reduced.

Increased Quality Controls

The modular construction process creates tighter structures and an overall superior quality product, due in large part to approximately 80 percent of the build being carried out in a factory-controlled environment. Homes are protected from nature's elements and do not suffer damage from warping, insects, and mold. The manufacturing process is also subject to stringent quality control programs that lend themselves to providing more energy-efficient, healthier, and more resilient homes.

Modular Construction Schedule



Site Built Schedule



Decreased Site Supervision Costs

With modular construction, the modular manufacturer becomes the largest subcontractor which significantly reduces the number of subcontractors you need to source, negotiate with and oversee on-site. This can be especially advantageous in areas of the country facing shortages in skilled labor. Less supervision makes you more productive giving you the ability to work on multiple projects simultaneously.

Decreased Site Management Costs

When you relocate up to 80 percent of the construction to a manufacturing facility you also relocate many of your site management costs. Reduced on-site construction limits your need to provide expensive accommodations. Parking, sanitary and material storage costs are all reduced. And costly delays waiting for site inspections are avoided as most of the construction inspection process takes place in at the factory. In addition, site waste is reduced to only the weather protection material and lumber used for stabilizing the module during transportation.

Decreased Wasteful Activities

According to the U.S. Bureau of Labor Statistics, 57% of activities in construction are wasteful and non-value adding. These activities are not compensated. In contrast, modular construction has adopted lean manufacturing principles as a way to eliminate waste and improve efficiencies. The lean approach employs greater flexibility and reuse within the factory by utilizing or recycling all building materials and leaving virtually zero waste. By replacing the wasteful aspects of construction with the efficiencies of manufacturing, modular construction increases the value of building projects.

In a world that is strongly focused on significantly reducing waste and carbon footprints, and a construction industry that is desperately seeking cost control and schedule reduction, the move towards modular construction could not be coming at a better time.

Decreased Vandalism and Theft

Modular construction can greatly reduce your exposure to vandalism and theft. Most modular buildings are fully secured on the day of delivery. Immediately after the modules are set the home is fully secured with locking doors and windows.



Reduced Architectural and Engineering Fees

Building modular homes selected from a factory's standard portfolio of home plans saves a substantial sum in architectural and engineering fees. If you are making modifications to an existing design or having a custom design developed, you will typically incur engineering fees. In most cases, however, these fees will be significantly less than those associated with traditional construction. Manufacturers design custom home plans to be efficiently built in their factories.

In most cases, you will only need an engineered foundation that is specific to your site and home. To assist you, the modular manufacturer provides you with a typical foundation design and the point loads of the modular building.

Homes that Work Better

Impresa Modular subscribes to the theory that homes that are built in a factory are held to a higher standard. Certifications and labels matter to today's homebuyer and visually represent that standard. Impresa Modular Franchising trains franchisees to join and support the most prestigious labels in home building. The efficiencies of modular construction allow our builders to provide these additional assurances to homebuyers and competitively price homes in their markets.



Certifications and Labels

The **DOE Zero Energy Ready Home**, represents a whole new level of home performance, with rigorous requirements that ensure outstanding levels of energy savings, comfort, health and durability.



ENERGY STAR products are independently certified to save energy without sacrificing features or functionality. Saving energy helps prevent climate change. Look for the ENERGY STAR label to save money on your energy bills and help protect our environment.



Indoor airPLUS is a companion label to ENERGY STAR. Together, these programs provide comprehensive health protections. Homes built to earn the Indoor airPLUS label include features to reduce contaminants that can lead to poor indoor air quality such as mold, moisture, radon, carbon monoxide, toxic chemicals and more.



The **WaterSense** label makes it simple to find water-efficient products, new homes, and programs that meet EPA's criteria for efficiency and performance. WaterSense labeled products and services are certified to use at least 20 percent less water, save energy, and perform as well as or better than regular models.



3 Impresa Modular Franchising: An Industry First

Impresa Modular Franchising Bridges the Gap

The advantages of off-site modular construction are obvious to most. A home that is built indoors in a climate controlled environment, performs better, is built stronger, and is healthier to live in just makes sense. Why isn't everyone building this way already? It may seem odd but the very strength of modular construction is also its key weakness. Home modules are built in a factory but factories are manufacturers, not builders. Factories are often incapable of providing training and support to the very builders that they supply.

Enter Impresa Modular – the only nationwide custom modular home builder. We have the experience, the relationships, the systems, the marketing, and the training that are modular specific and that are not available anywhere else. Impresa Modular Franchising was built to make you a successful custom modular home builder!



The custom modular home industry has only begun to realize the benefits of modular construction. Impresa Modular Franchising, for the first time, is delivering a nationwide custom home building brand at the local level. Our relationship with our Franchisees is a consultative and coaching one - which is better because Impresa Modular Franchising wants to make you a better builder and marketer.

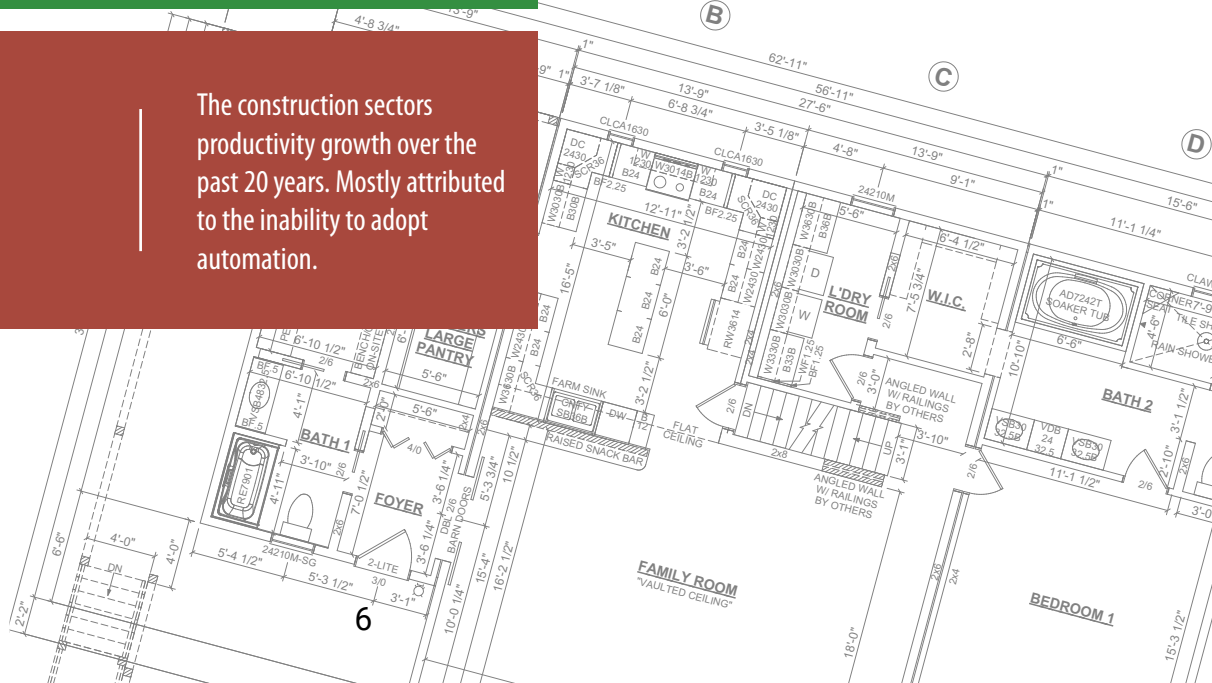
Jim Griffin
Director of Business Development,
Impresa Modular Franchising

900,000

The National Association of Home Builders estimate of homes started in 2018. Far fewer than the roughly 1.3 million homes need to keep up with population growth.

1%

The construction sectors productivity growth over the past 20 years. Mostly attributed to the inability to adopt automation.



4 Impresa Modular Franchising: Taking Modular to the Next Level

The Only Nationwide Custom Modular Home Builder Brand

Impresa Modular is currently a licensed/certified/registered modular homebuilder in over 40 states. This means we have built homes on the coast, on mountaintops, on infill lots, in vacation areas, in communities, and everywhere in-between. As an Impresa Modular Franchise you and your team will be able to tap into this knowledge base. This is invaluable as you rapidly learn how to thrive using modern modular construction in your business.

Impresa Modular Franchisees Get the Immediate Benefit of ImpresaModular.com

ImpresaModular.com is the most visited website for custom modular home building in 2018 averaging over 6,400 sessions per day. As an Impresa Modular Franchisee you will gain access to all of the leads in your marketing area that register at ImpresaModular.com.

A Fragmented Home Building Industry

According to Hanley Wood there are approximately 30,000 bona fide home builders in the U.S. The top 10 builders in the U.S. build 30% of new homes, the top 100 builders build 50% of new homes, the top 4,000 builders build 70% of the new homes. That means 26,000 builders are competing to build the remaining 30% of new homes to be constructed.



135,000

The number of times the keyword "modular homes" is searched per month on Google.

192,086

The average monthly number of website sessions for ImpresaModular.com in 2018.

90%

The percentage of home shoppers that searched online during the home buying process.

(Source: National Association of Realtors)

6.03

The 2018 ImpresaModular.com page views per session. The industry average is 2 page views per session.

13,900,922

Number of page views on ImpresaModular.com for 2018.

In addition, you get the power to leverage ImpresaModular.com in your marketing and to support your sales. Our powerful website has a unique, dedicated page for every zip code in your marketing territory with hundreds of pages of content unique to your area. When you become an Impresa Modular Franchisee, you become part of a national brand that has a more powerful local web presence than any other builder in your marketing area!

Get Access to our “Ready to Go” Business and Building Systems

Payroll, HR, Marketing, Accounting, and Business Management – Impresa Modular Franchising provides you with the proven systems to launch your custom modular home building business quickly. We provide you with our operations manuals and expertise to quickly start working on your business.

Our marketing software is already plugged into ImpresaModular.com, which means that you don’t have to spend time learning how to create content and marketing campaigns. We provide our proprietary implementation of commercially available software that gives you end-to-end support for your business.

Get Immediate Relationships with Modular Factories in Your Area

Impresa Modular Franchising has pre-existing relationships with factory providers of modular homes across the country. When you are awarded an Impresa Modular Franchise, you get instant access to all of our designated factories that support your marketing territory. This reduces much of the learning curve associated with starting a relationship with a modular manufacturer. Factory house plans are already loaded on ImpresaModular.com. You and your prospective customers can immediately access, print brochures, and get pricing for each standard plan. Your Impresa Modular Business Coach will help you obtain estimates and drawings quickly from the factory. This is critical when time is money. Getting to a contract package faster means you increase your sales velocity!



Managing the Process Towards Profitability

Even though a majority of the home is constructed in the factory, your role as builder in the process is no less important. Your ability to manage the project effectively and profitably will depend upon your knowledge of the modular process and its most important components. Impresa Modular Franchising’s training and support are critical to your success.

Support from Experienced Coaches to Help with Marketing and Sales

Our team has a unique skill combination of selling modular homes and experience delivering the completed product in the field. This is what has helped make Impresa Modular the only nationwide custom modular home builder in the country. This is the expertise that we bring when coaching and consulting with our Franchisees.

ImpresaModular.com is typically where the journey starts for most home buyers. We teach you how to leverage the power of the internet to capture the qualified leads and turn them into sales.

Unparalleled Field Expertise and Support

Builders that are new to modular construction typically have many questions. The answer to each of these questions is often just as unique as each home plan and each home site. The answers will even vary by factory and region of the country in which the home is being placed.

- How do I design a home, or modify a home design, to be modular friendly for my specific factory?
- How do I insure a site is accessible for trucks and carriers that have large modules?
- How do I configure my job site to fit all of the modules and the crane?
- Will I need a staging area for the modules and how does that work?
- What will the factory complete and what will I be responsible to complete?
- How do I create and document the scope for each of my trades or subs?
- How do I schedule the site prep and subs for this new modular construction process?
- How do I tell my customer what to expect when I am just learning myself?
- How do I know the modules were installed correctly within industry standard practices and tolerances?



How can a builder new to the modular building system succeed with so many variables on their very first project? The answer is simple; **Impresa Modular is here to support your success!**

5 Frequently Asked Questions

FAQs about the Impresa Modular franchise opportunity

Becoming an Impresa Modular Franchise Builder is a serious commitment, and you will probably have questions prior to joining. A meeting with an Impresa Modular representative and review of our Franchise Disclosure Document (FDD) will answer most of your questions, but as a starting point, here are the answers to some questions we are frequently asked.

Is my territory protected?

When the required agreements are signed with Impresa Modular Franchising you will be awarded a marketing territory. The marketing area is exclusive to you and Impresa Modular Franchising will not allow another Franchise Builder the right to market in your marketing territory. However, other franchisees can build within the dedicated marketing area if a customer chooses them to build their home. If your preferred territory is still open it is important to act fast in securing it. Marketing territories are exclusive and awarded for 10 years. Once they are awarded it means that Impresa Modular will become your competitor instead of your partner.

How many homes can I expect to sell as an Impresa Modular Franchise Builder?

Homes sales vary by territory, your efforts and your dedication. Minimum custom home sales performance is expected to be at least 6 homes per year to remain a franchisee.

Does Impresa Modular arrange financing or recommend investors?

We neither arrange financing nor recommend investors. We can, however, point you to sources that finance franchises and include the U.S. Small Business Administration. We can also introduce you to lenders who have worked with other Impresa Modular Franchise builders.

Can I continue my present career and hire others to operate the franchise for me?

We recommend that you make a full-time commitment to being an Impresa Modular Franchise builder.

How many people will I need to hire?

Most home builders find that it takes a minimum of two people to start a custom home building business. Depending on the size of the business and the number of simultaneous homes being built, Impresa Modular builders hire at least one full-time sales consultant and a job superintendent. As the franchisee, you may elect to fill one of these roles while you establish your custom modular home building business. Other staff may include accounting and administrative personnel.

May I speak with other Impresa Modular Franchise Builder about their experience?

Yes, in fact, we encourage you to do so. Our Franchise Disclosure Document (FDD) contains a list of all current Franchise Builders, their locations and their phone numbers. We provide a copy of the FDD to people who are in the process of evaluating the Impresa Modular Franchising opportunity.

Can anyone become a franchisee?

We go through a thorough candidate review process to ensure the potential Franchise Builder has an adequate business background and financial ability to build and support a custom modular home building business. We're also looking for individuals that will be good stewards of our national brand, as well as being contributors to their local community. The ideal candidate values people, is a constructive contributor, values systems and processes, is a team player, action-oriented, self-starter, wants to be self-employed, has the ability to manage both people and process, is customer-focused, and has approximately \$100k in liquid assets and the ability to secure a \$100K or more line of credit.

Do I need building experience to become an Impresa Modular Franchise Builder?

You do not have to be an existing builder to be awarded an Impresa Modular Franchise. **Impresa Modular's systems enable individuals from all walks of life to start a home building business.** Having prior experience is helpful, but anyone who has a drive for designing and building energy-efficient, healthy and beautiful homes and has sufficient capital resources can start a home building business with Impresa Modular's help.

As an Impresa Modular Franchisee builder, you will receive training and support throughout the life of your business. That starts with intensive training at the beginning and proceeds with programs that cover all aspects of the Impresa Modular system, including sales, marketing, construction project planning, legal and finance. Training workshops are required when you are first awarded your franchise and available as requested while you are growing your business. In addition, consulting and coaching are always available to support your success.

6 Let's Get Started

You have the entrepreneurial spirit. Imagine combining that with the experience, business systems, and proven marketing strategies of one of the country's most respected modular home building brands.

As an Impresa Modular Franchise Builder, you receive the benefit of ongoing, field-tested marketing and design research and development, along with access to powerful construction and business system resources to help you stay ahead of the competition. Our processes are designed to help you sell more and build faster.

But most importantly, you are joining a team with decades of experience that is ready to offer plenty of advice to help you as you establish and grow your custom modular home business. We are never more than a phone call or email away.

Architectural detail, passion for off-site construction and R&D drive success

Impresa Modular's founder, Ken Semler, loves great architecture and well-designed homes. He has a deep appreciation for using the off-site construction method to build healthy, energy efficient, resilient, and comfortable homes to improve the lives of homeowners.



Call 866-622-2906
to start your conversation today.

