

# Warren Buffett-Backed Startup Launches Modular Building Venture

therealdeal.com (<https://therealdeal.com/2021/05/18/warren-buffett-bets-on-modular-construction/>) · by TRD Staff · May 18, 2021

## **Warren Buffett bets on modular construction**

### **Berkshire Hathaway-backed startup to partner with architect on venture**

National /

May.May 18, 2021 01:14 PM



Warren Buffet and a prototype of a MiTek and Danny Forster & Architecture building. (MiTek, Getty)

The Oracle of Omaha is making a contrarian bet on modular construction.

MiTek, a Missouri construction company owned by Warren Buffett's Berkshire Hathaway, is launching a new modular building venture, the Wall Street Journal reported. The startup will partner with New York City-based firm Danny Forster & Architecture on the venture.

The goal is to build rooms for hotels and apartment buildings in factories before sending them off to a construction site to be stacked. MiTek plans to invest tens of millions of dollars into the initiative and hopes to start working on its first projects at the beginning of next year.

This isn't the first time someone has tried to disrupt the prefab building business. Katerra (<https://therealdeal.com/2019/12/16/softbank-funded-construction-startup-katerra-promised-a-tech-revolution-its-struggling-to-deliver/>), a Silicon

Valley startup with SoftBank's backing, has been seeking to move more of its construction work to factories to reduce middlemen. The company's projects, however, have suffered from delays and cost overruns.

MiTek says that its model can avoid the cost overruns and delays that have become associated with modular construction because it will ship manufactured building parts along with instructions for the projects as opposed to building entire rooms off-site. General contractors would then construct the rooms with instructions from MiTek.

Recently, the prefab startups Veev (<https://therealdeal.com/national/2021/03/23/modular-housing-startup-veev-raises-100m-to-build-homes-faster-cheaper/>) and Factory\_OS (<https://therealdeal.com/national/2020/11/20/facebook-google-back-modular-housing-startup/>), have received funding from investors on the Tel Aviv Stock Exchange and Google, respectively.

[WSJ (<https://www.wsj.com/articles/warren-buffett-to-offer-a-new-spin-on-modular-construction-11621339201>)] — *Keith Larsen*