

# Report Pursuant to Outside Section 107

Relative to the feasibility and efficacy of using licensed third-party inspectors to conduct inspections

December 2025

## Statutory charge

Section 107 of the Massachusetts [FY 2026 Final Budget](#) charges the Executive Office of Housing and Livable Communities (HLC) with the following task:

“The executive office of housing and livable communities, in consultation with the office of public safety and inspections and the state board of building regulations and standards, shall study the feasibility and efficacy of allowing licensed third-party inspectors to conduct inspections of manufactured housing, off-site construction and multifamily housing projects. The executive office shall submit a report on its findings which shall include training recommendations and licensure guidelines and processes. The report shall be filed with the clerks of the senate and the house of representatives, the joint committee on housing, the joint committee on revenue and the house and senate committees on ways and means not later than January 1, 2026”

## Why modular housing is important

Modular and off-site construction are critical to Massachusetts’ ability to meaningfully increase housing production at the scale and speed required to address its persistent affordability crisis. The Commonwealth faces a unique combination of constraints—high land costs, a limited construction workforce, short building seasons, and strong local opposition to prolonged on-site construction—that make traditional stick-built development slower, riskier, and more expensive. Off-site construction mitigates these challenges by shifting significant portions of the building process into controlled factory environments, enabling parallel site and building work, improving cost certainty, and reducing exposure to weather-related delays. For multifamily, mixed-use, and manufactured housing in particular, modular methods offer one of the most viable pathways to accelerating production while maintaining quality, sustainability, and design consistency across diverse local contexts.

For modular and off-site construction to succeed at scale in Massachusetts, however, the regulatory and inspection framework must be aligned with modern construction practices. Predictable timelines, uniform interpretation of the building code, and clear jurisdictional boundaries between factory and site inspections are essential to giving manufacturers and developers the confidence to invest in capacity. Fragmented local review processes, duplicative inspections, and uncertainty around approvals can undermine the core efficiencies that off-site construction is designed to deliver. The Commonwealth's existing Manufactured Buildings Program provides a strong foundation, but expanding and modernizing oversight, while preserving public safety and code compliance, would support broader adoption across housing types.

Licensed third-party inspectors can play a pivotal role in this evolution. By conducting specialized, standardized inspections within factories and for off-site components, third-party inspectors help ensure consistent code compliance while reducing bottlenecks for both manufacturers and local building officials. Their use allows local inspectors to focus on site-specific conditions, life-safety systems, and final occupancy approvals, rather than duplicating work already performed in controlled environments. When paired with robust training standards, clear licensure requirements, and transparent coordination with state and local authorities, third-party inspection can strengthen oversight, increase throughput, and build trust in modular and off-site construction.

## What is currently allowed

### Third party inspectors for manufactured and off-site construction

The Division of Occupational Licensure through the Board of Building Regulations and Standards (BBRS) Manufactured Buildings Program licenses seven third-party inspection agencies (TPIAs). TPIAs are independent agencies authorized by the state to inspect modular construction in factories. They verify that construction meets all applicable codes and standards. Manufacturers must contract with a TPIA before they produce their manufactured buildings. Prior to leaving the factory, a TPIA must inspect the electrical system, plumbing system, mechanical systems, and overall structure, while also confirming compliance with other codes such as accessibility, energy, and wind and snow loads unique to the structure's final destination.

Once the manufactured building is ready for its final destination, a municipal or state building inspector is responsible for permitting the installation and use of the structure on the site along with construction of the foundation and any site-built elements. Someone possessing a Massachusetts Construction Supervisors License will apply for the local or

state permit for these tasks. The municipal or state building inspectors are then responsible for inspecting the site's constructed/poured foundation, the installation/connection of all manufactured building components according to the manufacturer-supplied manual for this process, and all other site finished details through completion and occupancy. Because the items concealed at the factory by finished walls were inspected by the TPIA, municipal and state building inspectors should not inspect these hidden elements. If a defect or code violation in a concealed area is suspected, the local inspector can contact the BBRS Manufactured Buildings Program which will engage the manufacturer and TPIA to resolve the issue.

### Third party inspectors for multifamily housing projects

Local building inspectors inspect multifamily housing projects to ensure compliance with 780 CMR, the Massachusetts Building Code. This is the same process used for all other types of construction in Massachusetts. 780 CMR allows a local building inspector to accept reports from third-party inspectors. The local building inspector must approve of the third-party inspector's qualifications and reliability (780 CMR 110.4 10<sup>th</sup> Edition). It is left to the local building inspector's discretion whether to accept a third-party inspection report, but most projects involve many inspections done by the local building inspector with some specialized tests being done by third-party inspectors or other specialized trades.

### Potential expansions

The Unlocking Housing Production Commission made the following recommendation regarding third-party inspections:

*“Improve the overall building inspecting program by including licensed third-party inspectors and providing new training for local building inspectors on modular and off-site construction inspection protocols. Manufacturers often use third-party inspectors to evaluate quality in the factory. However, Massachusetts requires factories to also obtain approval from local building inspectors, which slows down the construction process. Incorporating third-party inspectors and reviewers (onsite) could speed up the process for manufacturers. California, Colorado, Pennsylvania, and others have already implemented this solution.”*

As mentioned above, Massachusetts requires local building inspectors to accept BBRS Manufactured Buildings Program issued approvals. The role of a local inspector is limited to inspection of site work, foundation, utilities, and integration of manufactured components. Yet, because the local inspectors retain the power to issue or deny building

permits, many building inspectors still want to re-inspect components outside of this scope, slowing down the process. This is often the result of skepticism about modular construction.

The only slight difference between Massachusetts and Colorado, California, and Pennsylvania is the tone of the language. In those states, there is explicit language that local jurisdictions shall not conduct additional inspections of factory-built components that have been approved by the state. The table below compares Massachusetts language with Colorado language.

	Massachusetts	Colorado
Pre-emption language	The local building official <i>shall</i> accept the approved design package and inspection reports for all factory-built elements bearing the Board's certification seal.	Factory-built structures bearing the insignia of the Division of Housing <i>shall</i> be accepted by all jurisdictions in this state as being in compliance with the adopted standards.
Inspection language	The building official <i>shall</i> inspect the installation of modular units for compliance with the approved plans and site-constructed work.	The local jurisdiction <i>shall not</i> conduct inspections of factory-built components bearing the Division's insignia.

## Training recommendations and licensure guidelines and processes

While Massachusetts is broadly aligned with the goals outlined in this charge, there are some actions that BBRS and HLC could take to make additional progress.

### **Clarifying inspection authority in the building code.**

The Board of Building Regulations and Standards (BBRS) could consider further clarifying language in the 11th edition of the Massachusetts building code to explicitly state that local building officials may not re-inspect or require alterations to factory-built components that have already been reviewed and approved through the BBRS Manufactured Buildings Program or by licensed third-party inspectors. While current regulations already limit the scope of local inspection authority, ambiguity in interpretation has led to inconsistent practices across jurisdictions, including duplicative reviews that undermine the efficiency gains of modular and off-site construction. Aligning Massachusetts' code language more closely with other leading states would provide greater certainty to manufacturers, developers, and local officials while preserving health and safety objectives.

### **Ongoing education and outreach to local building officials.**

The BBRS Manufactured Buildings Program, in coordination with the Division of Occupational Licensure (DOL), is actively working to increase education and outreach to local building inspectors on existing regulations governing manufactured and modular construction. DOL staff are engaging directly with inspectors at training sessions, conferences, and continuing education events to clarify what local officials are permitted to inspect, review, and approve once factory-built components have been certified. These efforts are intended to reduce confusion, promote consistent application of the code, and reinforce the division of responsibilities between state-level factory inspections and local site inspections. Program staff report that as modular and off-site construction becomes more common across Massachusetts, familiarity with these processes is expected to increase and related inspection challenges are likely to diminish over time.

### **Stakeholder feedback on BBRS review timelines.**

In the fall of 2025, HLC conducted outreach with two licensed third-party inspection agencies and three modular manufacturing firms operating in Massachusetts to better understand current barriers to scaling off-site construction and to help prepare this report. Stakeholders largely affirmed that BBRS review timelines have improved in recent years and are not viewed as a primary constraint on production. Instead, manufacturers emphasized broader market and operational challenges such as financing, local pre-development approval, workforce availability, and project pipeline stability as more significant factors affecting their ability to expand capacity. This feedback suggests that continued process improvements at BBRS are yielding positive results, and that further shortening state-level review timelines alone is unlikely to increase modular capacity significantly.

## **Conclusion**

This review finds that Massachusetts already has a strong statutory and regulatory framework for the use of licensed third-party inspectors, particularly for manufactured and off-site construction, and that existing practices are generally consistent with national best practices. While limited friction remains—largely driven by uncertainty and inconsistent application at the local level—these challenges are not structural and are well positioned to be addressed through clearer code language, continued inspector training, and increased familiarity with modular construction. With modest clarifications and sustained education, Massachusetts can further reinforce confidence in third-party inspections, reduce unnecessary delays, and support the efficient delivery of high-quality housing while maintaining rigorous health and safety standards.