

# Marty's News & Notes - Shipments Contest Entry Results

March 14, 2005

**The Highest Prediction:** 145,678 by **Peter Scherer** the President of Origen Financial in Michigan. Attaboy, Peter.

**The Lowest Prediction:** 110,500 by **Michael J. Stutts** of Homes Today in Georgia. Michael makes a return visit, being lowest in 2004 as well.

## **THE AVERAGE: 132,443 HUDCODE HOMES FOR 2005!**

If the "consensus" view for 132,443 homes comes true in 2005, that would mean a mere 1.25% increase over the 130,802 actual final shipments in 2004. I guess you could say the industry is not exactly bullish on 2005. That means the quickest and the brightest in the industry do not expect a robust industry rebound from 2004, but they do believe the bottom was reached in 2004, maybe....

In fact, our most bullish entrant, Mr. Scherer, were he to be right, only expects an 11.4% increase over the 2004 pace of 130,802. This is less than the average "bounce back" year increase of around 15%. Yet, were Peter to be right, many would be happy. [I've given up on Michael J. Stutts. The man is really down!]

Without doing an actual count, I did notice an upward bias to the entries as the contest went towards its closing date of February 28<sup>th</sup>. Later contestants obviously noted three months in a row of good shipments increases, through January, and felt that was a trend for the better. Let's hope they are right.

**BITS AND PIECES:** Many entrants gave substantial thought to their 2005 predictions, telling me their methodology in some detail. There is no question many ran their complex calculations through the super-computer, "Brainiac". We'll see if that works as well as many who admitted they pulled their answer directly out of their "azz".

Finally, and you've got to love this one. Keith Holdbrooks, the Big Guy at Southern Energy Homes in Addison, AL, emailed me he couldn't "resist winning \$100 off Marty Lavin." Now Keith is a very simpatico guy and I got a chuckle when I saw the message, time-stamped February 10<sup>th</sup>, at 2:18 PM.

But shortly thereafter, I got an even bigger chuckle. Keith had predicted a final figure of 132,750 homes. Notice that nice round figure. Rick Knight, one of the head risk assessors at Origen, weighed in at 3:06 PM that same day with the *same* 132,750 shipments, less than an hour later!

So Keith, you may win the contest, pal, and I hope luck is on your side, but you ain't winning \$100 from ole Marty Boy, cause you are going to have to share it with Ricky Boy!

While I am on Keith and Southern Energy Homes, it was nice to see a very positive article in Barron's a few weeks back. Southern Energy and Cavco Homes were both recognized and praised in the article.

By the way, Joe Stegmayer, the CEO at Cavco was substantially more optimistic than Keith. He predicted 139,502 homes. Come on, Joe!

Let's close by looking at the spread and percentages by category, of the predictions:

<u>Shipments Predictions</u>	<u>Percent of Entries</u>
145,678 – 140,000	16.0%
139,999 – 135,000	19.7%
134,999 – 130,000	25.9%
129,999 – 125,000	29.6% (Interesting)
124,999 – 120,000	5.0%
<u>Below 120,000</u>	<u>3.8%</u>
Average 132,443	100.0%

*I'll report monthly in my newsletter how the trend line is unrolling and the month's leader.*

**MEMO:** Last year, 2004: High 157,877 (Polie Parnell, Citigroup)  
Low 111,656 (Yah, Stutts)  
Average 139,063  
Actual 130,802

*Martin V. Lavin*

Martin V. Lavin  
350 Main Street  
Burlington, VT 05401  
802-862-1313  
Mhlmvl@aol.com