



Martin V. Lavin

THE ENTRIES ARE IN

Marty's News & Notes

Featuring news about the Factory-Built Housing Industry
Contributing to the Industry Discussion

THE ENTRIES' RESULTS

This year saw the largest number of contest entries since we started the MHL Corp Shipments Contest four years ago. The contest was meant to give an indication of where people stood at the beginning of the year regarding the number of HUDCode home shipments they expected for the year.

The predictions for most years has been a fairly close approximation of the final shipments numbers, although the 2006 contest, won by **Chuck Ladd of Roadmasters Transport LLC**, saw only Chuck anywhere near the final figures. Everyone else was far too high in their shipments predictions, as 2006 was a dry slap to the industry's face, dropping almost 20% from the anemic **146,500** total homes shipped in **2005**, aided by around 20,000 homes sold to FEMA. With 2006 coming in at **117,510 total homes**, including about 4,000 sold to FEMA, a new level of frustration visited the industry. The non-FEMA total was **113,503**.

As the entries for the 2006 contest came in a year ago January and February, the general tenor then was for a "standstill" year, with most thinking the '06 results would be similar to 2005's. Such was not to be as another **20% leg down** occurred, leaving almost every contestant, other than Chuck Ladd, still far too optimistic.

So what do the contest predictions tell us about the industry mood of **2007**? Are

the unusually high number of entries a signal of enthusiasm for renewed industry shipments vigor? Or are industry players so shell shocked they no longer believe in miracles? **Let's go to the chalkboard:**

Shipments Volume Predicted	Percentage of Entries
Under 90,000 homes	1%
90,000 - 99,999	5%
100,000 - 109,999	19%
110,000 - 119,999	49%
120,000 - 129,999	19%
130,000 - 139,999	4%
140,000 - 150,000	3%
Average Predicted (you guess)	100%

(Talk about a perfect bell curve!)

NOTABLES

In our early contests, **Michael J. Stutz**, a retailer from Georgia, who may now have left the industry, was consistently the most pessimistic of the contest entrants, almost always with the low number. The **Michael J. Stutz Award** this year, for the most pessimistic prediction of shipments goes to **Dick Leiter, of Manufactured Home Services**. At **83,298 homes**, Dick sees another leg down of almost 30% for 2007. (Pass the Bromo, please.)

2007 HUDCode SHIPMENTS CONTEST RESULTS

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The **Alfred E. Neumann "What, Me Worry?" Award** this year goes to contest entrant, **Scott Chaney, formerly of Palm Harbor Homes**, who predicted **148,000 home shipments**, the single highest prediction. Along with **Barry Cole**, the California Insurance Agency head, who predicted **145,999** homes, they are the only two **over 140,000 home shipments**, and as a duet they pronounce, that **"Happy Days Are Here Again!"** I hope so.

Note that 6% of all entrants predicted shipments of **fewer than 100,000** homes for the year. Some might dismiss this as ludicrous, but I know all the contestants personally, and they are entirely rational people, which scares me.

NEED AN MH INDUSTRY EXPERT WITNESS?

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Not under 100,000, but barely above it is **Gub Mix**, the retired industry executive, and known to be pretty savvy on this type of stuff. Gub came in at **103,976** and no doubt wants it to be higher, but he is not enthused. Like me, I guess Gub cannot identify any catalyst to spring a strong, new sales rebound.

THE EX-CEO'S SPEAK

Two former **Champion Homes** CEO's made contest predictions, both fairly close to each other. **Walt Young**, long-time Champion Major Domo, came in at **114,584**, and his successor, **Al Koch** not far from him, at **118,999**. If we can believe these two pretty astute men, 2007 will be a mirror image of 2006 for shipments. I suppose that beats another leg down, eh?

Dan Baxter, the head of the **Popular Housing Services** MH finance arm of **Banco Popular** uses a very arcane formula to arrive at his figure of **124,281**. He took the **1998** industry home shipments, the last industry top of **372,843** and divided by 3 to come up with his figure. The number 3 has some magic potency, unless you are a male porn star, in which case you **come up a little short**.

Barry McCabe, MHI Chairman, predicted 122,000 shipments for the best of all reasons: MHI is using that figure for its budgets for 2007.

We have an almost perfect "Bell Curve" with the predictions distribution, and the big block of predictions, 49%, says that 2007 will be a re-run of the 2006 shipments. I know many who would settle for that.

2007 MHL CORP HUDCODE SHIPMENTS PREDICTIONS **average 114, 604**

I'll keep you informed as to how the year is unrolling monthly, in my newsletter.

Call Today!
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