



HOME ON THE ROAD

Voice of West Virginia's factory-built housing

OCTOBER, 2007



Summer shipments good in WV

While factory-built housing shipments in West Virginia still lag behind 2006 figures, the summer months have shown strength.

Through the end of August, shipments for 2007 are 50 behind the cumulative shipments of 1,320 homes from January to August 2006.

However, shipments for June-August 2007 are 56 above the same period in 2006. In each of the three months, 2007 shipments have been ahead of those of 2006.

Manufactured housing shipments to West Virginia were down 9.5

(continue on p. 6)



New offices for WVHI

CHARLESTON – The West Virginia Housing Institute Inc. has relocated to a building closer to the Capitol.

The new address of WVHI is 2214 Washington St. E. The move was made in mid-September. The mailing address remains the same.

“Our former lease expired in August,” said WVHI executive director Andy Gallagher. “We got the opportunity to obtain a building a block and a half from the Capitol at essentially the same price, so we took it.”

The new building, with spacious amounts of parking in the rear, is two-story with at least five offices, a conference room, kitchen and two bathrooms.

“It is an easy walk to the Capitol, where our regulatory board is located, and where the Legislature and the governor are,” Gallagher said.

The spare rooms can be used by members when they hold meetings in Charleston, or may be rented to other companies during the legislative session to provide revenue for the operation of the WVHI office.

Capito & housing

CHARLESTON – Rep. Shelley Moore Capito met in September with Mountain State housing officials to hear their views on the state of housing in West Virginia.

The West Virginia Republican has recently been elevated to the position of ranking Republican member on the important House of Representatives Subcommittee on Housing and Community Opportunity.

(Continue on p. 3)

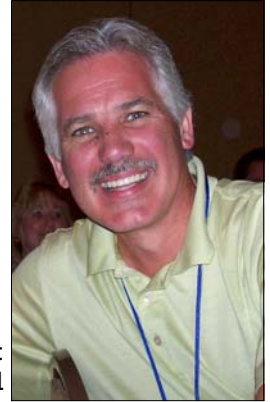


Rep. Shelley Moore Capito

THE PODIUM

PAC fund's in place

Let's work for the right candidates to help our industry



Steve Brown

On behalf of the board, I would like to thank everyone who has contributed so generously to our various activities that have led to the development of Housing-PAC, the political action committee of the West Virginia Housing Institute Inc.

Primarily, this fund has been built by the spectacular auction conducted each year at our annual convention by Judy Ritchie. While the Elkins lady is the super showperson, the event is successful because of the tireless behind-the-scenes work of the entire 14-member board of the WVHI. Plus, your board members put their money where they know it will count.

And others give selflessly, too, to the PAC because they know how important it is for us.

Our PAC has \$8,200 in it going into the 2008 election year. While that is not a fortune, it is enough to help WVHI get recognized by officials on the state and local level. Unfortunately, financial contributions and elections are two of the things most tightly united in American politics. If you want to come to the table and be heard, it never hurts to have contributed to the winning side.

And I don't mean that in a negative sense. Political races for the most part are extremely expensive. Tens of thousands of dollars, sometimes hundreds of thousands, are spent even in legislative races these days. Gubernatorial, U.S. Senate and Congress races, and the battle for the presidency can run into astronomical numbers.

So, we need funds for 2008. We need to support those who have supported us in the past. We need to support candidates on a nonpartisan basis, which means we do not favor one party over the other. We need to look at where those candidates stand on our issues.

U.S. Sen. Jay Rockefeller and Gov. Joe Manchin are up for re-election next year, as are the three congressional members from West Virginia. Additionally, two of five state Supreme Court positions are on the line – one of them may not have an incumbent. It is crucial to all of that that those two high court seats go to people in sympathy with our industry. If the business climate is to be changed, the Supreme Court will be crucial.

Furthermore, every circuit court judge's seat will be up for election or re-election next year, in addition to half the state Senate and all 100 members of the House of Delegates.

As fewer people participate in the election process in the United States, it is ever more so important for the remainder of us who do take an active part to continue to do so. The recent race track election win in Kanawha County, which was decided by literally a handful of votes, only points out how important it is each of us votes and each of us have our family members vote.

We are a substantial voting block, if we work together. We can make a major difference.



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Want to keep up on the latest with the factory-built housing industry in West Virginia? Want to be listed on our website or linked to it?

The West Virginia Housing Institute Inc. is at www.wvhi.org. Take a look at what we have on the site. Tell us what you want added or improved.

The inside scoop is in the members-only section. And you only have to call Andy Gallagher at (304) 346-8985 to join.

Where's the beef?

Mod money missing, maybe

CHARLESTON – Funds are being lost to the West Virginia Housing Institute Inc. because some modular companies are not paying their \$50-per-floor dues.

“In some cases, it appears the funds are being collected, even payments of up to \$100-a-floor have been reported to us, but the money is not being made available to the membership,” WVHI executive director Andy Gallagher said.

WVHI has urged its retail members to ask their modular manufacturers to collect and remit their per-floor dues payments to WVHI.

The Institute also has encouraged members to supply WVHI with a list of their manufacturers so the Institute can contact each individually and remind them that full remittance of dues is expected for the benefits of the membership statewide.



Ron Sova, Cathy and Tim Slaughter

Paradise arises from ashes

MORGANTOWN – The silver lining in the black cloud of the end of J&J Homes in Morgantown is the emergence of a Cathy and Tim Slaughter with their new business partner Ron Sova.

The Slaughters and Sova, who all worked for J&J when it shuttered the windows on its lots in Morgantown and Reedsville last year, had no intention of getting out of the factory-built housing business.

Instead, they put their efforts into starting their own manufactured housing retail business, which they have opened on a seven-acre lot a half-mile from Cathy's previous loca-

tion on the Grafton Road. "It's hard to get that much land in Morgantown," Cathy said. Paradise Homes is at 1894 Grafton Rd., Morgantown, and ready for business.

Morgantown is fiercely competitive, too. American Homes, Middletown Home Sales and The Home Show each have locations in the area and others are showing an interest in locating in the bustling university town. The Slaughters and Sova like the Morgantown market and the pace of business and believe competition is good for everyone.

"It was close to where we were and we got it at a great price," said Cathy, who has been in the manufactured housing business for five years. Tim, who managed the Reedsville location, has been in the business for a dozen years. Ron is the grandpappy with 23 years in the industry. Ron lives in Reedsville and commutes to Morgantown.

Tim joined the industry after being a cracker salesman for Lance, Inc., of Charlotte, N.C. During that time, Cathy was employed by a Fairmont CPA. Prior to that, he had been Cathy's boss at a retail sales store in Fairmont, where Tim and Cathy are from. Married 22 years, Tim and Cathy reside in Morgantown.

Paradise Homes sells Commodore, Astro and Manorwood products.

Cathy said the Morgantown area has been an increase in more upscale modular products in recent years. She said reports have it the boom is supposed to slow, but she has seen no signs of a downturn yet.

Capito from p. 1

Among those present at the meeting chaired by Joe W. Hatfield, executive director of the West Virginia Housing Development Fund, was the West Virginia Housing Institute Inc., the voice of the factory-built housing industry.

Many agreed with Peter C. Minter, Charleston field office director for the U.S. Department of Housing and Urban Development, who told Capito the subprime problems plaguing the rest of the nation have not greatly affected housing buys or increased bankruptcies in the state.

"We've had a real stable market" — Minter

"Right now, we've had a real stable market," Minter said. "I don't see that happening in West Virginia."

Hatfield urged Capito to concentrate on establishing more flexibility in federal home loan programs to make it easier for his agency to direct money to locations and people where it is needed. He said in particular dealing with Internal Revenue Service programs is "horribly complex."

He also asked her to review Fannie Mae's withdrawal of loans to low- and moderate-income families because of tighter restrictions being imposed by the federal program.

She also was encouraged to review predatory lending programs.

"These concerns have raised the alert level on all housing issues in Congress," noted Capito. "And thankfully we've seen important legislation to create an affordable housing trust fund move forward in the House. Yet, there's still work to be done to address mortgage practices and modernize the system."

De-Lo closes its doors



Loyd Woodring

Home on the Road Newsletter

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Advertising rates

Full page: \$200

Half page: \$100

Quarter page: \$60

Classified: \$30 for each 3 lines

DANIELS – Available immediately: a skilled and seasoned factory-built housing retailer with an impressive background.

After more than a decade in Daniels, near the Raleigh County seat of Beckley, De-Lo Homes (W.P.M. Inc.) has closed its door and sold its last home. President Loyd Woodring, who has been in the business since 1970, is available if anyone needs a retail manager.

He and wife, Debbie, opened the lot here in February 1995 after Woodring had worked for another retailer from Bluefield, Va., and in Greensboro, N.C.

Woodring, 63, said one factor in his decision was that his manufacturer, with whom he had a highly successful relationship, had moved out of financing floor plans, Loyd decided it was time to close the doors.

“If we’d have gotten even a third of that traffic ... “

His wife got a job immediately with Rocky Mills’ Freedom Homes location just off Interstate 64.

“I sold everything down to two singlewides and they just took the last one off the lot,” Woodring said. “I’m not the kind to file bankruptcy and leaving everybody else holding things.”

With Debbie relocated and the shop closed, Woodring said he will look around for a management position that can use his experience.

After a year with the Air Force in Thailand and another in Vietnam during the war, the Princeton native went right into the manufactured housing sales business and has been in it since.

“Debbie is just a super salesperson,” Woodring said. “We kept saying the market is down, but then we realized we just didn’t have the best location in this area. Other dealers were getting 10 to 12 customers coming in a day. If we’d gotten even a third of that traffic, we’d have been rocking and rolling.”

We’ll miss you, Loyd.

Pat Harrold is a member of WVHI



Pat, holding award, and his family at VMMHA convention

HARRISONBURG, Va. – A member of the West Virginia Housing Institute Inc. has been given highest industry honors in Virginia.

Pat Harrold, owner of Pat's Manor Homes, Inc., of Harrisonburg, Va., was given the Virginia Hall of Fame Award for 2007. It is the highest award of the Virginia Manufactured and Modular Housing Association.

Harrold, with his family present, was given the award at VAMMHA's annual meeting in Virginia Beach, Va., by VAMMHA executive director Ron Dunlap.

Harrold has been in the factory-built housing industry since the 1970s and sole owner of Pat's Manor Homes in 1999. He is an exclusive retailer for Fleetwood Homes and also sells modulars at his location.

VAMMHA recognized his dealership as single lot retailer for the years 2002 and 2005 and Fleetwood noted it as the No. 1 retailer in sales volume for 2004-05.

"Pat Harrold has been a longstanding member of WVHI and is a credit to the industry in both Virginias," WVHI executive director Andy Gallagher said.

National industry unit gets makeover

ARLINGTON, Va. — President and CEO Gail Cardwell announced a reorganization of the Manufactured Housing Institute (MHI), the national trade association representing the manufactured and modular housing industries. The move is designed to streamline the policy-making process so that its legislative, regulatory and technical activities are coordinated.

"This reorganization is critical to policy development and implementation that recognize and advocate the manufactured and modular housing industries' unique ability to address the critical housing needs facing this country," said Cardwell in making the announcement.

See related story on p. 6

Michael O'Brien, MHI's executive vice president, will be promoted to chief operating officer. He will oversee MHI's day-to-day operations, ensuring all association activities support industry goals and MHI's approach to problem solving. MHI Vice President of Government Affairs Brian Cooney will be senior vice President of public policy and government affairs. He will oversee the development of policy affecting industries, and represent the industries on key legislative and regulatory issues. Tom Beers, vice president of economics, will be vice president of economics & housing finance.

A new position, vice president of regulatory affairs and industry relations, has been created and will report to Cooney. This new position combines two former technical activities positions, broadening the technical codes and standards-setting responsibilities to include political coalition-building and industry relations activities.

"I look forward to delivering exceptional policy coordination and representation in the regulatory and legislative arenas here in Washington, D.C., and to our valued members throughout the nation," Cardwell said.

MHI is the national trade association for the manufactured and modular housing industries, representing 90 percent of all manufactured homes and a significant share of modular homes produced across the U.S.

Its members include all segments of the industries including home producers, component suppliers, financial service providers, retailers, community owners and operators, developers, insurers, and other parties interested in manufactured and modular housing.

From headquarters outside Washington, D.C., MHI promotes the benefits of manufactured and modular housing to relevant audiences.

Shipments p. 1 percent between 2005 and 2006 -- 202 fewer between the years, with a total of 1,929 in 2006 compared to 2,131 in 2005.

Shipments in 2005 already were down significantly. For the last five months of the year, for which we started getting a specific statistical tracking for West Virginia, shipments were down 14.2 percent overall.

Housing officials believe the national furor over subprime lending problems and housing bankruptcies may be missing the state.

Peter C. Minter, Charleston field office director for the U.S. Department of Housing and Urban Development, recently told Rep. Shelley Moore Capito, R-W.Va., "Right now, we've had a real stable market. I don't see that happening in West Virginia."

According the U.S. Census Bureau, the average factory-built home price in West Virginia was \$59,000 in 2006, compared to a national average of \$64,200.



Pete Minter

The Associated Press reported new stick-built home sales dropped to their lowest level nationally in seven years in August. They declined 8.3 percent from July's figures. The Commerce Department said the seasonally adjusted annual rate of 795,000 was the lowest level since June 2000.

In West Virginia, officials told the *Sunday Gazette-Mail* in September that housing sales in the state remain steady and that the average sale price of a home is not slipping.

The newspaper said the average price of a home in Putnam County, a bedroom region between Charleston and Huntington, rose from \$193,700 to \$214,000 between the first and second quarters of 2007.

Factory-built housing industry analyst Marty Lavin, in *Marty's News & Notes* newsletter, wrote that our shipments in 2007 will reach an estimated level of 98,000 nationally.

HUD-code homes totaled 117,510 in 2006, down nearly 20 percent from 146,744 in 2005.

In 1973, the industry delivered just short of 580,000 homes after a similar shipments total in 1972, and an average of 477,000 homes during 1969-1973, Lavin wrote.

Summer shipments are up
in June, July and August in
West Virginia

MHI faces \$431,000 deficit

WASHINGTON -- The Manufactured Housing Institute is facing a deficit of \$431,876 for this year, MHI informed the membership during a meeting in Washington, D.C., in July. This comes as the national staff has been reduced and President Gail Cardwell has imposed other budgetary restraints.

MHI is considering three scenarios. One would take manufacturer dues to \$20 a home, a 17.65 percent increase, which would resolve funding problems by 2021. A second is to increase the dues to \$22 a month, a 29.4 percent increase that would eliminate the deficit by 2011. The third would take the home fee to \$24, a 41 percent increase that would eliminate the deficit by 2010.

"We don't see any other way right now, other than a dues increase," said Ken Cashin, MHI treasurer.

The recommendations are expected to be voted on when MHI meets in Hilton Head Island, S.C., later this month.

Brown meets Manchin

CHARLESTON -- President Steve Brown of the West Virginia Housing Institute Inc. discussed factory-built housing industry business with Gov. Joe Manchin and chief of staff Larry Puccio during lunch at the governor's mansion.

Manchin invited the Putnam County businessman, who is co-owner of 11 retail outlets, to the mansion for the discussions. The governor flew in from a visit to Monongah to meet with Brown.

The governor outlined to Brown future tax cuts he would propose and plans he has to make encourage business locations in West Virginia through gradual but determined changes in state government.

Manchin also encouraged the factory-built housing industry to be actively involved in the election next year, when the governor is seeking a second, four-year term.

Prior to the governor's arrival, Puccio and Brown met in the mansion library and discussed business development, particularly in the Clarksburg-Morgantown area, the Charleston region, and the Eastern Panhandle.

"Although our time was too abbreviated, I am encouraged Governor Manchin and Mr. Puccio take our business seriously enough to invite me here to discuss our business with them and to hear from them first-hand what they plan to do to encourage business in the state," Brown said.

With his wife, Pam, Brown co-owns The Home Shows, based in Hurricane and with eight locations in West Virginia and three in Kentucky.

Zoning?? More impact fees??

MARTINSBURG -- One of the fastest-growing counties in West Virginia is considering a zoning issue that could lead to impact fees that have resulted in criticism from the factory-built housing industry in neighboring Jefferson County.

Zoning advocate Commissioner William Stubblefield said he hopes to place the issue before voters in Berkeley County in the primary election May 13, 2008. He believes zoning will make for an orderly growth of the central panhandle county that is undergoing explosive development.

The West Virginia Housing Institute Inc. intends to fight the proposal, said a board member from Berkeley County.

If zoning is enacted, Stubblefield said impact fees -- applied when a person builds a new home or locates a manufactured housing in the county -- should follow to pay for the cost of development.

The factory-built housing industry and its advocacy group, the West Virginia Housing Institute Inc., unsuccessfully opposed impact fees in Jefferson County.

Impact fees started in the easternmost county at \$7,122 per single family home in 2004. They now are \$12,144 -- \$10,655 of which goes to schools; \$603 for fire and emergency services. \$751 for parks and recreation, and \$135 for law enforcement, according to Mark Schiavone, impact fee coordinator for Jefferson County.

Schiavone said the fees have worked well, he believes industry criticism is overblown. "The whole rationale is to have new growth pay for the services that have to be expanded," Schiavone said. "It is good for anybody who is a property owner. Either you have to raise taxes or let new growth pay for it."

He said county officials have worked with the factory-built housing community to mute criticism. "In the overwhelming majority of cases involving manufactured housing, we are exempting applicants as they are upgrading an older manufactured home for a newer one," he said.

Impact fees:

Started at
\$7,122 per
house in '04

Now topping
\$12,000 in Jef-
ferson County

He estimated the number of applicants placing a new manufactured home on an undeveloped lot, which would not qualify for an exemption, is probably less than 2 percent of all fee applicants.

Stubblefield said impact fees have not

been discussed in Berkeley County. "The fees need to remain modest," Stubblefield said. "And I would like to see all the impact fees directed toward our roads."

"Our concern always has been that the impact fees fall unequally on factory-built homes without taking into consideration whether a home costs \$75,000 or half-a-million dollars," said WVHI Co-President Steve Brown of Hurricane.

"We favor a system to help pay for the economic growth in any region, but believe that the generation of new business and the taxes that result from that new business will more than offset the costs," said WVHI Co-President Kevin Wilfong of Fairmont.



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DREAM

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Firm Name: _____
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DUES STRUCTURE:

MANUFACTURER: Dues shall be Fifty Dollars (\$50.00) per floor for each home shipped within the State of West Virginia to dealers, contractors, retailers or sales locations in West Virginia. These dues shall be remitted to the West Virginia Housing Institute, Inc. on a monthly basis.

_____ We will send \$50.00 per floor shipped to West Virginia on a monthly basis.

RENTAL COMMUNITY AND CONTRACTORS:- Per Annum

_____ \$100.00

ALL OTHER CATEGORIES: - Per Annum

_____ \$250.00

_____ Title _____ Signature

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