

**Georgia Manufactured Housing Association's Jay Hamilton on
Atlanta Journal-Constitution (AJC) May 11, 2014 article, "Mobile Home Sales Rebound"**

by Jay Hamilton



When reporter Dan Chapman from the Atlanta Journal Constitution (AJC) called and asked would I assist him in writing a business article, I was internally hesitant. Due to our industry receiving a lot of bad newspaper press over the last six months I certainly did not want to assist someone in tormenting us.

I was concerned it was going to be the same old, same old where the reporter pretends to be writing a positive article only to take your positive comments and turn them into something negative.

My goal was to get ahead of the title wave with the AJC before they started picking up on all of ***the New York Times*** and [Bloomberg](#) articles that had such a negative twist on our industry over the last 90 days.

So when the AJC reporter called and told me he was writing an article on manufactured housing and wanted some stats on how many foreclosures were in the Georgia Market, I just decided to embrace his reporting and started giving information verbally and through email about the industry in its entirety.

I gave Chapman information on the whole picture of the industry, even the history of how and where our product originated.

I set up a tour of a retailers location, a tour of a factory and a tour of some communities without him even asking for it.

In other words we - our association members - created the whole picture for him versus what he wanted for his original limited scope of foreclosure information.

At the end he said, "I will treat you well because you did not hide the negative industry issues from me."

"You gave me both, the positives and the negatives," Dan Chapman said.

We treated him like a potential customer and not a reporter. Yes, he did misquote some stats, yes he did use "mobile homes" instead of "manufactured homes" against my wishes. Yes he did speak about a few unpleasant things in our industry such as the chicken house workers whom we sell too.

But overall it was positive for us as an industry and not negative.



Everyone in our state's industry knows that North Georgia Retailer Vivian's Homes has a professional operation and it showed when Dan visited them. He was very impressed.

I think the one deciding factor in whether Dan wrote a positive article or a negative article was his visit to Vivian's Homes and the Countryside Communities. He continued to comment was how hard everyone in our industry has fought to maintain access to affordable housing for average Georgians.



[Attached is the article Dan published in the AJC.](#) ##

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POST-RECESSION RECOVERY

Mobile home sales rebound

Reflects uptick in the state's economy.

Industry attracting new breed of cost-conscious buyers.

By Dan Chapman
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BALDWIN — Vivian Schoonmaker's traditional customers, the truck drivers and chicken pluckers, the hair dressers and factory workers, are slowly returning to her sales center here ringed by new and used manufactured homes.

Now, though, they're joined by a new breed of mobile home buyer — the once-comfortably middle-class customer who by necessity, or by choice, seeks a cheaper home. With downsized dreams, and pocketbooks to match, they're looking for residential bargains at the intersection of U.S. 441 and Industrial Boulevard.

Georgia's post-recession economy, full of pain, promise and, above all, caution, is on full display at Vivian's Homes.

Atlanta's ex-urban surge once spread beyond Lake Lanier and into Banks and Habersham counties bringing jobs, homes and opportunity. Schoonmaker sold maybe 200 new and used single-wides and double-wides a year during the easy credit mid-1990s.

The Great Recession, though, sliced Schoonmaker's business by 70 percent. And



Vivian Schoonmaker and her son, Steve Ash, are co-owners of Vivian's Homes and sell manufactured homes, including transport and installations. scs@ajc.com

last year, well after the recession technically ended, she sold only 40 homes, some repossessed from buyers who'd lost jobs or bought too much house in the first place.

Schoonmaker displays 10 newly manufactured homes and five repossessed ones — Schoonmaker prefers "refurbished" — on the sales lot 75 miles north of Atlanta. New homes these days are gen-

erally less expensive, smaller and with fewer amenities than those sold before the recession, reflecting the buying habits of newly frugal customers.

Georgians, scarred by the recent economic upheaval, carry less debt these days. And they're balking at huge mortgages that could again get them into trouble.

"I've had some custom-

ers who've moved out of lake houses and said, 'To heck with this. I'm not going to live for a house anymore. I want to live comfortably and not worry if I can afford a hamburger or not,'" said Schoonmaker. "They're realizing that money might've been an easy come, but it's an easy go too."

Homes continued on D6

Homes

continued from D1

Economy hurts industry

Georgia, in the late 1990s, tallied three dozen mobile home factories scattered across the state (most below the Columbus-Augusta line) and 25,000 people directly or indirectly employed in the industry. In 2006, one of every eight Georgians lived in manufactured housing, according to the University of Georgia. Roughly 70 percent of homes in some central and south Georgia counties were mobile, manufactured or modular.

"Our product, traditionally, does not cater to the wealthiest segment of society," said Jay Hamilton, executive director of the Georgia Manufactured Housing Association whose membership has dropped two-thirds since the 1990s. "We have always catered to the factory worker or the person who really struggles from month to month and who, without a very low-priced product, would never experience home ownership."

Hamilton estimates between 5,000-8,000 people work in the industry today in Georgia. Only a half-dozen manufactured home factories remain.

Georgia produced 3,463 manufactured homes last year, according to the Institute for Building Technology and Safety. A decade earlier, it made 11,125.

More than a souring economy was to blame for the industry's crumble.

Too easy financing in the 1990s led to a surge in home ownership followed by a reckoning when thousands of buyers were foreclosed upon. A flood of repossessed homes filled sales lots.



Workers ready a foreclosed home for sale, which Vivian's Homes is handling for the bank. They also provide installation and transportation services as well as sales of their own homes. BOB ANDRES / BANDRES@AIC.COM

Meanwhile, easy credit for stick-built homes lured buyers who previously considered only manufactured ones. And, by the time the industry sold off excess inventory, the recession hit, financing dried up and few people bought homes, mobile or otherwise.

Metro Atlanta hasn't helped the industry either. Most counties, eager to preserve dwindling land for higher-taxed, stick-built houses, slapped restrictive zoning ordinances on manufactured homes. Hamilton says no major mobile home park has opened in metro Atlanta in at least a decade.

The old ones remain, though, mostly along metro Atlanta's fringe. A half-dozen communities line Ga. 20 in northern Gwinnett County, for example. Retirees, blue-collar families and, increasingly, Hispanics populate the hilly subdivisions where school buses disgorge kids after school and the occasional Confederate flag waves.

Some offer amenities like swimming pools and play-

grounds. Others include single-wides with exposed foundations and peeling aluminum siding.

Schoonmaker survived by diversifying into site preparation and set-up. Thirty years in the business serving primarily Hall, Banks, Habersham, Franklin and Hart counties buys good will too.

Steven McLane's mom bought a single-wide from Schoonmaker in 1997 that remains in good shape today. So when he got engaged on Valentine's Day, the happy couple high-tailed it to Baldwin to buy a Fleetwood double-wide loaded with amenities. Four bedrooms. Two baths. Hardwood floors. Wood burning fireplace. A 1,800 square foot Westfield Classic for \$75,000. Monthly payments: \$800.

"We ran the option of buying a stick-built home, but when we came down to brass tacks it was just cheaper for us to go with a mobile home," said McLane, a water-treatment specialist in nearby Fair Play, S.C. "It's going

to help us out in the long run. I'm 42 years old and the good Lord willing, I will live in this house another 30 years."

Moderation rebound

McLane is more the exception than the rule these days in the manufactured home industry. Hamilton, the association's director, says 1,500 square feet is today's norm. And sales prices, with land and installation, have dropped since the recession from the \$75,000-\$85,000 to the \$45,000-\$65,000 range.

"Our pre-recession customers would buy the biggest thing they could afford," Hamilton said.

"Now they come in and are very, very price conscious. They got laid off or changed jobs. And the banks will look at his credit and job history and say, 'We won't give you \$85,000, but we will give you \$58,000 or \$63,000.'"

Baldwin and nearby Cornelia have recouped jobs lost during the recession like much of Georgia. Unemployment in

Banks County, for example, is a relatively healthy 5.5 percent. But most new jobs created here and across the country since the recession ended nearly five years ago are low-wage fast-food, retail or administrative jobs, according to the National Employment Law Project.

Not surprisingly, Americans have fewer dollars in their wallets too. Annual take-home pay, on average, dropped during the recession and its recovery by nearly 10 percent in inflation-adjusted dollars.

"We got chicken plants, a candle-making factory and Scovill makes zippers," Schoonmaker said. "Jobs up here are plentiful, but not high paying."

Consumer confidence, as measured by The Conference Board, remained near a post-recession high in April, but still pales compared to pre-recession levels.

"We're seeing a good bit more traffic, but it's hard to get them to make a commitment," said Everett Kilgore, who sells manufactured homes in Eatonton, Dublin and Warner Robins. "They're still job-wary and move-wary. They want to look in our direction and do something, but they're just a little bit scared to do anything at the moment."

Kilgore, nonetheless, expects business to pick up. Mobile home sales began climbing out of the post-recessionary trough two years ago. Pent-up demand is likely to boost 2014 revenues in Georgia by another 10 percent, the trade association says. And a new pool of customers — the formerly middle-class, stick-built buyers brought low by the recession — will likely fuel sales.

"The one thing that's really saved us," Hamilton said, "is that we're getting a larger pool of customers to pull from."