

Rocky Mount Manufactured Homes Plant Should Resume Production Today

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Joseph Stegmayer, chairman and chief executive officer of Cavco Industries, said Monday that the company plans to continue operating the Fleetwood Homes plant in Rocky Mount that it purchased last week from bankrupt Fleetwood Enterprises.

At least for the time being.

"Certainly, we'll be assessing whether we'll keep the plant open," Stegmayer said. "Our desired plan is to operate the Rocky Mount facility as an ongoing business."

He noted that times are tough nationally for builders of manufactured homes. Arizona-based Cavco is a leading producer.

"Business is very soft right now, so there are a lot of things to consider," Stegmayer said.

The sale was announced last week. Cavco and a financial partner purchased several factories and other assets of Fleetwood Homes, a subsidiary of Fleetwood Enterprises, which filed for bankruptcy in March.

The Rocky Mount plant employs about 70 people. Production halted briefly because of inventory-taking related to Cavco's acquisition, but work should resume today, Stegmayer said.

Stegmayer said the market will determine whether employment will remain stable, increase or decrease.

The Rocky Mount facility has the capacity to handle additional production and employment, he said, and might someday manufacture other product lines in addition to what it builds now.

"We didn't buy the facility to sell it," Stegmayer said.

He said communication between the company and officials from Franklin County and the state, as well as Virginia's reputation for being business friendly, helped convince Cavco to include the Rocky Mount plant in the deal with Fleetwood Enterprises.

Once the economy and mortgage financing improve, he said, manufactured housing could be an appealing, affordable alternative to either rental housing or single-family homes.

"We feel very strongly that affordable housing is going to be ahead of the curve this time," Stegmayer said.

As recent years have painfully demonstrated, many people bought homes they could ill afford, he said, because of now discredited types of mortgage loans and irresponsible borrowing and lending.

During this housing rush, sales slumped for manufactured homes, he said.