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REBUILDING A REPUTATION

By Christina Olenchek

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In Liverpool, a sleepy town in Perry County, there is a place where houses are born.

Inside the football field-size building on a recent Thursday morning were numerous rectangular structures going through a metamorphosis from plain wooden frames to finished kitchens, bathrooms, bedrooms, living rooms. Dozens of people swarmed like bees around the boxes, putting up drywall, stuffing in insulation, installing floors and cabinets. The smell of dust and paint hung thick in the air.

It was just another day of business for Excel Homes, a Camp Hill-based company that produces modular housing. The finished modules that leave the factory in Liverpool eventually are transported to building sites, where they are connected to create houses that have much in common with their traditionally built counterparts.

Just as Excel is reinventing people's notions of how a home should be built, it is also reinventing itself. A new leadership team has joined the company, a move the company's top executive said will help the business thrive despite the slump of the housing market and the continued stigma placed on modular homes.

"We do intend to grow," said Steve Scharnhorst, Excel's president and chief executive officer. "Even though the housing market is in a downturn, we expect to hold our own."

Scharnhorst came on board in April after the retirement of Excel's previous chief executive, Ed Langley. In the months since his arrival, Scharnhorst has added several executive-level positions, including vice president of operations, vice president of business development and director of continuous improvement. The company has a total of about 500 employees spread out in plants in Liverpool; Avis, Clinton County; and Ghent, W. Va.

Factory-built homes, including modular homes, long have been dogged by perceptions that they are trailer homes built with low-quality materials. That perception is unfair; modular homes actually have many advantages over homes built on a construction site, Scharnhorst said. Building homes indoors protects their components from the weather, he said. And because Excel's staff already includes tradespeople, such as electricians and plumbers, there is far less waiting than there is when separate companies handle these tasks. A homeowner can move into a modular house in two or three months, compared with waiting nine to 12 months for a traditionally built home, Scharnhorst said.

The weather advantage was clear during a recent trip to Excel's Liverpool plant. As snow blanketed the parking lot and road outside, work on the modules continued unhindered inside.

Excel builds about 2,000 homes each year, and Scharnhorst said he expects that number to go up by 10 to 15 percent a year during the next several years. The company plans to expand its geographic base, which stretches from Maine to Detroit to Georgia.

Not all has been rosy for Excel lately. The company recently decided to shutter its West Virginia plant in response to weak home sales. Scharnhorst said he expects the plant to reopen once the market picks up again.

The modular-housing industry has made great strides over the past decade to woo previously skeptical customers, said Karen DeSio, communications coordinator for the Pennsylvania Manufactured Housing Association in New Cumberland, Cumberland County. Integral to this shift has been showing customers the finished product, which is nearly indistinguishable from a traditionally built home.

The association organizes an annual trade show that lets consumers walk through dozens of modular and other factory-built homes constructed on the parking lot of the Giant Center in Derry Township, Dauphin County. The event draws more than 5,000 consumers each year, many of whom are surprised to see houses with all the touches of traditional homes, including fireplaces, hardware floors and new appliances.

"Once they see a factory-built home, they're astounded," she said. "Once you walk through the door, your image is changed."

Although the quality of modular housing has increased significantly in recent years, it is not a panacea for every homebuyer, said John DiSanto, president of Triple Crown Corporation Inc., a construction firm in Lower Paxton Township, Dauphin County. Modular homes are not an option for people with hard-to-access building sites, such as wooded lots. And it's difficult for homeowners to make on-the-fly changes to modules once they're manufactured.

"It's easier for (traditional) homebuilders to make changes to meet customer needs," DiSanto said.

Despite the remaining skepticism, Scharnhorst said he is convinced that more homebuyers will give modular housing more than a passing glance.

"The industry has overcome (the stigma) over the past 10 years," he said. "I think you'll see a switch over the next 10 years as people recognize the advantages."

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About Excel Homes

Headquarters: Camp Hill, Cumberland County

Top executive: Steve Scharnhorst

Services: Produces modular-housing units that are later put together at building sites

Employees: About 500

Revenue: Would not disclose

Web site: www.excelhomes.com

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