

# Modular-home factory is booming, plans expansion

Stratford Building Corp. expects to build 100 homes at Rathdrum plant this year

**Addy Hatch** November 22nd, 2002

RATHDRUMA Stratford Home may be modular, but its not mobile.

Well, OK, its mobile twice: once when its wheeling down the production line in Stratford Building Corp.s factory here, then when its delivered in big sections on flat-bed carriers to a customers building site.

Even though the most common misconception about Stratford Homes is that theyre mobile homes, in fact, they are a stick house thats built in a factory, says Lou Carlascio, Stratfords sales and marketing manager.

Stratford builds the homes in modular sections inside its 40,000-square-foot plant on the Rathdrum Prairie, then ships the sections to building sites around the Northwest where theyre stitched up, Carlascio says.

Most of the homes produced here are based on custom floor plans designed by Stratfords in-house design team of four draftsmen and an architect. They range in size from two modules, with a total of about 1,200 to 1,400 square feet of floor space, up to as much as 14 modules, with 6,000 square feet of space, he says.

Stratford, one of two operating units of a privately held Wisconsin company, expects to produce 100 homes in its 8-year-old plant here this year, up 40 percent from a year ago, Carlascio says. Stratford is so busy, in fact, that the company plans to expand the plant by 20,000 square feet early next year, and hire another five or six people, he says. It employs about 60 people now.

Were going to have the best year weve ever had herewe pushing \$10 million in sales this year, Carlascio says.

Low interest rates are one reason for the increase in business, Carlascio says.

Another is that in the last year, Stratfords Rathdrum plant has added 17 builders to its network of dealers, who, in turn, sell Stratford Homes to consumers. Stratford currently has 50 authorized dealers in Washington, Idaho, Oregon, Montana, Wyoming, and Alaska, and hopes to have 100 dealers within five years, Carlascio says. The company is looking to expand its market area to Northern California, Utah, and Colorado, he says.

An authorized builder pours the homes foundation, then, once the modules are delivered, connects them together and completes about 15 percent to 20 percent of the homes finish work, leaving it all done. If customers wish, they can do some finish work themselves. The builder also might construct the homes garage and finish second-floor or daylight-basement space inside.

The Rathdrum plants top dealer, Mountain Lakes Construction Inc., of Post Falls, has built about 50 Stratford Homes in the past three years, says Mark Michalak, president of Mountain Lakes.

Many of those homes have been for people who wanted a newly constructed home on vacation or rural property, Michalak says.

I think thats where the growth in this business is going to come, he says, explaining that its often expensive and difficult to build in outlying areas because of a dearth of subcontractors in those areas. Theres so much work locally, (subcontractors) dont want to travel, Michalak says.

Whats more, Michalak, who also builds conventional custom homes, contends that Stratford Homes are built substantially more stout than a site-built house has to be built because they must be transported to the building sites and then be lifted into place using a crane. Theres probably 20 percent more lumber in the house; it really does feel more solid, he says.

The prices of Stratford Homes are set by local builders, so they fluctuate based on regional real estate markets, Carlascio says. Typically, though, a Stratford Home costs 15 percent less than a site-built home due to the economies of scale possible when building many homes at the same plant, he says. While Stratford currently is completing a nearly \$1 million home in the Puget Sound region, a more average finished cost is \$150,000 to \$200,000 for a 2,000-square-foot, ranch-style design, a price that includes the land cost, he says.

The average buyer of a Stratford Home has a household income of \$100,000 or more, Carlascio says, citing a recent customer survey. Some are empty-nesters who want a smaller home; others, as Michalak mentioned, want a custom vacation home for an out-of-the-way or mountain-side lot, he says. Stratford Homes are increasingly popular in Alaska, Carlascio adds, because as long as a foundation is poured when the weather allows, we can deliver the house any time. We basically have a year-round building season. Alaska residents dont balk at the freight cost of shipping homes to that state because theyre so used to having to pay high freight costs, he says.

Another large group of buyers are people who have allergies, Carlascio says. Because Stratford Homes are built indoors, the materials used in them dont get wet, and therefore they have less of a problem with mold, he asserts.

Stratfords work force includes licensed carpenters, electricians, and plumbers, and its plant is inspected often by representatives from all of the states in which its homes are sold, Carlascio says. The homes come with a 10-year structural warranty, and Stratford has a full-time crew that travels around the Northwest to address problems that arise for buyers of the homes, he says.

The biggest downside to Stratford Homes is that its difficult to make changes to the design once production has begun, Carlascio says.

Once theyre on the track, its 12 days, and theyre out the door, he says.

Stratford builders have lengthy preconstruction conferences with home buyers to try to avoid any last-minute changes, and Stratford employees convene a production meeting for each house before it starts down the production line, he says.

Although Stratford Homes are produced quickly, the Rathdrum plant has a backlog of orders waiting to be built, Carlascio says. Currently, ltd be almost up to March before we can have a house out of here, he says.

Carlascio plans a marketing push to educate people about what a Stratford Home is, and what it isnt.

We sell a pretty expensive product, really, he says. Were more like the Cadillac of modular houses.



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