

GOODWOOD MANAGEMENT CORPORATION LIMITED

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A. As An Integrated Complex Serving a National, Mass-Produced Housing Programme.

That was the original purpose for which this complex was designed. However, the intended market never developed to the extent envisioned and, at most, only absorbed about 40 percent of the plants' capacity. This was probably due to a combination of factors.

- The fragmented nature of the housing industry and its absence of standardization.
- The entrenched resistance of both developers and the building trades to the introduction of new methods and materials.
- The usual inefficiencies of Government-run industries versus private ownership.

As it stands today, this complex in its entirety could only operate at a profitable level of capacity if it was integrated with a massive national programme of standardized, "assembly-line" housing, all using the same components. One possibility would be for a consortium of private-sector builders to assume ownership of the plant and all standardize their building plans so as to utilize its components and thereby enjoy the economies of scale.

The likelihood of this approach may be somewhat reduced because of the NHA's current policy of providing only serviced sites and encouraging builders or even individual lot owners to exercise their own initiative in getting some sort of shelter erected on the site.

There have been some parties, most notably the group promoting the "Korean House", who have stated an interest in leasing the entire complex but since their production would only utilize a portion of the complex they could not be expected to pay a lease fee that would recover more than a fraction of its present book value. Without a mass market that would accept close to 100% of its potential output, the inherent salvage value of this complex to any single, private operation is extremely limited if its output is restricted to home building components only.

B. As An Integrated Complex Producing Housing Components and Exportable Wood Products.

The sawmill, woodworking and OSB plants all have export and domestic wood products sales potential if