

For Omaha home builders, extras aren't always extra



RUDY SMITH/THE WORLD-HERALD

All Celebrity Homes in the Stoneridge development near 163rd and Fort Streets come with an appliance package included in the base price, with stainless steel standard. The company's marketing director said the company's fourth-quarter sales rose 19 percent after the new pricing was introduced.

Broader base package helps company's sales

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Omaha's Celebrity Homes is offering prospective buyers the chance to shop for a new house without a calculator handy to add the costs of features that don't come standard.



McGuire

The company's "it's all included" campaign, launched a few months ago, was a response to a softer housing market that kept prices relatively stable but still caught the attention of prospective buyers, said Shawn McGuire, Celebrity's sales and

marketing director.

"We thought it was an opportunity to get value into the homes and bring a more complete product to the customer," he said. "The model homes are now the showcase of what your new home will look like, not just a demonstration of what it could look like."

The result of the new pricing, McGuire said, was a 19 percent boost in fourth-quarter sales, or 42 more houses and town homes sold. Traffic through Celebrity model homes in 17 subdivisions was up 18.75 percent, and the number of hits on the company's Web site tripled, he said.

When sales slowed and inventories swelled in 2006, some builders cut prices two and three times, but Celebrity decided to take a different ap-

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Celebrity Homes, priced from just below \$130,000 to \$240,000, now come with standard features including a gas fireplace, more cable and phone locations and two-inch decorator blinds.

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proach, McGuire said.

Typically a builder offers a base price and buyers can choose to add features or upgrades at various costs, which can add 15 percent to 20 percent to the base price.

Celebrity's homes, priced from just below \$130,000 to \$240,000, now come with an appliance package that includes in the base price a refrigerator, a washer and dryer and the option of stainless steel; two-inch decorator blinds; upgraded Aristokraft cabinets; brushed nickel hardware; deeper kitchen sinks; a gas fireplace; garage door openers; more cable and phone locations; raised ceilings; and, in some plans, finished lower levels.

The features were added after the company reviewed its database of sales stretching back more than 30 years and studied current trends to determine buyers' most-requested features, McGuire said.

In addition, he said, the builder asked about the most commonly purchased items after a move-in and added those features.

The company, which is one of the Omaha area's most prolific builders, used its buying power to put more amenities in the houses at lower costs than if the individual buyer paid for them, McGuire said.

He declined to share overall sales figures for the year. He said 40 percent to 50 percent of the company's sales are town homes, and about that same percentage of customers are first-time buyers.

The all-included campaign differs from the approach of the Omaha area's other large volume builder, HearthStone Homes.

Since 2004, HearthStone has had a Choice Studio near Oakview Mall that offers more than 5,000 choices of everything from bathroom faucets and light fixtures to carpeting and cabinets. The studio has interactive personal computers that allow buyers to record selections and compare pricing.

"They don't give up flexibility but understand how it fits into the value equation," said Neil Smith, HearthStone's chief market and community development officer.

He said the goal of more house for less money can come as a result of lowering prices or giving more amenities.

"We have chosen the path of giving the lowest cost," Smith said. "That gives flexibility to add in amenities, instead of saying every customer wants a finished basement or stainless steel appliances. They know what they want better than we do."

Building every home the same as the model homes

makes Celebrity vulnerable to criticism about cookie-cutter subdivisions. McGuire said he doesn't think that's an issue because the company offers 42 floor plans, averaging a dozen in each subdivision.

"That's how we remedy that," he said. "The guy who wants to structurally make changes, bump out walls, we can't do, but if a particular house doesn't work, there's usually a plan that does."

Buyers do have some choices, such as the eight styles and finishes offered on the standard cabinet choice, and clients can always pay more to upgrade further, McGuire said.

"We don't see a lot of people doing that," he said.

Shamus and Rachel Johnson bought a Celebrity home in Quail Run Valley near 168th and Fort Streets, partly because of the features included in the base price.

"When we were talking to other builders, we found that everything that we wanted was an option and would cost extra," Rachel Johnson said.

Jill Brown, a Celebrity Homes sales representative, said her customers appreciate the time they save with the all-included approach.

"They don't have to run all over town, make appointments and spend their valuable time picking out thousands of options," she said.