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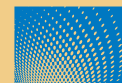
## BUILT-IN Integrator

Keeping home tech in-house drives profits and efficiency.

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Colin and Ralph Corbo,  
A Home by Corbo,  
Roxbury, Conn.

Official  
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# SOLO Integrator

Connecticut spec builder acts as his own home technology company, saving money and simplifying upgrade offerings. *by Jason Knott*

RALPH CORBO has definitely turned a near tragedy into a triumph.

When he was involved in a horrifying motorcycle accident four years ago, it almost meant the end of his homebuilding business, A Home by Corbo in Roxbury, Conn. But immediately after the crash, Corbo's tech-savvy son Colin returned from school in Nevada to help out. That reunion helped pave the way for the company to be among a very select group of builders that successfully design, sell and install their own home technology.

According to research from the National Association of Home Builder Research Center and the Consumer Electronics Association, only 4 percent of builders are like Corbo and install their own home technology. Instead, most rely on an electrician, security contractor or custom integrator to investigate the myriad of technology choices, prewire their homes, upsell the customer and handle the installation.

Installing its own electronics allows Corbo's spec-homebuilding company more than simply saving on the costs of integration labor, service and product markup. The company can assist their homebuyers more effectively with ongoing service plans; control the sales process; minimize confusion with simplified offerings; and establish a major differentiating factor between itself and the competition.

In the end, the home technology also helps fulfill individual passions for music and technology. There are challenges though, including staying up on the latest technology and finding the right product mix.

## DIFFERENTIATING THROUGH HOME TECH

Ralph—along with his wife, Natalie—started building homes in 1977 part time and went full time in 1980 following a career in librarian science and as a musician. Over the years, he has built 400 houses, half of which were greenfield developments and the other half individual lots. In 2006, Corbo constructed six spec homes, earning \$6 million in revenue—about \$200,000 of which came from home technology.

One of the keys to A Home by Corbo's success is differentiation, which is characterized by its home designs and its technology package. From a design standpoint,

the company works with a local architect to design historic-looking rustic homes that fit the market demographic.

"You have to know your local market demographic," says Ralph. "You have to observe and ask questions to people who are active participants in that local market, like real estate agents and bankers. They have the real numbers. They talk to people daily and have first-hand information about what people are looking for in homes. You have to network frequently with them and communicate with them. You have to understand that you don't know everything."

For example, Corbo recently purchased seven lots in a new nine-home development called The Village at Old Meadow in nearby Woodbury, Conn. Corbo's homes have rustic touches like Virginia split-rail fencing, wood shingle

STELLA JOHNSON



“Fortunately, the technology package is not how we earn a living. It’s just a way for us to bring in some extra dollars, but more importantly, it helps us stand apart from the competition.”

—Colin Corbo, A Home By Corbo

or



roofs, clapboard siding, copper gutters, oak floors, 10-foot ceilings and 8-foot doors. Several of his homes have sold quickly. The four- and five-bedroom homes sell for about \$1 million apiece. Meanwhile, another builder’s home in The Village at Old Meadows has been sitting for almost three years unsold, even though it’s bigger. Why? It’s a gray, vinyl-sided house with a two-story, gray-brick foyer with a big chandelier that looks like it belongs in central Texas ... totally out of place in New England.

Corbo’s home designs were inspired by the Woodbury Hollow section of the town that includes historic gabled homes, like the Hurd House that dates back to 1680. Colin even spent time taking photos with a telescopic lens to capture the gable details in these historic units so it could be re-created in the company’s new homes.

“Our homes are not reproductions.

They are modern homes, but with historic designs. Our building philosophy is that quality is of utmost importance. We are real fastidious,” says Ralph.

That fastidiousness can also be seen in Corbo’s electronics packages, which start with a base that includes an On-Q/Legrand structured wiring enclosure, a video amplifier, a minimum of six multimedia drops using Belden wiring for home networking, and at least one room (usually two rooms) with a wiring drop for 7.1 surround sound.

“Electronically, our philosophy is that you should expect to be able to walk up to a media outlet, plug in your computer and access the Internet. It should be just as basic as lighting and water,” says Ralph.

As a spec builder, Corbo must make many of the electronics decisions on behalf of the prospective buyers. The upgrades in

each home include all the components, featuring Denon receivers and DVD players, Focal (JMLabs) in-wall speakers, Ethereal A/V cabling, Philips Pronto programming, and Samsung or Electrograph flat-panel TVs (ranging from small LCDs in the kitchen to 50-inch plasmas).

“Electronics is a passion for us. We didn’t want that part of the business to be handled by an outside person. We do all the design. We use our electrical contractor to pull all the wire to our spec. We do the continuity testing on the wires before and after the sheetrock is set. We do all the trim out and set-up ourselves,” says Ralph. Colin, who handles the technology portion of the business, does the trim out and calibration himself, estimating that each home requires about 12 to 14 hours of work.

“Nobody else in the area is doing a technology package like ours. Nobody!

## IN-HOUSE INSTALLATION

And I have no clue as to why others are not doing it. I really don't know," says Ralph. "I speculate that people are afraid of change. The only access that builders have here to technology is to work with an integrator. You have to find a guy like that, familiarize him into your organization, and figure out how to price his services. It's a real unknown. Our tactic is that we are going to be the integrator and become certified. At the same time, we are making our own market."

A Home by Corbo does not offer whole-house automation or integrated HVAC control, primarily because the demand does not exist. For security, the company partners with a local alarm company.

### SIMPLIFYING THE UPSSELL

The nitty-gritty upselling and installation work for the electronics is done by Colin, who graduated from the University of Nevada Reno with a degree in art, specializing in digital media. That background makes him well suited to programming some pretty cool touchpanels on clients' Pronto remotes. All the systems are pre-staged at another location and then put into the home after it is sold, decreasing the risk of theft.

Colin sells the technology from a value standpoint. "Fortunately, the technology package is not how we earn a living. It's just a way for us to bring in some extra dollars, but more importantly, it helps us stand apart from the competition," he says, adding that "we market it a ton more than we ever did. I don't know if technology is the forefront of the purchase ... everyone still wants to look at the kitchen ... but the majority of the homeowners want it."

To sell the home technology more easily, Corbo asks prospective homebuyers to set aside a minimum allotment of \$10,000 for the technology package (excluding the standard structured wiring) at the onset of negotiations.

Recalls Colin, "One of the things we ran into a few years ago when we first started trying this was, 'How do I pay for it?' Most people are typically maxing out their credit on the mortgage alone. When you add an extra \$10,000 for the electron-



STELLA JOHNSON

**Ralph Corbo and his son Colin** have opted not to use an integrator, but install their own home technology. They estimate about \$200,000 of their \$6 million annual revenue comes from home technology.

ics, they couldn't do it.

"So now we build a \$10,000 allowance right into the initial contract for the home. We put in another allowance for general extras, let's say another \$10,000. So in an \$800,000 house, the contract is now for \$820,000. That is the figure the homeowner uses with the lender to get prequalified. We have found that buyers believe it is a sensible way to go. The allowance is introduced right up front."

To avoid price quibbling, the Corbos offer all the electronics to their homeowners strictly at the manufactured suggested retail price (MSRP).

"There is no haggling," says Colin. "We don't match the price of the big-box retailers and then add on an installation charge. For the MSRP, the homebuyer gets delivery and installation; we get rid of the boxes, organize all the manuals in an alphabetized folder, educate them on system operation and calibrate the system."

There are several reasons that the company hasn't tried using an integrator. First, the Corbos cherish the direct relationship between builder and customers. Second, they believe that many integrators change their product lines too often, or simply offer too many product lines that confuse homebuyers.

"I don't want the homeowner to sit

down with an integrator who is selling multiple types of TVs, for instance," says Colin. "There are tons of decisions that homeowners have to make for a new home. Homeowners pull their hair out because there are so many decisions. Some integrators tend not to make the buying process easy. They may offer too many receiver choices for example. All of a sudden, our wiring scheme may have to change to accommodate a new component."

Ralph adds, "Ultimately, we are responsible. If the integrator doesn't show up, the homeowner calls us."

### KEEPING ABREAST IS DIFFICULT

It's not all roses to be your own integrator. Ralph estimates that keeping on top of the technology is one of the most time-consuming aspects of his entire homebuilding operation. He estimates that Colin spends about one hour per day on technology education. That's surpassed only by the time devoted to finances and marketing.

"There is so much that goes into building a house; we are doing 500 things that we need to know a lot about. It's really burdensome," Colin says. "To add technology is not just one simple knowledge base, like changing concrete mix. It's another whole level of information in every category of technology, from HDMI 1.3 to the type of grilles you put on in-wall speakers."

Ralph adds that home technology "is very profitable for us. Even if it is breakeven, we would do it. It is important, even if the buyer doesn't purchase a single upgrade from the wiring. In the bigger scheme, it's more important to build quality houses and maintain our good name."

By far, the duo says, the most important reason they use particular brands is because of their breadth.

"We made a determination to work with manufacturers who have products that integrate well, but most importantly, we work with manufacturers who offer a good/better/best option within their brand at the price points we need. It helps us maintain consistency of installation and eases the burden to have to learn about multiple lines," says Colin.

THB



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