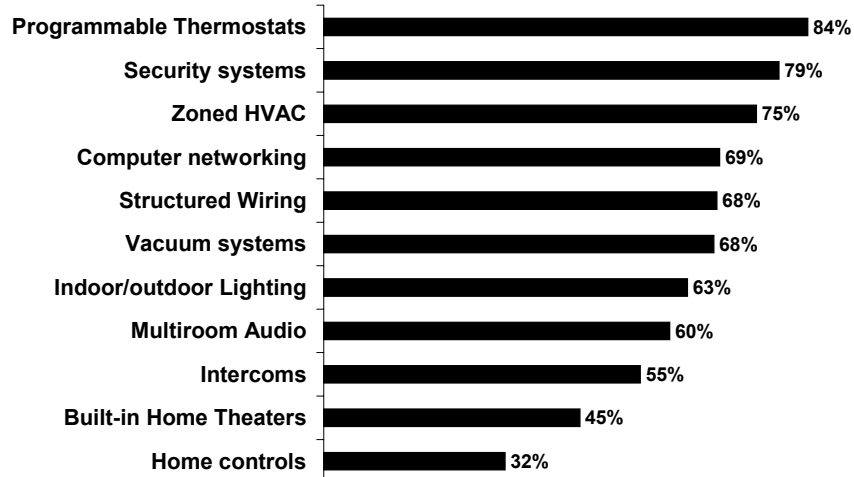


**Synopsis** **Builder Popularity of Selected Systems**

Today's home builders are becoming a major channel for digital technology into the consumer market. This study of more than 400 builders probes why they offer, or don't offer, various products, how much more they charge for homes with selected systems, who handles installation, and if builders are willing to partner with other firms, such as cable TV operators or utilities.

**Percent of Builders Offering Selected Systems in New Single-family Homes**

(n = 416)



Source: 2004 Builder Survey

**Publish Date:** 1Q 05

"Builders are in a new era in home building that encompasses much more than lumber, bricks, and granite countertops," said Bill Ablondi, director of channel research. "Over one-fourth of builders have employees actively evaluating new technologies for their potential both to boost sales and serve as differentiators. Builders reported that an A/V room or multiroom audio system was as important to selling a home as a playroom and more important than a pool."

**Contents**

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**Introduction**

- Overview of study scope
- Methodology
- Product categories examined
- Types of builders surveyed

**Executive Summary**

**Methodology & Respondent Profiles**

- Methodology
  - Survey timing
  - Techniques to recruit respondents and sources used
- Respondent Profiles:
  - Types of businesses engaged in
  - Primary job function
  - Number of single family homes built annually
  - Percent of homes built that are custom vs. production/spec
  - Breakdown of homes built by type:
    - Starter
    - Move-up
    - Vacation/Second
    - Other

Average selling price of home built  
 Average finished area of home built  
 Scope of builders' operations:  
   Local  
   Regional  
   Multi-regional  
   National

**Electronic Products and Control Systems Offered by Builders**

Product categories offered  
 Structured wiring  
 Security systems  
 Intercom/built-in communication systems  
 Multi-room audio systems  
 Video distribution systems  
 Computer networking  
 Dedicated-room Home Theaters  
 Built-in Home Theaters in family/living rooms  
 Home control systems  
 Appliances connected to a control system  
 Programmable Thermostats  
 Zoned HVAC  
 Indoor/outdoor lighting controls  
 Occupancy sensors  
 Vacuum systems  
 Builders' choice of products most likely to positively influence sale of homes  
 Builders' rating of amenities making a significant difference in selling a home sooner or at a premium price  
   Oversized closets and storage areas  
   Large kitchen with premium appliances, cabinets, countertops, etc.  
   Spacious master bath with large shower, separate tub/Jacuzzi, his/her vanity, etc.  
   Separate playroom for children  
   Three-car garage [as opposed to two-car garage]  
   Pool  
   Room dedicated to audio/video entertainment  
   Finished basement  
   Structured wiring  
   Security system  
   Multi-room audio system  
   Computer networking  
   Central vacuum system  
   Energy efficient HVAC and appliances  
 Builders' attitudes about offering new products  
 How builder is organized internally to evaluate and make decisions about new products to be offered  
   Centralized at headquarters  
   Decentralized by region  
   Decentralized by office  
 Who decides/influences systems to be sold; dedicated resource for evaluation?  
 Use of model homes to promote/sell upgrades  
 Traffic monitoring techniques used  
 Type of collateral used/desired

Types of firms considered as primary vendors/partners for offering products

- Electrical contractors
- Security system installers
- Appliance manufacturers
- Appliance retailers [e.g. Sears, Best Buy, etc.]
- Cable TV operators
- Electrical utilities
- Telephone companies
- Electronic system manufacturers
- Audio/video dealers/installers
- Distributors
- Other

**Probe into Selected Product Categories**

Common questions asked:

- Standard vs. optional?
- Who sells?
- Why do you offer?
- When did you start offering?
- Who installs?
- Percent of homes installed with category in 2003
- Brands offered; planned to be added/dropped
- Average cost to buyer
- Typical margin earned by builder
- How much more can house with product be sold for?
- If don't sell, why not?

Product categories probed in depth:

- Structured Wiring
  - Importance of certified installer
  - Number of drops per room by type
  - Number of Coax/phone outlets installed by room type in homes without structured wiring
  - Applications supported by structured wiring
  - Attitudes about value of offering structured wiring
  - Sources relied on for brand selection
- Security Systems
  - Technologies employed
  - Additional equipment typically installed
  - Fees received from security monitoring firms
- Multi-room Audio
  - Marketing/sales support received and desired from manufacturers
  - Number of rooms wired for audio
  - Components offered as part of audio system
  - Breakdown of speakers by type (in-wall, ceiling, etc.)
  - Technologies employed for audio distribution
  - Types of remote controls offered
  - Suppliers of audio systems by type (A/V dealer, manufacturer, etc.)

**Additional Products Covered**

- Intercom/Built-in Communication Systems
  - Standard vs. optional
  - Percent telephone- vs. intercom-based
  - Percent of homes with
- Home Theaters

Dedicated-room  
 Pre-wired  
 Media rooms  
 Home Control Systems  
 Functionality/applications  
 Home-owner demand  
 Interest in offering in partnership with cable MSO and/or utility  
 Central Vacuum Systems  
 Standard vs. optional  
 Percent of homes installed with  
 Typical size of home installed with  
 Reasons why owners NOT installing

**Source & Selection Criteria for Non-structural Products**

Ranking of criteria used in selecting manufacturers  
 Name/reputation of company  
 Superior pricing  
 Higher-quality product than others  
 Co-op marketing funds  
 Superior after-sales support  
 Availability of products/widely distributed  
 Breadth of product offerings  
 Flexible product configurations  
 Convenience or professionalism of installing dealer  
 Low-hassle business relationship  
 After-install warranty terms & conditions  
 Superior training for our staff  
 Breakdown of sources for non-structural products  
 Direct from manufacturers  
 Distributors  
 Retail Outlets  
 Interest in considering other sources for products and WHY?  
 Sources of information about new products, technologies and capabilities  
 Trade shows  
 Trade publications  
 Manufacturer's sales people  
 Distributor's sales people  
 Word of mouth  
 Other  
 Desired sources of generic industry training  
 Industry events  
 Associations  
 Manufacturers  
 Distributors  
 Independent training companies  
 In-house experts  
 Preferences for method of training  
 Live/In-person  
 Online – Live Webcast with Q&A  
 Online – Self-paced tutorial  
 Book/manual  
 Video-based

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