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Colina Homes Provides
Value through Quality, Finishes

Colina Homes | Houston, Texas



Colina Homes Provides Value through Quality, Finishes

By Kathy Bowen Stolz

Most successful builders focus on a single market niche, but Colina Homes has expanded beyond one market into three: entry-level/first-time homes, inner loop town homes and move-up/semi-custom homes. Colina Homes builds in just about every area of the metro Houston area, both in established and new neighborhoods.

But no matter what the product or where the neighborhood, Colina Homes' emphasis is the same: providing the best value through the highest quality and best finishes in the market.

"We generally do provide the best value. We focus on what the customer can see – the fixtures and paint and trim – but also on what the customer can't see, what's behind the walls – the framing and plumbing and wiring," said Kenneth "Ken" Williams, co-owner.

"Every Colina home is built with attention to detail and craftsmanship," added Michael Lucas, co-owner. "Most importantly, our homes are built to offer lasting value."

Lucas noted that Colina Homes' primary product line is in its entry-level home line, which is 70 percent of its business. Colina will close on 260 homes in this market during 2017, although it will be completing 300-320 homes during the year, he said. Colina's entry-level homes range from \$160,000 to \$240,000.

Some of the neighborhoods that feature Colina Homes are Pine Trace Village, Plantation Lakes, Tidwell Lakes, Heron's Landing, Brenwood Manor, Almeda Crossing, Balmoral, Wedgewood Forest and Villas at Willowbrook.

Colina also builds two- and three-story town homes as urban in-fill projects within the inner loop. These single-family homes range from the upper \$300,000s to the \$400,000s, Lucas stated. The town homes comprise about 20 percent of Colina's business each year.

Finally, Colina is expanding into single-family homes on estate-size lots for homebuyers who are moving up from their first home. These homes range from the upper \$200,000s to the low \$400,000s, according to Lucas. This product line comprises 10 percent of Colina Homes' business.

Before launching Colina Homes in 2006, both Williams and Lucas had worked for large production builders, Lucas as a construction manager and Williams as a division president.

Lucas, who "had been around construction most of my life" because his dad was a developer, had thought about going to law school after graduating from the University of Texas with a liberal arts degree in sociology. But he said he got a job with a production builder right out of school and knew immediately "I had a passion for it and wanted to do it for a



long time.”

Williams said he is “a manufacturing guy” with an undergraduate degree in industrial engineering and a master’s in business administration. He was recruited into the building industry in the early 2000s after working in major corporations, such as Texas Instruments, General Electric and U.S. West, because of his Six Sigma background.



After Williams hired Lucas in 2003, they found they had a similar goal of owning a company, although their motivations were different. Williams thought he could approach building differently after seeing the mistakes made and unnecessary risks taken by other builders. Lucas, who had a drive to do something on his own, wanted to compete with the big builders.

“We don’t have a desire to be multi-multi-millionaires. We don’t have big egos. We didn’t want our names on the company. We wanted to do something and be proud of it,” Williams said.



They wanted to have a Spanish-type name for the company to draw Hispanic buyers, Lucas said, noting that he is bi-lingual English/Spanish. Lucas looked in a Spanish dictionary for appropriate names. They landed on “colina,” which means “rolling hills,” although they admit Houston itself does not have rolling hills. They like that “colina” also connotes “colonies” and therefore “homeland.”

Anticipating a normal economic downturn, Williams thought the timing could be right to start the business in 2006. “I was at a point in my career, it was either do it or not. I thought a downturn was a good opportunity because we would have access to unsold lots. What I did not see coming was the complete train wreck of 2008, with a freeze in banking. The economy was a lot uglier than we anticipated.



“We were lucky. There was some activity in the market. And we had access to enough banking. We were a couple of guys without any overhead. We kept the business small,”



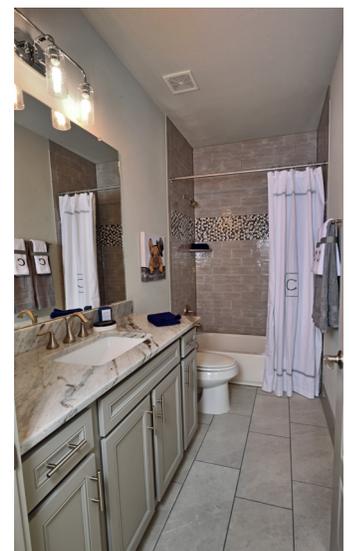
Williams continued.

Lucas added, “We worked out of my house. We did all of the work. We didn’t have any employees until six or seven years ago.”

Now Colina Homes employs 28, with a third in sales, a third in administration and a third in the field as superintendents. With its expanded staff requiring more room, Colina Homes constructed a new three-story office building and moved into it in April.

“We’ve always been pretty lean, with no middle managers until the last six months or so. We’ve recently added a purchasing manager, a customer service manager and a sales manager,” Williams said. “We hired them to create more sales, more customers down the road.”

In addition to signage, realtors, a website and its own model home sales staff, the company also is using social media to get the word out about the quality and value of its homes. “An online presence is going to be critical in the future,” Williams added. Colina Homes recently contracted



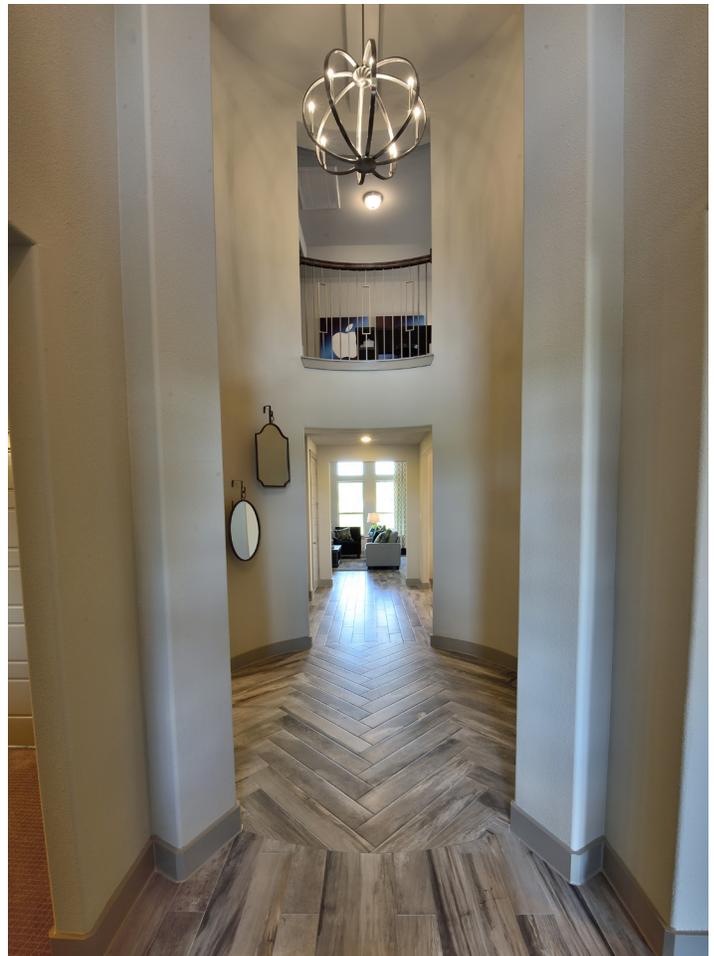
with a third-party consultant to boost its social media presence and therefore its sales.

Williams noted, "One of the things we pride ourselves on is that we fairly price our products and accurately represent ourselves in the market. We try to emphasize what we're good at."

In the future Colina Homes' co-owners expect to continue the company's growth and stay in its current three markets. Williams noted, "We've experienced measured growth every quarter except one. We leave all of the money in the company. Bankers love it."

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