

# HOUSTON BUSINESS JOURNAL

Strictly Houston. Strictly Business.

Vol. 35 No. 44 Week of March 11- 17, 2005

houston.bizjournals.com

## Houston Business Journal STRATEGIES

INFORMATION FOR EMERGING COMPANIES

### New Heights

Allegro Builders, a custom home builder based in the Heights, is reaching for the rooftops with steady growth

BY CHRISTIE TAYLOR  
SPECIAL TO HOUSTON BUSINESS JOURNAL

Building dream homes may sound like a dream job, until incomplete floor plans, late wood shipments and mismatched plumbing parts impede the process like a fuse box about to short-circuit. But Allegro Builders' owner Lambert Arceneaux takes such predicaments in stride.

"Every day, there are so many things that can and will go wrong," Arceneaux says. "You just have to get out there and do what needs to be done, and do it with confidence."

In 1997, Arceneaux and business partner Grace Stuart launched Allegro. The custom-home building business became profitable in 2003 and has doubled the number of houses it has built every year since 2000, when Arceneaux became Allegro's sole owner.

Today, with seven employees and an extensive list of contractors, Allegro plans to move into a new office on Studewood Drive by the end of the year, tripling the amount of office space the company now occupies in a Heights Boulevard bungalow.

With a particularly strong presence in the Heights, Allegro also builds homes in Memorial, Bellaire, West University Place, River Oaks, the Museum District, Midtown, the Medical Center and Woodland Heights.



CRAIG HARTLEY/HBJ

**Lambert Arceneaux of Allegro Builders: 'Every day, there are so many things that can and will go wrong.'**

Arceneaux sees the company's focus on Houston's inner Loop as one of the keys to its success.

Arceneaux dabbled in several entrepreneurial ventures before starting Allegro, including launching a frozen entrée business, selling popcorn toppings and laying concrete for casinos in Louisiana — all the while renovating houses on the side to support his next business adventure.

"It was chasing gold," Arceneaux says about the concrete business, which soon grew beyond his interest.

So Arceneaux stepped away from that to

build houses, turning what had once been his hobby into a profession.

The move turned out to be profitable.

Allegro is slated to construct more than 38 homes in 2005.

One of Arceneaux's strengths is developing relationships with customers and vendors, says James Dong, owner of The Builders Club, a company that handles estimates and orders materials for 21 custom builders in the Houston area.

The Builders Club tracks vendors' pricing through a computer system, acting as a middleman between builders and vendors.

For example, when Arceneaux needs a shipment of lumber, upgraded tiles or anything related to constructing a home, The Builders Club provides competitive pricing — a savings that helps Arceneaux's busi-

*'Some clients might come in without a realistic picture of what they can afford, but by sitting down together, we can make the whole process transparent.'*

**Lambert Arceneaux**  
Allegro Builders

ness run more efficiently.

Dong has only seen one or two Houston builders experience Allegro's level of rapid growth.

"When other builders grow so quickly, they don't always know what money is coming in and going out," Dong says. "Every step of the way, (Arceneaux is) in very good control."

## ON THE MOVE

Last year, Allegro constructed 28 homes ranging in price from \$500,000 to \$2 million.

Projects for 2005 include homes starting at \$600,000 and above.

Allegro's revenue has grown accordingly, with the company bringing in \$3.9 million in 2003, \$8.1 million in 2004 and projections of more than \$12 million expected in 2005.

Allegro is committed to developing strong relationships with Realtors, Arceneaux says, further setting the company apart from the competition. Although a Realtor may sell a particular home or lot, many homeowners scoff at paying a Realtor fee for their custom-built home, he says.

"If a customer sees that Realtor fee as a line item on their construction costs, their feeling usually is, 'I would rather put that

into building a bigger house,'" Arceneaux says.

Arceneaux incorporates Realtor fees into the overall budget to ensure that his commitment to the Realtor is honored.

Meanwhile, Allegro continues to grow through word-of-mouth.

The company's vendor relationships include partnerships with cabinetmakers, painters, plumbers, lighting designers, suppliers, Realtors, painters and architects — virtually any contractor involved in constructing a home.

Arceneaux says paying the vendors on time has gone a long way in strengthening his business.

"It's the only way to keep top-notch vendors," he says.

Allegro pays vendor fees without keeping a retainer (an accepted practice in the building industry, where a 10 percent retainer is often kept until jobs are finished). By not keeping a retainer, Arceneaux says, Allegro builds trust.

Arceneaux has also eliminated other bottlenecks in the building process, such as hiring a project manager to oversee all construction activities, as well as an interior designer to help with what can often seem like overwhelming decisions about paint colors and tile.

Earlier this year, Allegro added a design/build division, bringing former Page-So utherland Page architect Jeremy McFarland on board to serve as an in-house architect.

And to help alleviate what can often turn into delays in financing, Allegro offices in the same bungalow as mortgage brokerage Texas Loan Star.

"Plenty of people come in with financing already in place," Arceneaux says, "but for those who don't, it is helpful to have Texas Loan Star right there.

"Some clients might come in without a realistic picture of what they can afford, but by sitting down together we can make the whole process transparent, so everybody knows where everybody else stands,

and so there are no surprises along the way."

Arceneaux insists on disclosing all costs up-front so that working with clients becomes a collaboration.

"The way I see it, they are trusting us when they give us this money," he says. "We see it as not our money, but we have to be good keepers of it."

In turn, many of Arceneaux's customers have become his friends, with three of them welcoming potential clients into their homes to see the mahogany staircases, walk-in closets, elevators, porches, libraries and wine cellars offered in Allegro's homes.

Arceneaux says the best part of his job is seeing customers being handed the keys to their new home.

"We do everything we can to make the process painless and enjoyable," he says. ■

**CHRISTIE TAYLOR** is a Houston-based freelance writer.

## ALLEGRO BUILDERS

BUSINESS: Custom home builders

EMPLOYEES: 7

FOUNDED: 1997

REVENUE: \$8.1 million in 2004

[www.allegroblders.com](http://www.allegroblders.com)