

JTW Advises R Home on Sale to LGI Homes



JTW Mandate: **M&A Sell-Side**

Client: **R Home**

Client Type: **Private**

Industry: **Homebuilding**

MSA: **Minneapolis**

Revenue: **\$35+MM**

Closings: **150+**

Owned + Controlled: **3,200+ Units**

Counterparty: **LGI Homes [NASDAQ: LGIH]**

Counterparty Type: **Public**

Deal Type: **Asset Purchase**

Deal Size: **Confidential**

Date Closed: **May 2021**

"We are extremely pleased and gratified with the outcome. Our client has gained additional time and resources to donate to the local charities he is deeply passionate about. And it was a pleasure working with the highly professional and ethical team at LGI. We wish them great success in Minneapolis."

Chris Jasinski

CEO of JTW Advisors

CLIENT PROFILE

R Home, LLC, founded in 2015, was one of the largest locally owned home builders in the Minneapolis / St. Paul region. Targeting exurb submarkets, the company built quality affordable homes that are long lasting and energy efficient. The owner is a serial homebuilding entrepreneur, having successfully sold his first homebuilding company before the Great Financial Crisis.

OBJECTIVES

The owner wanted to increase the funding his family provides to certain community and faith-based charities, and a company sale could provide the desired liquidity. He also wanted to devote more time to those charities.

PROCESS

R Home engaged JTW Advisors to run a sell-side M&A process. JTW worked with the R Home team to package the offering then marketed the company broadly. The company's land positions in exurb locations appealed to builders that focus on the exurbs but were not already in the Minneapolis market, as well as builders already operating in the Minneapolis MSA that wanted to expand their offering into R Home's submarkets. We received multiple bids and negotiated with the interested parties.

OUTCOME

R Home decided to move forward with LGI Homes. LGI is a publicly traded homebuilder that has been expanding into primary markets throughout the U.S. The R Home acquisition initiated LGI's expansion into Minneapolis. LGI targets exurb locations, so the R Home land positions were a great fit. LGI acquired R Home's homebuilding operation, WIP, finished lots, and land positions. LGI retained all of R Home's employees.