

Mungo Moves in to Alabama With Pearson Acquisition

Home building's 2014 m&a 'dance of the tail feathers' continues with Southeastern states private-to-private pick-up

By [John McManus](#)



Home building's bob and weave of need and opportunity continues to play out in a robust level of mergers, acquisitions, and capital access initiatives peppering the landscape.

Here, we have word that the Mungo Co., 100's No. 37th ranked home builder, a \$237 million a year fast-track builder who operates in North and South Carolina and Georgia, is expanding its operational footprint to Alabama with the acquisition of Huntsville-based Pearson Homes, led by brothers Collins and Hunter Pearson.

Mungo represented its own interests in the transaction, while Pearson Homes enlisted David Rosen of Long Grove Capital for advisory services in the deal.

Mungo's [announcement of the deal](#) reads as follows:

South Carolina-based Mungo Homes is pleased to announce its expansion to Huntsville and that Collins Pearson has joined the company as Division President. Currently in seven markets throughout the Southeast, family-owned and operated Mungo Homes will soon begin building in communities throughout the Huntsville area on land acquired from Pearson Homes.

Pearson Homes will continue with company co-founder Hunter Pearson at the helm. Both Pearson brothers are excited for each of their individual opportunities and express their assurance that all current and future Pearson homeowners will enjoy the excellent level of customer service for which Pearson Homes is known.

Mungo is acquiring a company that is said to be running at a volume of about 100 to 150 homes per year, with revenues in the ballpark of about \$30 million, and currently operating 14 active communities in the Huntsville market. Pearson's primary interest, as is the case for many privately held companies of its size, is growth and the Mungo combination allows the Pearson brothers to stay in place, now in a bigger operation that has scale in back-office, capital allocation, processes, buying clout and product.

An executive with knowledge of the deal said that, while in the early-going Pearson had several home builders interested in courting the Pearson brothers, both for the land local intel in a growing market, and for their proven operational talent, but Mungo chemistry and culture prevailed.

"I heard them in the room talking Southeastern Conference football, and I knew there was a fit," said the executive.