

**BUILDER**

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# DEAL ALERT: AMERICAN SOUTHERN HOMES SNARES MULTI-MARKET OPERATOR GRAYHAWK

**Get inside why the brain trust at this McLean, Va.-based holding company sees now as the moment to roll-up an NVR-like mega-regional home building by buying privates.**

By [John McManus](#)

B American Southern Homes has landed No. 2, but stay tuned for more.

The McLean, Va.-based holding company announced it has acquired the assets of Builder 100 builder number 150, [Columbus](#), GA-based [Grayhawk Homes](#), for an undisclosed amount.

Grayhawk--which is the Columbus, GA-MSA's biggest builder by volume, operates as well in Phenix City, [AL](#), Ft. Benning, [GA](#), Des Moines, [Iowa](#), and most recently has expanded to the northwest Atlanta-Lake Acworth area, as well as Bluffton and Charleston, [SC](#) markets.

The deal illustrates the continued contraction and concentration of home builders into bigger, more scalable operations who can leverage both local vendor clout and national accounts for greater efficiencies. Further, the acquisition reflects ongoing mutual-interest attractiveness at work--of smaller players to larger, deeper-pocketed enterprises, and the reverse. Smaller operators are looking either to "take chips off the table" or to access a richer, smoother access to capital for land and development, or both. Larger ones--now facing a spike in optimism for growth momentum continuing into 2020--suddenly feel pressure to secure a bigger pipeline of lots, at least controlled lots, to bring into play should demand continue as it looks as if it might.

What's more, large enterprises want more "bench strength" in their ranks--regional and division talent with relationships, entrepreneurial instinct, and competitive drive, as well as solid reputational currency among area customers.

Per [Builder 100 data](#) based on 2018 housing activity, Grayhawk generated revenue of \$76 million, on 258 home deliveries.

About 30 months ago, [American Southern picked up Huntsville, Ala.-based Stoneridge Homes](#), unveiling a strategic plan to grow its way via acquisition of privately-run home building operators, into an NVR-like mega-regional powerhouse. The blend of Stoneridge with the Grayhawk operation, according to company reports, will tally up to \$100 million in 2020 revenue on unit volume of about 360 home deliveries; a total owned and controlled land pipeline of 2,000 lots comprises the American Southern land assets.

At the time of the Stoneridge buy in May 2017, American Southern's ceo was former [NVR](#) executive James Martell Jr. Martell parted ways with American Southern in 2018, and formed a new company, United Southern, with an identical business and strategic mission to roll up a portfolio of privately-owned operators into a big, land-light confederation with overhead efficiencies and purchasing scale.

Gregory Benson, another long-time NVR and Comstock Homebuilding Companies executive with [information technology and construction management platform](#) experience--an original board member of American Southern, took over as ceo after Martell departed.

Still involved in American Southern, as a board director and advisor is J. Marshall Coleman, a former [Virginia](#) state attorney general and a legal, investment and advisory partner in the [Fortress Group](#) brain trust.

Grayhawk founder and principal David Erickson, who started the company 26 years ago in 1993, gets a gracious succession planning ramp-way, staying involved in Grayhawk and stepping up to the board for ASH.

Benson's statement on the deal:

*“ASH is excited about this strategic acquisition, which furthers our plans for market growth across the Southeast. The combination of management across companies, and additional*

*efficiencies created across the platform, will be beneficial to our employees and business and trade partners throughout the region.”*

Builder Advisor Group represented American Southern Homes in the deal.

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