

Long & Foster acquired by HomeServices of America, a Berkshire Hathaway affiliate

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Richmond Times-Dispatch
- Sep 7, 2017



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MARK GORMUS/TIMES-DISPATCH

Long & Foster Cos. Inc., one of the largest real estate firms in the Richmond area and the largest private residential real estate company in the United States by sales volume, was sold to HomeServices of America Inc., a Minneapolis-based affiliate of Berkshire Hathaway, the companies announced Thursday.

The acquisition includes Long & Foster's family of companies, including Long & Foster Real Estate and its affiliates in mortgage, settlement services insurance and property management. Financial terms were not disclosed.

Long & Foster has about 11,000 agents in more than 230 offices in the Mid-Atlantic, including Virginia, Maryland, Washington D.C., West Virginia, North Carolina, Pennsylvania, Delaware and New Jersey.

About 1,300 real estate agents in about 45 offices in the Richmond, Charlottesville and Hampton Roads region are associated with Long & Foster. A call to the local headquarters in Henrico County was referred to Chantilly, where the company is based.

“That is big news,” said R. Scott Shaheen, former Richmond regional vice president for Long & Foster.

Shaheen left the company in May with three managers there to start Shaheen, Ruth, Martin and Fonville Real Estate, also known as SRMF Real Estate, in Henrico. Long & Foster filed a lawsuit in June citing contract violations against Shaheen, Scott Ruth, John Martin and Mahood Fonville. The suit was settled last week. “We came to a mutually agreed upon settlement,” Shaheen said.

The acquisition expands HomeServices’ presence in the Mid-Atlantic region and extends its national footprint to Virginia and West Virginia.

The Long & Foster name will be retained as well as the headquarters in Chantilly.

Adding the Long & Foster brand puts HomeServices in position to be the nation’s largest real estate company based on transactions, according to the 2017 Real Trends 500 report. With this transaction, HomeServices has more than 41,000 agents in 30 states and the District of Columbia.

Long & Foster was founded in 1968 by Wes Foster and Henry Long. Long sold his half of the company to Foster in 1979.

Wes Foster will remain with the company as chairman emeritus. Jeff Detwiler, Long & Foster’s current president and chief operating officer, will assume the role of chief executive officer and, together with a team of enterprise and business line leaders, will oversee growth initiatives and continue to manage day-to-day operations.

“Finding the right partner to maintain the legacy, culture and integrity of Long & Foster was of utmost importance to me,” Foster said in a statement. “Joining

HomeServices ensures that our history of market leadership and industry expertise continues.”

Detwiler said the Long & Foster brand and its legacy of integrity will continue as it has for the past nearly 50 years. “Joining HomeServices makes us an even stronger company. ... This is a clear win for our clients, agents, and employees.”

In 2016, Long & Foster Real Estate had \$29 billion in sales volume and more than 81,000 home sale transactions; Prosperity Mortgage originated \$3.3 billion in home loans, representing nearly 12,000 mortgages; Long & Foster’s settlement services companies closed more than 20,000 title and escrow transactions; and Long & Foster Insurance issued about 8,300 property and casualty insurance policies.

HomeServices of America, founded in 1998, is made up of real estate brokerages, mortgage companies, settlement service providers, insurance companies, corporate relocation and affiliated businesses. It created the Berkshire Hathaway HomeServices brand when it assumed control of the Prudential Real Estate franchise networks.

HomeServices of America is a subsidiary of Berkshire Hathaway Inc. Another Berkshire Hathaway subsidiary owns the Richmond Times-Dispatch.