

Zillow buys real estate rival Trulia for \$3.5 bn

July 28 2014

Online real estate website Zillow announced Monday it was buying rival Trulia in a \$3.5 billion stock deal that merges the two main firms in the sector.

"Consumers love using Zillow and Trulia to find vital information about homes and connect with the best local real estate professionals," Zillow chief executive Spencer Rascoff said.

"This is a tremendous opportunity to combine our resources and achieve even more impressive innovation that will benefit consumers and the real estate industry."

The combined company will maintain both the Zillow and Trulia consumer brands, and provide listings for home and apartment sales and rentals.

The boards of both firms approved the deal, expected to close in 2015, according to a joint statement.

At closing, Trulia CEO Pete Flint will remain as CEO of Trulia and report to Zillow CEO Rascoff, as well as join the board of the combined company.

"Trulia and Zillow have a shared mission and vision of empowering consumers while helping real estate agents, brokerages and franchisors benefit from technological innovation," Flint said.

Both sides use a similar model, offering free listings and information while generating revenue through advertising sales to real estate professionals.

Zillow reported a record 83 million unique users across mobile and the Web in June while Trulia said its user base had grown to 54 million. Roughly half of Trulia.com's monthly visitors do not visit Zillow.com, and approximately two-thirds of Zillow.com's users do not use Trulia.

Zillow shareholders will own around two-thirds of the combined firm under the deal, which gives Trulia owners 0.44 shares for each of their shares.

The statement said the deal would permit "faster innovation," especially in mobile, and better access to real estate market data. The combination is also expected to reduce overall costs and improve access for advertisers.

Zillow was launched in 2006 and is based in Seattle. San Francisco-based Trulia was created in 2005.

© 2014 AFP

Citation: Zillow buys real estate rival Trulia for \$3.5 bn (2014, July 28) retrieved 27 April 2024 from <https://phys.org/news/2014-07-zillow-real-estate-rival-trulia.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.