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Green Brick Partners, Inc.

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Earnings Call

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Call Participants

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Jed Dolson
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Ryan Christopher Gilbert
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Presentation

Operator

Ladies and gentlemen, thank you for standing by. My name is Krista, and I will be your conference operator today. At this time, I would like to welcome everyone to the Green Brick Partners Fourth Quarter 2025 Earnings Conference Call. [Operator Instructions] I would now like to turn the conference over to Jeff Cox, Chief Financial Officer. Jeff, the floor is yours.

Jeffery D. Cox

CFO & Principal Accounting Officer

Good afternoon, and welcome to Green Brick Partners Earnings Call for the Fourth Quarter ended December 31, 2025. Following today's remarks, we will hold a Q&A session. As a reminder, this call is being recorded and will be available for playback. In addition, a presentation will accompany today's webcast, which is available on the company's Investor Relations website at investors.greenbrickpartners.com. On the call today is Jim Brickman, Co-Founder and Chief Executive Officer; Jed Dolson, President and Chief Operating Officer; and myself, Jeff Cox, Chief Financial Officer. Some of the information discussed on this call is forward-looking, including a discussion of the company's financial and operational expectations for 2026 and beyond.

In yesterday's press release and SEC filings, the company detailed material risks that may cause its future results to differ from its expectations. The company's statements are as of today, February 26, 2026, and the company has no obligation to update any forward-looking statements it may make. The comments also include non-GAAP financial metrics. The reconciliation of these metrics and the other information required by Regulation G can be found in the earnings release that the company issued yesterday and in the aforementioned presentation. With that, I'll turn the call over to Jim.

James R. Brickman

Co-Founder, CEO & Director

Thank you, Jeff. I am pleased to announce our fourth quarter results, particularly given that we achieved these results against the backdrop of ongoing and persistent affordability challenges faced by many consumers in this housing market. Our performance remained resilient despite eroding consumer confidence and an increasing supply of housing inventory. Our builders adapted quickly to a volatile housing market as we continue to balance price and pace to maximize returns in each of our communities. Net income attributable to Green Brick for the fourth quarter was \$78 million or \$1.78 per diluted share. We delivered 1,038 homes in the quarter, a 1.9% increase year-over-year and a record for any fourth quarter in company history. We also achieved 883 net orders, also a record for any fourth quarter.

As Jed will discuss in more detail, driving our sales volume in Q4 required additional price concessions and other incentives, which caused our homebuilding gross margin to decline 490 basis points year-over-year and 170 basis points sequentially to 29.4%. The decline was due to higher incentives and changes in product mix. Still, our gross margins remain the highest public homebuilders. While the macroeconomic landscape presents headwinds for the entire industry in the short term, we believe the core strengths that have driven Green Brick's success over the past decade will enable us to continue to navigate any challenges with confidence and flexibility. As always, we will focus on maintaining operational excellence centered on our disciplined approach to land acquisition and development to position us for future growth.

We are laser-focused on maintaining an investment-grade balance sheet to support our targeted expansion in high-volume markets. In 2026, we believe that our financial services platform will generate more pretax income than the interest cost on all of our debt. As Jed will discuss in more detail, we also continue to reduce construction cycle times. We believe we are well positioned to sustain our return metrics over the long term that rank among the very best in the industry, providing long-term value to our shareholders. We remain focused on growing our business, particularly in our Trophy brand. Trophy's growth in DFW in Austin, combined with our first open community in Houston during the spring of 2026 selling season, we believe presents significant opportunities for sustained growth over the next few years.

This expansion allows us to continue to serve the critical first-time and move-up buyer segments while further diversifying our revenue base and strengthening our presence in key Texas markets. While the overall market conditions remain challenging due to macroeconomic and political uncertainty, we remain vigilant in monitoring and responding to shifts in buyer preferences. We believe that our experienced team and robust land pipeline and desirable infill and infill adjacent locations will continue to drive our success in the quarters to come. With that, I'll now turn it over to Jeff to provide more detail regarding our financial results.

Jeffery D. Cox

CFO & Principal Accounting Officer

Thank you, Jim. Given the challenging economic conditions and increased supply of housing inventory in our markets, discounts and incentives increased year-over-year as a percentage of residential unit revenue to 9.2% from 5.2%. Our average sales price of \$530,000 was up 1.1% sequentially and down 3.1% year-over-year. Home closings revenue of \$550 million declined 1.3% compared to the same period last year, and our homebuilding gross margins decreased 490 basis points year-over-year and 170 basis points sequentially to 29.4%. SG&A as a percentage of residential unit revenue for the fourth quarter was 10.6%, a decrease of 30 basis points year-over-year, driven primarily by lower personnel costs. Excluding SG&A from our wholly owned mortgage and title companies, our homebuilding SG&A for the fourth quarter was 10.1%.

Net income attributable to Green Brick for the fourth quarter decreased 24.5% year-over-year to \$78 million, and diluted earnings per share decreased 23% year-over-year to \$1.78 per share. For the full year, deliveries increased 4.2% year-over-year to 3,943 homes, a record for any full year in company history. Our average sales price declined 3.1% to \$530,000. We generated home closings revenue of \$2.1 billion, an increase of 1% from 2024. Homebuilding gross margin for the year decreased 330 basis points to 30.5%. Net income attributable to Green Brick decreased 18% to \$313 million, and diluted earnings per share declined 16.3% to \$7.07. Excluding the impact of the sale of Challenger, which occurred in the first quarter last year, the diluted earnings per share declined 14.2%.

Net new home orders during the fourth quarter were up slightly year-over-year to 883 and down sequentially only 1.7%. For the full year, net new home orders increased 3.1% year-over-year to 3,795. Average active selling communities of 101 was down 5% year-over-year. Our sales pace for the fourth quarter increased marginally to 2.9 per month compared to 2.8 per month in the previous year. We started 884 new homes, which was down 14% year-over-year and 7% sequentially. Units under construction at the end of the quarter were approximately 2,048, down 12.5% year-over-year. We reduced starts in Q4 to better align with our sales pace to focus on balancing margin and pace. We will continue to monitor market conditions and seasonal trends and align our starts to our sales pace to appropriately manage our investment in spec inventory.

Our backlog value at the end of the fourth quarter was \$354 million, a decrease of 28.5% year-over-year due primarily to a higher proportion of quick move-in sales, including greater percentage of our sales being generated by Trophy that as a spec builder, typically has shorter times between contract execution and closing. Backlog ASP decreased 8.2% to \$681,000 due to elevated discounts and incentives across all of our brands in addition to product mix. Trophy, our spec homebuilder, represented only 14% of our overall backlog value, but they accounted for nearly half of our closing volume. In Q4, we repurchased 359,000 shares of our common stock for approximately \$23 million. And for the full year 2025, we repurchased 1.4 million shares for approximately \$83 million.

In December, the Board of Directors authorized a repurchase of up to \$150 million of the company's outstanding common stock. This new authorization provides us with the ability to opportunistically return capital to our shareholders when we believe our stock is undervalued while continuing to invest in the long-term growth of the business. We recognize the heightened importance of liquidity in the current period of economic uncertainty and market volatility. We believe our investment-grade balance sheet and low financial leverage provide us with flexibility to navigate and adapt to evolving market conditions, ensuring we have capital available for strategic opportunities as they arise. At the end of the year, our

net debt to total capital ratio decreased to 8.2% and our debt to total capital ratio decreased to 14.7%, among the best of our small and mid-cap public homebuilding peers.

Excluding cash and debt from Green Brick Mortgage, our homebuilding debt and net homebuilding debt to total capital ratio at the end of the quarter was 12.8% and 6.3%, respectively. During Q4, we renewed our unsecured revolving credit facility, which extended the facility to December 2028 and provided a meaningful reduction in the interest rate. At the end of the quarter, we maintained a robust cash position of \$155 million and total liquidity of \$520 million. With \$365 million undrawn on our homebuilding credit facilities, we believe we are well positioned to weather the challenging market conditions to opportunistically deploy capital to maximize shareholder returns and to accelerate growth as the housing market improves. With that, I'll now turn it over to Jed.

Jed Dolson

President & COO

Thank you, Jeff. We continue to see a challenging sales environment within all our consumer segments, which have been impacted by affordability challenges and a weakening job market. Our team responded well to the challenging market conditions as evidenced by our record fourth quarter sales volume and our low cancellation rate of 7.6% in Q4, which was an improvement from 7.8% in Q4 2024. We continue to have one of the lowest cancellation rates in the public homebuilding industry, and we believe it demonstrates the creditworthiness of our buyers, quality of our product and desirability of our communities. We continue to address the affordability challenges faced by consumers by providing our homebuyers with price concessions, interest rate buydowns and closing cost incentives. Incentives for net new orders during the fourth quarter increased to 10.2%, an increase of 380 bps year-over-year and 130 bps sequentially.

Rate buydowns remain a necessary tool to drive traffic and sales especially with our quick move-in homes. With our superior infill and infill adjacent communities and industry-leading gross margins, we believe we are strategically positioned to adjust pricing as needed to meet market demand and maintain our sales pace. While we recognize the importance of preserving our margins, we also recognize that our industry-leading margins provide us with significant pricing flexibility to compete effectively in a volatile market. Green Brick Mortgage, our wholly owned mortgage company, closed and funded over 380 loans in the fourth quarter. The average FICO score was 746, and the average debt-to-income ratio was 40%, consistent with previous quarters. Green Brick Mortgage began serving our Austin communities in Q1 of this year.

We expect to complete the rollout of Green Brick Mortgage to all DFW communities by the end of the first quarter of 2026. To Houston when our first community there opens for sale during the spring 2026 selling season and to Atlanta by the middle part of this year. As Green Brick Mortgage continues to expand its service to most of our communities, we anticipate by year-end, this capture rate will range from 75% to 85%, typical of captive mortgage companies. We continue to reduce our construction cycle times, which were down 20 days from a year ago to 130 days. Trophy's average cycle time in DFW was under 90 days, the lowest in their history. Labor availability remains relatively stable across all of our markets. We recognize the concerns surrounding tariffs and continue to work closely with our vendors and suppliers to mitigate any potential impact.

While we believe tariffs will have a minimal impact on earnings next year, we are still assessing the Supreme Court's ruling against the Trump administration's tariffs and the administration's potential response to the ruling. As we navigate through various macro challenges, we are carefully recalibrating our capital allocation plan to align both our long-term growth objectives and to respond to changing market conditions. During the quarter, we spent \$36 million on land and lot acquisition and excluding cost share reimbursements, \$90 million on land development. This brings spend for 2025 to \$267 million for land acquisition and \$323 million for land development, respectively. Many of our land development projects involve special financing districts that provide reimbursement for public infrastructure costs.

As work is completed, we are able to recoup a portion of these costs, which reduces our net development spend. We believe our superior land position provides a competitive advantage that will be the foundation for strong growth in subsequent years. Given the strength of our existing land and lot pipeline, we remain

patient and selective with future land opportunities without compromising the ability to grow our business in the near and intermediate term. As noted in our earnings release and 10-K, we changed the definition of lots controlled to lots under contract, which includes all land or lot parcels that we have a contractual right to acquire pursuant to a fully executed option contract or purchase and sale agreement.

We previously referred to lots controlled, which included only lots past feasibility studies for which we did not hold title but had contractual rights to acquire. Under the new definition, our total lots owned and under contract at the end of the year increased by 10% year-over-year to approximately 48,800, of which 37,000 lots were owned on our balance sheet and approximately 11,800 lots were under contract. Trophy comprises approximately 70% of our total lots owned and under contract. Excluding approximately 25,000 lots in long-term master planned communities, our lot supply is approximately 6 years. With that, I'll turn it over to Jim for closing remarks.

James R. Brickman

Co-Founder, CEO & Director

Thank you, Jed. In short, we remain optimistic about our long-term prospects, and we believe we are well positioned to continue to produce strong results. We believe our strategic land position, high-quality and diverse product offerings that appeal to multiple segments of the homebuyer market and our investment-grade balance sheet will lay the path to future growth and industry-leading returns for our shareholders. Being consistent matters, we are very pleased that we had no turnover at the divisional president level in 2025. So we entered 2026 with experienced, hard-working managers that have worked for us a very long time. I also want to thank the entire Green Brick team for their passion and dedication to delivering exceptional results in the face of a challenging market. This concludes our prepared remarks, and we will now open the line for questions.

Question and Answer

Operator

[Operator Instructions] Your first question comes from Rohit Seth with B. Riley Securities.

Rohit Seth

B. Riley Securities, Inc., Research Division

Jeff, just on Q2, can you -- last quarter, you broke out the gross margin decline between buydowns and mix. Can you give us a sense of the puts and takes on the gross margin and the drivers there?

Jeffery D. Cox

CFO & Principal Accounting Officer

Yes. We looked at the mix ratio. And I would say that while there's certainly some mix components there, most of it is really just driven through higher incentives and discounts. We're seeing compression really kind of across the board and in all of our regions. In some cases, we've got a couple of anomalies within some of our smaller builders, but that's mostly due to community mix more so than anything else.

Rohit Seth

B. Riley Securities, Inc., Research Division

Okay. Where are you guys buying down rates to at this point?

Jeffery D. Cox

CFO & Principal Accounting Officer

So we're buying...

Jed Dolson

President & COO

4.99% with 321s on our entry level.

Rohit Seth

B. Riley Securities, Inc., Research Division

Okay. So it's about the same where you were in the prior quarter? You said just in the 5%.

James R. Brickman

Co-Founder, CEO & Director

Yes. This is Jim Brickman. So rates ran down, I guess, just a little bit today. The went sub-6% for the first time in a long time. And basically, every 0.25 point is about in the buy down 1 point in incentive cost to us. So it will be interesting to see if rates go down, whether we'll be able to harvest any more margin from having less incentives or not.

Rohit Seth

B. Riley Securities, Inc., Research Division

Okay. Just on your costs, it looks like sequentially, the cost per home went up a few points. Can you just give us a sense of is that coming in direct costs, land costs?

James R. Brickman

Co-Founder, CEO & Director

Jed, why don't you talking about direct costs?

Jed Dolson

President & COO

Yes. We're seeing direct costs continue to go down. We are -- as we cycle out of older legacy communities, our new lot prices are higher. Jeff may have a percentage he can share on that. But as far as direct go, they continue to go down.

Jeffery D. Cox

CFO & Principal Accounting Officer

Yes. On the lot costs they are relatively stable, looking year-over-year, whether for the full year or quarter-over-quarter, but maybe \$1,000 or \$2,000 a lot. No big movement there. The biggest thing that you're seeing, Rohit, is the increase in our selling and closing costs, which still ran through cost of sales at the end of last year. That's really the biggest driver showing the increase in that number. We've touched on this a little bit in previous calls, but starting later this year, we'll start doing segment reporting as the mortgage company becomes a more material part of our business. And as we do that, those selling and closing costs will become contra revenue as opposed to cost of sales.

James R. Brickman

Co-Founder, CEO & Director

Yes. Let me add to that. We have very low debt. So our debt is capitalized into all of our inventory and our land is very low because our debt is very low. One of the other differentiators for us versus many peers is that because we don't lot bank, our lots are not increasing in cost based upon the lot banking cost of capital. And we think that's going to be an advantage year after year.

Rohit Seth

B. Riley Securities, Inc., Research Division

Interesting. Okay. And if I could squeeze one in. Do you mind commenting on how the spring selling season has been going on traffic or orders? Any color would be helpful.

James R. Brickman

Co-Founder, CEO & Director

Yes, I can give you a little color. We usually don't talk month-to-month. Anybody that was in Texas in January knows that we had one of the worst weather events really in our history. So it's really hard to bench sales January to February because January, we were basically out of business for what, 10 days, Jed?

Jed Dolson

President & COO

Yes, 7 to 10 days.

James R. Brickman

Co-Founder, CEO & Director

Which was almost 1/3 of the month. That said, February looks to be off to a good start for us, and we're really quite encouraged.

Operator

Your next question comes from the line of Alex Rygiel with Texas Capital.

Alexander John Rygiel

Texas Capital Securities, Research Division

Can you talk a little bit about your inventory level as well as the broader inventory level across your markets?

Jed Dolson

President & COO

Yes. This is Jed. I can answer that, Alex. We are seeing across all of our brands a really a very high desire for finished specs. So we are carrying higher inventory levels, especially on the spec and finished spec side that we did. And that goes all the way from our \$250,000 price point to our \$1.2 million price point.

Jeffery D. Cox

CFO & Principal Accounting Officer

And Alex, this is Jeff. I'll just add on to that, that at the end of the year, we were carrying roughly 5 finished specs per community. Half of those belong to Trophy. But when you look at their sales pace, in particular based on what Jim just referred to with February sales, it only equates about a month to maybe 1.5 months supply.

Jed Dolson

President & COO

Of finished inventory.

Jeffery D. Cox

CFO & Principal Accounting Officer

Correct.

Jed Dolson

President & COO

Yes.

Alexander John Rygiel

Texas Capital Securities, Research Division

And then as it relates to sort of broader inventory in your geographies across your competitors?

Jed Dolson

President & COO

We think we're keeping pace or maybe -- I'd say we're middle of the pack. There's some of our competitors that are carrying more finished inventory than us. There's some that are carrying a little bit less. But typically, as Jeff mentioned, everybody is carrying at least 1 month of finished specs on the ground, 1 month of sales of finished specs.

Alexander John Rygiel

Texas Capital Securities, Research Division

That's helpful. And then any directional guidance on community count growth in 2026?

Jeffery D. Cox

CFO & Principal Accounting Officer

Yes. This is Jeff. We ticked down a little bit this year in 2025 versus where we were in 2024, and we've been aggressively adding to our lot pipeline, as you know. We don't usually give guidance on community count because it can take us somewhere between 18 to 24 months to bring new deals to market. But certainly, our goal is to continue to increase our community count by the end of this year.

James R. Brickman

Co-Founder, CEO & Director

Yes. One of the things that's a little difficult for analysts or really investors to get a grip on with Green Brick is that as Trophy becomes a bigger part of the business as it does quarter-to-quarter to quarter, Trophy sales pace is double, at least Southgate's, which is our high-end builders sales pace. So we really don't need community count to grow to have a significant growth in either top line or unit growth.

Jed Dolson

President & COO

I would just add that it's -- as Jeff mentioned, it's a little hard to predict what our community count will be at the end of the year, but we can see 2 to 3 years out that we will have meaningful acceleration in community count.

James R. Brickman

Co-Founder, CEO & Director

Yes, we have a number of active couple of communities that will be coming on stream.

Alexander John Rygiel

Texas Capital Securities, Research Division

And then lastly, it kind of sounded as if your commentary would suggest that your spend on land in 2026 will be down from 2025. Is that fair?

Jeffery D. Cox

CFO & Principal Accounting Officer

This is Jeff, Alex. We haven't disclosed specific spending amounts for this year yet. We wanted to get through the spring selling season before we gave any kind of guidance on that. But given the increase in lot supply that you've seen over the last couple of years, we do anticipate that land spend will be higher this year, but we're not ready to give a specific number yet.

Jed Dolson

President & COO

And Alex, this is Jed. I would mention that we are adding a lot of horizontal development dollars to previous year's land acquisition with the goal of getting our community count up much higher in the coming years.

Operator

Your next question comes from the line of Ryan Gilbert with BTIG.

Ryan Christopher Gilbert

BTIG, LLC, Research Division

First question is on deliveries, and I guess, the trajectory of deliveries in 2026. I've generally thought about delivery growth kind of tracking growth in starts or homes under construction, and we've seen certainly outperformance this quarter, but then also the past few quarters as well. I'm just wondering if that relationship between delivery growth and starts should -- we should think about that reasserting itself in 2026? Or if you think you could still have deliveries outpace starts and homes under construction here?

Jeffery D. Cox

CFO & Principal Accounting Officer

This is Jeff. I think that you've seen us pull back on starts here, in particular, in Q4 as we try to rightsize our inventory. And our goal is to make sure that we're starting roughly the same number of homes that we sell each period. But given kind of the prior comment on increasing community count here towards the end of the year, certainly, we would expect to see an increase in starts. We may not necessarily benefit from all the deliveries of those starts depending on when we get those in the ground this year. But certainly, in the future years, we're looking to grow community count and closings.

Ryan Christopher Gilbert

BTIG, LLC, Research Division

Okay. Got it. And then I wanted to ask about spec strategy as well. It sounds like as Trophy Signature continues to grow, your spec mix should also continue to increase. We've heard from some of your competitors about shifting back to build-to-order sales. And I'm just wondering how you're thinking about specs versus build-to-order in 2026.

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James R. Brickman

Co-Founder, CEO & Director

To expand on this, but really, at Trophy, we're seeing really great success in that buyer profile that wants a house, they want the certainty of a mortgage rate. They have an immediate need, and we're finding really a great number of buyers that are out there that want that product at that price and can move in quickly. Jed?

Jed Dolson

President & COO

Yes. I think we, as an industry, are doing a very good job of putting the product on the ground that the consumer wants with the right packages. And we've seen that even go into our -- we've seen the spec desire even go into our \$600,000, \$700,000 even or \$1 million price point. So we are going to continue to put a lot of specs on the ground because that's what we think the buyer is telling us that they desire. On paper, theoretically, it sounds great that some of our competitors are wanting to be more build job oriented. We have yet to see that in any of our marketplaces really play out other than, say, at the \$1 million-plus price point.

James R. Brickman

Co-Founder, CEO & Director

Yes. Let me chime on one other point that I think is important to understand, and that is that, first of all, we never want to give up any incentive that we don't have to give up. But when you're making a 29% or a 30% margin, demand is very elastic, meaning that an incentive, you can really harvest an incremental amount of buyers out there. So we can pull levers if we ever want to on specs that really -- they will impact our profitability. But when you're making 29% or 30% margins and you take a 2% or 3% hit, it's not the same as when you're making a 15% margin. We haven't had to do that, but we can view our spec inventory a lot differently than I think some of our low-margin peers do.

Operator

Your next question comes from the line of Jay McCanless with Citizens.

Jay McCanless

Citizens JMP Securities, LLC, Research Division

So the first one I had, could you talk about what type of pricing power you had during the quarter and maybe what you've seen into the spring? What percentage of your communities were you able to raise prices?

Jed Dolson

President & COO

Yes, sure. This is Jed. I can take that. Very few communities have we've been able to raise prices. So the good news is we're seeing that the quantity of buyers are a lot stronger in the spring so far. We have been able to raise prices in some communities. But by and large, we are still, as an industry, working through inventory. We're still competing with big publics and big privates that are still trying to make their business plan and not shrink units dramatically. So it's still a competitive landscape out there.

James R. Brickman

Co-Founder, CEO & Director

Yes. I think one of the other differentiators in our company, particularly some of our peers is our quality of our backlog. And when we sell a spec -- when we sell a home is much better. We only had about a 7% cancellation rate. So people that buy our specs close.

Jay McCanless

Citizens JMP Securities, LLC, Research Division

Great. So -- and thank you for the comments on traffic, Jed. Is that both foot traffic, web traffic, all the above? What are you seeing on those?

Jed Dolson

President & COO

Yes. We're seeing it on all of the above. So February weather has been good in the regions that we operate in. We're not in the Northeast. So we missed out on that big storm. But the -- yes, so February has been off to a record start.

Jay McCanless

Citizens JMP Securities, LLC, Research Division

That's great. Okay. So the second question I had, -- and thank you for the commentary you gave around build-to-order. But I was just wondering, when you look at new deals that are coming to market and maybe some stuff that's being retraded, are you all seeing some better pricing on land in the markets you all want to acquire land? Or how is that trending for new deal activity from a pricing perspective?

James R. Brickman

Co-Founder, CEO & Director

This is Jim. On land that we don't want or lots that we don't want, we're seeing weak demand and lower prices. On land that produces high margins that we do want. Prices have been very sticky. We expect them to remain very sticky because for the very reasons that those type of properties can produce high margins at much lower risk. So it's a tale of 2 cities right now. The inferior locations, there's lots of trading going on, but we really have no interest in those deals.

Jay McCanless

Citizens JMP Securities, LLC, Research Division

Okay. And then just my last question, just asking on incentives, and thank you for the color on backlog where you talked about Trophy only being 14% of the backlog. If you look at that other 86%, I guess, how -- what is the incentive load on that now versus maybe where it was a year ago? And essentially, what I'm asking is for those higher priced maybe to-be-built, a little more customization homes, are you having to throw in more incentives on those right now? Or is the all-in incentive load pretty similar to where it was at this point last year?

Jed Dolson

President & COO

Yes. I -- this is Jed. I'll answer that, and then Jeff can add some numbers to it. So we are having to -- on, say, \$1 million-plus build job, we're having to give higher design center monies than we were a year ago. On a \$600,000, \$700,000 house, we've mentioned that we're shifting the buyers are more interested in the finished specs than the build to orders for those. So we are having to do closing cost incentives, rate buydowns, things we weren't having to do a year ago.

Jeffery D. Cox

CFO & Principal Accounting Officer

Yes. This is Jeff. So I'll just add that when we looked at incentives on closings during the quarter, we were 9.2%, up from 5.2% a year ago. And looking at incentives on new orders during the quarter, they did tick up a little bit to 10.2%. But so far, we've, again, had a tremendous month of February here. If we can pull back on incentives and maintain momentum, we'll certainly take a look at doing that.

Operator

That concludes our question-and-answer session. I will now turn the conference back over to Jim Brickman for closing comments.

James R. Brickman

Co-Founder, CEO & Director

Thank you for participating in our call today. If anyone has any questions, we're available to enhance what we discussed today and just give us a call. We appreciate your interest in our company.

Operator

Ladies and gentlemen, this does conclude today's conference call. Thank you for your participation, and you may now disconnect.

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