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**Ticker** GRBK (NYSE)  
**Price** USD 64.43  
**Sector** Homebuilder, Consumer Discretionary  
**Website** <https://investors.greenbrickpartners.com>



Green Brick Partners is a US Homebuilder based in Plano, Texas with operations in Texas, Florida and Georgia. Co-founded in 2006 by Jim Brickman and Greenlight's David Einhorn, Green Brick maintains the industry's highest margins by focusing on self-developing land primarily in infill neighbourhoods.

## Q3 2025 earnings

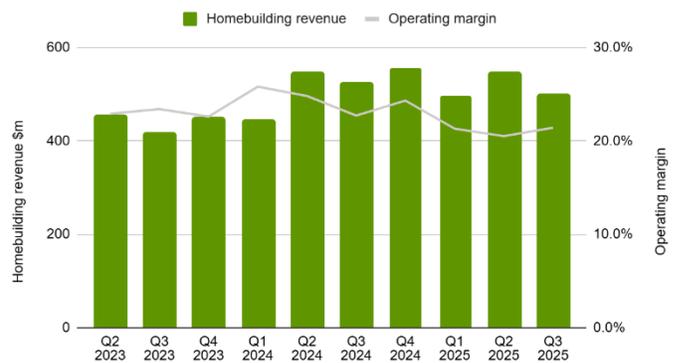
USD millions	Q3 2025	Q3 2024	% change
Home closings	953	956	-0.3%
Average sales price \$000s	524	547	-4.2%
Revenue	499	524	-4.8%
Operating income	107	119	-10.1%
Net income	83	96	-13.5%
EPS common shareholders	1.77	1.99	-11.1%
Net new orders (units)	898	877	2.4%
Cancellation rate	6.7%	8.5%	-1.8%
Operating margin	21.4%	22.7%	-1.3%
Net debt / equity	9.0%	12.4%	-3.4%
Equity	1,832	1,545	18.6%
RoE (annualised)	18.1%	24.9%	-6.8%

## Quarterly Results Trend

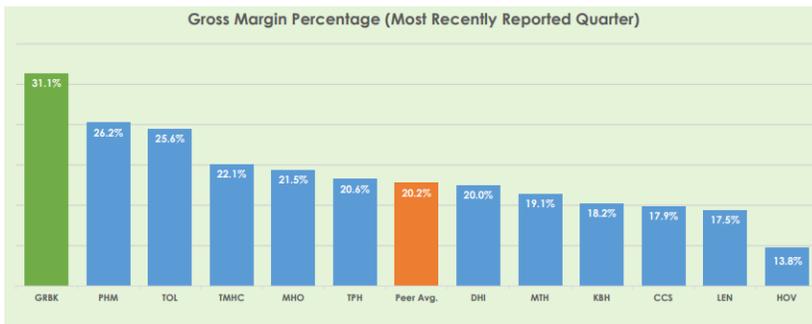
Quarterly Completions & ASP



Revenue & Operating Margin



Gross Margin Percentage (Most Recently Reported Quarter)



Homebuilding Debt-to-Total Capital (as of 9/30/25)



## Financial Highlights

- Homes delivered was essentially flat, down 0.3% YoY to 953 deliveries. Deliveries remain up 5.1% YTD.
- Revenue was down 4.8% to \$499m as average sales price dropped 4.2% to \$524k. About half the drop was due to price concessions and increased use of incentives, with the other half being down to product mix.
- The drop in average sales price resulted in a 1.7% decline in gross margin to 31.1%, although Green Brick's gross margin remained the highest in the industry.
- Gross margin would have dropped further but was offset by a drop in construction costs per home (lumber and land prices both down with no labour shortage issues) and 90bps of improvement from reduced warranty reserve, as less warranty spend was used than initially anticipated on previously sold homes.
- Net new home orders increased 2.4% YoY to 898, a record for a third quarter.
- Operating margin was down 1.3%, more than entirely attributable to the drop in gross margin.
- Net income was down 13.5% YoY, driven largely by the decline in revenue with some small margin compression.
- Balance sheet remains strong with \$175m cash, \$340m debt, \$1,932m inventory and expected to generate around \$290m FCF in 2025. Net debt / equity dropped YoY to 9.0%.
- Total lots owned and controlled increased 11% YoY to 41,186 (approximately 8 years of deliveries).
- Year to date, \$231m has been spent on land acquisition and \$233m on land development. Guidance is for \$300m to be spent on land development for 2025, up 46% on FY 2024.
- Cancellation rate of 6.7% was among the lowest in the industry.
- There were no share repurchases in Q3 with \$60m repurchased year to date.

## Operational Highlights

- Net decline of 2 average active selling communities from 105 in Q3 2024 to 103 in Q2 2025.
- Green Brick expects to open their very first community in Houston in early 2026.
- Average construction cycle time improved by 9 days and remains under 5 months.
- Jeff Cox was promoted to CFO. Jeff joined Green Brick as Senior Vice President of Finance in 2023.

## Management Comments

- Jim Brickman, CEO: "Our third quarter results demonstrated the resilience of our differentiated business model amid a challenging market environment. For the tenth consecutive quarter, our gross margins remained above 30%, continuing to lead the public homebuilding industry. In these conditions, we were particularly pleased to maintain sales velocity, with net new orders growing 2.4% year-over-year to 898 units, a record for any third quarter in Company history. Our sales cancellation rate declined 1.8% year-over-year and 3.2% sequentially to 6.7%, among the lowest among our public company peers. Our monthly sales pace increased slightly year-over-year to just under 3.0 sales per community. This performance underscores the strength of our infill-focused land self-development strategy, which we believe continues to deliver meaningful competitive advantages."
- Green Brick anticipate minimal impact from tariffs in 2025 but acknowledge there is significant uncertainty beyond 2025.

## Ben Jones Investments Outlook

- Strong volumes is a positive sign of ongoing demand, despite higher mortgage rates. However, higher use of incentives may push homebuilders to moderate completions growth in the medium term.

- The decline in operating margins is not unusual in higher rate environments, and the decline is from historically high margins. Green Brick still maintains the highest margins in the industry despite lower sales prices through increased incentives. This is due to their business strategy of self-developing 90% of plots they own or control. Margin compression has been common across the entire industry in Q3, but Green Brick has suffered less than competitors.
- We still see Green Brick as undervalued based on a long-run operating margin of 16%, a level that is still lower than the current margin.
- The drop in cancellation rates to 7% and the increase in net new orders are positive signs that Green Brick can maintain or grow sales during a more choppy housing environment.
- Green Brick has a strong balance sheet that ensures it can comfortably weather any housing market deterioration, while taking advantage of better land buying opportunities that would inevitably accompany a downturn.
- We still see the US as having a fundamental housing shortage that will help support property prices through periods of higher rates.
- Historically, higher rates driven by higher inflation tend to support real home prices as nominal home prices keep pace with inflation.
- Given the caution around higher rates and tariffs, we like homebuilders that are undervalued, have above average margins, and strong balance sheets. Green Brick ticks all three boxes in our view.