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**Ticker** GRBK (NYSE)  
**Price** USD 78.24  
**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.

## FY 2025 earnings

USD millions	FY 2025	FY 2024	% change
Home closings	3,943	3,783	4.2%
Average sales price \$000s	530	547	-3.1%
Revenue	2,098	2,099	-0.0%
Operating income	410	477	-14.0%
Net income	313	382	-18.1%
EPS common shareholders	7.07	8.45	-16.3%
Net new orders (units)	883	878	0.6%
Cancellation rate	7.5%	7.3%	0.2%
Operating margin	19.5%	22.7%	-3.2%
Net debt / equity	6.9%	10.7%	-3.8%
Equity	1,881	1,653	13.8%
RoE (annualised)	18.5%	26.8%	-8.3%

## Quarterly Results Trend

Quarterly Completions & ASP



Revenue & Operating Margin



Gross Margin Percentage (Most Recently Reported Quarter)



Homebuilding Debt-to-Total Capital (as of 12/31/25)



## Financial Highlights

- Homes delivered was up 4.2% YoY to 3,943 deliveries, a record year.
- Revenue was flat YoY with a 3.1% decline in average sales price (ASP) offsetting the increase in deliveries. Most of the drop in ASP was due to price concessions and increased use of incentives.
- Gross margin declined from 33.8% in 2024 to 30.5% in 2025. The contraction was entirely due to a drop in ASP as build costs per unit remained flat YoY. That said, Green Brick maintained the highest gross margin in the industry and above our long-term expectations of 27%.
- Build costs were relatively stable, with an increase in selling and closing costs offsetting decreases in direct costs.
- Net new home orders increased 0.6% YoY to 883, a record for a fourth quarter.
- Operating margin was down 3.2%, entirely attributable to the drop in gross margin. G&A costs were up 2.2% YoY.
- Net income was down 18.1% YoY, driven largely by margin compression and a higher effective tax rate. The higher tax rate primarily related to a decreased benefit in the energy efficient homes tax credit.
- Balance sheet remains strong with \$191m cash, \$320m debt, \$2,099m inventory and expected to generate around \$280m FCF in 2026. Net debt / equity dropped YoY to 6.9%.
- Total lots owned and controlled increased 10.3% YoY to 48,828 (approximately 10 years of deliveries).
- In 2025, \$267m was spent on land acquisition and \$323m on land development. No formal guidance is given but management expect land spend will likely be higher in 2026.
- Cancellation rate of 7.5% was among the lowest in the industry.
- There were \$83m of share repurchases in 2025.

## Operational Highlights

- Net increase of 1 average active selling communities from 101 in 2024 to 102 in 2025. Green Brick don't offer formal guidance but expect community count to increase in 2026, and meaningfully increase over the next 2-3 years.
- Green Brick mortgage was rolled out in 2025 and is expected to serve all communities by mid-2026. Capture rate is expected to hit 75-85% by the end of 2026.
- Green Brick expects to open their very first community in Houston in early 2026.
- Average construction cycle time improved by 20 days to 130 days.
- Jeff Cox was promoted to CFO. Jeff joined Green Brick as Senior Vice President of Finance in 2023.

## Management Comments

- Jim Brickman, CEO: "We delivered strong fourth quarter results despite ongoing affordability challenges faced by many buyers and softening consumer confidence. In our pursuit to maximize shareholder value, our management team's continued focus and operating discipline once again resulted in peer-leading gross margins and top-tier returns, including achieving the best year in company history with regards to new home deliveries and home closings revenue. Our continued focus on a disciplined sales strategy drove order growth and improved sales pace as we strategically adjusted incentives to address market conditions. Additionally, our gross margins of 30.5% for the full year continue to lead the public homebuilding industry, which we believe is a testament to our strong land position, our self-development strategy, and our focus on infill and infill-adjacent communities where there is strong demand and typically less competition."
- Green Brick anticipate minimal impact from tariffs in 2026 but acknowledge there is uncertainty.

## 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 as 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.