

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)



QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-36491

CENTURY COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

68-0521411

(I.R.S. Employer
Identification No.)

8390 East Crescent Parkway, Suite 650
Greenwood Village, CO

(Address of principal executive offices)

80111

(Zip Code)

(Registrant's telephone number, including area code): (303) 770-8300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CCS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On April 18, 2025, 30,546,743 shares of common stock, par value \$0.01 per share, of the registrant were outstanding.

CENTURY COMMUNITIES, INC.
FORM 10-Q
For the Three Months Ended March 31, 2025

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Century Communities, Inc.
Condensed Consolidated Balance Sheets
As of March 31, 2025 and December 31, 2024
(in thousands, except share and per share amounts)

	March 31, 2025	December 31, 2024
	(unaudited)	(audited)
Assets		
Cash and cash equivalents	\$ 100,336	\$ 149,998
Cash held in escrow	24,187	3,004
Accounts receivable	43,800	50,318
Inventories	3,473,356	3,454,337
Mortgage loans held for sale	207,385	236,926
Prepaid expenses and other assets	557,562	419,384
Property and equipment, net	86,618	155,176
Deferred tax assets, net	21,925	22,220
Goodwill	41,109	41,109
Total assets	<u>\$ 4,556,278</u>	<u>\$ 4,532,472</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$ 134,256	\$ 133,086
Accrued expenses and other liabilities	286,086	302,317
Notes payable	1,116,159	1,107,909
Revolving line of credit	237,000	135,500
Mortgage repurchase facilities	204,274	232,804
Total liabilities	<u>1,977,775</u>	<u>1,911,616</u>
Stockholders' equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, none outstanding	—	—
Common stock, \$0.01 par value, 100,000,000 shares authorized, 30,546,570 and 30,961,227 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	305	310
Additional paid-in capital	454,265	526,959
Retained earnings	2,123,933	2,093,587
Total stockholders' equity	<u>2,578,503</u>	<u>2,620,856</u>
Total liabilities and stockholders' equity	<u>\$ 4,556,278</u>	<u>\$ 4,532,472</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

Century Communities, Inc.
Unaudited Condensed Consolidated Statements of Operations
For the Three Months Ended March 31, 2025 and 2024
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues		
Homebuilding revenues		
Home sales revenues	\$ 883,736	\$ 922,402
Land sales and other revenues	962	1,216
Total homebuilding revenues	884,698	923,618
Financial services revenues	18,534	24,925
Total revenues	903,232	948,543
Homebuilding cost of revenues		
Cost of home sales revenues	(707,504)	(725,570)
Cost of land sales and other revenues	(827)	(37)
Total homebuilding cost of revenues	(708,331)	(725,607)
Financial services costs	(16,174)	(14,877)
Selling, general and administrative	(120,760)	(114,109)
Inventory impairment	(411)	—
Other expense	(5,038)	(9,630)
Income before income tax expense	52,518	84,320
Income tax expense	(13,134)	(19,988)
Net income	\$ 39,384	\$ 64,332
Earnings per share:		
Basic	\$ 1.28	\$ 2.02
Diluted	\$ 1.26	\$ 2.00
Weighted average common shares outstanding:		
Basic	30,801,046	31,808,959
Diluted	31,145,867	32,238,808

See Notes to Unaudited Condensed Consolidated Financial Statements

Century Communities, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024
(in thousands)

	Three Months Ended March 31,	
	2025	2024
Operating activities		
Net income	\$ 39,384	\$ 64,332
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	6,428	5,475
Stock-based compensation expense	292	2,796
Fair value adjustments of mortgage-related assets and liabilities	(4,654)	(2,443)
Inventory impairment	411	—
Impairment on other investment	—	7,722
Abandonment of lot option contracts	1,506	762
Deferred income taxes	295	(603)
Loss on disposition of assets	49	274
Changes in assets and liabilities:		
Cash held in escrow	(21,183)	17,069
Accounts receivable	6,518	10,823
Inventories	(50,700)	(66,420)
Mortgage loans held for sale	32,728	29,118
Prepaid expenses and other assets	(31,290)	(7,050)
Accounts payable	1,170	(11,592)
Accrued expenses and other liabilities	(17,534)	(28,671)
Net cash (used in) provided by operating activities	(36,580)	21,592
Investing activities		
Purchases of property and equipment	(3,380)	(5,922)
Expenditures related to development of rental properties	—	(25,950)
Payments for business combination	—	(32,716)
Other investing activities	(713)	—
Net cash used in investing activities	(4,093)	(64,588)
Financing activities		
Borrowings under revolving credit facilities	715,000	211,000
Payments on revolving credit facilities	(613,500)	(211,000)
Borrowing under construction loan agreements	15,642	15,972
Proceeds from issuance of insurance premium notes and other	—	11,166
Principal payments on insurance premium notes and other	(7,789)	(20,245)
Debt issuance costs	(572)	—
Net payments for mortgage repurchase facilities	(28,530)	(26,851)
Withholding of common stock upon vesting of stock-based compensation awards	(17,230)	(10,415)
Repurchases of common stock under stock repurchase program	(55,578)	(16,109)
Dividend payments	(8,922)	(8,264)
Net cash used in financing activities	(1,479)	(54,746)
Net decrease	\$ (42,152)	\$ (97,742)
Cash and cash equivalents and Restricted cash		
Beginning of period	175,323	242,003
End of period	\$ 133,171	\$ 144,261
Supplemental cash flow disclosure		
Cash paid for income taxes	\$ —	\$ —
Cash and cash equivalents and Restricted cash		
Cash and cash equivalents	\$ 100,336	\$ 122,840
Restricted cash (Note 6)	32,835	21,421
Cash and cash equivalents and Restricted cash	\$ 133,171	\$ 144,261

See Notes to Unaudited Condensed Consolidated Financial Statements

Century Communities, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity
For the Three Months Ended March 31, 2025 and 2024
(in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2024	<u>30,961</u>	<u>\$ 310</u>	<u>\$ 526,959</u>	<u>\$ 2,093,587</u>	<u>\$ 2,620,856</u>
Vesting of stock-based compensation awards	565	5	(5)	—	—
Withholding of common stock upon vesting of stock-based compensation awards	(226)	(2)	(17,228)	—	(17,230)
Repurchases of common stock	(753)	(8)	(55,570)	—	(55,578)
Stock-based compensation expense	—	—	292	—	292
Cash dividends declared and dividend equivalents	—	—	116	(9,038)	(8,922)
Other	—	—	(299)	—	(299)
Net income	—	—	—	39,384	39,384
Balance at March 31, 2025	<u>30,547</u>	<u>\$ 305</u>	<u>\$ 454,265</u>	<u>\$ 2,123,933</u>	<u>\$ 2,578,503</u>
Balance at December 31, 2023	<u>31,775</u>	<u>\$ 318</u>	<u>\$ 592,989</u>	<u>\$ 1,793,629</u>	<u>\$ 2,386,936</u>
Vesting of stock-based compensation awards	323	3	(3)	—	—
Withholding of common stock upon vesting of stock-based compensation awards	(120)	(1)	(10,414)	—	(10,415)
Repurchases of common stock	(187)	(2)	(16,107)	—	(16,109)
Stock-based compensation expense	—	—	2,796	—	2,796
Cash dividends declared and dividend equivalents	—	—	320	(8,584)	(8,264)
Net income	—	—	—	64,332	64,332
Balance at March 31, 2024	<u>31,791</u>	<u>\$ 318</u>	<u>\$ 569,581</u>	<u>\$ 1,849,377</u>	<u>\$ 2,419,276</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

Century Communities, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
March 31, 2025

1. Basis of Presentation

Century Communities, Inc. (which we refer to as “we,” “CCS,” or the “Company”), together with its subsidiaries, is engaged in the development, design, construction, marketing and sale of single-family attached and detached homes in 17 states. In many of our projects, in addition to building homes, we entitle and develop the underlying land. We build and sell homes under our Century Communities and Century Complete brands. Our Century Communities brand has an emphasis on serving the affordable homebuilding market but offers a wide range of buyer profiles including: entry-level, first and second time move-up, and lifestyle homebuyers, and provides our homebuyers with the ability to personalize their homes through certain option and upgrade selections. Our Century Complete brand targets entry-level homebuyers, primarily sells homes through retail studios and the internet, and generally provides no option or upgrade selections.

Our homebuilding operations are organized into the following five reportable segments: West, Mountain, Texas, Southeast, and Century Complete. Our indirect wholly-owned subsidiaries, Inspire Home Loans Inc., Parkway Title, LLC, IHL Home Insurance Agency, LLC, and IHL Escrow Inc., which provide mortgage, title, insurance brokerage and escrow services, respectively, primarily to our homebuyers, have been identified as our Financial Services segment. Additionally, our Century Living segment is engaged in the development, construction, management, and disposition of multi-family rental properties, currently all located in Colorado.

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (which we refer to as “GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (which we refer to as the “SEC”). In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring adjustments necessary for a fair presentation of our financial position and results of operations for the periods presented. Interim results of operations are not necessarily indicative of the results that may be achieved for the full year. The financial statements and related notes do not include all information and footnotes required by GAAP and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 that was filed with the SEC on January 30, 2025.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company, as well as all subsidiaries in which we have a controlling interest, and variable interest entities for which the Company is deemed to be the primary beneficiary. We do not have any variable interest entities in which we are deemed the primary beneficiary.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board (which we refer to as “FASB”) issued Accounting Standards Update (which we refer to as “ASU”) No. 2024-03, “*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*” (“ASU 2024-03”), which requires disclosure of certain costs and expenses on an interim and annual basis in the notes to the financial statements. ASU 2024-03 will become effective for us for the fiscal year ending December 31, 2027. Early adoption is permitted, and guidance should be applied prospectively, with an option to apply guidance retrospectively. We are currently evaluating the impact of the adoption of ASU 2024-03 on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*” (“ASU 2023-09”). ASU 2023-09 requires more disaggregated income tax disclosures, including additional information in the rate reconciliation and additional disclosures about income taxes paid. ASU 2023-09 will become effective for our fiscal year ending December 31, 2025. We are currently evaluating the impact of the adoption of ASU 2023-09 on our consolidated financial statements and related annual disclosures.

2. Reporting Segments

Our homebuilding operations are engaged in the development, design, construction, marketing and sale of single-family attached and detached homes in 17 states. We build and sell homes under our Century Communities and Century Complete brands. Our Century Communities brand is managed by geographic location, and each of our four geographic regions offers a wide range of buyer profiles including: entry-level, first and second time move-up, and lifestyle homebuyers, and provides our homebuyers with the ability to personalize their homes through certain option and upgrade selections. Each of our four geographic regions is considered a separate operating segment. Our Century Complete brand targets entry-level homebuyers, primarily sells homes through retail studios and the internet, and generally provides no option or upgrade selections. Our Century Complete brand has operations in 10 states and is managed separately from our four geographic regions, and it is considered a separate operating segment.

We have presented our homebuilding operations as the following reportable segments as of March 31, 2025:

- West (California and Washington)
- Mountain (Arizona, Colorado, Nevada, and Utah)
- Texas
- Southeast (Florida, Georgia, North Carolina, South Carolina, and Tennessee)
- Century Complete (Alabama, Arizona, Florida, Georgia, Indiana, Kentucky, Louisiana, Michigan, North Carolina, South Carolina)

We have identified our Financial Services operations, which provide mortgage, title, insurance brokerage and escrow services to our homebuyers, and Century Living, which is engaged in the development, construction, management, and disposition of multi-family rental properties currently all located in Colorado, as reportable segments.

Our Corporate operations are a non-operating segment, as it serves to support our homebuilding operations, and to a lesser extent our Financial Services operations, through various functions, such as our executive, finance, treasury, human resources, accounting and legal departments.

Our Executive Chairman and our Chief Executive Officer, collectively, have been determined to be our Chief Operating Decision Makers (“CODMs”) to make key operating decisions and assess performance. The management of our four Century Communities geographic regions, Century Complete, our Financial Services segment, and our Century Living segment reports to our CODMs. The CODMs evaluate the segment’s operating performance and allocates resources for all of our reportable segments based on income before income tax expense. For all of the segments, the CODMs use segment income before income tax expense in the annual budget and forecasting process. The CODMs consider budget-to-actual forecast variances for income before tax expense on a monthly basis for evaluating performance of each segment and making decisions about allocating capital and other resources to each segment. The measure of segment assets is reported on the consolidated balance sheets as total assets. Except for those accounting policies for Century Living which are described below, the accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Beginning in the first quarter of 2025, we have separately reported our Century Living segment as a reportable segment, which was previously included in our Corporate segment, in order to reflect the distinct nature of our multi-family rental operations. Accordingly, we have recast the corresponding segment information for the three months ended March 31, 2024.

During the first quarter of 2025, our strategy evolved for our Century Living multi-family rental properties to be predominantly focused on the disposition of the assets. Accordingly, we have determined that these multi-family rental operations have become part of our ordinary activities, and revenue is recognized from the sale of these properties when performance obligations are satisfied, generally when the respective properties are delivered and title has passed to the buyers, and rental income and expenses from these properties during lease-up is recognized as other income on the condensed consolidated statement of operations. We record multi-family rental property inventory within prepaid and other assets on the condensed consolidated balance sheet, and cash flows from development activities and the disposition of properties are recorded as operating activities on the condensed consolidated statement of cash flows.

The following table summarizes total revenue, significant expenses, and income (loss) before income tax expense by segment (in thousands):

Three months ended March 31, 2025									
	West	Mountain	Texas	Southeast	Century Complete	Financial Services	Century Living	Corporate	Total
Revenue	\$ 181,721	\$ 225,031	\$ 136,642	\$ 134,445	\$ 206,859	\$ 18,534	\$ —	\$ —	\$ 903,232
Cost of home sales	(141,509)	(180,681)	(109,305)	(105,054)	(168,770)	—	—	(2,185)	(707,504)
Inventory impairment	—	—	—	—	(411)	—	—	—	(411)
Selling, general and administrative	(17,011)	(20,419)	(16,944)	(14,949)	(22,681)	—	(221)	(28,535)	(120,760)
Financial services costs	—	—	—	—	—	(16,174)	—	—	(16,174)
Other segment items ⁽¹⁾	(1,807)	(488)	(42)	(261)	(1,175)	—	(1,208)	(884)	(5,865)
Income before tax expense	\$ 21,394	\$ 23,443	\$ 10,351	\$ 14,181	\$ 13,822	\$ 2,360	\$ (1,429)	\$ (31,604)	\$ 52,518

Three months ended March 31, 2024									
	West	Mountain	Texas	Southeast	Century Complete	Financial Services	Century Living	Corporate	Total
Revenue	\$ 172,648	\$ 254,279	\$ 131,273	\$ 161,658	\$ 203,760	\$ 24,925	\$ —	\$ —	\$ 948,543
Cost of home sales	(130,293)	(202,526)	(102,684)	(124,833)	(162,427)	—	—	(2,807)	(725,570)
Inventory impairment	—	—	—	—	—	—	—	—	—
Selling, general and administrative	(15,370)	(21,794)	(14,345)	(15,587)	(20,142)	—	(447)	(26,424)	(114,109)
Financial services costs	—	—	—	—	—	(14,877)	—	—	(14,877)
Other segment items ⁽¹⁾	(278)	(2,151)	(372)	(442)	(90)	—	(297)	(6,037)	(9,667)
Income before tax expense	\$ 26,707	\$ 27,808	\$ 13,872	\$ 20,796	\$ 21,101	\$ 10,048	\$ (744)	\$ (35,268)	\$ 84,320

⁽¹⁾ Includes cost of land sales and other revenues, and other income (expense).

The following table summarizes total assets by segment (in thousands):

	March 31, 2025	December 31, 2024
West	\$ 807,221	\$ 780,991
Mountain	1,035,405	1,026,047
Texas	856,674	834,815
Southeast	611,378	616,747
Century Complete	475,356	468,256
Financial Services	394,291	478,730
Century Living	245,972	217,899
Corporate	129,981	108,987
Total assets	\$ 4,556,278	\$ 4,532,472

Century Living assets include primarily multi-family rental properties under construction and properties that are in lease-up, which are included in prepaid and other assets on the condensed consolidated balance sheets. Corporate assets include primarily costs associated with certain cash and cash equivalents, certain property and equipment, deferred tax assets, certain receivables, and prepaid insurance.

3. Business Combinations

On January 22, 2024, we closed the acquisition of substantially all the assets and assumed certain liabilities of Landmark Homes of Tennessee, Inc. (“Landmark”), a homebuilder with operations, including six active communities, in Nashville, Tennessee, for approximately \$33.4 million in cash, inclusive of customary holdbacks. We concluded that the acquisition represented a business

combination. During the three months ended March 31, 2024, we incurred \$0.1 million in acquisition costs, which are reflected in other expense in our condensed consolidated statements of operations

On July 31, 2024, we closed the acquisition of substantially all the assets and operations and assumed certain liabilities of Anglia Homes LP (“Anglia”), a homebuilder with operations, including 26 active communities, in the greater Houston, Texas area, for approximately \$127.0 million in cash, inclusive of customary holdbacks. We concluded that the acquisition represented a business combination, as we determined that the fair value of the gross assets acquired was not concentrated in a single identifiable asset or group of similar identifiable assets, and the acquired assets and processes have the ability to create outputs in the form of revenue from the sale of single-family residences.

4. Inventories

Inventories included the following (in thousands):

	March 31, 2025	December 31, 2024
Homes under construction	\$ 1,522,399	\$ 1,614,630
Land and land development	1,861,947	1,755,382
Capitalized interest	89,010	84,325
Total inventories	<u>\$ 3,473,356</u>	<u>\$ 3,454,337</u>

5. Financial Services

Our Financial Services are principally comprised of our mortgage lending operations, Inspire Home Loans Inc. (which we refer to as “Inspire”). Inspire is a full-service mortgage lender and primarily originates mortgage loans for our homebuyers. Inspire sells substantially all of the loans it originates either as loans with servicing rights released, or with servicing rights retained, in the secondary mortgage market within a short period of time after origination, generally within 30 days. Inspire primarily finances these loans using its mortgage repurchase facilities.

Mortgage loans held for sale and mortgage servicing rights are carried at fair value, with gains and losses from the changes in fair value reflected in financial services revenue on the consolidated statements of operations. Management believes carrying mortgage loans held for sale at fair value improves financial reporting by mitigating volatility in reported earnings caused by measuring the fair value of the loans and the derivative instruments used to economically hedge them. As of March 31, 2025 and December 31, 2024, Inspire had mortgage loans held for sale with an aggregate fair value of \$207.4 million and \$236.9 million, respectively, and an aggregate outstanding principal balance of \$208.9 million and \$241.6 million, respectively. The gain from the change in fair value for mortgage loans held for sale was \$3.2 million for the three months ended March 31, 2025, and the loss from the change in fair value for mortgage loans held for sale was \$5.0 million for the three months ended March 31, 2024. The total unpaid principal balance of mortgage loans serviced at March 31, 2025 and December 31, 2024 was \$3.1 billion and \$2.9 billion, respectively. Refer to *Note 13 – Fair Value Disclosures* for further information regarding our mortgage servicing rights.

Net gains and losses from the sale of mortgage loans held for sale are included in financial services revenue on the consolidated statements of operations, and include (1) net gains on sale of loans, which are recognized based upon the difference between the sales proceeds and carrying value of the related loans upon sale, with sale proceeds reflecting the cash received from investors through the sale of the mortgage loan and servicing release premium; (2) the fair value of originated mortgage servicing rights; (3) the change in fair value of mortgage loans held for sale; (4) the change in fair value of derivatives instruments, including interest rate lock commitments and forward commitments on mortgage-backed securities; (5) provision for or benefit from investor reserves; and (6) fees earned from originating mortgage loans. Fees earned from originating mortgage loans, which are recognized at the time the mortgage loans are funded, include origination fees, credits, and discount points provided directly to our customers to reduce interest rates. Net gains on the sale of mortgage loans were \$12.8 million and \$17.9 million for the three months ended March 31, 2025 and 2024, respectively.

Mortgage loans in process for which interest rates were locked by borrowers, or interest rate lock commitments, had an aggregate principal balance of \$131.1 million and \$76.3 million as of March 31, 2025 and December 31, 2024, respectively, and carried a weighted average interest rate of approximately 5.4% and 5.5%, respectively. Interest rate risks related to these obligations are typically mitigated through our interest rate hedging program or by the preselling of loans to investors. Derivative instruments used to economically hedge our market and interest rate risk are carried at fair value. Derivative instruments typically include interest rate lock commitments and forward commitments on mortgage-backed securities. Changes in fair value of these derivatives as well as any gains or losses upon settlement, are reflected in financial services revenue on our condensed consolidated statements of operations. Refer to *Note 13 – Fair Value Disclosures* for further information regarding our derivative instruments.

6. Prepaid Expenses and Other Assets

Prepaid expenses and other assets included the following (in thousands):

	March 31, 2025	December 31, 2024
Prepaid insurance	\$ 21,639	\$ 27,384
Lot option and escrow deposits	110,968	92,494
Performance deposits	9,531	10,561
Restricted cash ⁽¹⁾	32,835	25,325
Multi-family rental properties inventory ⁽²⁾	231,038	—
Multi-family rental properties under construction ⁽²⁾	—	119,441
Mortgage loans held for investment at fair value	21,704	21,478
Mortgage loans held for investment at amortized cost	11,139	10,380
Mortgage servicing rights	43,889	42,404
Other assets and prepaid expenses	74,819	69,917
Total prepaid expenses and other assets	<u>\$ 557,562</u>	<u>\$ 419,384</u>

(1) Restricted cash consists of restricted cash related to land development, earnest money deposits for home sale contracts held by third parties as required by various jurisdictions, and certain compensating balances associated with our mortgage repurchase facilities and other financing obligations.

(2) During the three months ended March 31, 2025, our strategy evolved for our Century Living multi-family rental properties to be predominantly focused on the disposition of the assets and we determined that these operations have become part of our ordinary activities. Accordingly, we reclassified \$119.4 million associated with multi-family properties under construction within prepaid and other assets and \$90.5 million associated with completed multi-family rental property assets within property and equipment, net to multi-family rental properties inventory within prepaid and other assets on the condensed consolidated balance sheet as of March 31, 2025. Multi-family rental properties inventory includes multi-family rental properties that are under construction and properties that are in lease-up.

7. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities included the following (in thousands):

	March 31, 2025	December 31, 2024
Earnest money deposits	\$ 10,395	\$ 8,786
Warranty reserve	11,470	12,762
Self-insurance reserve	35,448	32,970
Accrued compensation costs	34,365	82,020
Land development and home construction accruals	125,241	112,392
Accrued interest	16,151	12,457
Income taxes payable	6,776	—
Other accrued liabilities	46,240	40,930
Total accrued expenses and other liabilities	<u>\$ 286,086</u>	<u>\$ 302,317</u>

8. Warranties

Estimated future direct warranty costs are accrued and charged to cost of home sales revenues in the period when the related home sales revenues are recognized. Amounts accrued, which are included in accrued expenses and other liabilities on the condensed consolidated balance sheets, are based upon historical experience rates. We subsequently assess the adequacy of our warranty accrual on a quarterly basis through a model that incorporates historical payment trends and adjust the amounts recorded, if necessary. Based on warranty payment trends relative to our estimates at the time of home closing, we reduced our warranty reserve by \$1.9 million and \$1.3 million during the three months ended March 31, 2025 and 2024, respectively, which is included as a reduction to cost of home sales revenues on our condensed consolidated statements of operations. Changes in our warranty accrual for the three months ended March 31, 2025 and 2024 are detailed in the table below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 12,762	\$ 11,524
Warranty expense provisions	2,189	2,670
Payments	(1,544)	(1,691)
Warranty adjustment	(1,937)	(1,291)
Ending balance	\$ 11,470	\$ 11,212

9. Self-Insurance Reserve

We maintain general liability insurance coverage, including coverage for certain construction defects after homes have been delivered and premise operations during construction. These insurance policies are designed to protect us against a portion of the risk of loss from claims, subject to certain self-insured per occurrence and aggregate retentions, deductibles, and available policy limits. In circumstances where we have elected to retain a higher portion of the overall risk for construction defect claims in return for a lower initial premium, we reserve for the estimated self-insured retention costs that we will incur that are above our coverage limits or that are not covered by our insurance policies. The reserve is recorded on an undiscounted basis at the time revenue is recognized for each home closing. Amounts accrued, which are included in accrued expenses and other liabilities on the condensed consolidated balance sheets, are based upon third party actuarial analyses that are primarily based on industry data and partially on our historical claims, which include estimates of claims incurred but not yet reported. Adjustments to estimated reserves are recorded in the period in which the change in estimate occurs. Our self-insurance liability is presented on a gross basis without consideration of insurance recoveries and amounts we have paid on behalf of and expect to recover from other parties, if any. Estimates of insurance recoveries and amounts we have paid on behalf of and expect to recover from other parties, if any, are recorded as receivables when such recoveries are considered probable. During the three months ended March 31, 2025 and 2024, we recorded no change to our self-insurance reserve. Any adjustments to our self-insurance reserve would be included in cost of home sales revenues on our condensed consolidated statements of operations.

Changes in our self-insurance reserve for incurred but not reported construction defect claims for the three months ended March 31, 2025 and 2024 are detailed in the table below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 32,970	\$ 23,659
Self-insurance expense provisions	2,641	2,511
Payments	(163)	(518)
Self-insurance adjustment	—	—
Ending balance	\$ 35,448	\$ 25,652

10. Debt

Our outstanding debt obligations included the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
6.750% senior notes, due June 2027 ⁽¹⁾	\$ 498,231	\$ 498,027
3.875% senior notes, due August 2029 ⁽¹⁾	496,621	496,428
Other financing obligations ⁽²⁾	121,307	113,454
Notes payable	1,116,159	1,107,909
Revolving line of credit	237,000	135,500
Mortgage repurchase facilities	204,274	232,804
Total debt	<u>\$ 1,557,433</u>	<u>\$ 1,476,213</u>

(1) The carrying value of senior notes reflects the impact of premiums, discounts, and issuance costs that are amortized to interest expense over the respective terms of the senior notes.

(2) As of March 31, 2025, other financing obligations included \$3.2 million related to insurance premium notes as well as \$118.1 million outstanding under construction loan agreements related to Century Living. As of December 31, 2024, other financing obligations included \$11.0 million related to insurance premium notes and certain secured borrowings, as well as \$102.4 million outstanding under construction loan agreements.

6.750% Senior Notes Due 2027

As of March 31, 2025, we had outstanding \$500.0 million in aggregate principal amount of our 6.750% Senior Notes due 2027, which principal balance is due in June 2027. Prior to that date, interest only payments are due semi-annually in June and December of each year. These notes were issued under an indenture which contains certain restrictive covenants on issuing future secured debt and other transactions. As of March 31, 2025, the aggregate obligation of these notes, inclusive of unamortized financing costs on these notes was \$498.2 million as reported on our condensed consolidated financial statements.

3.875% Senior Notes Due 2029

As of March 31, 2025, we had outstanding \$500.0 million in aggregate principal amount of our 3.875% Senior Notes due 2029, which principal balance is due in August 2029. Prior to that date, interest only payments are due semi-annually in February and August of each year. These notes were issued under an indenture which contains certain restrictive covenants on issuing future secured debt and other transactions. As of March 31, 2025, the aggregate obligation, inclusive of unamortized financing costs on these notes, was \$496.6 million, as reported on our condensed consolidated financial statements.

Construction Loan Agreements

Certain wholly owned subsidiaries of Century Living, LLC are parties to construction loan agreements with various banks (which we collectively refer to as “the lenders”). These construction loan agreements collectively provide that we may borrow up to an aggregate of \$204.7 million from the lenders for purposes of construction of multi-family projects in Colorado, with advances made by the lenders upon the satisfaction of certain conditions. The obligations under construction loan agreements are guaranteed by certain of our subsidiaries. Borrowings under the construction loan agreements bear interest at various rates, including a fixed rate and floating interest rates per annum equal to the Secured Overnight Financing Rate (which we refer to as “SOFR”) plus an applicable margin. The outstanding principal balances and all accrued and unpaid interest is due on varying maturity dates from March 17, 2026 through February 28, 2029, with certain of the construction loan agreements allowing for the option to extend the maturity dates for a period of 12 months if certain conditions are satisfied. The construction loan agreements contain customary affirmative and negative covenants (including covenants related to construction completion, and limitations on the use of loan proceeds, transfers of land, equipment, and improvements), as well as customary events of default. Interest on our construction loan agreements is capitalized to the multi-family properties assets included in prepaid expenses and other assets on the condensed consolidated balance sheets while the related multi-family rental properties are being actively developed.

As of March 31, 2025 and December 31, 2024, \$118.1 million and \$102.4 million was outstanding under the construction loan agreements respectively, with borrowings that bore a weighted average interest rate of 6.6% and 6.5% as of March 31, 2025 and December 31, 2024, respectively, and we were in compliance with all covenants thereunder.

Revolving Line of Credit

On November 1, 2024, we entered into a credit agreement (the “Credit Agreement”) with U.S. Bank National Association, as Administrative Agent, and the lenders party thereto. The Credit Agreement, which replaced our prior Second Amended and Restated Credit Agreement, provides us with a senior unsecured revolving credit facility (which we refer to as the “revolving line of credit”) of

up to \$900.0 million. The revolving line of credit includes a \$250.0 million sublimit for letters of credit. Subject to the terms and conditions of the Credit Agreement, we are entitled to request an increase in the size of the revolving line of credit by an amount not exceeding \$400.0 million. The obligations under the Credit Agreement are guaranteed by certain of our subsidiaries. Funds are available under the revolving line of credit for the construction of homes, for the acquisition and development of land, land under development and lots for the eventual construction of homes thereon, and for working capital in the ordinary course of business. Unless terminated earlier, the revolving line of credit will mature on November 1, 2028, and the principal amount thereunder, together with all accrued unpaid interest and other amounts owing thereunder, if any, will be payable in full on such date. Subject to the terms and conditions of the Credit Agreement, we may request once per year a one-year extension of the maturity date and up to three times during the term of the revolving line of credit, subject to the approval of the lenders and the Administrative Agent. The Credit Agreement contains customary affirmative and negative covenants (including limitations on our ability to grant liens, incur additional debt, pay dividends, redeem our common stock, make certain investments, issue certain equity securities, engage in transactions with affiliates and engage in certain merger, consolidation or asset sale transactions), as well as customary events of default. Borrowings under the Credit Agreement bear interest at a floating rate equal to Term SOFR or Daily Simple SOFR (in each case as defined in the Credit Agreement), plus an applicable margin between 1.45% and 2.30% per annum, or if selected by us, a base rate plus an applicable margin between 0.45% and 1.30% per annum. The “applicable margins” described above are determined by a schedule based on our leverage ratio, as defined in the Credit Agreement. The Credit Agreement also provides for customary fees including commitment fees payable to each lender ranging from 0.20% to 0.35% per annum based on our leverage ratio of the unused portion of the revolving line of credit and other customary fees.

As of March 31, 2025 and December 31, 2024, \$237.0 million and \$135.5 million, respectively, was outstanding under the revolving line of credit, with borrowings that bore an interest rate of 5.9% and 5.9%, respectively, and we were in compliance with all covenants under the Credit Agreement. On April 22, 2025, in accordance with the terms of the Credit Agreement, we increased our revolving line of credit to \$1.0 billion.

Mortgage Repurchase Facilities – Financial Services

Inspire is party to mortgage warehouse facilities with J.P. Morgan Chase Bank, N.A., U.S. Bank National Association and Truist Bank, which provide Inspire with uncommitted repurchase facilities of up to an aggregate of \$375.0 million as of March 31, 2025, secured by the mortgage loans financed thereunder. The repurchase facilities have varying short term maturity dates through November 14, 2025. Borrowings under the mortgage repurchase facilities bear interest at variable interest rates per annum equal to SOFR plus an applicable margin, and bore a weighted average interest rate of 6.0% as of March 31, 2025.

Amounts outstanding under the repurchase facilities are not guaranteed by us or any of our subsidiaries, and the agreements contain various affirmative and negative covenants applicable to Inspire that are customary for arrangements of this type. As of March 31, 2025 and December 31, 2024, we had \$204.3 million and \$232.8 million outstanding under the repurchase facilities, respectively, and were in compliance with all covenants thereunder.

11. Interest on Senior Notes and Revolving Line of Credit

Interest on our senior notes and revolving line of credit, if applicable, is capitalized to inventories while the related communities are being actively developed and until homes are completed. As our qualifying assets exceeded our outstanding debt during the three months ended March 31, 2025 and 2024, we capitalized all interest costs incurred on these facilities during these periods.

Our interest costs were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest capitalized beginning of period	\$ 84,325	\$ 72,598
Interest capitalized during period	17,470	14,607
Less: capitalized interest in cost of sales	(12,785)	(12,033)
Interest capitalized end of period	\$ 89,010	\$ 75,172

12. Income Taxes

At the end of each interim period, we are required to estimate our annual effective tax rate for the fiscal year and to use that rate to provide for income taxes for the current year-to-date reporting period. Our 2025 estimated annual effective tax rate, before discrete items, of 25.3%, is driven by our blended federal and state statutory rate of 24.6%, and certain permanent differences between GAAP and tax, including disallowed deductions for executive compensation, and partially offset by estimated federal energy home credits for current year home deliveries.

For the three months ended March 31, 2025, our estimated annual rate of 25.3% was benefitted by discrete items which had a net impact of decreasing our rate by 0.3%, including the impact of excess tax benefits for vested stock-based compensation.

For the three months ended March 31, 2025 and 2024, we recorded income tax expense of \$13.1 million and \$20.0 million, respectively.

13. Fair Value Disclosures

Fair value measurements are used for the Company's mortgage loans held for sale, certain mortgage loans held for investment, mortgage servicing rights, interest rate lock commitments and other derivative instruments on a recurring basis. We also utilize fair value measurements on a non-recurring basis for inventories and intangible assets when events and circumstances indicate that the carrying value is not recoverable. The fair value hierarchy and its application to the Company's assets and liabilities is as follows:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are inactive; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets at the measurement date.

- *Mortgage loans held for sale* – Fair value is based on quoted market prices for committed and uncommitted mortgage loans.
- *Derivative assets and liabilities* – Derivative assets are associated with interest rate lock commitments and investor commitments on loans and may also be associated with forward mortgage-backed securities contracts. Derivative liabilities are associated with forward mortgage-backed securities contracts. Fair value is based on market prices for similar instruments.

Level 3 – Valuations derived from techniques where one or more significant inputs or significant value drivers are unobservable in active markets at the measurement date.

- *Mortgage servicing rights* - The fair value of the mortgage servicing rights is calculated using third-party valuations. The key assumptions, which are generally unobservable inputs, used in the valuation of the mortgage servicing rights include mortgage prepayment rates, discount rates and cost to service.
- *Mortgage loans held for investment at fair value* – A portion of our mortgage loans held for investment included in prepaid expenses and other assets, which were those determined to be unsaleable and transferred from mortgage loans held for sale, are recorded at fair value and are calculated based on Level 3 analysis which incorporates information including the value of underlying collateral, from markets where there is little observable trading activity.

The following outlines the Company's assets and liabilities measured at fair value on a recurring basis at March 31, 2025 and December 31, 2024, respectively (in thousands):

	Balance Sheet Classification	Hierarchy	March 31, 2025	December 31, 2024
Mortgage loans held for sale	Mortgage loans held for sale	Level 2	\$ 207,385	\$ 236,926
Mortgage loans held for investment at fair value ⁽¹⁾	Prepaid expenses and other assets	Level 3	\$ 21,704	\$ 21,478
Derivative assets	Prepaid expenses and other assets	Level 2	\$ 5,000	\$ 3,990
Mortgage servicing rights ⁽²⁾	Prepaid expenses and other assets	Level 3	\$ 43,889	\$ 42,404
Derivative liabilities	Accrued expenses and other liabilities	Level 2	\$ 1,003	\$ —

⁽¹⁾ A portion of our mortgage loans held for investment are recorded at fair value, which were those determined to be unsaleable and transferred from mortgage loans held for sale which are recorded at fair value. The unobservable inputs used in the valuation of the mortgage loans held for investment at fair value include, among other items, the value of underlying collateral, from markets where there is little observable trading activity.

⁽²⁾ The unobservable inputs used in the valuation of the mortgage servicing rights include mortgage prepayment rates, discount rates and cost to service, which were a weighted average of 8.2%, 10.6%, and \$75 per year per loan, respectively, as of March 31, 2025, and 8.5%, 10.6%, and \$74 per year per loan, respectively, as of December 31, 2024. The high and low end of the range of unobservable inputs used in the valuation did not result in a significant change to the fair value measurement.

The following table represents the reconciliation of the beginning and ending balance for the Level 3 recurring fair value measurements, with gains and losses from the changes in fair value reflected in financial services revenue on our condensed consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2025	2024
Mortgage servicing rights		
Beginning of period	\$ 42,404	\$ 30,932
Originations	3,735	1,234
Settlements	(702)	(562)
Changes in fair value	(1,548)	1,130
End of period	\$ 43,889	\$ 32,734
	Three Months Ended March 31,	
	2025	2024
Mortgage loans held-for-investment at fair value		
Beginning of period	\$ 21,478	\$ 21,041
Transfers from loans held for sale	509	1,149
Settlements	—	(314)
Reduction in unpaid principal balance	(174)	(117)
Changes in fair value	(109)	(139)
End of period	\$ 21,704	\$ 21,620

For the financial assets and liabilities that the Company does not reflect at fair value, the following present both their respective carrying value and fair value at March 31, 2025 and December 31, 2024, respectively (in thousands).

	Hierarchy	March 31, 2025		December 31, 2024	
		Carrying	Fair Value	Carrying	Fair Value
Cash and cash equivalents	Level 1	\$ 100,336	\$ 100,336	\$ 149,998	\$ 149,998
6.750% senior notes ⁽¹⁾⁽²⁾	Level 2	\$ 498,231	\$ 500,000	\$ 498,027	\$ 498,750
3.875% senior notes ⁽¹⁾⁽²⁾	Level 2	\$ 496,621	\$ 448,125	\$ 496,428	\$ 446,875
Revolving line of credit ⁽³⁾	Level 2	\$ 237,000	\$ 237,000	\$ 135,500	\$ 135,500
Other financing obligations ⁽³⁾⁽⁴⁾	Level 3	\$ 121,307	\$ 121,307	\$ 113,454	\$ 113,454
Mortgage repurchase facilities ⁽³⁾	Level 2	\$ 204,274	\$ 204,274	\$ 232,804	\$ 232,804

(1) Estimated fair value of the senior notes is based on recent trading activity in inactive markets.

(2) Carrying amounts include any associated unamortized deferred financing costs, premiums and discounts. As of March 31, 2025, these amounts totaled \$1.8 million and \$3.4 million for the 6.750% senior notes and 3.875% senior notes, respectively. As of December 31, 2024, these amounts totaled \$2.0 million and \$3.6 million for the 6.750% senior notes and 3.875% senior notes, respectively.

(3) Carrying amount approximates fair value due to short-term nature and/or interest rate terms.

(4) As of March 31, 2025, other financing obligations included \$3.2 million related to insurance premium notes that bore a weighted average interest rate of 7.8%, and \$118.1 million related to outstanding borrowings on the construction loan agreements related to Century Living that bore a weighted average interest rate of 6.6%. As of December 31, 2024, other financing obligations included \$11.0 million related to insurance premium notes and certain secured borrowings that bore a weighted average interest rate of 6.7%, and \$102.4 million related to outstanding borrowings on the construction loan agreements that bore a weighted average interest rate of 6.5%.

Non-financial assets and liabilities include items such as inventory and property and equipment that are measured at fair value when acquired and as a result of impairments, if deemed necessary. During the three months ended March 31, 2025, we determined that inventory with a carrying value before impairment of \$2.0 million for one community in our Century Complete segment was not recoverable. Accordingly, during the three months ended March 31, 2025, we recognized impairment charges of an aggregate \$0.4 million in order to record the community at fair value. No impairment charges were recorded in the three months ended March 31, 2024. The estimated fair value of the community was determined through a discounted cash flow approach utilizing Level 3 inputs. When estimating future discounted cash flows, we utilized a weighted-average discount rate of approximately 10% in our valuation during the three months ended March 31, 2025. Changes in our cash flow projections in future periods related to this community may change our conclusions on the recoverability of inventory in the future.

14. Stock-Based Compensation

During the three months ended March 31, 2025 and 2024, we granted restricted stock units (which we refer to as “RSUs”) covering 0.2 million and 0.2 million shares of common stock, respectively, with a grant date fair value of \$76.38 and \$85.84 per share, respectively, that vest over a three year period.

During the three months ended March 31, 2025, we granted performance share units (which we refer to as “PSUs”) covering up to 0.5 million shares of common stock assuming maximum level of performance with a weighted-average grant date fair value of \$67.01 per share that are subject to service, performance, and market vesting conditions. The quantity of shares that will vest and be issued upon settlement of the PSUs ranges from 0% to up to 250% of a targeted number of shares depending upon the participant and will be determined based on achievement of three-year cumulative revenue and three-year cumulative adjusted pre-tax income performance goals. The ultimate share payout may then be adjusted by a relative total shareholder return modifier based on our three-year cumulative total stockholder return (which we refer to as “TSR”) relative to the average TSR of all companies in a defined peer group, with the potential to decrease the payout by 10% or increase it up to 20%. We utilize the Monte Carlo simulation model to determine the fair value of PSUs that contain market conditions, and stock-based compensation expense is recognized ratably for awards subject to market conditions regardless of whether the market condition is satisfied, provided that the requisite service has been met. During the three months ended March 31, 2024, we granted PSUs covering up to 0.3 million shares of common stock assuming maximum level of performance with a grant date fair value of \$82.23 per share that are subject to both service and performance vesting conditions. The quantity of shares that will ultimately vest and be issued upon settlement of the PSUs ranges from 0% to 250% of a targeted number of shares and will be determined based on achievement of a three-year cumulative adjusted pre-tax income performance goal. During the three months ended March 31, 2025 and 2024, we issued 0.4 million and 0.2 million shares of common stock, respectively, upon the vesting and settlement of PSUs that were granted in previous periods. Approximately 1.1 million shares will vest from 2026 to 2028 if the defined maximum performance targets are met and, for applicable awards, if the defined maximum TSR conditions are met, and no shares will vest if the defined minimum performance targets are not met.

A summary of our outstanding RSUs and PSUs, assuming the current estimated level of performance achievement, are as follows (in thousands, except years):

	March 31, 2025
Unvested units	1,000
Unrecognized compensation cost	\$ 41,497
Weighted-average years to recognize compensation cost	2.2

During the three months ended March 31, 2025 and 2024, we recognized stock-based compensation expense of \$0.3 million and \$2.8 million, respectively. Stock-based compensation expense is included in selling, general, and administrative expense on our condensed consolidated statements of operations. Stock-based compensation expense for PSUs is initially estimated based on target performance achievement and adjusted as appropriate throughout the performance period. Accordingly, future compensation cost associated with outstanding PSUs may increase or decrease based on the probability and extent of achievement with respect to the applicable performance measures. During the three months ended March 31, 2025, in accordance with ASC 718, *Compensation—Stock Compensation*, we updated our recognition of stock-based compensation expense associated with previously granted PSU awards to reflect probable financial results as they relate to the performance goals of the awards. Accordingly, our estimate of the number of shares which will ultimately vest and be issued upon settlement of our PSU awards decreased by a total of 0.1 million shares during the three months ended March 31, 2025. We recorded a cumulative adjustment to reduce stock-based compensation expense of \$5.8 million (\$4.3 million net of tax), or \$0.14 per share (basic and diluted), during the three months ended March 31, 2025.

15. Stockholders’ Equity

The Company’s authorized capital stock consists of 100.0 million shares of common stock, par value \$0.01 per share, and 50.0 million shares of preferred stock, par value \$0.01 per share. As of March 31, 2025 and December 31, 2024, there were 30.5 million and 31.0 million shares of common stock issued and outstanding, respectively, and no shares of preferred stock outstanding.

On May 4, 2022, the stockholders approved the adoption of the Century Communities, Inc. 2022 Omnibus Incentive Plan (which we refer to as the “2022 Incentive Plan”), which replaced the Century Communities, Inc. Amended and Restated 2017 Omnibus Incentive Plan (which we refer to as our “2017 Incentive Plan”). Under the 2022 Incentive Plan, 3.1 million shares of common stock are available for issuance to eligible participants, plus 51.2 thousand shares of our common stock that remained available for issuance under the 2017 Incentive Plan and any shares subject to awards outstanding under the 2017 Incentive Plan that are subsequently forfeited, cancelled, expire or otherwise terminate without the issuance of such shares. During the three months ended March 31, 2025 and 2024, we issued 0.6 million and 0.3 million shares of common stock, respectively, related to the vesting and settlement of RSUs and PSUs. As of March 31, 2025, approximately 1.5 million shares of common stock remained available for issuance under the 2022 Incentive Plan.

The following table sets forth cash dividends declared by our Board of Directors to holders of record of our common stock during the three months ended March 31, 2025 and 2024, respectively (dollars in thousands, except per share information):

Declaration Date	Record Date	Paid Date	Three months ended March 31, 2025 Cash Dividends Declared and Paid	
			Per Share	Amount
February 5, 2025	February 26, 2025	March 12, 2025	\$ 0.29	\$ 8,922

Declaration Date	Record Date	Paid Date	Three months ended March 31, 2024 Cash Dividends Declared and Paid	
			Per Share	Amount
February 7, 2024	February 28, 2024	March 13, 2024	\$ 0.26	\$ 8,264

Under the 2022 Incentive Plan and the previous 2017 Incentive Plan, at the discretion of the Compensation Committee of the Board of Directors, RSUs and PSUs granted under the plan have the right to earn dividend equivalents, which entitles the holders of such RSUs and PSUs to additional RSUs and PSUs equal to the same dividend value per share as holders of common stock. Dividend equivalents are subject to the same vesting and other terms and conditions as the underlying RSUs and PSUs.

Our current stock repurchase program, authorized by our Board of Directors, authorizes us to repurchase up to 4.5 million shares of our outstanding common stock, of which 3.9 million shares remained available to be repurchased as of March 31, 2025. During the three months ended March 31, 2025 and 2024, an aggregate of 753.3 thousand and 186.9 thousand shares, respectively, were repurchased under this and our previous stock repurchase program for a total purchase price of approximately \$55.6 million and \$16.1 million, respectively, and a weighted average price of \$73.76 and \$86.16 per share, respectively, excluding the excise tax accrued on our net share repurchases as a result of the Inflation Reduction Act of 2022.

During the three months ended March 31, 2025 and 2024, shares of common stock at a total cost of \$17.2 million and \$10.4 million, respectively, were netted and surrendered as payment for minimum statutory withholding obligations in connection with the vesting of outstanding stock-based compensation awards. Shares surrendered by the participants in accordance with the applicable award agreements and plan are deemed repurchased and retired by us but are not part of our publicly announced share repurchase programs.

16. Earnings Per Share

We use the treasury stock method to calculate earnings per share as our currently issued non-vested RSUs and PSUs do not have participating rights.

The following table sets forth the computation of basic and diluted earnings per share (which we refer to as “EPS”) for the three months ended March 31, 2025 and 2024 (in thousands, except share and per share information):

	Three Months Ended March 31,	
	2025	2024
Numerator		
Net income	\$ 39,384	\$ 64,332
Denominator		
Weighted average common shares outstanding - basic	30,801,046	31,808,959
Dilutive effect of stock-based compensation awards	344,821	429,849
Weighted average common shares outstanding - diluted	31,145,867	32,238,808
Earnings per share:		
Basic	\$ 1.28	\$ 2.02
Diluted	\$ 1.26	\$ 2.00

Stock-based awards are excluded from the calculation of diluted EPS in the event they are subject to unsatisfied performance conditions or are antidilutive. During the three months ended March 31, 2025 and 2024, we excluded 0.7 million and 0.5 million, respectively, of common stock unit equivalents from diluted earnings per share related to the PSUs for which performance conditions remained unsatisfied. During the three months ended March 31, 2025 and 2024, we excluded 0.2 million and no amounts, respectively, of common stock unit equivalents from diluted earnings per share that were antidilutive.

17. Commitments and Contingencies

Letters of Credit and Performance Bonds

In the normal course of business, we post letters of credit and performance and other bonds primarily related to our land development performance obligations with local municipalities. As of March 31, 2025 and December 31, 2024, we had \$570.9 million and \$563.5 million, respectively, in letters of credit and performance and other bonds issued and outstanding.

Legal Proceedings

We are subject to claims and lawsuits that arise primarily in the ordinary course of business, which consist primarily of construction claims. It is the opinion of our management that if the claims have merit, parties other than the Company would be, at least in part, liable for the claims, and the eventual outcome of these claims will not have a material adverse effect upon our consolidated financial condition, results of operations, or cash flows. When we believe that a loss is probable and estimable, we record a charge on our condensed consolidated statements of operations for our estimated loss.

Under various insurance policies, we have the ability to recoup costs in excess of applicable self-insured retentions. Estimates of such amounts are recorded in other assets on our condensed consolidated balance sheet when recovery is probable.

We do not believe that the ultimate resolution of any claims and lawsuits will have a material adverse effect upon our consolidated financial position, results of operations, or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

As used in this Quarterly Report on Form 10-Q (which we refer to as this "Form 10-Q"), references to "we," "us," "our," "Century" or the "Company" refer to Century Communities, Inc., a Delaware corporation, and, unless the context otherwise requires, its subsidiaries and affiliates.

The following discussion and analysis of our financial condition and results of operations is intended to help the reader understand our Company, business, operations and present business environment and is provided as a supplement to, and should be read in conjunction with, our condensed consolidated financial statements and the related notes to those statements included elsewhere in this Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. We use certain non-GAAP financial measures that we believe are important for purposes of comparison to prior periods. This information is also used by our management to measure the profitability of our ongoing operations and analyze our business performance and trends.

Cautionary Note Regarding Forward-Looking Statements

Some of the statements included in this Form 10-Q constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, forecasts, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These statements are only predictions. We caution that forward-looking statements are not guarantees. Actual results could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential," "outlook," the negative of such terms and other comparable terminology and the use of future dates. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors.

The forward-looking statements included in this Form 10-Q reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. Statements regarding the following subjects, among others, may be forward-looking and subject to risks and uncertainties including among others:

- economic changes, either nationally or in the markets in which we operate, including changes in interest rates and the resulting impact on the accessibility of mortgage loans to homebuyers, persistent inflation, and decreased employment levels and consumer confidence, and increased recessionary conditions;
- shortages of or increased prices for labor, land or raw materials used in housing construction and resource shortages, including as a result of recent tariffs and immigration reform;
- a downturn in the homebuilding industry, including a reduction in demand for our homes or a decline in real estate values or market conditions resulting in an adverse impact on our business, operating results and financial condition, including an impairment of our assets;
- changes in assumptions used to make industry forecasts, population growth rates or trends affecting housing demand or prices;
- volatility and uncertainty in the credit markets and broader financial markets and the impact on such markets and our ability to access them, including as a result of geopolitical conditions and in the event of a threatened or actual U.S. government shutdown or sovereign default;
- our future business operations, operating results and financial condition; future impairment and restructuring charges; and changes in our business and investment strategy;
- availability and price of land to acquire, and our ability to acquire such land on favorable terms or at all;
- the effect of and risks associated with our acquisitions;
- availability, terms and deployment of capital;
- availability or cost of mortgage financing or an increase in the number of foreclosures in the market;
- delays in land development or home construction resulting from adverse weather conditions or other events outside our control;
- delays in completion of projects, land development or home construction, or reduced consumer demand for housing resulting from significant weather conditions and natural disasters in the geographic areas where we operate;
- the impact of construction defect, product liability, and/or home warranty claims, including the adequacy of accruals and the applicability and sufficiency of our insurance coverage;
- changes in, or the failure or inability to comply with, governmental laws and regulations;
- the timing of receipt of municipal, utility and other regulatory approvals and the opening of projects and construction and completion of our homes;
- the impact and cost of compliance with evolving environmental, health and safety and other laws and regulations and third-party challenges to required permits and other approvals and potential legal liability in connection therewith;
- the degree and nature of our competition;

- unstable economic and political conditions as well as geopolitical conflicts, could adversely affect our supply chain by causing shortages or increases in costs for materials necessary to construct homes and/or increases to the price of gasoline and other fuels and cause higher interest rates, inflation, reduced consumer confidence and/or general economic uncertainty;
- our leverage, debt service obligations and exposure to changes in interest rates and our ability to obtain additional or refinance our existing debt when needed or on favorable terms;
- our ability to continue to fund and succeed in our mortgage lending business and the additional risks involved in that business;
- availability of qualified personnel and contractors and our ability to obtain additional or retain existing key personnel and contractor relationships;
- our ability to continue to pay dividends and make stock repurchases in the future; and
- taxation and tax policy changes, tax rate changes, new tax laws, new or revised tax law interpretations or guidance.

Forward-looking statements are based on our beliefs, assumptions and expectations of future events, taking into account all information currently available to us. Forward-looking statements are not guarantees of future events or of our performance. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these events and factors are described above and in this “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K, and other risks and uncertainties detailed in this report, including “Part II, Item 1A. Risk Factors,” and our other reports and filings with the SEC. If a change occurs, our business, financial condition, liquidity, cash flows and results of operations may vary materially from those expressed in or implied by our forward-looking statements. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Therefore, you should not rely on these forward-looking statements as of any date subsequent to the date of this Form 10-Q.

Business Overview

Century is engaged in the development, design, construction, marketing and sale of single-family attached and detached homes in 17 states. In many of our projects, in addition to building homes, we entitle and develop the underlying land. We build and sell homes under our Century Communities and Century Complete brands. Our Century Communities brand has an emphasis on serving the affordable homebuilding market but offers a wide range of buyer profiles including: entry-level, first and second time move-up, and lifestyle homebuyers, and provides our homebuyers with the ability to personalize their homes through certain option and upgrade selections. Our Century Complete brand targets entry-level homebuyers, primarily sells homes through retail studios and the internet, and generally provides no option or upgrade selections.

Our homebuilding operations are organized into the following five reportable segments: West, Mountain, Texas, Southeast, and Century Complete. Our indirect wholly-owned subsidiaries, Inspire Home Loans Inc., Parkway Title, LLC, IHL Home Insurance Agency, LLC, and IHL Escrow Inc., which provide mortgage, title, insurance brokerage and escrow services, respectively, primarily to our homebuyers, have been identified as our Financial Services segment. Additionally, our Century Living segment is engaged in the development, construction, management, and disposition of multi-family rental properties, currently all located in Colorado.

While we offer homes that appeal to a broad range of entry-level, move-up, and lifestyle homebuyers, our offerings are heavily weighted towards providing affordable housing options in each of our homebuyer segments. Additionally, we prefer building move-in-ready homes over built-to-order homes, which we believe allows for a faster construction process, advantageous pricing with subcontractors, and shortened time period from home sale to home delivery, thus allowing our customers greater certainty on their financing and allowing us to more appropriately price the homes and deploy our capital. Of the 2,284 homes delivered during the first three months of 2025, approximately 94% of homes delivered had purchase prices below the Federal Housing Administration-insured mortgage limits and approximately 99% of homes delivered were built as move-in ready homes.

Market conditions in the homebuilding industry have continued to be impacted by elevated mortgage rates, macro-economic and geopolitical uncertainty, and broader concerns about affordability by homebuyers. Amidst these market conditions, we experienced a slowing in demand during the first quarter of 2025, as net new home contracts (new home contracts net of cancellations) for the three months ended March 31, 2025 decreased 6.1% compared to the prior year period. Still, there remains an underlying need for affordable new homes, supported by solid demographic trends, and we have continued to provide, when necessary, incentive offerings across our communities, including discounts on base home prices, lot premiums, options and upgrades, and financing incentives, including interest rate buydowns. During the three months ended March 31, 2025, cycle times remained approximately in the four-month timeframe.

We anticipate the homebuilding markets in each of our operating segments will continue to be tied to both the macro-economic environment and the local economy, and we expect our operating strategy will continue to adapt to market changes, though we cannot provide any assurance that our strategies will remain consistent or continue to be successful. We believe future demand for our homes remains uncertain as future economic, market and geopolitical conditions remain uncertain, in particular with respect to inflation; the

impact of potential future increases or decreases to the federal funds interest rate by the Federal Reserve; interest rates; availability and cost of mortgage loans to homebuyers; financial, credit and mortgage markets; the extent to which and how long government monetary directives and actions will impact the U.S. economy; the effect of recent tariffs; consumer confidence; wage growth; household formations; levels of new and existing homes for sale; prevailing home and rental prices; availability and cost of land, labor and construction materials; demographic trends; housing demand; the possibility of an economic recession; and other factors, including those described elsewhere in this Form 10-Q. Specifically, changes in mortgage interest rates impact the costs of owning a home and affect the purchasing power of our customers and could impact homebuyer confidence. Changes in demand for our homes or cancellations due to mortgage interest rates, consumer confidence or otherwise affect our operating results in future periods, including our net sales, home deliveries, gross margin, origination volume of and revenues from our Financial Services segment, and net income. As a result, our past performance may not be indicative of our future results.

We believe we are well-positioned to benefit from the ongoing shortage of both new and resale homes available for purchase in our key markets and the favorable demographics that support the need for new affordable housing. We believe our operations are prepared to withstand volatility in future market conditions as a result of our product offerings which both span the home buying segment and focus on affordable price points, and our current and future inventories of attractive land positions. We have continued to focus on maintaining an appropriate balance of home and land inventories in relation to anticipated future demand, as well as prudent leverage; and, as a result, we believe we are well positioned to continue to execute on our strategy to optimize stockholder returns.

Results of Operations

During the three months ended March 31, 2025, we generated \$52.5 million in income before income tax expense, as compared to \$84.3 million in the prior year period, and we generated net income of \$39.4 million, or \$1.26 per diluted share, as compared to \$64.3 million, or \$2.00 per diluted share in the prior year period.

During the three months ended March 31, 2025, we generated total revenues of \$903.2 million, as compared to \$948.5 million in the prior year period, as we delivered 2,284 homes with an average sales price of \$386.9 thousand, as compared to 2,358 homes with an average sales price of \$391.2 thousand in the prior year period. The number of homes delivered decreased by 3.1% as compared to the prior year period primarily due to slower absorption rates, and average sales price decreased 1.1% as compared to the prior year, primarily due to higher incentives in the current year period. During the three months ended March 31, 2025, net new contracts decreased 6.1% to 2,692 as compared to the prior year period.

We ended the first quarter of 2025 with \$100.3 million of cash and cash equivalents and \$24.2 million of cash held in escrow. We had \$237.0 million outstanding under our revolving line of credit, with a homebuilding debt to capital ratio of 32.4% and a net homebuilding debt to net capital ratio of 30.1%. During the three months ended March 31, 2025, we paid quarterly cash dividends to our stockholders of \$0.29 per share, a 12% increase from the \$0.26 per share quarterly dividend paid during the three months ended March 31, 2024. We have continued to strategically manage our lot pipeline, resulting in 79,014 lots owned and controlled at March 31, 2025.

Our Financial Services segment generated income before income tax expense of \$2.4 million for the three months ended March 31, 2025, a 76.5% decrease from the prior year period. During the three months ended March 31, 2025, the number of mortgages originated decreased 2.6% and the number of loans sold to third parties decreased 2.8%, in each case as compared to the prior year period. The decrease in income before income tax expense of our Financial Services segment was primarily driven by lower margins on mortgages originated due to a more competitive market, as well as a decrease in fair value of our mortgage servicing portfolio.

The following table summarizes our results of operations for the three months ended March 31, 2025 and 2024:

(in thousands, except per share amounts)

	Three Months Ended March 31,		Increase (Decrease)	
	2025	2024	Amount	%
Consolidated Statements of Operations:				
Revenues				
Home sales revenues	\$ 883,736	\$ 922,402	\$ (38,666)	(4.2)%
Land sales and other revenues	962	1,216	(254)	(20.9)%
Total homebuilding revenues	884,698	923,618	(38,920)	(4.2)%
Financial services revenues	18,534	24,925	(6,391)	(25.6)%
Total revenues	903,232	948,543	(45,311)	(4.8)%
Homebuilding cost of revenues				
Cost of home sales revenues	(707,504)	(725,570)	18,066	(2.5)%
Cost of land sales and other revenues	(827)	(37)	(790)	NM
Total homebuilding cost of revenues	(708,331)	(725,607)	17,276	(2.4)%
Financial services costs	(16,174)	(14,877)	(1,297)	8.7 %
Selling, general, and administrative	(120,760)	(114,109)	(6,651)	5.8 %
Inventory impairment	(411)	—	(411)	NM
Other income	(5,038)	(9,630)	4,592	(47.7)%
Income before income tax expense	52,518	84,320	(31,802)	(37.7)%
Income tax expense	(13,134)	(19,988)	6,854	(34.3)%
Net income	\$ 39,384	\$ 64,332	\$ (24,948)	(38.8)%
Earnings per share:				
Basic	\$ 1.28	\$ 2.02	\$ (0.74)	(36.6)%
Diluted	\$ 1.26	\$ 2.00	\$ (0.74)	(37.0)%
Adjusted diluted earnings per share ⁽¹⁾	\$ 1.36	\$ 2.22	\$ (0.86)	(38.7)%
Other Operating Information				
(dollars in thousands):				
Number of homes delivered	2,284	2,358	(74)	(3.1)%
Average sales price of homes delivered	\$ 386.9	\$ 391.2	\$ (4.3)	(1.1)%
Homebuilding gross margin percentage ⁽²⁾	19.9 %	21.3 %	(1.4)%	(6.6)%
Adjusted homebuilding gross margin excluding interest, inventory impairment, and purchase price accounting for acquired work in process inventory ⁽¹⁾	21.6 %	22.8 %	(1.2)%	(5.3)%
Backlog at end of period, number of homes	1,258	1,590	(332)	(20.9)%
Backlog at end of period, aggregate sales value	\$ 521,050	\$ 667,207	\$ (146,157)	(21.9)%
Average sales price of homes in backlog	\$ 414.2	\$ 419.6	\$ (5.4)	(1.3)%
Net new home contracts	2,692	2,866	(174)	(6.1)%
Selling communities at period end	318	253	65	25.7 %
Average selling communities	318	255	63	24.7 %
Total owned and controlled lot inventory	79,014	75,089	3,925	5.2%
Adjusted EBITDA ⁽¹⁾	\$ 76,337	\$ 109,616	\$ (33,279)	(30.4)%
Adjusted income before income tax expense ⁽¹⁾	\$ 56,326	\$ 93,623	\$ (37,297)	(39.8)%
Adjusted net income ⁽¹⁾	\$ 42,240	\$ 71,430	\$ (29,190)	(40.9)%
Net homebuilding debt to net capital ⁽¹⁾	30.1 %	24.9 %	5.2 %	20.9 %

⁽¹⁾ This is a non-GAAP financial measure and should not be used as a substitute for our operating results prepared in accordance with GAAP. See the reconciliations to the most comparable GAAP measure and other information under “Non-GAAP Financial Measures.” An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP.

⁽²⁾ Homebuilding gross margin percentage is inclusive of impairment charges, if applicable. We recorded impairment charges of \$0.4 million during the three months ended March 31, 2025. No impairment charges were recorded during the three months ended March 31, 2024.

NM – Not meaningful

Results of Operations by Segment

(dollars in thousands)

Commencing in the first quarter of 2025, we have separately reported our Century Living segment, previously included in our Corporate segment, in order to reflect the distinct nature of our multi-family rental operations. Accordingly, we have recast the corresponding segment information for the three months ended March 31, 2024.

	Three months ended March 31, 2025								
	West	Mountain	Texas	Southeast	Century Complete	Financial Services	Century Living	Corporate	Total
New homes delivered	303	429	457	303	792	—	—	—	2,284
Average sales price of new homes delivered	\$ 599.5	\$ 524.1	\$ 298.9	\$ 443.5	\$ 260.4	\$ —	\$ —	\$ —	\$ 386.9
Revenue	\$ 181,721	\$ 225,031	\$ 136,642	\$ 134,445	\$ 206,859	\$ 18,534	\$ —	\$ —	\$ 903,232
Cost of home sales	(141,509)	(180,681)	(109,305)	(105,054)	(168,770)	—	—	(2,185)	(707,504)
Inventory impairment	—	—	—	—	(411)	—	—	—	(411)
Selling, general and administrative	(17,011)	(20,419)	(16,944)	(14,949)	(22,681)	—	(221)	(28,535)	(120,760)
Financial services costs	—	—	—	—	—	(16,174)	—	—	(16,174)
Other segment items ⁽¹⁾	(1,807)	(488)	(42)	(261)	(1,175)	—	(1,208)	(884)	(5,865)
Income (loss) before tax expense	\$ 21,394	\$ 23,443	\$ 10,351	\$ 14,181	\$ 13,822	\$ 2,360	\$ (1,429)	\$ (31,604)	\$ 52,518

	Three months ended March 31, 2024								
	West	Mountain	Texas	Southeast	Century Complete	Financial Services	Century Living	Corporate	Total
New homes delivered	284	495	424	379	776	—	—	—	2,358
Average sales price of new homes delivered	\$ 606.5	\$ 513.4	\$ 309.4	\$ 426.1	\$ 262.0	\$ —	\$ —	\$ —	\$ 391.2
Revenue	\$ 172,648	\$ 254,279	\$ 131,273	\$ 161,658	\$ 203,760	\$ 24,925	\$ —	\$ —	\$ 948,543
Cost of home sales	(130,293)	(202,526)	(102,684)	(124,833)	(162,427)	—	—	(2,807)	(725,570)
Inventory impairment	—	—	—	—	—	—	—	—	—
Selling, general and administrative	(15,370)	(21,794)	(14,345)	(15,587)	(20,142)	—	(447)	(26,424)	(114,109)
Financial services costs	—	—	—	—	—	(14,877)	—	—	(14,877)
Other segment items ⁽¹⁾	(278)	(2,151)	(372)	(442)	(90)	—	(297)	(6,037)	(9,667)
Income (loss) before tax expense	\$ 26,707	\$ 27,808	\$ 13,872	\$ 20,796	\$ 21,101	\$ 10,048	\$ (744)	\$ (35,268)	\$ 84,320

⁽¹⁾ Includes cost of land sales and other revenues, and other income (expense).

West

During the three months ended March 31, 2025, our West segment generated income before income tax expense of \$21.4 million, a 19.9% decrease from the prior year period, which was primarily driven by a decrease in homebuilding gross margin. Revenue increased \$9.1 million during the three months ended March 31, 2025 as compared to the prior year period, primarily driven by a 6.7% increase in the number of homes delivered, and was partially offset by a 1.2% decrease in the average sales price per home. The increase in the number of homes delivered was primarily driven by an increase in open communities, and the average sales price decrease was driven by the mix of deliveries within individual communities. Homebuilding gross margin was 22.1% for the three months ended March 31, 2025, which decreased 230 basis points from 24.4% in the prior year period, primarily driven by higher incentives in the current year period.

Mountain

During the three months ended March 31, 2025, our Mountain segment generated income before income tax expense of \$23.4 million, a 15.7% decrease from the prior year period, which was primarily driven by a decrease in revenue and a decrease in homebuilding gross

margin. Revenue decreased \$29.2 million during the three months ended March 31, 2025 as compared to the prior year period, primarily driven by a 13.3% decrease in the number of homes delivered, and was partially offset by a 2.1% increase in the average sales price per home. The decrease in the number of homes delivered was primarily driven by slower absorption rates, and the average sales price increase was driven by the mix of deliveries within individual communities. Homebuilding gross margin was 19.6% for the three months ended March 31, 2025, which decreased 70 basis points from 20.3% in the prior year period, primarily driven by higher incentives in the current year period.

Texas

During the three months ended March 31, 2025, our Texas segment generated income before income tax expense of \$10.4 million, a 25.4% decrease from the prior year period, which was primarily driven by a decrease in homebuilding gross margin. Revenue increased \$5.4 million during the three months ended March 31, 2025 as compared to the prior year period, primarily driven by a 7.8% increase in the number of homes delivered, and was partially offset by a 3.4% decrease in the average sales price per home. The increase in the number of homes delivered was primarily driven by an increase in open communities and partially offset by slower absorption rates, and the average sales price decrease was driven by the mix of deliveries within individual communities. Homebuilding gross margin was 20.0% for the three months ended March 31, 2025, which decreased 170 basis points from 21.7% in the prior year period, primarily driven by higher incentives in the current year period.

Southeast

During the three months ended March 31, 2025, our Southeast segment generated income before income tax expense of \$14.2 million, a 31.8% decrease from the prior year, which was primarily driven by a decrease in revenue and a decrease in homebuilding gross margin. Revenue decreased \$27.2 million during the three months ended March 31, 2025 as compared to the prior year period, primarily driven by a 20.1% decrease in the number of homes delivered, and was partially offset by a 4.1% increase in the average sales price per home. The decrease in the number of homes delivered was primarily driven by slower absorption rates, and the average sales price increase was driven by the mix of deliveries within individual communities. Homebuilding gross margin was 21.8% for the three months ended March 31, 2025, which decreased 90 basis points from 22.7% in the prior year period, primarily driven by higher incentives in the current year period.

Century Complete

During the three months ended March 31, 2025, our Century Complete segment generated income before income tax expense of \$13.8 million, a 34.5% decrease from the prior year period, which was primarily driven by a decrease in homebuilding gross margin. Revenue increased \$3.1 million during the three months ended March 31, 2025 as compared to the prior year period, primarily driven by a 2.1% increase in the number of homes delivered, and was partially offset by a 0.6% decrease in the average sales price per home. The increase in the number of homes delivered was primarily driven by an increase in open communities, and the average sales price decrease was driven by the mix of deliveries within individual communities. Homebuilding gross margin was 18.0% for the three months ended March 31, 2025, which decreased 210 basis points from 20.1% in the prior year period, primarily driven by higher incentives in the current year period.

Financial Services

Our Financial Services segment originates mortgages for primarily our homebuyers, and as such, the volume of loans originated typically correlates to our number of homes delivered. Fluctuations in financial services income before income tax may occur because some components of revenue fluctuate differently than loan volumes, and some expenses are not directly related to mortgage loan volume or to changes in the amount of revenue earned. Our Financial Services segment generated income before income tax expense of \$2.4 million for the three months ended March 31, 2025, a 76.5% decrease from the prior year period. During the three months ended March 31, 2025, the number of mortgages originated decreased 2.6% and the number of loans sold to third parties decreased 2.8%, in each case as compared to the prior year period. The decrease in income before income tax expense of our Financial Services segment was primarily driven by lower margins on mortgages originated due to a more competitive market, as well as a decrease in fair value of our mortgage servicing portfolio.

The following table presents selected operational data for our Financial Services segment in relation to our loan origination activities (dollars in thousands):

	Three Months Ended March 31,			
	2025		2024	
<u>Total originations:</u>				
Number of loans		1,467		1,506
Principal	\$	512,627	\$	540,164
Capture rate of Century homebuyers		84 %		81 %
Century Communities		80 %		86 %
Century Complete		82 %		69 %
Average FICO score		726		729
Century Communities		733		734
Century Complete		712		716
<u>Loans sold to third parties:</u>				
Number of loans sold		1,563		1,608
Principal	\$	544,580	\$	568,392

Century Living

Our Century Living operations are engaged in the development, construction, management, and disposition of multi-family rental properties. As of March 31, 2025, the Company had three multi-family rental properties under active construction in Colorado, two of which were available for leasing. These three projects represent over 1,000 total multi-family units, including 471 under active construction and 581 completed units, of which 336 units were leased as of March 31, 2025.

Corporate

During the three months ended March 31, 2025, our Corporate segment generated a loss of \$31.6 million, as compared to a loss of \$35.3 million during the same respective period in 2024. The decrease in loss was primarily due to \$7.7 million in impairment charges related to other investments during the three months ended March 31, 2024, as well as a reduction in interest income as compared to the prior year period.

Homebuilding Gross Margin

Homebuilding gross margin represents home sales revenues less cost of home sales revenues and inventory impairment, if applicable. Our homebuilding gross margin percentage, which represents homebuilding gross margin divided by home sales revenues, decreased to 19.9% for the three months ended March 31, 2025 as compared to 21.3% in the prior year period. The decrease was primarily driven by higher incentives in the current year period.

In the following table, we calculate our homebuilding gross margin and our adjusted homebuilding gross margin, as adjusted to exclude inventory impairment, if applicable, and interest in cost of home sales revenues, and further adjusted to exclude the effect of purchase price accounting for acquired work in process inventory, if applicable.

	Three Months Ended March 31,			
	2025	%	2024	%
Home sales revenues	\$ 883,736	100.0 %	\$ 922,402	100.0 %
Cost of home sales revenues	(707,504)	(80.1) %	(725,570)	(78.7) %
Inventory impairment	(411)	(0.0) %	—	— %
Homebuilding gross margin	175,821	19.9 %	196,832	21.3 %
Add: Inventory impairment	411	0.0 %	—	— %
Add: Interest in cost of home sales revenues	12,785	1.4 %	12,033	1.3 %
Add: Purchase price accounting for acquired work in process inventory	1,892	0.2 %	1,581	0.2 %
Adjusted homebuilding gross margin excluding interest, inventory impairment and purchase price accounting for acquired work in process inventory ⁽¹⁾	\$ 190,909	21.6 %	\$ 210,446	22.8 %

- (1) This non-GAAP financial measure should not be used as a substitute for our operating results in accordance with GAAP. See the reconciliations to the most comparable GAAP measure and other information under “—Non-GAAP Financial Measures.” An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP.

For the three months ended March 31, 2025, our adjusted homebuilding gross margin percentage excluding inventory impairment, interest in cost of home sales revenues, and purchase price accounting for acquired work in process inventory was 21.6% as compared to 22.8% for the prior year period. We believe the above information is meaningful as it isolates the impact that inventory impairment, indebtedness, and acquisitions (in each case as applicable) during any period, have on our homebuilding gross margin and allows for comparability of our homebuilding gross margins to prior periods and to homebuilding gross margins of our competitors.

Selling, General and Administrative Expense

(dollars in thousands)

	Three Months Ended March 31,		Change	
	2025	2024	Amount	%
Selling, general and administrative	\$ 120,760	\$ 114,109	\$ 6,651	5.8 %
As a percentage of home sales revenue	13.7 %	12.4 %		

As a percentage of home sales revenue, our selling, general and administrative expense increased 130 basis points during the three months ended March 31, 2025, driven primarily by decreased revenue on a partially fixed cost base. Our selling, general and administrative expense increased \$6.7 million for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. This increase was primarily attributable to increased compensation and other costs due to higher active community count and \$1.5 million in restructuring costs, and partially offset by decreased stock compensation expense.

Income Tax Expense

At the end of each interim period, we are required to estimate our annual effective tax rate for the fiscal year and to use that rate to provide for income taxes for the current year-to-date reporting period. Our 2025 estimated annual effective tax rate, before discrete items, of 25.3%, is driven by our blended federal and state statutory rate of 24.6%, and certain permanent differences between GAAP and tax, including disallowed deductions for executive compensation, and partially offset by estimated federal energy home credits for current year home deliveries.

For the three months ended March 31, 2025, our estimated annual rate of 25.3% was benefitted by discrete items which had a net impact of decreasing our rate by 0.3%, including the impact of excess tax benefits for vested stock-based compensation.

For the three months ended March 31, 2025 and 2024, we recorded income tax expense of \$13.1 million and \$20.0 million, respectively.

Segment Assets

(dollars in thousands)

	March 31, 2025	December 31 2024	Increase (Decrease)	
			Amount	Change
West	\$ 807,221	\$ 780,991	\$ 26,230	3.4 %
Mountain	1,035,405	1,026,047	9,358	0.9 %
Texas	856,674	834,815	21,859	2.6 %
Southeast	611,378	616,747	(5,369)	(0.9) %
Century Complete	475,356	468,256	7,100	1.5 %
Financial Services	394,291	478,730	(84,439)	(17.6) %
Century Living	245,972	217,899	28,073	12.9 %
Corporate	129,981	108,987	20,994	19.3 %
Total assets	\$ 4,556,278	\$ 4,532,472	\$ 23,806	0.5 %

Total assets increased to \$4.6 billion as of March 31, 2025 as compared to \$4.5 billion as of December 31, 2024, primarily as a result of changes in our inventory balances within our homebuilding segments related to the timing of home and land development construction activities.

Homebuilding lots owned and controlled

	March 31, 2025			December 31, 2024			% Change		
	Owned	Controlled	Total	Owned	Controlled	Total	Owned	Controlled	Total
West	3,946	4,258	8,204	4,211	4,286	8,497	(6.3) %	(0.7) %	(3.4) %
Mountain	9,180	3,168	12,348	9,037	4,052	13,089	1.6 %	(21.8) %	(5.7) %
Texas	12,942	9,539	22,481	12,632	8,935	21,567	2.5 %	6.8 %	4.2 %
Southeast	5,174	11,435	16,609	5,173	12,270	17,443	0.0 %	(6.8) %	(4.8) %
Century Complete	4,655	14,717	19,372	4,703	15,333	20,036	(1.0) %	(4.0) %	(3.3) %
Total	35,897	43,117	79,014	35,756	44,876	80,632	0.4 %	(3.9) %	(2.0) %

During the three months ended March 31, 2025, we continued to strategically manage our lot pipeline, resulting in 79,014 lots owned and controlled at March 31, 2025, compared to 80,632 at December 31, 2024. Of our total lots owned and controlled as of March 31, 2025, 45.4% were owned and 54.6% were controlled, as compared to 44.3% owned and 55.7% controlled as of December 31, 2024.

Other Homebuilding Operating Data

Net new home contracts

	Three Months Ended March 31,		Increase (Decrease)	
	2025	2024	Amount	% Change
West	392	440	(48)	(10.9) %
Mountain	462	611	(149)	(24.4) %
Texas	499	514	(15)	(2.9) %
Southeast	387	450	(63)	(14.0) %
Century Complete	952	851	101	11.9 %
Total	2,692	2,866	(174)	(6.1) %

Net new home contracts (new home contracts net of cancellations) for the three months ended March 31, 2025 decreased by 174 homes, or 6.1%, to 2,692 as compared to 2,866 for the same period in 2024.

Average monthly absorption rate

Our overall average monthly “absorption rate” (calculated as monthly net new home contracts divided by average selling communities) for the three months ended March 31, 2025 and 2024 by segment is included in the table below:

	Three Months Ended March 31,		Increase (Decrease)	
	2025	2024	Amount	% Change
West	4.1	5.1	(1.0)	(19.6) %
Mountain	3.1	4.3	(1.2)	(27.9) %
Texas	2.1	4.1	(2.0)	(48.8) %
Southeast	3.0	5.3	(2.3)	(43.4) %
Century Complete	2.8	2.6	0.2	7.7 %
Total	2.8	3.7	(0.9)	(24.3) %

During the three months ended March 31, 2025, our absorption rate decreased by 24.3% to 2.8 per month as compared to the same period in 2024, driven by slowing demand during the first quarter of 2025 amidst homebuilding market conditions impacted by elevated mortgage rates, macro-economic and geopolitical uncertainty, and broader concerns about affordability by homebuyers.

Selling communities

	Selling Communities As of March 31,		Average Selling Communities For the three months ended March 31,	
	2025	2024	2025	2024
West	34	28	32	29
Mountain	48	46	50	47
Texas	78	41	79	42
Southeast	42	30	42	28
Century Complete	116	108	115	109
Total	318	253	318	255

Our selling communities increased by 65 communities to 318 communities at March 31, 2025 as compared to 253 at March 31, 2024. This 25.7% increase was a result of an increased land pipeline that resulted in new community openings in excess of community closeouts, as well as the acquisition of Anglia completed during the third quarter of 2024.

Backlog

(dollars in thousands)

	As of March 31,						% Change		
	2025			2024					
	Homes	Dollar Value	Average Sales Price	Homes	Dollar Value	Average Sales Price	Homes	Dollar Value	Average Sales Price
West	248	\$ 158,029	\$ 637.2	262	\$ 176,732	\$ 674.5	(5.3)%	(10.6)%	(5.5)%
Mountain	182	102,309	562.1	279	161,477	578.8	(34.8)%	(36.6)%	(2.9)%
Texas	219	65,973	301.2	258	78,396	303.9	(15.1)%	(15.8)%	(0.9)%
Southeast	191	87,755	459.5	214	99,448	464.7	(10.7)%	(11.8)%	(1.1)%
Century Complete	418	106,984	255.9	577	151,154	262.0	(27.6)%	(29.2)%	(2.3)%
Total / Weighted Average	1,258	\$ 521,050	\$ 414.2	1,590	\$ 667,207	\$ 419.6	(20.9)%	(21.9)%	(1.3)%

Backlog reflects the number of homes, net of cancellations, for which we have entered into a sales contract with a customer but for which we have not yet delivered the home. As of March 31, 2025, we had 1,258 homes in backlog, which decreased as compared to 1,590 homes in backlog at March 31, 2024, with a total value of \$521.1 million, as compared to \$667.2 million at March 31, 2024. Backlog dollar value decreased due to the decrease in the number of backlog units, and a 1.3% decrease in the average sales price of backlog units, largely due to mix.

Supplemental Guarantor Information

Our 6.750% senior notes due 2027 (which we collectively refer to as our “2027 Notes”) and our 3.875% senior notes due 2029 (which we collectively refer to as our “2029 Notes”) and together with the 2027 Notes, the “Senior Notes”) are our unsecured senior obligations and are fully and unconditionally guaranteed on an unsecured basis, jointly and severally, by substantially all of our direct and indirect wholly-owned operating subsidiaries (which we refer to collectively as “Guarantors”). Our subsidiaries associated with our Financial Services operations (referred to as “Non-Guarantors”) do not guarantee the Senior Notes. The guarantees are senior unsecured obligations of the Guarantors that rank equal with all existing and future senior debt of the Guarantors and senior to all subordinated debt of the Guarantors. The guarantees are effectively subordinated to any secured debt of the Guarantors. As of March 31, 2025, Century Communities, Inc. had outstanding \$1.0 billion in total principal amount of Senior Notes.

Each of the indentures governing our Senior Notes provides that the guarantees of a Guarantor will be automatically and unconditionally released and discharged: (1) upon any sale, transfer, exchange or other disposition (by merger, consolidation or otherwise) of all of the equity interests of such Guarantor after which the applicable Guarantor is no longer a “Restricted Subsidiary” (as defined in the respective indentures), which sale, transfer, exchange or other disposition does not constitute an “Asset Sale” (as defined in the respective indentures) or is made in compliance with applicable provisions of the applicable indenture; (2) upon any sale, transfer, exchange or other disposition (by merger, consolidation or otherwise) of all of the assets of such Guarantor, which sale, transfer, exchange or other

disposition does not constitute an Asset Sale or is made in compliance with applicable provisions of the applicable indenture; provided, that after such sale, transfer, exchange or other disposition, such Guarantor is an “Immaterial Subsidiary” (as defined in the respective indentures); (3) unless a default has occurred and is continuing, upon the release or discharge of such Guarantor from its guarantee of any indebtedness for borrowed money of the Company and the Guarantors so long as such Guarantor would not then otherwise be required to provide a guarantee pursuant to the applicable indenture; provided that if such Guarantor has incurred any indebtedness in reliance on its status as a Guarantor in compliance with applicable provisions of the applicable Indenture, such Guarantor’s obligations under such indebtedness, as the case may be, so incurred are satisfied in full and discharged or are otherwise permitted to be incurred by a Restricted Subsidiary (other than a Guarantor) in compliance with applicable provisions of the applicable Indenture; (4) upon the designation of such Guarantor as an “Unrestricted Subsidiary” (as defined in the respective Indentures), in accordance with the applicable indenture; (5) if the Company exercises its legal defeasance option or covenant defeasance option under the applicable indenture or if the obligations of the Company and the Guarantors are discharged in compliance with applicable provisions of the applicable indenture, upon such exercise or discharge; or (6) in connection with the dissolution of such Guarantor under applicable law in accordance with the applicable indenture.

If a Guarantor were to become a debtor in a case under the US Bankruptcy Code, a court may decline to enforce its guarantee of the Senior Notes. This may occur when, among other factors, it is found that the Guarantor originally received less than fair consideration for the guarantee and the Guarantor would be rendered insolvent by enforcement of the guarantee. On the basis of historical financial information, operating history and other factors, we believe that each of the Guarantors, after giving effect to the issuance of its guarantee of the Senior Notes when the guarantee was issued, was not insolvent and did not and has not incurred debts beyond its ability to pay such debts as they mature. The Company cannot predict, however, what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

Only the 2027 Notes and the related guarantees are registered securities under the Securities Act of 1933, as amended (the “Securities Act”). The offer and sale of the 2029 Notes and the related guarantees were not and will not be registered under the Securities Act or the securities laws of any other jurisdiction and instead were issued in reliance upon an exemption from such registration. Unless they are subsequently registered under the Securities Act, neither the 2029 Notes nor the related guarantees may be offered and sold only in transactions that are exempt from the registration requirements under the Securities Act and the applicable securities laws of any other jurisdiction.

The Guarantors’ condensed supplemental financial information is presented in this report as if the Senior Note guarantees existed during the periods presented pursuant to applicable SEC rules and guidance. If any Guarantors are released from the guarantees in future periods, the changes are reflected prospectively. We have determined that separate, full financial statements of the Guarantors would not be material to investors, and accordingly, supplemental financial information is presented below.

The following summarized financial information is presented for Century Communities, Inc. and the Guarantor Subsidiaries on a combined basis after eliminating intercompany transactions and balances among Century Communities, Inc. and the Guarantor Subsidiaries, as well as their investment in, and equity in earnings from Non-Guarantor Subsidiaries.

Century Communities, Inc. and Guarantor Subsidiaries

Summarized Balance Sheet Data (in thousands)	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 324	\$ 522
Cash held in escrow	24,187	3,004
Accounts receivable	37,929	39,460
Due from non-guarantors	—	26,980
Inventories	3,473,356	3,454,337
Prepaid expenses and other assets	468,215	329,620
Property and equipment, net	86,238	154,767
Deferred tax assets, net	21,925	22,220
Goodwill	41,109	41,109
Total assets	\$ 4,153,283	\$ 4,072,019
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$ 132,368	\$ 130,941
Accrued expenses and other liabilities	260,412	270,534
Due to non-guarantors	32,942	—
Notes payable	1,116,159	1,107,909
Revolving line of credit	237,000	135,500
Total liabilities	1,778,881	1,644,884
Stockholders' equity	2,374,402	2,427,135
Total liabilities and stockholders' equity	\$ 4,153,283	\$ 4,072,019

Summarized Statements of Operations Data (in thousands)	Year Ended March 31, 2025	Year Ended December 31, 2024
Total homebuilding revenues	\$ 884,698	\$ 4,305,391
Total homebuilding cost of revenues	(708,331)	(3,369,338)
Selling, general and administrative	(120,760)	(516,489)
Inventory impairment	(411)	(8,778)
Other expense	(6,739)	(5,436)
Income before income tax expense	48,457	405,350
Income tax expense	(12,118)	(97,864)
Net income	\$ 36,339	\$ 307,486

Critical Accounting Policies

Critical accounting estimates are those that we believe are both significant and require us to make difficult, subjective or complex judgments, often because we need to estimate the effect of inherently uncertain matters. We base our estimates and judgments on historical experiences and various other factors that we believe to be appropriate under the circumstances. Actual results may differ from these estimates, and the estimates included in our financial statements might be impacted if we used different assumptions or conditions. A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on January 30, 2025, in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies.”

Liquidity and Capital Resources

Overview

Our liquidity, consisting of our cash and cash equivalents and cash held in escrow and revolving line of credit availability, was \$787.5 million as of March 31, 2025 and \$918.0 million as of December 31, 2024.

Our principal uses of capital for the three months ended March 31, 2025 were our land purchases, land development, home construction, construction of multi-family rental properties, share repurchases, dividends, and the payment of routine liabilities.

Cash flows for each of our communities depend on the stage in the development cycle and can differ substantially from reported earnings. Early stages of development or expansion require significant cash outlays for land acquisitions, entitlements and other approvals, and construction of model homes, roads, utilities, general landscaping and other amenities. Because these costs are a component of our inventory and not recognized in our consolidated statements of operations until a home closes, we incur significant cash outlays prior to our recognition of earnings. In the later stages of community development, cash inflows may significantly exceed earnings reported for financial statement purposes, as the cash outflow associated with home and land construction was previously incurred. From a liquidity standpoint, we continue to acquire and develop lots in our markets when they meet our current investment criteria.

Short-term Liquidity and Capital Resources

We use funds generated by operations, available borrowings under our revolving line of credit, and proceeds from issuances of debt or equity to fund our short-term working capital obligations and our purchases of land, as well as land development, home construction activities, and other cash needs. We had \$237.0 million outstanding under our revolving line of credit as of March 31, 2025, as compared to \$135.5 million outstanding as of December 31, 2024.

Our Financial Services operations use funds generated from operations, and availability under our mortgage repurchase facilities to finance its operations, including originations of mortgage loans to our homebuyers.

Our Century Living operations use excess cash from our operations, as well as project specific secured financing under construction loan agreements to fund development of multi-family projects.

We believe that we will be able to fund our current liquidity needs for at least the next twelve months with our cash on hand, cash generated from operations, and cash expected to be available from our revolving line of credit or through accessing debt or equity capital, as needed or appropriate, although no assurance can be provided that such additional debt or equity capital will be available or on acceptable terms based on the macro-economy and market conditions at the time. In a higher interest rate environment, we may incur additional interest expense on borrowings that bear floating interest rates, such as under our revolving line of credit, repurchase facilities, and construction loan agreements. We believe we are well positioned from a cash and liquidity standpoint to operate in an uncertain environment and to pursue other ways to properly deploy capital to enhance returns, which may include taking advantage of strategic opportunities as they arise.

Long-term Liquidity and Capital Resources

Beyond the next twelve months, we believe that our principal uses of capital will be land and inventory purchases and other expenditures, as well as principal and interest payments on our long-term debt obligations. We believe that we will be able to fund our long-term liquidity needs with cash generated from operations and cash expected to be available from our revolving line of credit or through accessing debt or equity capital, as needed or appropriate, although no assurance can be provided that such additional debt or equity capital will be available, or on favorable terms, especially if interest rates remain high. In a higher interest rate environment, we may incur additional interest expense on borrowings that bear floating interest rates, such as under our revolving line of credit, repurchase facilities, and construction loan agreements. To the extent these sources of capital are insufficient to meet our needs, we may also conduct additional public or private offerings of our securities, refinance debt, or dispose of certain assets to fund our operating activities and capital needs.

Material Cash Requirements

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future in addition to our outstanding debt obligations and debt service requirements described below. These obligations impact our short-term and long-term liquidity and capital resource needs. For the three months ended March 31, 2025, there were no material changes to the contractual obligations we previously described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 that was filed with the SEC on January 30, 2025.

In the ordinary course of business, we enter into land purchase contracts in order to procure lots for the construction of our homes. We are subject to customary obligations associated with entering into contracts for the purchase of land and improved lots. Purchase and option contracts for the purchase of land enable us to defer acquiring portions of properties owned by third parties until we have determined whether to exercise our option, which may serve to reduce our financial risks associated with long-term land holdings. These purchase contracts typically require a cash deposit, and the purchase of properties under these contracts is generally contingent upon satisfaction of certain requirements, including obtaining applicable property and development entitlements. We also utilize option contracts with land sellers and others as a method of acquiring land in staged takedowns, to help us manage the financial and market risk associated with land holdings, and to reduce the use of funds from our corporate financing sources. Option contracts generally require payment by us of a non-refundable deposit for the right to acquire lots over a specified period of time at pre-determined prices. Our obligations with respect to purchase contracts and option contracts are generally limited to the forfeiture of the related non-refundable cash deposits.

As of March 31, 2025, we had outstanding purchase contracts and option contracts for 43,117 lots totaling approximately \$3.0 billion and we had \$111.0 million of deposits for land contracts, of which \$70.5 million were non-refundable cash deposits pertaining to land contracts. For contracts for which cash deposits were non-refundable, and subject to the terms of the outstanding contracts continuing to meet our investment criteria, we currently anticipate performing on the majority of our purchase and option contracts during the next 24 months. Our performance, including the timing and amount of purchase, if any, under these outstanding purchase and option contracts is subject to change and dependent on future market conditions. Our utilization of land option contracts is dependent on, among other things, the availability of land sellers willing to enter into option takedown arrangements, the availability of capital to financial intermediaries to finance the development of optioned lots, general housing market conditions, and local market dynamics. Options may be more difficult to procure from land sellers in strong housing markets and are more prevalent in certain geographic regions.

In addition, in the ordinary course of business, we explore, and from time to time, enter into purchase agreements to opportunistically acquire other homebuilders to add existing and future lots to our land portfolio and augment the organic expansion of our land portfolio. These acquisitions are often legally structured as asset acquisitions for cash and conditioned upon a due diligence investigation by us of the business for a limited period of time, in addition to other standard and customary closing conditions.

Outstanding Debt Obligations and Debt Service Requirements

One of our principal liquidity needs is the payment of principal and interest on our outstanding indebtedness. Our outstanding indebtedness is described in detail in *Note 10 – Debt in the Notes to the Condensed Consolidated Financial Statements*. We are required to meet certain covenants, and as of March 31, 2025, we were in compliance with all such covenants and requirements under the agreements governing our revolving line of credit, mortgage repurchase facilities, and construction loan agreements. See *Note 10 – Debt in the Notes to the Condensed Consolidated Financial Statements* for further detail.

Our outstanding debt obligations included the following as of March 31, 2025 and December 31, 2024, respectively (in thousands):

	March 31, 2025	December 31, 2024
6.750% senior notes, due June 2027 ⁽¹⁾	\$ 498,231	\$ 498,027
3.875% senior notes, due August 2029 ⁽¹⁾	496,621	496,428
Other financing obligations ⁽²⁾	121,307	113,454
Notes payable	1,116,159	1,107,909
Revolving line of credit	237,000	135,500
Mortgage repurchase facilities	204,274	232,804
Total debt	<u>\$ 1,557,433</u>	<u>\$ 1,476,213</u>

⁽¹⁾ The carrying value of the senior notes reflects the impact of premiums, discounts, and issuance costs that are amortized to interest cost over the respective terms of the senior notes.

- (2) As of March 31, 2025, other financing obligations included \$3.2 million related to insurance premium notes, as well as \$118.1 million outstanding under construction loan agreements related to Century Living, as described below. As of December 31, 2024, other financing obligations included \$11.0 million related to insurance premium notes and certain secured borrowings, as well as \$102.4 million outstanding under construction loan agreements.

We may from time to time seek to refinance or increase our outstanding debt or retire or purchase our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may or may not be material during any particular reporting period.

6.750% Senior Notes Due 2027

As of March 31, 2025, we had outstanding \$500.0 million in aggregate principal amount of our 6.750% Senior Notes due 2027, which principal balance is due in June 2027. Prior to that date, interest only payments are due semi-annually in June and December of each year. These notes were issued under an indenture which contains certain restrictive covenants on issuing future secured debt and other transactions. As of March 31, 2025, the aggregate obligation of these notes, inclusive of unamortized financing costs on these notes was \$498.2 million as reported on our condensed consolidated financial statements.

3.875% Senior Notes Due 2029

As of March 31, 2025, we had outstanding \$500.0 million in aggregate principal amount of our 3.875% Senior Notes due 2029, which principal balance is due in August 2029. Prior to that date, interest only payments are due semi-annually in February and August of each year. These notes were issued under an indenture which contains certain restrictive covenants on issuing future secured debt and other transactions. As of March 31, 2025, the aggregate obligation, inclusive of unamortized financing costs on these notes, was \$496.6 million, as reported on our condensed consolidated financial statements.

Construction Loan Agreements

Certain wholly owned subsidiaries of Century Living, LLC are parties to construction loan agreements with various banks (which we collectively refer to as “the lenders”). These construction loan agreements collectively provide that we may borrow up to an aggregate of \$204.7 million from the lenders for purposes of construction of multi-family projects in Colorado, with advances made by the lenders upon the satisfaction of certain conditions. The obligations under construction loan agreements are guaranteed by certain of our subsidiaries. Borrowings under the construction loan agreements bear interest at various rates, including a fixed rate and floating interest rates per annum equal to the Secured Overnight Financing Rate (which we refer to as “SOFR”) plus an applicable margin. The outstanding principal balances and all accrued and unpaid interest is due on varying maturity dates from March 17, 2026 through February 28, 2029, with certain of the construction loan agreements allowing for the option to extend the maturity dates for a period of 12 months if certain conditions are satisfied. The construction loan agreements contain customary affirmative and negative covenants (including covenants related to construction completion, and limitations on the use of loan proceeds, transfers of land, equipment, and improvements), as well as customary events of default. Interest on our construction loan agreements is capitalized to the multi-family properties assets included in prepaid expenses and other assets on the condensed consolidated balance sheets while the related multi-family rental properties are being actively developed.

As of March 31, 2025 and December 31, 2024, \$118.1 million and \$102.4 million was outstanding under the construction loan agreements respectively, with borrowings that bore a weighted average interest rate of 6.6% and 6.5% as of March 31, 2025 and December 31, 2024, respectively, and we were in compliance with all covenants thereunder.

Revolving Line of Credit

On November 1, 2024, we entered into a credit agreement (the “Credit Agreement”) with U.S. Bank National Association, as Administrative Agent, and the lenders party thereto. The Credit Agreement, which replaced our prior Second Amended and Restated Credit Agreement, provides us with a senior unsecured revolving credit facility (which we refer to as the “revolving line of credit”) of up to \$900.0 million. The revolving line of credit includes a \$250.0 million sublimit for letters of credit. Subject to the terms and conditions of the Credit Agreement, we are entitled to request an increase in the size of the revolving line of credit by an amount not exceeding \$400.0 million. The obligations under the Credit Agreement are guaranteed by certain of our subsidiaries. Funds are available under the revolving line of credit for the construction of homes, for the acquisition and development of land, land under development and lots for the eventual construction of homes thereon, and for working capital in the ordinary course of business. Unless terminated earlier, the revolving line of credit will mature on November 1, 2028, and the principal amount thereunder, together with all accrued unpaid interest and other amounts owing thereunder, if any, will be payable in full on such date. Subject to the terms and conditions of the Credit Agreement, we may request once per year a one-year extension of the maturity date and up to three times during the term of

the revolving line of credit, subject to the approval of the lenders and the Administrative Agent. The Credit Agreement contains customary affirmative and negative covenants (including limitations on our ability to grant liens, incur additional debt, pay dividends, redeem our common stock, make certain investments, issue certain equity securities, engage in transactions with affiliates and engage in certain merger, consolidation or asset sale transactions), as well as customary events of default. Borrowings under the Credit Agreement bear interest at a floating rate equal to Term SOFR or Daily Simple SOFR (in each case as defined in the Credit Agreement), plus an applicable margin between 1.45% and 2.30% per annum, or if selected by us, a base rate plus an applicable margin between 0.45% and 1.30% per annum. The “applicable margins” described above are determined by a schedule based on our leverage ratio, as defined in the Credit Agreement. The Credit Agreement also provides for customary fees including commitment fees payable to each lender ranging from 0.20% to 0.35% per annum based on our leverage ratio of the unused portion of the revolving line of credit and other customary fees.

As of March 31, 2025 and December 31, 2024, \$237.0 million and \$135.5 million, respectively, was outstanding under the revolving line of credit, with borrowings that bore an interest rate of 5.9% and 5.9%, respectively, and we were in compliance with all covenants under the Credit Agreement. On April 22, 2025, in accordance with the terms of the Credit Agreement, we increased our revolving line of credit to \$1.0 billion.

Mortgage Repurchase Facilities – Financial Services

Inspire is party to mortgage warehouse facilities with J.P. Morgan Chase Bank, N.A., U.S. Bank National Association and Truist Bank, which provide Inspire with uncommitted repurchase facilities of up to an aggregate of \$375.0 million as of March 31, 2025, secured by the mortgage loans financed thereunder. The repurchase facilities have varying short term maturity dates through November 14, 2025. Borrowings under the mortgage repurchase facilities bear interest at variable interest rates per annum equal to SOFR plus an applicable margin, and bore a weighted average interest rate of 6.0% as of March 31, 2025.

Amounts outstanding under the repurchase facilities are not guaranteed by us or any of our subsidiaries, and the agreements contain various affirmative and negative covenants applicable to Inspire that are customary for arrangements of this type. As of March 31, 2025 and December 31, 2024, we had \$204.3 million and \$232.8 million outstanding under the repurchase facilities, respectively, and were in compliance with all covenants thereunder.

Letters of Credit and Performance Bonds

In the normal course of business, we post letters of credit and performance and other bonds primarily related to our land development performance obligations with local municipalities. As of March 31, 2025 and December 31, 2024, we had \$570.9 million and \$563.5 million, respectively, in letters of credit and performance and other bonds issued and outstanding. Although significant development and construction activities have been completed related to the improvements at these sites, the letters of credit and performance and other bonds are not generally fully released until all development and construction activities are completed.

Stock Repurchases

Our current stock repurchase program, authorized by our Board of Directors, authorizes us to repurchase up to 4.5 million shares of our outstanding common stock, of which 3.9 million shares remained available to be repurchased as of March 31, 2025. During the three months ended March 31, 2025 and 2024, an aggregate of 753.3 thousand and 186.9 thousand shares, respectively, were repurchased under this and our previous stock repurchase program for a total purchase price of approximately \$55.6 million and \$16.1 million, respectively, and a weighted average price of \$73.76 and \$86.16 per share, respectively, excluding the excise tax accrued on our net share repurchases as a result of the Inflation Reduction Act of 2022.

Under the terms of these programs, shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or by other means in accordance with federal securities laws. The actual manner, timing, amount and value of repurchases under the stock repurchase program is determined by management at its discretion and depends on a number of factors, including, among others, the market price of our common stock, trading volume, our available cash balance, our anticipated working capital needs, other capital management objectives and opportunities, applicable legal requirements, applicable tax effects including the 1% excise tax instituted under the Inflation Reduction Act of 2022, and general market and economic conditions. We finance any stock repurchases through available cash and our revolving line of credit. Repurchases also may be made under a trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, which would permit shares to be repurchased when we otherwise may be precluded from doing so because of self-imposed trading blackout periods or other regulatory restrictions. Our stock repurchase programs have no expiration dates and may be extended, suspended or discontinued by our Board of Directors at any time without notice at our discretion. All shares of common stock repurchased under the programs will be cancelled and returned to the status of authorized but unissued shares of common stock.

Cash Dividends

The following table sets forth cash dividends declared by our Board of Directors to holders of record of our common stock during the three months ended March 31, 2025 and 2024, respectively (in thousands, except per share information):

Declaration Date	Record Date	Paid Date	Three months ended March 31, 2025 Cash Dividends Declared and Paid	
			Per Share	Amount
February 5, 2025	February 26, 2025	March 12, 2025	\$ 0.29	\$ 8,922

Declaration Date	Record Date	Paid Date	Three months ended March 31, 2024 Cash Dividends Declared and Paid	
			Per Share	Amount
February 7, 2024	February 28, 2024	March 13, 2024	\$ 0.26	\$ 8,264

We expect to continue paying our quarterly cash dividends to stockholders for the remainder of 2025. However, the declaration and payment of future cash dividends on our common stock, whether at current levels or at all, are at the discretion of our Board of Directors and depend upon, among other things, our expected future earnings, cash flows, capital requirements, access to external financing, debt structure and any adjustments thereto, operational and financial investment strategy and general financial condition, as well as general business conditions.

Cash Flows— Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024

For the three months ended March 31, 2025 and 2024, the comparison of cash flows is as follows:

- Our primary sources of cash flows from operations are from the sale of single-family attached and detached homes and mortgages. Our primary uses of cash flows from operations are the acquisition of land and expenditures associated with the construction of our single-family attached and detached homes and the origination of mortgages held for sale. Net cash used in operating activities was \$36.6 million during the three months ended March 31, 2025 as compared to net cash provided by operating activities of \$21.6 million during the prior year period. This change is primarily a result of (1) a \$24.9 million decrease in net income, (2) changes in cash balances held in escrow, and (3) expenditures related to the development, construction, and management of multi-family rental properties by our Century Living segment within prepaid and other assets during the three months ended March 31, 2025. During the three months ended March 31, 2025, our strategy evolved for our Century Living multi-family rental properties to be predominantly focused on the disposition of the assets and we determined that these operations have become part of our ordinary activities, and cash flows from development activities and the disposition of properties are recorded as operating activities on the condensed consolidated statement of cash flows.
- Net cash used in investing activities decreased to \$4.0 million during the three months ended March 31, 2025, compared to \$64.6 million during the prior year period. This decrease was primarily related to (1) \$32.7 million in expenditures related to our acquisition of Landmark during the three months ended March 31, 2024 and (2) \$26.0 million in expenditures related to the development, construction, and management of multi-family rental properties by our Century Living segment during the three months ended March 31, 2024. During the three months ended March 31, 2025, our strategy evolved for our Century Living multi-family rental properties to be predominantly focused on the disposition of the assets and we determined that these operations have become part of our ordinary activities, and cash flows from development activities and the disposition of properties are recorded as operating activities on the condensed consolidated statement of cash flows.
- Net cash used in financing activities was \$1.5 million during the three months ended March 31, 2025, compared to \$54.7 million during the prior year period. This decrease in net cash used in financing activities was primarily attributable to a \$101.5 million increase in net borrowings under our revolving line of credit during the current year period, and was partially offset by a \$39.5 million increase in stock repurchases during the current year period, in each case compared to the prior year period.

As of March 31, 2025, our cash and cash equivalents and restricted cash balance was \$133.2 million, as compared to \$175.3 million as of December 31, 2024.

Non-GAAP Financial Measures

In this Form 10-Q, we use certain non-GAAP financial measures, including EBITDA, adjusted EBITDA, net homebuilding debt to net capital, adjusted net income and adjusted diluted earnings per share. These non-GAAP financial measures are presented to provide investors additional information to facilitate the comparison of our past and present operations. We believe these non-GAAP financial measures provide useful information to investors because they are used to evaluate our performance on a comparable year-over-year or period-over-period basis. These non-GAAP financial measures are not in accordance with, or an alternative for, GAAP measures and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive or standard set of accounting rules or principles. Accordingly, the calculation of our non-GAAP financial measures may differ from the definitions of other companies using the same or similar names limiting, to some extent, the usefulness of such measures for comparison purposes. Non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our financial results as determined in accordance with GAAP. These measures should only be used to evaluate our financial results in conjunction with the corresponding GAAP measures. Accordingly, we qualify our use of non-GAAP financial information in a statement when non-GAAP financial information is presented.

EBITDA and Adjusted EBITDA

The following table presents EBITDA and adjusted EBITDA for the three months ended March 31, 2025 and 2024. EBITDA and adjusted EBITDA are non-GAAP financial measures we use as a supplemental measure in evaluating operating performance. We define EBITDA as net income before (i) income tax expense, (ii) interest in cost of home sales revenues, (iii) other interest expense (income), and (iv) depreciation and amortization expense. We define adjusted EBITDA as EBITDA before inventory impairment, restructuring costs, impairment on other investment, purchase price accounting for acquired work in process inventory and loss on debt extinguishment, in each case as applicable during a period. We believe EBITDA and adjusted EBITDA provide an indicator of general economic performance that is not affected by fluctuations in interest rates or effective tax rates, levels of depreciation or amortization, and items considered to be non-recurring. Accordingly, our management believes that these measurements are useful for comparing general operating performance from period to period. Neither EBITDA nor adjusted EBITDA should be considered in addition to, and not as a substitute for, consolidated net income in accordance with GAAP as a measure of performance. Our presentation of adjusted EBITDA should not be construed as an indication that our future results will be unaffected by unusual or non-recurring items. Each of our EBITDA and adjusted EBITDA is limited as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results of operations as reported under GAAP

(dollars in thousands)

	Three Months Ended March 31,		
	2025	2024	% Change
Net income	\$ 39,384	\$ 64,332	(38.8) %
Income tax expense	13,134	19,988	(34.3) %
Interest in cost of home sales revenues	12,785	12,033	6.2 %
Interest expense (income)	798	(1,515)	(152.7) %
Depreciation and amortization expense	6,428	5,475	17.4 %
EBITDA	\$ 72,529	\$ 100,313	(27.7) %
Inventory impairment	411	—	NM
Restructuring costs	1,505	—	NM
Impairment on other investment	—	7,722	NM
Purchase price accounting for acquired work in process inventory	1,892	1,581	19.7 %
Adjusted EBITDA	\$ 76,337	\$ 109,616	(30.4) %

NM – Not Meaningful

Net Homebuilding Debt to Net Capital

The following table presents our ratio of net homebuilding debt to net capital, which is a non-GAAP financial measure. We calculate this by dividing net homebuilding debt (homebuilding debt less cash and cash equivalents, and cash held in escrow) by net capital (net homebuilding debt plus total stockholders' equity). Homebuilding debt is our total debt minus our outstanding borrowings under our construction loan agreements and our repurchase facilities. The most directly comparable GAAP measure is the ratio of debt to total capital. We believe the ratio of net homebuilding debt to net capital is a relevant and useful financial measure to investors in understanding the leverage employed in our operations and as an indicator of our ability to obtain external financing.

(dollars in thousands)

	March 31, 2025	December 31, 2024
Notes payable	\$ 1,116,159	\$ 1,107,909
Revolving line of credit	237,000	135,500
Construction loan agreements	(118,078)	(102,436)
Total homebuilding debt	1,235,081	1,140,973
Total stockholders' equity	2,578,503	2,620,856
Total capital	\$ 3,813,584	\$ 3,761,829
Homebuilding debt to capital	32.4%	30.3%
Total homebuilding debt	\$ 1,235,081	\$ 1,140,973
Cash and cash equivalents	(100,336)	(149,998)
Cash held in escrow	(24,187)	(3,004)
Net homebuilding debt	1,110,558	987,971
Total stockholders' equity	2,578,503	2,620,856
Net capital	\$ 3,689,061	\$ 3,608,827
Net homebuilding debt to net capital	30.1%	27.4%

Adjusted Net Income and Adjusted Diluted Earnings per Share

Adjusted net income and adjusted diluted earnings per share (which we refer to as “Adjusted EPS”) are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information in evaluating our operating results and understanding our operating trends without the effect of certain non-recurring items. We believe excluding certain non-recurring items provides more comparable assessment of our financial results from period to period. We define adjusted net income as consolidated net income before (i) income tax expense; (ii) inventory impairment; (iii) restructuring costs; (iv) impairment on other investment; (v) purchase price accounting for acquired work in process inventory; and (vi) loss on debt extinguishment; in each case, as applicable during a period, less adjusted income tax expense, calculated using our estimated annual effective tax rate after discrete items for the applicable period. Adjusted EPS is calculated by dividing adjusted net income by weighted average common shares – diluted.

(in thousands, except share and per share information)

	Three Months Ended March 31,	
	2025	2024
Numerator		
Net income	\$ 39,384	\$ 64,332
Denominator		
Weighted average common shares outstanding - basic	30,801,046	31,808,959
Dilutive effect of stock-based compensation awards	344,821	429,849
Weighted average common shares outstanding - diluted	31,145,867	32,238,808
Earnings per share:		
Basic	\$ 1.28	\$ 2.02
Diluted	\$ 1.26	\$ 2.00
Adjusted earnings per share		
Numerator		
Net income	\$ 39,384	\$ 64,332
Income tax expense	13,134	19,988
Income before income tax expense	52,518	84,320
Inventory impairment	411	—
Restructuring costs	1,505	—
Impairment on other investment	—	7,722
Purchase price accounting for acquired work in process inventory	1,892	1,581
Adjusted income before income tax expense	56,326	93,623
Adjusted income tax expense ⁽¹⁾	(14,086)	(22,193)
Adjusted net income	\$ 42,240	\$ 71,430
Denominator - Diluted	31,145,867	32,238,808
Adjusted diluted earnings per share	\$ 1.36	\$ 2.22

⁽¹⁾ The tax rates used in calculating adjusted net income for the three months ended March 31, 2025 and 2024 were 25.0% and 23.7%, respectively, which are reflective of our GAAP tax rates for the applicable periods.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Interest Rates

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our Credit Agreement and construction loan agreements. For additional information regarding our market risk, refer to the “Quantitative and Qualitative Disclosures About Market Risk” section of our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes in our market risk since December 31, 2024.

Inflation

Our homebuilding operations have been and may continue to be adversely impacted by inflation, primarily from higher land, financing, labor, material, and construction costs. The Federal Reserve did not change the federal funds interest rate during the first quarter of 2025, and we cannot provide any assurance as to the impact of any future potential changes to the federal funds interest rate or mortgage rates on our current or future business. Inflation has led and could continue to lead to higher mortgage rates, which has and could continue to significantly affect the affordability of mortgage financing to homebuyers and lead to weakened demand for our homes, as well as increased cancellations compared to prior year periods.

Seasonality

Historically, the homebuilding industry experiences seasonal fluctuations in quarterly operating results and capital requirements. We typically experience the highest new home order activity during the spring, although this activity is also highly dependent on the number of active selling communities, timing of new community openings, and other market factors. Since it typically takes approximately four months to construct a new home, we typically deliver more homes in the second half of the year as spring and summer home starts convert to home deliveries. Because of this seasonality, home starts, construction costs and related cash outflows have historically been highest in the second and third quarters, and the majority of our cash receipts from home deliveries occurs during the second half of the year. This seasonality pattern may be affected by volatility in the homebuilding industry, supply chain challenges, subcontractor and labor shortages, and changes in demand for our homes.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our co-principal executive officers and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined under Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (which we refer to as the “Exchange Act”)) as of March 31, 2025, the end of the period covered by this Form 10-Q. Based on this evaluation, our co-principal executive officers and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2025 in providing reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

Changes in Internal Control over Financial Reporting

There were no changes during the first quarter of 2025 in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Because of the nature of the homebuilding business, we and certain of our subsidiaries and affiliates have been named as defendants in various claims, complaints and other legal actions arising in the ordinary course of business. In the opinion of our management, the outcome of these ordinary course matters will not have a material adverse effect upon our financial condition, results of operations or cash flows.

ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 that was filed with the SEC on January 30, 2025, other than the revised risk factors below:

We are subject to demand fluctuations in the housing market and homebuilding industry. Declines in demand for our homes or in the homebuilding industry have, and may continue to, materially and adversely affect our business, results of operations, and financial condition.

Demand for our homes is subject to fluctuations, often due to factors outside of our control. These factors may include interest rates and Federal Reserve policy changes; inflation; consumer confidence and spending, which declined significantly in the first quarter of 2025; employment levels; uncertainty and recent declines in financial, credit and consumer lending markets; slow economic growth or recessionary conditions in various regions or industries around the world; availability of financing for homebuyers; tight lending standards and practices for mortgage loans that limit consumers' ability to qualify for mortgage financing to purchase a home, including increased minimum credit score requirements, credit risk/mortgage loan insurance premiums and/or other fees and required down payment amounts, higher home prices, more conservative appraisals, changing consumer preferences, higher loan-to-value ratios and extensive buyer income and asset documentation requirements; changes to mortgage regulations; availability and prices of new homes compared to existing inventory; demographic trends, including slower rates of population growth or population decline in our markets; the effect of pandemics; and other factors, including those described elsewhere in this report. Recent declines in consumer confidence and spending, market fluctuations and the increased likelihood of recessionary conditions contributed to reduced demand for our homes in the first quarter of 2025 compared to recent prior periods, which adversely affected our first quarter 2025 results of operations. If there is limited economic growth, declines in employment and consumer income, changes in consumer behavior, and/or tightening of mortgage lending standards, practices and regulation in the geographic areas in which we operate, or if interest rates for mortgage loans or home prices rise, there could likely be additional corresponding adverse effects on our business, prospects, liquidity, financial condition and results of operations, including, but not limited to, the number of homes we sell, our average sales price per home closed, cancellations of home purchase contracts, and the amount of revenues or profits we generate, and such effect may be material. In a housing market downturn when demand for our homes decreases, our revenues and results of operations are typically adversely affected; we may have significant inventory impairments and other write-offs; our gross margins may decline significantly from historical levels; and we may incur substantial losses from operations. At any particular time, we cannot accurately predict whether housing market conditions will improve, deteriorate or continue as they exist at that time.

Adverse changes in general economic conditions have reduced and may continue to reduce the demand for our homes and, as a result, have had and may continue to have a material adverse effect on our business, results of operations and financial condition.

The residential homebuilding industry is cyclical and is highly sensitive to changes in local and general economic conditions that are outside our control, including:

- consumer confidence, employment levels, job growth, spending levels, wage and personal income growth, personal indebtedness levels, and household debt-to-income levels of potential homebuyers;
- the availability and cost of financing for homebuyers or restrictive mortgage standards, including private and federal mortgage financing programs and federal, state, and provincial regulation of lending practices;
- real estate taxes and federal and state income tax provisions, including provisions for the deduction of mortgage interest payments;
- U.S. and global financial system and credit markets, including short- and long-term interest rates and inflation, and any effects from a potential U.S. government shutdown or sovereign default;
- housing demand from population growth, household formations, new home buying catalysts (such as marriage and children), second home buying catalysts (such as retirement), home sale catalysts (such as an aging population), demographic changes (including immigration levels and trends in urban and suburban migration), generational shifts, or otherwise, or perceptions regarding the strength of the housing market, and home price appreciation and depreciation resulting therefrom;
- competition from other real estate investors with significant capital, including other real estate operating companies and developers, institutional investment funds, and companies solely focused on single-family rentals; and
- the supply of new or existing homes, including foreclosures, and other housing alternatives, such as apartments and other residential rental property, and the aging of existing housing inventory.

These factors have resulted in the past and in the future could result in a decline in the demand for our homes, as well as a decline in the pricing for our homes, an increase in customer cancellations, an increase in selling concessions, and downward pressure on the market value of our inventory, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations and increase the risk for asset impairments. In the first quarter of 2025, uncertainty resulting in part from the imposition and repeal of tariffs on U.S. trade partners caused declines in consumer confidence and spending, market fluctuations and the increased likelihood of recessionary conditions, which resulted in a decline in the demand for our homes during first quarter of 2025 compared to recent prior periods, which had a material adverse effect on our first quarter 2025 results of operations. If these conditions persist, there

may be a sustained downturn in the homebuilding market, which would likely have an adverse effect on our business and results of operations for multiple years.

In addition, the portion of our customer base that consists of first- and second-time move-up buyers often purchase homes subject to contingencies related to the sale and/or closing of their existing homes. If these potential buyers face difficulties in selling or closing their homes, whether due to rising interest rates for mortgage loans, periods of weak or uncertain economic conditions, oversupply, restrictive mortgage standards or otherwise, our sales may be adversely affected. Moreover, we may need to reduce our sales prices, possibly in instances where appraised values of our homes are lower than our sales price, and offer greater incentives to buyers to compete for sales that may result in reduced margins. Also, because we have increased our supply of quick move-in (or “spec”) homes relative to our built-to-order homes, adverse changes in economic conditions could cause us to reduce prices more rapidly to avoid carrying large amounts of finished inventory. This, in turn, could adversely affect our results of operations and financial condition.

Global economic and political instability and conflicts could adversely affect our business, financial condition or results of operations.

A global economic slowdown, inflation, rising interest rates and the possibility of a future recession, as well disruptions in access to bank deposits or lending commitments due to bank failure, could materially and adversely affect our liquidity, our business, financial condition and results of operations. The failure of any bank with which we do business could reduce the amount of cash we have available for our operations or delay our ability to access such funds. Any such failure may increase the possibility of a sustained deterioration of financial market liquidity, or illiquidity at clearing, cash management and/or custodial financial institutions. In the event we have a commercial relationship with a bank that has failed or is otherwise distressed, we may experience delays or other issues in meeting our financial obligations. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our cash and cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition.

Additionally, our business could be adversely affected by unstable economic and political conditions as well as geopolitical conflicts. While we do not have any customer or direct supplier relationships in foreign countries experiencing war, military conflicts, sanctions, or export controls, other actions that may be initiated by nations (e.g., the recent imposition and repeal of tariffs, potential cyber attacks, disruption of energy flows, etc.) and other potential uncertainties could adversely affect our supply chain by causing shortages or increases in costs for materials necessary to construct homes, as described elsewhere in these risk factors, and/or increases to the price of gasoline and other fuels. In addition, such events could cause higher interest rates, inflation or general economic and geopolitical uncertainty, including the recent economic uncertainty and volatility resulting from the imposition and repeal of tariffs, any of which could negatively impact our business partners, employees or customers, or otherwise adversely impact our business. Furthermore, deployments of U.S. military personnel to foreign regions, terrorist attacks, other acts of violence or threats to national security and any corresponding response by the United States or others, related domestic or international instability or civil unrest may cause an economic slowdown in the markets where we operate, which could adversely affect our business.

Any increase in unemployment or underemployment may lead to reduced demand for our homes and an increase in the number of loan delinquencies and property repossessions and have an adverse impact on our business and results of operations.

In the United States, the unemployment rate was 4.2% as of the end of March 2025, according to the U.S. Bureau of Labor Statistics. Recessionary conditions may cause this rate to increase. People who are not employed, are underemployed, or are concerned about the loss of their jobs are less likely to purchase new homes, may be forced to try to sell the homes they own, and may face difficulties in making required mortgage payments. Therefore, an increase in unemployment or underemployment may lead to an increase in the number of loan delinquencies and property repossessions and have an adverse impact on our business by both reducing the demand for the homes we build and increasing the supply of homes for sale, which would also likely adversely affect our Financial Services business, which is dependent upon the sale of our homes. In addition, an increase in unemployment or underemployment may result in increased default rates on mortgage loans we originated, which could expose us to repurchase obligations or other liabilities, reduce our ability to sell or finance the loans we originate or require us to sell or finance the loans we originate on less favorable terms, lead us to impose stricter loan qualification standards, or result in us no longer being able to offer financing terms that are attractive to potential buyers, all of which would adversely affect our Financial Services business.

Inflation has adversely affected and could continue to adversely affect our business and financial results, especially since we may not be able to raise home prices sufficiently to offset increased prices.

Although inflation eased somewhat in 2024, high inflation has adversely affected us in recent years by increasing the costs of land, materials and labor needed to operate our business and could continue to adversely affect us in future periods. The recent implementation of widespread tariffs and the future implementation of inflationary policies may have similar adverse effects. In the event inflation increases again, we may seek to increase the sales prices of homes in order to maintain satisfactory margins. However, an oversupply of homes relative to demand and home prices being set several months before homes are delivered and affordability concerns may make any such increase difficult or impossible in future periods. In addition, inflation is often accompanied by higher interest rates, which

historically negatively impact housing demand. While we historically have been able to pass along price increases to our consumers to help offset price increases, we may not be able to continue to do so, thereby adversely impacting our margins. Moreover, the cost of capital typically increases as a result of inflation and the purchasing power of our cash resources typically declines. Future actions by the government to stimulate the economy may further increase the risk of inflation, which may have an adverse impact on our business or financial results.

Tariffs and duties that have been and may be enacted into law could adversely affect our business and financial results, especially since we may not be able to raise home prices sufficiently to offset increased prices caused by any such trade regulations.

The Trump administration has implemented a number of tariffs. Most recently, on April 2, 2025, the President implemented additional tariffs on 180 countries and territories, which currently range from 10% to 125%. Although these tariffs were subsequently paused in part for 90 days, it is uncertain whether and to what extent they may become effective following this period. Additionally, while Canadian lumber was exempt from these tariffs, the U.S. Department of Commerce has indicated that it will more than double duties imposed on Canadian softwood lumber imports by September 2025, which may increase the cost of lumber available in the U.S. and, therefore, increase the cost of our homes. As noted above with respect to the impact of inflation, while we historically have been able to pass along price increases to our consumers to help offset price increases we incur, we may not be able to continue to do so depending on the significance of cost increases, thereby adversely impacting our margins as a result of any tariffs and duties imposed on our operations. More broadly, adverse effects such trade regulations may have on U.S. national or regional economies could adversely affect our business and financial results.

Raw materials and building supply shortages and price fluctuations could delay or increase the cost of home construction and adversely affect our operating results.

The homebuilding industry, from time to time, has experienced and will likely continue to experience raw material shortages and has been adversely affected by volatility in global commodity prices and government imposed tariffs and other trade regulations, including those described elsewhere in these risk factors. Shortages and fluctuations in the price of concrete, drywall, steel, lumber or other important raw materials in the past have resulted, and in the future could result, in delays in the start or completion of, or increase the cost of, developing one or more of our residential communities. These shortages can be more severe during periods of strong demand for housing or during periods following natural disasters that have a significant impact on existing residential and commercial structures. The cost of raw materials also in the past has been, and in the future may be, materially and adversely affected during periods of shortages or high inflation or as a result of trade regulations, such as the recent imposition of increased tariffs. These shortages have caused, and in the future may cause, construction delays, and increases in our costs of home construction.

Shortages or increases in the price of raw materials could cause delays in and increase our costs of home construction. We generally are unable to pass on increases in construction costs to customers who have already entered into home purchase contracts and may not be able to sufficiently increase the price of homes remaining to be sold due to affordability concerns or otherwise. Sustained increases in construction costs may continue to adversely affect our gross margins, which in turn could materially and adversely affect our business, liquidity, financial condition and results of operations.

The cost of petroleum products, which are used both to deliver our materials and to transport workers to our job sites, fluctuates and may be subject to increased volatility as a result of geopolitical events or accidents. Increases in such costs could also result in higher prices for any product utilizing petrochemicals. Persistent cost increases may have an even greater adverse effect on our operating margins and results of operations. Furthermore, any such cost increase may adversely affect the regional economies in which we operate and reduce demand for our homes.

Our Financial Services segment can be adversely affected by reduced demand for our homes.

Nearly all of the mortgage loans closed by our Financial Services segment in 2024 were made to buyers of homes we built. Therefore, a decrease in the demand for our homes adversely affects the revenues of this segment of our business. In the first quarter of 2025, economic uncertainty, as described elsewhere in these risk factors, contributed to reduced demand for our homes compared to recent prior periods, which adversely affected our revenues and our Financial Services segment. Future demand for our homes is uncertain and dependent upon interest rates for mortgage loans, consumer confidence, availability of credit, economic conditions and other factors, including those described elsewhere in this report, and it is possible that demand for our homes may decrease further in 2025 if current economic conditions persist or worsen.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table summarizes the number of shares of our common stock that were purchased by us during each of the three fiscal months in our first quarter ended March 31, 2025.

	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽²⁾	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
January				
January 1, 2025 through January 31, 2025	—	\$ —	—	4,702,308
February				
February 1, 2025 through February 28, 2025	533,720	75.77	533,720	4,168,588
March				
March 1, 2025 through March 31, 2025	219,617	68.85	219,617	3,948,971
Total	753,337	\$ 73.76		

(1) Our current stock repurchase program, authorized by our Board of Directors in 2024, authorizes us to repurchase up to 4.5 million shares of our outstanding common stock under the program. We repurchased 753,337 shares during the period indicated above under this current and our previous stock repurchase programs and 3,948,971 shares remained available to repurchase under our current program as of March 31, 2025. Under the terms of our stock repurchase program, shares of our common stock may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or by other means in accordance with federal securities laws. The program has no expiration date and may be terminated by the Board of Directors at any time.

(2) The Inflation Reduction Act of 2022 imposes a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. All dollar amounts presented exclude such excise taxes, as applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Incremental Joinder Agreement to Increase Size of Senior Secured Revolving Credit Facility

As previously disclosed, Century Communities, Inc. is party to a Credit Agreement (the “Credit Agreement”) with the lenders party thereto, U.S. Bank National Association, as Administrative Agent, U.S. Bank National Association, BofA Securities, Inc., JPMorgan Chase Bank, N.A., Fifth Third Bank, National Association, and PNC National Association, as Joint Lead Arrangers, Bank of America, N.A., JPMorgan Chase Bank, N.A., and BMO Bank N.A., as Co-Syndication Agents, Fifth Third Bank, National Association, PNC Bank, National Association, and Zions Bancorporation, N.A. dba Vectra Bank Colorado, as Co-Documentation Agents, and U.S. Bank National Association, as Sole Book Runner, which provides for a senior unsecured revolving credit facility of up to \$900.0 million (the “Credit Facility”). Also, as previously disclosed, we are entitled to request an increase in the size of the Credit Facility (each, an “Incremental Increase”) by an amount not exceeding \$400.0 million, in each case subject to the terms and conditions of the Credit Agreement.

On April 22, 2025, pursuant to the terms of the Credit Agreement, we entered into an Incremental Joinder Agreement (the “Joinder Agreement”) to the Credit Agreement with Citizens Bank, N.A. and the lenders party to the Credit Agreement and U.S. Bank National Association, as Administrative Agent, to request an Incremental Commitment thereunder to increase the size of the Credit Facility from \$900.0 million to \$1.0 billion, and in connection therewith, add Citizens Bank, N.A. as an additional lender thereto (the “Incremental Lender”) and as an additional Joint Lead Arranger thereunder, with the Incremental Lender taking on a \$125.0 million commitment thereunder and U.S. Bank, National Association reducing its commitment thereunder by \$25.0 million. Except as set forth in the Joinder Agreement, the Credit Agreement remains unchanged and in full force and effect.

As with the other lenders under the Credit Agreement and Joint Lead Arrangers thereunder, the Incremental Lender will receive customary compensation to serve in such capacities thereunder.

The foregoing description of the Joinder Agreement is a summary of the material terms of such agreement, does not purport to be complete and is qualified in its entirety by reference to the complete terms of the Joinder Agreement, which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

Rule 10b5-1 Plan and Non-Rule 10b5-1 Trading Arrangement Adoptions, Terminations, and Modifications

During the three months ended March 31, 2025, none of our directors or “officers” (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of SEC Regulation S-K.

ITEM 6. EXHIBITS.

The following exhibits are either filed or furnished herewith or incorporated herein by reference:

Item No.	Description
3.1	Restated Certificate of Incorporation of Century Communities, Inc. (incorporated by reference to Exhibit 3.1 to Century Communities, Inc.'s Quarterly Report on Form 10-Q for quarter ended September 30, 2023 (File No. 001-36491)).
3.2	Amended and Restated Bylaws of Century Communities, Inc., effective January 1, 2025 (incorporated by reference to Exhibit 3.1 to Century Communities, Inc.'s Current Report on Form 8-K filed with the SEC on November 8, 2024 (File No. 001-36491)).
10.1	Form of Employee Performance Share Unit Award Agreement for use with the Century Communities, Inc. 2022 Omnibus Incentive Plan (filed herewith)
10.2	Incremental Joinder Agreement, dated as of April 22, 2025, among Citizens Bank, N.A., as Incremental Lender, and each of the signatories to the Credit Agreement, dated as of November 1, 2024, among Century Communities, Inc., the Lenders party thereto and U.S. Bank National Association, as Administrative Agent (filed herewith).
22.1	List of Guarantor Subsidiaries (filed herewith)
31.1	Certification of the Co-Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith)
31.2	Certification of the Co-Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith)
31.3	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith)
32.1	Certification of the Co-Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of the Co-Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.3	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	Inline XBRL Instance Document (the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document (filed herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith)
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document (filed herewith)
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document (filed herewith)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith)
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENTURY COMMUNITIES, INC.

Date: April 23, 2025

By: /s/ Dale Francescon
Dale Francescon
Executive Chairman
(Co-Principal Executive Officer)

Date: April 23, 2025

By: /s/ Robert J. Francescon
Robert J. Francescon
Chief Executive Officer and President
(Co-Principal Executive Officer)

Date: April 23, 2025

By: /s/ J. Scott Dixon
J. Scott Dixon
Chief Financial Officer
(Principal Financial and Accounting Officer)

**NOTICE OF PERFORMANCE SHARE UNIT AWARD GRANT UNDER THE
CENTURY COMMUNITIES, INC. 2022 OMNIBUS INCENTIVE PLAN**

Century Communities, Inc., a Delaware corporation (the “Company”), pursuant to the Century Communities, Inc. 2022 Omnibus Incentive Plan (as may be amended from time to time, the “Plan”), hereby grants to the individual named below (the “Participant”) the number of Performance Share Units, a form of Restricted Stock Unit (as defined in the Plan), set forth below (the “Performance Share Units”). The Performance Share Units are subject to all of the terms and conditions set forth herein, in the Performance Share Units Award Agreement attached hereto (the “Agreement”), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein will have the meaning set forth in the Plan. This Performance Share Unit grant has been made as of the grant date indicated below, which shall be referred to as the “Grant Date.”

Participant:	[]
Approval Date:	[]
Threshold Potential Payout (Prior to Relative TSR Modifier):	[] Shares, subject to adjustment as provided in the Plan
Target Potential Payout (Prior to Relative TSR Modifier):	[] Shares, subject to adjustment as provided in the Plan
Above Target Potential Payout (Prior to Relative TSR Modifier):	[] Shares, subject to adjustment as provided in the Plan
Maximum Potential Payout (Prior to Relative TSR Modifier):	[] Shares, subject to adjustment as provided in the Plan
Maximum Potential Payout (After Relative TSR Modifier):	[] Shares, subject to adjustment as provided in the Plan
Performance Period:	January 1, 20[] – December 31, 20[]
Performance Goals:	See <u>Exhibit A</u> attached hereto

* * * * *

This Performance Share Unit Award grant will be null and void unless the Participant accepts the grant by executing it in the space provided below and returning such original execution copy to the Company or otherwise indicating affirmative acceptance of the Performance Share Unit Award grant electronically pursuant to procedures established by the Company and/or its third party administrator. The undersigned Participant acknowledges that he or she has received a copy of this Notice of Performance Share Unit Grant (this “Notice”), the Agreement, the Plan and the Plan Prospectus. As an express condition to the grant of the Performance Share Units hereunder, the Participant agrees to be bound by the terms of this Notice, the Agreement and the Plan. The Participant has read carefully and in its entirety the Agreement and specifically the acknowledgements in Section 9.9 thereof. This Notice, the Agreement and the Plan set forth the entire agreement and understanding of the Company and the Participant with respect to the grant, vesting and administration of this Performance Share Unit award and supersede all prior agreements, arrangements, plans and understandings.

This Notice (which includes the attached Agreement) may be executed in two counterparts each of which will be deemed an original and both of which together will constitute one and the same instrument.

* * * * *

CENTURY COMMUNITIES, INC.

PARTICIPANT

By:
Title:

PERFORMANCE SHARE UNIT AWARD AGREEMENT

Pursuant to the Notice of Performance Share Unit Grant (the “Grant Notice”) to which this Performance Share Unit Award Agreement (this “Agreement”) is attached and which Grant Notice is included in and part of this Agreement, and subject to the terms of this Agreement and the Century Communities, Inc. 2022 Omnibus Incentive Plan (as may be amended from time to time, the “Plan”), Century Communities, Inc., a Delaware corporation (the “Company”), and the Participant named in the Grant Notice (the “Participant”) agree as follows.

1. Incorporation of Plan; Definitions. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement will be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement or in the Grant Notice will have the same meanings as set forth in the Plan. The provisions of this Agreement will be interpreted as to be consistent with the Plan and any ambiguities in this Agreement will be interpreted by reference to the Plan. In the event that any provision of this Agreement is not authorized by or is inconsistent with the terms of the Plan, the terms of the Plan will prevail. The Committee will have final authority to reasonably interpret and construe the Plan and this Agreement and to make any and all determinations thereunder, and its decision will be binding and conclusive upon the Participant and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. A copy of the Plan and the Plan Prospectus have been delivered to the Participant together with this Agreement.

2. Grant of Performance Share Units. The Company hereby grants to the Participant Performance Share Units, as set forth in the Grant Notice and this Agreement, subject to adjustment as provided in the Plan, and each of which, once vested and earned pursuant to this Agreement, will be settled in one (1) share of Common Stock, at the time and subject to the terms, conditions and restrictions set forth below and in the Plan. Reference in this Agreement to the Performance Share Units will be deemed to include the Dividend Equivalents with respect to such Performance Share Units as set forth in Section 4.3 of this Agreement.

3. Performance Vesting; Determination of Amount of Performance Share Units.

3.1 Performance Vesting and Performance Goals. Except as otherwise provided in this Section 3, Section 6 of this Agreement, the Plan or an Individual Agreement, the Performance Share Units will vest and the number of shares of Common Stock payable in settlement of such vested Performance Share Units shall be determined as of the end of the Performance Period (the “Vesting Date”) by reference to the level of achievement of the Performance Goals during the Performance Period in accordance with the tables set forth in Exhibit A to this Agreement and may range from 0% to [250%/200%/xxx%] of the Participant’s Target Potential Payout (prior to Relative TSR Modifier) as set forth in the Grant Notice. The Performance Goals to be achieved on a cumulative basis over the Performance Period and their respective weightings and their respective Threshold, Target, Above Target and Maximum levels of performance, are described in the tables set forth in Exhibit A to this Agreement.

1.1 Determination of Amount of Earned Performance Share Units. The number of Performance Share Units to be settled in shares of Common Stock (the “Earned Performance Share Units”) will be determined for each Performance Goal by prorated, straight-line interpolation between Threshold and Target, Target and Above Target, or Above Target and Maximum, as applicable, if the level of the performance attained for the Performance Goal for the Performance Period falls between such levels, as specified in the tables set forth in Exhibit A to this Agreement, and the determination of the aggregate Earned Performance Share Units will be rounded up to the nearest whole number of Performance Share Units. The Earned Performance Share Units will be settled in whole shares of Common Stock as provided in Section 4 of this Agreement.

1.2 Requirement to Meet Threshold Level of Performance. Except as otherwise provided in Section 16 of the Plan or an Individual Agreement, and to the extent not previously forfeited or terminated pursuant to Section 6 of this Agreement, the Performance Share Units shall be immediately forfeited and terminated as of the end of the Performance Period if none of the Performance Goals meet the Threshold as described in the tables set forth in Exhibit A to this Agreement and the Committee reasonably determines that Section 3.4 or 6 of this Agreement does not apply.

1.3 Adjustments for Certain Pre-Determined Events. In determining whether and to what extent each Performance Goal has been achieved, the Committee shall include or exclude from the calculation of the Performance Goal, applying U.S. generally accepted accounting principles, each of the events identified on Exhibit A that occurs during the Performance Period.

4. Settlement; Issuance of Common Stock.

4.1 Settlement; Amount of Payment. Except as otherwise provided in Section 9 of the Plan, in the event of the achievement of at least the Threshold level of performance with respect to each Performance Goal described in the tables set forth in Exhibit A to this Agreement during the Performance Period, which achievement must be certified in writing by the Committee as soon as practicable following the expiration of the Performance Period, the Participant shall vest in the Earned Performance Share Units up to the Maximum Potential Payout (After Relative TSR Modifier) as determined pursuant to Section 3 and Exhibit A to this Agreement. If each Performance Goal is not achieved at the Threshold level of performance or above, after adjustments under Section 3.4 of this Agreement or Section 9 of the Plan, if applicable, and the Committee determines that Section 3.4 or 6 of this Agreement does not apply, then the Performance Share Units shall be forfeited and canceled and the Participant shall not be entitled to receive any shares in settlement thereof. The Participant may not be entitled to receive a greater number of Performance Share Units than the Maximum Potential Payout (After Relative TSR Modifier), subject to adjustment as provided in the Plan. In the event the Performance Share Units are forfeited or cancelled for any reason pursuant to Section 3, 4 or 6 of this Agreement or otherwise, no shares of Common Stock shall be issued or payment made in settlement of the Performance Share Units.

4.2 Timing and Manner of Settlement. Earned Performance Share Units will be converted to whole shares of Common Stock (no fractional shares will be issued) which the Company will issue and deliver to the Participant (either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of the Participant or depositing such shares for the Participant's benefit with any broker with which the Participant has an account relationship or the Company has engaged to provide such services under the Plan, as determined by the Company in its sole discretion) within sixty (60) days following the Vesting Date, except to the extent that shares of Common Stock are withheld to pay tax withholding obligations pursuant to Section 8 of this Agreement or the Participant has properly elected to defer income that may be attributable to such Performance Share Units under a Company deferred compensation plan or arrangement.

4.3 Dividend Equivalents. The Performance Share Units are being granted with Dividend Equivalents. On the date of payment under Section 4.2, in addition to the shares of Common Stock issuable under Section 4.1, the Company will issue and deliver to the Participant that number of additional whole shares of Common Stock (no fractional shares will be issued so the number of shares of Common Stock will be rounded down to the nearest whole share) equal to the Dividend Equivalent amount determined under this Section 4.3. In calculating the Dividend Equivalent amount, the Company shall determine the number of shares of Common Stock that would have been payable to the Participant if the total number of Performance Share Units earned under Section 4.1 had been outstanding as shares of Common Stock from the beginning of the Performance Period until the payment date and in lieu of any regular cash dividends, on the dividend payment date of each regular cash dividend otherwise payable on such shares (the

“Dividend Date”), the Company had issued Participant a number of additional shares of Common Stock with a Dividend Date Market Value equal to: (i) the per-share dollar amount of the declared dividend multiplied by (ii) the sum of the number of Performance Share Units earned under Section 4.1 above and the number of shares of Common Stock deemed issued hereunder as Dividend Equivalents as of each declared record date for the dividends declared prior to the Dividend Date. For purposes of calculating the “Dividend Date Market Value” in the preceding sentence, the Company shall use the closing price of a share of the Company’s Common Stock at the end of the regular trading session, as reported by The New York Stock Exchange on the Dividend Date.

4.4 Section 409A. If any shares of Common Stock shall be issuable with respect to the Performance Share Units as a result of the Participant’s “separation from service” at such time as the Participant is a “specified employee” within the meaning of Section 409A of the Code, then no shares shall be issued, except as permitted under Section 409A of the Code, prior to the earlier of (i) the date immediately after the end of the six-month period following the Participant’s “separation from service”, or (ii) the Participant’s death. Payment of amounts under this Agreement (by issuance of shares of Common Stock or otherwise) is intended to comply with the requirements of Section 409A of the Code and this Agreement shall in all respects be administered and construed to give effect to such intent. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed under Section 409A of the Code.

5. Holding Period. Except as provided under Section 6.3, any net shares of Common Stock received by the Participant in connection with the settlement of the Earned Performance Share Units must be held by the Participant for at least [three (3) years/one (1) year] after such settlement. For purposes of this Section 5, “net shares” means those shares of Common Stock that remain after shares of Common Stock are sold or netted to pay any required withholding taxes associated with the settlement of the Earned Performance Share Units. Such restrictions shall lapse prior to the expiration of the [three (3)/one (1)] year holding period in the event of the Participant’s death [or in the event the Participant elects to serve as a “Strategic Advisor” to the Company, pursuant to the Participant’s employment agreement with the Company, in lieu of employment with the Company].

6. Employment or Service Requirement.

6.1 Service Condition. Except as otherwise provided in Section 3 of this Agreement, Section 6 of this Agreement, an Individual Agreement or the Plan, the Performance Share Units will vest on the Vesting Date, provided the Participant remains continuously employed by or providing services to the Company or any Subsidiary through the Vesting Date.

6.2 Change in Control. Except as otherwise provided in an Individual Agreement between the Company and the Participant, upon a Change in Control, the Performance Share Units will be subject to Section 16 of the Plan.

6.3 Effect of Termination of Employment or Other Service. Except as otherwise provided in Section 16 of the Plan or an Individual Agreement between the Company and the Participant, in the event the Participant’s employment or other service with the Company and all Subsidiaries is terminated for any reason, including by the Company for Cause, or by reason of death or Disability of the Participant, all outstanding but unvested Performance Share Units held by the Participant as of the effective date of such termination will be terminated and forfeited. Vested shares of Common Stock issued in settlement of the vested Performance Share Units will remain subject to the holding period under Section 5, provided, if Termination of Employment is by reason of: (i) death or Disability of the Participant; (ii) by the Company without Cause; (iii) by the Participant for Good Reason; or (iv) by the Company within twenty four (24)

months following a Change in Control, the remaining term of the holding period under Section 5, if any, will lapse.

6.4 Effect of Actions Constituting Cause or Adverse Action; Forfeiture or Clawback. The Performance Share Units are subject to the forfeiture provisions set forth in Section 14.5 of the Plan, including those applicable if the Participant is determined by the Committee to have taken any action that would constitute Cause or an Adverse Action and any forfeiture or clawback requirement under Applicable Law or any policy adopted from time to time by the Company.

7. Rights of Participant.

7.1 Employment or Other Service. Nothing in this Agreement will interfere with or limit in any way the right of the Company or any Subsidiary to terminate the employment or service of the Participant at any time, nor confer upon the Participant any right to continue employment with the Company or any Subsidiary.

1.4 Rights as a Stockholder. The Participant will have no rights as a stockholder with respect to shares of Common Stock covered by the Performance Share Units unless and until the Participant becomes the holder of record of such shares of Common Stock issued in settlement of the Performance Share Units. By way of example and without limitation, the Participant will not be entitled to vote any of the shares of Common Stock covered by the Performance Share Units, or otherwise exercise any incidents of ownership with respect to such shares until such shares have been issued pursuant to Section 4 of this Agreement; provided, however, that the Participant will be entitled to Dividend Equivalents pursuant to Section 4.3 of this Agreement.

7.2 Restrictions on Transfer. Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by the Plan, no right or interest of the Participant in the Performance Share Units prior to the vesting and settlement of the Performance Share Units will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise. Any attempt to transfer, assign or encumber the Performance Share Units other than in accordance with this Agreement and the Plan will be null and void and the Performance Share Units for which the Restrictions have not lapsed will be forfeited and immediately returned to the Company.

8. Withholding Taxes. The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts that may be due and owing to the Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all amounts the Company reasonably determines are legally required to satisfy any and all federal, foreign, state and local withholding and employment related tax requirements attributable to the Performance Share Units, or (b) require the Participant promptly to remit the amount of such withholding to the Company before taking any action, including issuing any shares of Common Stock, with respect to the Performance Share Units. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require the Participant to satisfy, in whole or in part, any withholding or employment related tax obligation in connection with the settlement of the Performance Share Units by withholding shares of Common Stock issuable upon settlement of the Performance Share Units. When withholding shares of Common Stock for taxes is effected under this Agreement and the Plan, it will be withheld only up to the minimum amount the Company reasonably determines is necessary to satisfy any tax withholding obligation in the Participant's applicable tax jurisdiction.

9. Miscellaneous.

9.1 Governing Law; Mandatory Jurisdiction. The validity, construction, interpretation, administration and effect of this Agreement and any rules, regulations and actions relating to this Agreement will be governed by and construed exclusively in accordance with the laws of the State of Delaware, notwithstanding the conflicts of laws principles of any jurisdictions. The Company and the Participant hereby irrevocably submit to the jurisdiction and venue of the Federal or State courts of the States of Colorado and Delaware relative to any and all disputes, issues and/or claims that may arise out of or relate to the Plan or this Agreement. The Company and the Participant further agree that any and all such disputes, issues and/or claims arising out of or related to the Plan or this Agreement will be brought and decided in the Federal or State courts of the States of Colorado or Delaware, with such jurisdiction and venue selected by and at the sole discretion of the Company.

9.2 Interpretation. Any dispute regarding the interpretation of this Agreement will be submitted by the Participant or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee will be final and binding on all parties.

9.3 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

9.4 Notices. All notices, requests or other communications provided for in this Agreement must be made, if to the Company, to Century Communities, Inc., Attn: Chief Financial Officer, 8390 E. Crescent Parkway, Suite 650, Greenwood Village, Colorado 80111, and if to the Participant, to the last known mailing address of the Participant contained in the records of the Company. All notices, requests or other communications provided for in this Agreement must be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication will be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it will be deemed to be received on the next succeeding business day of the Company.

9.5 Electronic Delivery and Acceptance. The Company may, in its sole discretion, deliver any documents related to the Performance Share Units by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line system established and maintained by the Company or a third party vendor designated by the Company.

9.6 Other Laws. The Company will have the right to refuse to issue to you or transfer any shares of Common Stock subject to this Performance Share Units if the Company acting in its absolute discretion determines that the issuance or transfer of such shares might violate any Applicable Law.

9.7 Investment Representation. The Participant hereby represents and covenants that (a) any share of Common Stock acquired upon the settlement of the Performance Share Units will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares will be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c)

if requested by the Company, the Participant will submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of issuance of any shares of Common Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Participant of any shares of Common Stock subject to the Performance Share Units, the Participant will comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, will execute any documents which the Company will in its sole discretion deem necessary or advisable.

9.8 Non-Negotiable Terms. The terms of this Agreement and the Performance Share Units are not negotiable, but the Participant may refuse to accept the Performance Share Units by notifying the Company's Chief Financial Officer or Vice President, Human Resources in writing within thirty (30) day after the Grant Date set forth in the Grant Notice.

9.9 Acknowledgement by the Participant. In accepting the Performance Share Units, the Participant hereby acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan.

(b) The grant of the Performance Share Units is voluntary and occasional and does not create any contractual or other right to receive future Performance Share Units, or benefits in lieu of Performance Share Units, even if Performance Share Units have been granted repeatedly in the past.

(c) All decisions with respect to future Performance Share Unit grants, if any, will be at the sole discretion of the Company.

(d) The Participant is voluntarily participating in the Plan.

(e) The grant of Performance Share Units is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary.

(f) The Performance Share Units or this Agreement will not be interpreted to form an employment contract with the Company or any Subsidiary.

(g) The future value of the shares of Common Stock subject to the Performance Share Units is unknown and cannot be predicted with certainty and if the Performance Share Units vest and the shares of Common Stock become issuable in accordance with the terms of this Agreement, the value of those shares of Common Stock may increase or decrease.

(h) In consideration of the grant of the Performance Share Units, no claim or entitlement to compensation or damages shall arise from termination of the Performance Share Units or diminution in value of the Performance Share Units or shares of Common Stock acquired upon settlement of the Performance Share Units resulting from termination of employment by the Company (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Participant hereby irrevocably releases the Company and its Subsidiaries from any such claim

that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Performance Share Units, the Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

(i) Except as otherwise provided in an Individual Agreement, in the event of termination of the Participant's employment with the Company (whether or not in breach of local labor laws), the Participant's right to receive the Performance Share Units and vest in the Performance Share Units under the Plan, if any, will terminate effective as of the date of termination of his or her active employment as determined in the sole discretion of the Committee and will not be extended by any notice of termination of employment or severance period provided to the Participant by contract or practice of the Company or any Subsidiary or mandated under local law and the Committee will have the sole discretion to determine the date of termination of the Participant's active employment for purposes of the Performance Share Units.

(j) Neither the Company nor any Subsidiary is providing any tax, legal or financial advice, nor is the Company or any Subsidiary making any recommendations regarding the Participant's participation in the Plan, acceptance of the Performance Share Units, acquisition of shares of Common Stock upon settlement of the Performance Share Units or any sale of such shares.

(k) The Participant has been advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(l) The Participant hereby agrees to accept electronic delivery of copies of any future amendments or supplements to the Prospectus or any future Prospectuses relating the Plan and copies of all reports, proxy statements and other communications distributed to the Company's security holders generally by email directed to the Participant's Company email address.

* * * * *

Exhibit A

Performance Goals for 1/1/20[] – 12/31/20[] Performance Period

Exhibit A-1

INCREMENTAL JOINDER AGREEMENT

INCREMENTAL JOINDER AGREEMENT (this “Joinder”), dated as of April 22, 2025, by and among each of the signatories hereto, to the Credit Agreement, dated as of November 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Century Communities, Inc., a Delaware corporation (the “Borrower”), the Lenders party thereto and U.S. Bank National Association, a national banking association, as Administrative Agent (in such capacity, the “Administrative Agent”). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to such terms in the Credit Agreement.

WITNESSETH

WHEREAS, pursuant to Section 2.27(a) of the Credit Agreement, the Borrower has the right, subject to the terms and conditions thereof, to request from time to time an increase in the Commitments (each an “Incremental Commitment”) under the Credit Agreement by requesting one or more Lenders to increase the amount of its Commitment;

WHEREAS, the Borrower has given notice to the Administrative Agent of its request for an Incremental Commitment pursuant to such Section 2.27(a); and

WHEREAS, pursuant to Section 2.27(b) and (e) of the Credit Agreement, the undersigned Incremental Lender now desires to increase the amount of its Commitment under the Credit Agreement by executing and delivering to the Borrower and the Administrative Agent this Joinder.

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Incremental Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the Incremental Effective Date (as defined below) it shall increase its Commitment by the amount specified on Schedule 1 hereto, thereby making the aggregate amount of its Commitment equal to the amount specified on Schedule 1.

2. The increase of the Commitment of the Incremental Lender contemplated hereby shall be subject to the satisfaction of the following conditions (the date of such satisfaction, the “Incremental Effective Date”):

a. The Administrative Agent shall have received executed counterparts of (x) this Joinder, duly executed by the Administrative Agent, the Incremental Lender and the Borrower, and (y) each of the following, each dated as of the Incremental Effective Date:

i. a certificate of an Authorized Officer of the Borrower (A) attaching the charter document of the Borrower and certifying that such charter document remains in full force and effect, and there has been no amendment, rescission or modification to said charter document, and no proceedings for any amendment, rescission or modification of said charter document have been instituted or are pending, (B) attaching the bylaws of the Borrower and certifying that such bylaws remain in full force and effect and there has been no amendment, rescission or

modification to such bylaws, and no proceedings for any amendment, rescission or modification of such bylaws have been instituted or are pending, (C) attaching resolutions of the board of directors of the Borrower authorizing the execution, delivery and performance of this Joinder, (D) attaching a good standing certificate (or analogous documentation if applicable) for the Borrower from the Secretary of State (or analogous governmental entity) of the jurisdiction of its organization as of a recent date, to the extent generally available in such jurisdiction, and (E) certifying as to the names and true signatures of the incumbent officers of the Borrower authorized to sign this Joinder and such other Loan Documents to which it is a party, and authorized to request a Credit Extension; and

ii. a certificate, signed by the chief financial officer of the Borrower, stating that as of the Incremental Effective Date, after giving effect to the Incremental Commitment, (A) no Default or Event of Default has occurred and is continuing, (B) the representations and warranties in the Credit Agreement are

(1) with respect to any representations or warranties that contain a materiality qualifier, true and correct in all respects on and as of the Incremental Effective Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty was true and correct in all respects on and as of such earlier date and (2) with respect to any representations or warranties that do not contain a materiality qualifier, true and correct in all material respects on and as of the Incremental Effective Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty was true and correct in all material respects on and as of such earlier date, and (C) the Borrower is in pro forma compliance with each of the financial covenants set forth in Section 7.18 of the Credit Agreement;

b. The Administrative Agent shall have received a written opinion of the Borrower's counsel, in form and substance acceptable to the Administrative Agent; and

c. The Administrative Agent and the Incremental Lender shall have received all fees required to be paid on the Incremental Effective Date, and all expenses for which invoices have been presented (including, without limitation, the reasonable and documented fees and expenses of legal counsel and, if applicable, any amounts owed pursuant to Section 3.4 of the Credit Agreement).

3. This Joinder shall constitute a "Loan Document" for all purposes under the Credit Agreement and the other Loan Documents.

4. This Joinder and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Joinder and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

5. This Joinder may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Joinder shall be deemed to include electronic signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder to be executed and delivered by a duly authorized officer on the date first above written.

INCREMENTAL LENDER:

CITIZENS BANK, N.A., as an Incremental Lender

By: /s/ Carmen
Malizia
Name: Carmen Malizia
Title: Vice President

Signature Page to Incremental Joinder Agreement

Accepted and agreed to as of the date first written above:

BORROWER:

CENTURY COMMUNITIES, INC.

By: /s/ J. Scott Dixon
Name: J. Scott Dixon
Title: CFO

Signature Page to Incremental Joinder Agreement

Consented to as of the date first written above:

U.S. BANK NATIONAL ASSOCIATION,
as an Issuing Bank and as Administrative Agent

By: /s/ Brianna
Palazzo
Name: Brianna Palazzo
Title: VP

Signature Page to Incremental Joinder Agreement

BANK OF AMERICA, N.A.,
as an Issuing Bank

By: /s/ Helen
Chan
Name: Helen Chan
Title: Vice President

Signature Page to Incremental Joinder Agreement

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as an Issuing Bank

By: /s/ Talianna Carlson Hanne
Name: Talianna Carlson Hanne
Title: Senior Vice President

Signature Page to Incremental Joinder Agreement

PNC BANK, NATIONAL ASSOCIATION,
as an Issuing Bank

By: /s/ Jared Hogan
Name: Jared Hogan
Title: Officer

Signature Page to Incremental Joinder Agreement

BMO BANK N.A.,
as an Issuing Bank

By: /s/ Lisa Smith
Boyer
Name: Lisa Smith Boyer
Title: Director

Signature Page to Incremental Joinder Agreement

TEXAS CAPITAL BANK,
as an Issuing Bank

By: /s/ Jon
Larson
Name: Jon Larson
Title: Managing Director

Signature Page to Incremental Joinder Agreement

ZIONS BANCORPORATION, N.A. dba VECTRA
BANK COLORADO,
as an Issuing Bank

By: /s/ Shane Frazier
Name: Shane Frazier
Title: SVP

Signature Page to Incremental Joinder Agreement

SCHEDULE 1

INCREMENTAL COMMITMENT

<u>Incremental Lender:</u>	<u>Existing Commitment:</u>	<u>Incremental Commitment:</u>	<u>Commitment as of Incremental Effective Date</u>
Citizens Bank, N.A.	\$25,000,000.00	\$100,000,000.00	\$125,000,000.00
Total	\$25,000,000.00	\$100,000,000.00	\$125,000,000.00

LIST OF SUBSIDIARY GUARANTORS

As of March 31, 2025, Century Communities, Inc. (referred to as the “Issuer”) had \$500 million principal amount outstanding of 3.875% Senior Notes due August 2029 (referred to collectively as the “2029 Notes”) and \$500 million principal amount outstanding of 6.75% Senior Notes due May 2027 (referred to collectively as the “2027 Notes” and collectively with the 2029 Notes, the “Senior Notes”). The Senior Notes are unsecured senior obligations of the Issuer and are fully and unconditionally guaranteed on an unsecured basis, jointly and severally, by substantially all of the Issuer’s direct and indirect wholly-owned operating subsidiaries (referred to collectively as “Guarantors”). The Issuer’s subsidiaries associated with its financial services operations do not guarantee the Senior Notes.

As of March 31, 2025, the entities set forth below, which are 100% owned subsidiaries of the Issuer, were guarantors of the outstanding Senior Notes. However, only the 2027 Notes and the related guarantees are registered securities under the Securities Act of 1933, as amended (the “Securities Act”). The offer and sale of the 2029 Notes and the related guarantees were not and will not be registered under the Securities Act or the securities laws of any other jurisdiction and instead were issued in reliance upon an exemption from such registration. Unless they are subsequently registered under the Securities Act, neither the 2029 Notes nor the related guarantees may be offered and sold only in transactions that are exempt from the registration requirements under the Securities Act and the applicable securities laws of any other jurisdiction.

As the guarantees for the 2027 Notes were made in connection with the issuance of the 2027 Notes and an exchange offer effected under the Securities Act in April 2017, the Guarantors’ condensed supplemental financial information is presented in the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 as if the guarantees existed during the periods presented pursuant to applicable SEC rules and guidance. In addition, pursuant to such SEC rules and guidance, the information regarding the Guarantors as of March 31, 2025 is set forth below.

<u>Name of Entity</u>	<u>State of Formation, Organization, or Incorporation</u>
Augusta Pointe, LLC	Colorado
Avalon at Inverness, LLC	Colorado
AVR A, LLC	Colorado
AVR B, LLC	Colorado
AVR C, LLC	Colorado
Beacon Pointe, LLC	Colorado
Benchmark Communities, LLC	Delaware
Blackstone Homes, LLC	Colorado
BMC East Garrison, LLC	Delaware
BMC EG Bluffs, LLC	Delaware
BMC EG Bungalow, LLC	Delaware
BMC EG Garden, LLC	Delaware
BMC EG Grove, LLC	Delaware

<u>Name of Entity</u>	<u>State of Formation, Organization, or Incorporation</u>
BMC EG Towns, LLC	Delaware
BMC EG Village, LLC	Delaware
BMC Realty Advisors, Inc	California
BMCH California, LLC	Delaware
BMCH Tennessee, LLC	Delaware
BMCH Washington, LLC	Delaware
Bradburn Village Homes, LLC	Colorado
Casa Acquisition Corp.	Delaware
CC Communities, LLC	Colorado
CCC Holdings, LLC	Colorado
CCG Constructors LLC	Georgia
CCG Realty Group LLC	Georgia
CCH Homes, LLC	Colorado
CCNC Realty Group, LLC	North Carolina
CCSC Realty Group, LLC	South Carolina
Centennial Holding Company LLC	Colorado
Century at Anthology, LLC	Colorado
Century at Ash Meadows, LLC	Colorado
Century at Autumn Valley Ranch, LLC	Colorado
Century at Beacon Pointe, LLC	Colorado
Century at Belleview Place, LLC	Colorado
Century at Caley, LLC	Colorado
Century at Candelas, LLC	Colorado
Century at Carousel Farms, LLC	Colorado
Century at Castle Pines Town Center, LLC	Colorado
Century at Claremont Ranch, LLC	Colorado
Century at Colliers Hill, LLC	Colorado
Century at Compark Village North, LLC	Colorado
Century at Compark Village South, LLC	Colorado
Century at Coyote Creek, LLC	Colorado
Century at Forest Meadows, LLC	Colorado
Century at Harvest Meadows, LLC	Colorado
Century at Landmark, LLC	Colorado
Century at Littleton Village, LLC	Colorado
Century at Littleton Village II, LLC	Colorado

<u>Name of Entity</u>	<u>State of Formation, Organization, or Incorporation</u>
Century at LOR, LLC	Colorado
Century at Lowry, LLC	Colorado
Century at Marvella, LLC	Colorado
Century at Mayfield, LLC	Colorado
Century at Meadowbrook, LLC	Colorado
Century at Midtown, LLC	Colorado
Century at Millennium, LLC	Colorado
Century at Murphy Creek, LLC	Colorado
Century at Oak Street, LLC	Colorado
Century at Observatory Heights, LLC	Colorado
Century at Outlook, LLC	Colorado
Century at Pearson Grove, LLC	Colorado
Century at Salisbury Heights, LLC	Colorado
Century at Shalom Park, LLC	Colorado
Century at Southshore, LLC	Colorado
Century at Spring Valley Ranch, LLC	Colorado
Century at Tanglewood, LLC	Colorado
Century at Terrain, LLC	Colorado
Century at The Grove, LLC	Colorado
Century at the Heights, LLC	Colorado
Century at The Meadows, LLC	Colorado
Century at Vista Ridge, LLC	Colorado
Century at Wildgrass, LLC	Colorado
Century at Wolf Ranch, LLC	Colorado
Century at Wyndham Hill, LLC	Colorado
Century Building Supply, LLC	Colorado
Century City, LLC	Colorado
Century Communities Construction, LLC	Utah
Century Communities Construction of Arizona, LLC	Arizona
Century Communities Investments LLC	Colorado
Century Communities Merchandising Group, LLC	Colorado
Century Communities of Arizona, LLC	Arizona
Century Communities of California, LLC	Delaware
Century Communities of Florida, LLC	Colorado
Century Communities of Florida Realty Group, LLC	Delaware
Century Communities of Georgia, LLC	Colorado

<u>Name of Entity</u>	<u>State of Formation, Organization, or Incorporation</u>
Century Communities of Idaho, LLC	Colorado
Century Communities of Nevada, LLC	Delaware
Century Communities of Nevada Realty, LLC	Nevada
Century Communities of North Carolina, LLC	Delaware
Century Communities of South Carolina, LLC	Delaware
Century Communities of Tennessee, LLC	Delaware
Century Communities of Utah, LLC	Utah
Century Communities of Washington, LLC	Delaware
Century Communities Realty of Utah, LLC	Utah
Century Communities Southeast, LLC	Colorado
Century Couplet, LLC	Colorado
Century Land Holdings, LLC	Colorado
Century Land Holdings II, LLC	Colorado
Century Land Holdings of Texas, LLC	Colorado
Century Land Holdings of Utah, LLC	Utah
Century Lincoln Station, LLC	Colorado
Century Living at Compark, LLC	Colorado
Century Living at Verona LLC	Colorado
Century Living, LLC	Colorado
Century Townhomes at Candelas, LLC	Colorado
Century Tuscany GC, LLC	Delaware
Cherry Hill Park, LLC	Colorado
Cottages at Willow Park, LLC	Colorado
Crown Hill, LLC	Colorado
Enclave at Pine Grove, LLC	Colorado
Estates at Chatfield Farms, LLC	Colorado
Hearth at Oak Meadows, LLC	Colorado
Horizon Building Services, LLC	Colorado
Ladera, LLC	Colorado
Lakeview Fort Collins, LLC	Colorado
Lincoln Park at Ridgeway, LLC	Colorado
Meridian Ranch, LLC	Colorado
Montecito at Ridgeway, LLC	Colorado
Park 5th Avenue Development Co., LLC	Colorado
Red Rocks Pointe, LLC	Colorado
Reserve at Highpointe Estates, LLC	Colorado
Reserve at The Meadows, LLC	Colorado

Name of Entity	State of Formation, Organization, or Incorporation
SAH Holdings, LLC	Colorado
Saddleback Heights, LLC	Colorado
Stetson Ridge Homes, LLC	Colorado
The Overlook at Tallyn's Reach, LLC	Colorado
The Retreat at Ridgeway, LLC	Colorado
The Veranda, LLC	Colorado
UCP, LLC	Delaware
UCP Barclay III, LLC	Delaware
UCP East Garrison, LLC	Delaware
UCP Kerman, LLC	Delaware
UCP Meadowood III, LLC	Delaware
UCP Sagewood, LLC	Delaware
Venue at Arista, LLC	Colorado
Verona Estates, LLC	Colorado
Villas at Murphy Creek, LLC	Colorado
Waterside at Highland Park, LLC	Colorado
Westown Condominiums, LLC	Colorado
Westown Townhomes, LLC	Colorado
Wildgrass, LLC	Colorado
WJH LLC	Delaware
WJH LLC of Delaware	Delaware
WJH Brokerage OH LLC, D/B/A Wade Journey Homes	Ohio
WJH Brokerage TX LLC	Texas
WJH Brokerage MI LLC	Michigan
WJHAL LLC	Alabama
WJHAL2 LLC	North Carolina
WJHID LLC	Idaho
WJHKY LLC	Kentucky
WJH Brokerage AZ LLC	Arizona
WJH Brokerage FL LLC	Florida
WJH Brokerage IN LLC	Indiana
WJH Brokerage NC LLC	North Carolina
WJH Brokerage NC LLC	Texas
WJH SALES OF AZ LLC	Arizona
WJHAZ LLC	Arizona

**CERTIFICATION OF CO-PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dale Francescon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Century Communities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

/s/ Dale Francescon
Dale Francescon
Executive Chairman
(Co-Principal Executive Officer)

**CERTIFICATION OF CO-PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert J. Francescon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Century Communities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

/s/ Robert J. Francescon

Robert J. Francescon
*Chief Executive Officer and President
(Co-Principal Executive Officer)*

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, J. Scott Dixon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Century Communities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

/s/ J. Scott Dixon

J. Scott Dixon
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CO-PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Century Communities, Inc. (the “Company”) for the quarterly period ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Quarterly Report”), I, Dale Francescon, Executive Chairman of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2025

/s/ Dale Francescon
Dale Francescon
Executive Chairman
(Co-Principal Executive Officer)

**CERTIFICATION OF CO-PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Century Communities, Inc. (the “Company”) for the quarterly period ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Quarterly Report”), I, Robert J. Francescon, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2025

/s/ Robert J. Francescon

Robert J. Francescon

*Chief Executive Officer and President
(Co-Principal Executive Officer)*

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Century Communities, Inc. (the “Company”) for the quarterly period ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Quarterly Report”), I, J. Scott Dixon, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2025

/s/ J. Scott Dixon

J. Scott Dixon
Chief Financial Officer
(Principal Financial Officer)
