TaylorMorrison

Annual Report 2024

CHARTING OUR OWN PATH

To our shareholders,

2024 wasn't the year we anticipated, but honestly, when has that ever been the case?

If it's not a global pandemic, it's interest rate hikes, geopolitical tensions, devastating natural disasters, a tumultuous election season, or another unforeseen circumstance no one could have predicted. Because I don't have a crystal ball showing me exactly what's in store for us next, I've learned to view any upcoming year as 12 months filled with unlimited possibility.

This is especially true when you consider the foundation laid in 2024, where we met or exceeded each of the long-term goals we set for ourselves. What's more, we have now pressure-tested our diversified product portfolio against a variety of macro-economic conditions and can confidently say it makes Taylor Morrison undeniably more resilient in varying market conditions.

We've actively engaged with shoppers and buyers to understand their preferences and changing demographics—even going so far as to anticipate their needs with distinct product offerings, digital buying solutions and competitive finance incentives. And we've taken our trusted reputation to new heights with our decade-long streak of being named America's Most Trusted® Home Builder by Lifestory Research, and the 12th highest-ranking company in Forbes' inaugural list of Most Trusted Companies in America.

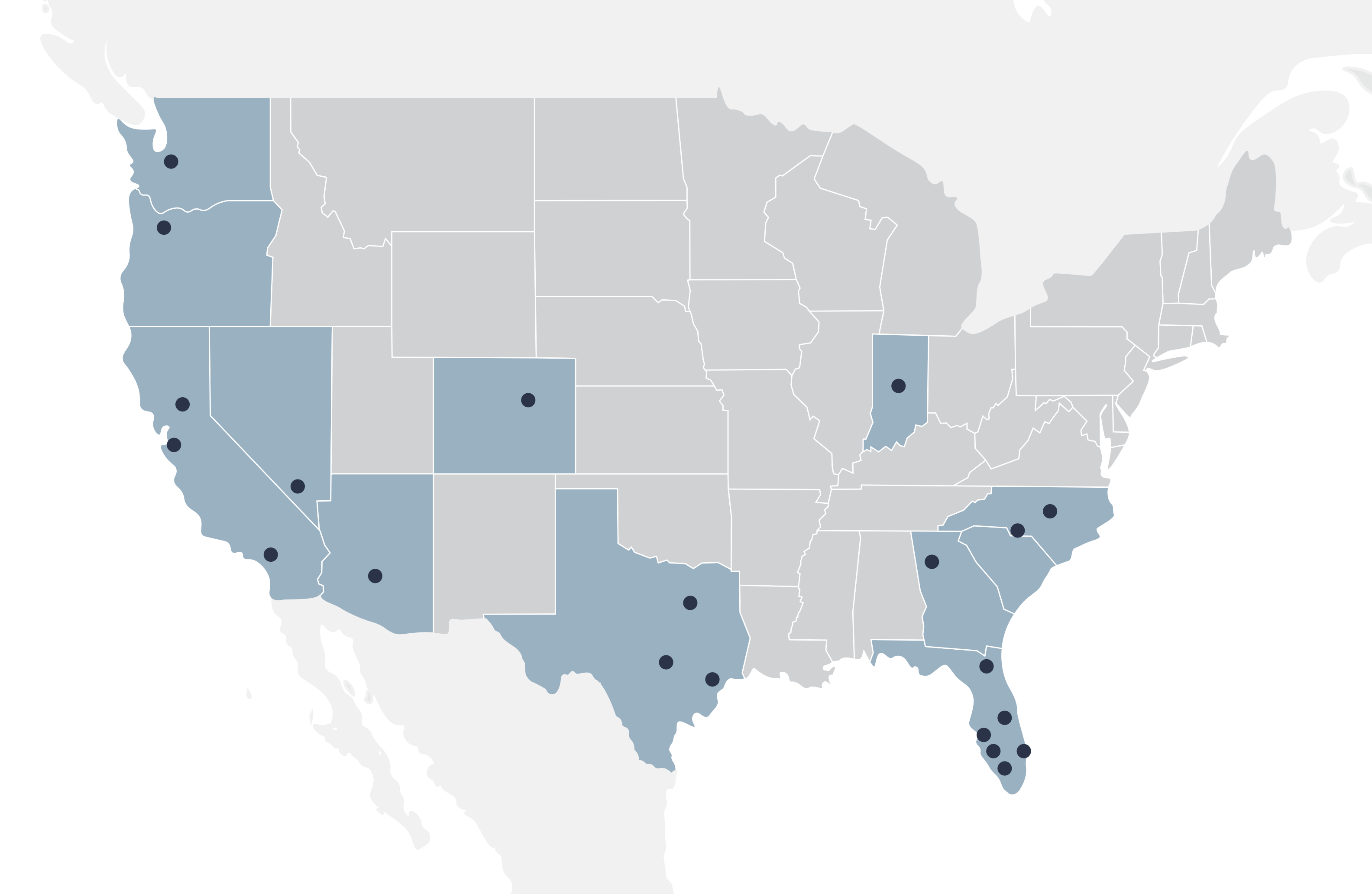
The culmination of a fruitful 2024 where we delivered top-tier financial results, transformed our operational capabilities, and doubled down on the customer and employee experience has brought us to the moment we're in now—the announcement of our long-term growth goal to deliver 20,000 homes annually by 2028, all while generating attractive and improved returns.

Now we step boldly into a new era—one that's ripe and ready for the taking. An opportunity for us to separate from the pack and show our many stakeholders exactly what differentiates Taylor Morrison.

With the courage and conviction to chart our own path, we're eager to prove our value as a company and show the industry why we're the one to watch.

2024 Financial Snapshot

$8.2B	12,896	$7.8B
TOTAL REVENUE	HOMES DELIVERED	HOME CLOSINGS REVENUE
$601K	3.0	6.6
CLOSING ASP	SALES PACE PER COMMUNITY	YEARS OF LAND SUPPLY



$210M

OPERATING CASH
FLOW GENERATED

$2.4B

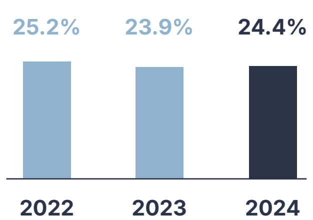
INVESTED IN LAND
AND DEVELOPMENT

$348M

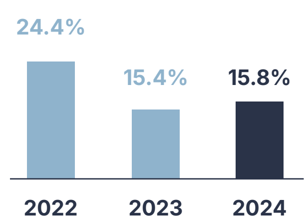
SHARES
REPURCHASED

$1.4B

YEAR-END LIQUIDITY



GROSS MARGIN



RETURN ON EQUITY*

*Calculated as annual net income divided by the average of stockholders' equity in the current and prior-year period.

Turning to financials

Quarter after quarter, year after year, our team members deliver—and I think our 2024 results speak for themselves. Last year, we saw our closings increase by 12% year over year, with home closings revenue of $7.8 billion and strong home closings gross margin of 24.4%. I'm proud to say we met or exceeded our internal goals and Street expectations—all while setting the stage for meaningful growth in the years to come.

Today, as I look across every facet of the organization, I see a stronger, more resilient business because of the transformation in our scale, operational capabilities and balance sheet. As CEO for nearly 20 years, I can confidently say Taylor Morrison has always strategically taken a long-term view of our business and are guided by doing what's right for the organization in the next five, 10, 20 years and beyond.

When we first went public in 2013—only shortly after making it to the other side of the worst housing downturn and economic crisis in history—we quickly zeroed in on a strategy anchored in expanding our depth in the markets we were already in and adding width to our portfolio. Building a platform of scale that could be optimized as the markets continued to rebuild and recover was our primary goal.

Pairing organic growth and a series of very intentional acquisitions, we steadily began increasing our scale. After developing our M&A muscles following a series of successful integrations of regional builders, we felt primed to tackle something even more substantial.

We acquired our first public homebuilder, AV Homes, in 2018. And two years later, we welcomed William Lyon Homes into the fold—notably, our biggest deal and one that gained us entry into three new markets. It was this growth journey that catapulted us into the ranks of the nation's largest community developers and homebuilders.

When you compare our most recent financials to those from 10 years ago, I believe the proof of our long-term strategy at work is clear. In the past decade, we've doubled our closings and owned and controlled lots, our diluted earnings per share have grown five times, and yet, our market capitalization can't seem to catch up.

In my opinion, our current valuation doesn't accurately reflect the transformative journey we've been on, and we're eager to change that narrative moving forward.

	Closings	Market capitalization	Diluted EPS	Total lots
2015	6,311	$2.0B	$1.85	43K
2024	12,896	$6.3B	$8.27	86K
	2x ↑	3x ↑	5x ↑	2x ↑

As we plan for the future, we're focused on acquiring land in high-demand markets with strong economic fundamentals. Our core location tenant ensures our site selections are determined by key fundamental consumer-demand drivers such as proximity to employment and schools. We see opportunity in balanced capital allocation and making informed, strategic investment choices utilizing balance sheet-friendly financing structures to fuel our growth. While our financial strategy does reduce risk, we acknowledge there will always be headwinds.

Housing is, and always will be, a fundamental need. At the same time, we recognize that home affordability remains a strain, particularly for first-time homebuyers, and potentially for other consumers as we see how the next few years unfold and the new administration's policies (especially those surrounding tariffs) are realized. It is for this reason that we do not subscribe to the "*build it and they will come*," philosophy—which resonated, briefly, during the peak of the COVID-19 pandemic. Instead, we're focused on proactive efforts, like sourcing materials domestically, diversifying our product offerings and careful capital allocation that we believe set us up for success in any economic environment.

It's all about balance. We're zeroed in on delivering strong financial returns while continuing to meet and exceed the evolving needs of our buyers. We believe that this will drive our success as we move forward with our growth goals in 2025 and beyond.

Differentiating our business

Radford Glen | Raleigh, NC

Inspiring innovation

Providing a truly differentiated consumer experience—from the moment a shopper visits our website, walks into one of our models, signs their sales contract, or picks up their keys—is central to what separates Taylor Morrison. But before being able to deliver an unparalleled customer experience, it's crucial that we fully understand the desires and expectations of our home shoppers.

The ways consumers shop for products and services has changed dramatically in recent years. Just look to disruptors like Airbnb and Carvana for proof. However, homebuilding has historically lagged when it comes to breaking barriers in comparison to other sectors. For decades, there was a singular way to shop for a new construction home. And that was in-person, at a model home, with a sales associate between the hours of 10 a.m. and 5 p.m.

We recognize the power of human interaction and that the relationships our sales teams build with our customers are key to our success. Any wish to innovate aspects of the homebuying journey lies only in wanting to engage with shoppers in ways that are most meaningful and best suited for them.

We also know today's consumers desire self-service, convenience, personalization, pricing transparency and seamless online and offline experiences. Taylor Morrison's distinct, industry leading suite of digital products on taylormorrison.com—which received a fresh new look and improved functionality in late 2024—provides all that and then some.

With 5,000+ homes reserved online last year alone, our reservation system allows shoppers to design, build and price out their home completely online. It's as simple as clicking "*Add to Cart*." This model allows us to meet customers where they already are—on their phone or laptop—and also on their schedule.

While proactively anticipating consumer preferences is reward enough, we've observed that Taylor Morrison homebuyers who utilize our reservation system generate far fewer home cancellations, are less likely to bring a real estate agent to the table, move quicker to contract, and on average, generate a final home purchase price that's approximately $50K higher than non-reservation home purchases.

2024 impact of digital experience on sales

52%

SALES CONVERSION RATE (5% INCREASE YOY)

18%

OF TOTAL SALES

53%

RESERVED BEFORE VISITING COMMUNITY

23,078

LEADS COLLECTED

"It felt like I was buying a home from Amazon... the process was super simple and fun. And at the end, I had a home perfectly tailored for me, ready to put in my cart and check out! It's like a one-stop-shop for homebuilding. They also have pricing transparency throughout, which I loved."

Taylor Morrison homebuyer, 29

Building belonging

At Taylor Morrison, we're proud of the steps we've taken over the years to create a company culture where people of all kinds can feel at home. Our investment in Diversity, Equity and Inclusion programming and initiatives has never been performative, quota-based, or simply a flavor of the month. Instead, it came to be organically over the course of many years.

To address the elephant in the room, I am aware that there are many conversations taking place surrounding these more progressive practices and their involvement in public and private companies. In real-time, we're witnessing many companies stepping back and unwriting commitments they made. Simultaneously, we're also observing quite a bit of public outcry and boycotts of brands who were quick to sever ties with inclusive values—ultimately, impacting their bottom line and damaging the brand affinity they worked hard to build with consumers.

Because we were very mindful to never swing the pendulum too far when it came to our strategy, the foundation we've built isn't something that will be quick to disappear as tides change. We're also not stagnant, and plan to continue to evolve, grow, and fine-tune our approach as needed.

With our strategy being rooted in the many ways we can best support our varied stakeholders, I believe that this work ultimately makes us a stronger, more successful company. I also believe it's the right thing to do for our team members and customers. We've seeded a company culture, talent acquisition strategy and training offerings focused on building belonging—amongst our 3,000+ team members and in our communities—and that's not going anywhere. It's this unmatched culture and set of strongly held core values that drive our success and serve as one of our key differentiators.

Best-in-class workforce

From coast to coast, and across every function of our business, we've created an enviable, talented bench of team members and leaders who truly differentiate us from our peers in the industry and beyond.

With the homebuilding industry being traditionally male dominated, we're incredibly proud of the women who continue to challenge that status quo and pursue the immense opportunities this meaningful career can provide. As an organization, we have experienced a growing number of women joining our workforce and are excited to be paving the way for people from all backgrounds to consider a career in construction.

Women in construction

Only female CEO

OF A FORTUNE 500 HOMEBUILDER

Majority female board

(LESS THAN 1% OF BOARDS TODAY)

Female executive

LEADING TAYLOR MORRISON'S FINANCIAL SERVICES

46%

FEMALE EXECUTIVE TEAM

44%

FEMALE WORKFORCE
(4X THE INDUSTRY AVERAGE)

900%

GROWTH OF WOMEN IN CONSTRUCTION ROLES IN 10 YEARS, COMPARED TO THE INDUSTRY'S 9%

Standing: Anne Mariucci, David Merritt, Heather Ostis, Peter Lane, Anissa Dhouibi, Christopher Yip, Andi Owen, Fletcher Previn
Seated: Denise Warren, Sheryl Palmer, Analiza Quiroz Wolf

With the appointment of two new independent directors in the past several months, and the retirement of William H. Lyon in November, our company's board of directors now has a female majority—the highest in the industry and an anomaly in Corporate America as a whole.

Our most recent addition, **Heather Ostis**, joined us as a director in February of this year. As the Senior Vice President and Chief Procurement Officer at Starbucks, Heather oversees global supply chain operations and manages over $40 billion of direct and indirect spend across all suppliers. She is also responsible for sustainability and belonging commitments to maintain Starbucks' supplier diversity and responsible sourcing practices. Prior to her tenure at the coffeehouse chain, she worked as the Head of Global Supply Chain Management at Delta Air Lines, as well as in Vice President roles at Aramark and Wyndham Worldwide.

Joining us in December 2024, **Fletcher Previn** is the Senior Vice President and Chief Information Officer at the global technology company, Cisco, where he leads a team of 11,000 to drive IT simplification and business transformation. Fletcher has two decades of experience in information technology for companies like IBM and Walmart, with much of that time spent guiding large organizations through significant shifts. He is a believer in the resounding impact that agile and simplified IT infrastructures can have on the employee and customer experience, as well as a company's overall business transformation strategy.

As we look to the next evolution of our board, we feel privileged to draw upon Heather and Fletcher's vast experience in critical areas to the homebuilding process that will ultimately help us better serve our future buyers.

Also joining us this year are two appointees to Taylor Morrison's Board Fellowship Program. Established in 2022, this one-of-a-kind program provides senior business leaders real world insights into the operation of a Fortune 500 company board that is expected to enhance their potential for securing formal director appointments at public companies in the future. The program has the added benefit of bringing more diverse experiences and perspectives to Taylor Morrison's leadership table.

In late 2024, we proudly welcomed our second cohort of board fellows.

Anissa Dhouibi is a highly accomplished financial services executive with two decades of experience and a deep understanding of financial instruments, risk management techniques and quantitative analysis. Currently serving as Managing Director and the Global Head of Equities Quantitative Analysis for Citigroup's Markets Division, she is an internal member of the board of directors of Citigroup Global Markets Inc. Prior to joining Citi, Anissa spent 13 years at J.P. Morgan.

Analiza Quiroz Wolf has more than 25 years of experience leading organizational change and results across education, the military, consumer packaged goods, nonprofits, technology and social entrepreneurship. She currently serves as an Adjunct Professor of HR and Talent Development at New York University and as a Strategic HR Consultant, Executive Coach and Podcast Host for her company, Women of Color Rise. Analiza is also an acclaimed author, board member and co-founder for Cairns Insights, Fulbright Scholar, and a former Captain in the U.S. Air Force.

Ushering in top-tier talent


Heather Ostis, Director


Fletcher Previn, Director


Anissa Dhouibi, Board Fellow


Analiza Quiroz Wolf, Board Fellow

Diversifying our offerings

While the adage, *"you can't be everything to everyone,"* has some truth to it, the vast breadth of our product offerings—which we're able to achieve through operational consistency and efficiency—and the diversity of our homebuyer segments make me incredibly proud of the company and family of brands we have in place. Serving everyone from renters with our build-to-rent platform Yardly, to first-time and a range of move-up buyers, customers only interested in our financial services offerings, and those chasing a lifestyle that feels like a permanent vacation at our resort-lifestyle brand Esplanade, we really do have something for everyone.

In my many decades in homebuilding, I've witnessed top builders carve out a niche (be it luxury, first-time buyers, specs, 55+, etc.) and never stray from their preferred formula. Some of those builders are still with us today, but plenty are not. While the diversification and balanced nature of Taylor Morrison's portfolio is something some have perceived as unnecessary in the past, today, many now recognize it as one of our company's greatest strengths.

How special is it that we have the opportunity to be part of a customer's life throughout every stage and milestone? We build people's most cherished investment—their homes—so the emotional connection and brand affinity we're building is worth its weight in gold.

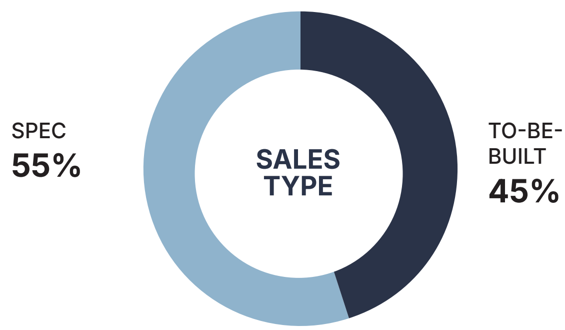
Not only are the *types* of homes we're building a key differentiator, but our highly desirable communities are also paramount. In fact, in a recent survey of our shoppers, 86% indicated the design of the community is just as important, or more important, than the actual home. That makes a well-researched and disciplined land investment strategy even more prudent.

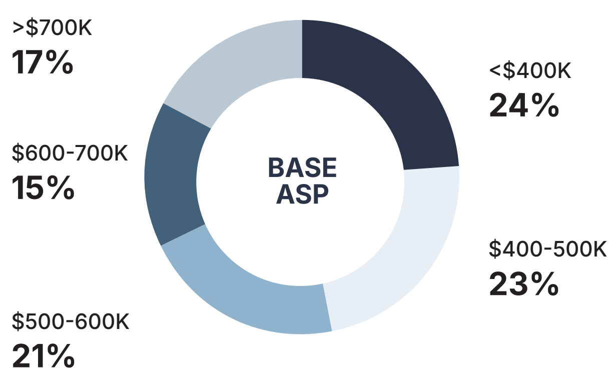
Our strategy focuses largely on securing prime land deals in our core submarkets. Our total land investment in 2024 was $2.4 billion, and we anticipate our investment this year to be similar. When it comes to land investment, the decisions we're making today are a window to understanding where we'll be and what we'll look like years from now.

Think of our pipeline as the blueprint of our future. To feed our vision for the next iteration of Taylor Morrison, we've amassed 86,000 owned or controlled lots—that's a 6.6-year supply, with only 2.8 owned on our balance sheet, primed for future project development.

2024 also marked Taylor Morrison's re-entrance into the Midwest. In April, we announced our acquisition of Pyatt Homes, an Indianapolis-based, privately-owned homebuilder. With affordable entry-level and move-up product across more than a dozen communities, our Indianapolis business serves the deepest pools of homebuyer demand.

2024 consumer segments





Understanding our buyer demographics

When deciding where and what to build, it all comes down to having an intimate understanding of your consumers. It's this knowledge that gives us the ability to tailor all aspects of our business—from land acquisition, to community and home design, and marketing—to the real customers we serve.

Historically speaking, homebuilders haven't been privy to very detailed breakdowns of the makeup of their buyers. But armed with data procured by our internal market research experts and our affiliated lender, Taylor Morrison Home Funding, in recent years, we've been able to gain a rather in-depth view of exactly who our customers are.

Perhaps it's seen as a taboo topic, or maybe they're just not speaking about it as publicly as we are, but I'm often surprised that more in our industry aren't discussing the drastic shift we're seeing when it comes to our buyer demographics.

1. Gen Z is primed to buy. With the eldest among this generation soon approaching their 30s, I expect the number of Gen Z buyers to double or triple in the next few years. Despite making up only 4% of our total buyers in 2024, this group accounted for nearly a quarter of our online home reservations. For a generation unfamiliar with a world without technology, their affinity for digital solutions is a somewhat unsurprising realization. Still, it's a good macro indicator that our early investment in innovative technology was well-timed and will continue to prove critical for any brand hoping to maintain relevancy in the years to come.

Despite the tired assumptions that this generation is uninterested or unable to achieve homeownership, I feel confident that this cohort will follow a similar path to their millennial predecessors. Might I remind everyone of the rhetoric surrounding millennials buying homes that was so in vogue just a decade ago? Today, millennials represent the largest segment of our buyers at 40%, and many are even included in our Move Up consumer segment, which accounts for 48% of our portfolio.

2. Single women—a dominant force in homeownership. Today, single women own millions more homes than single men. According to the U.S. Census Bureau, 5.4 million more. This trend is likely fueled by a variety of factors, including a desire for financial independence and stability, especially when they're the primary or sole caregiver to children.

At Taylor Morrison, 31% of our female borrowers in 2024 were single women—far exceeding that of their male counterparts.

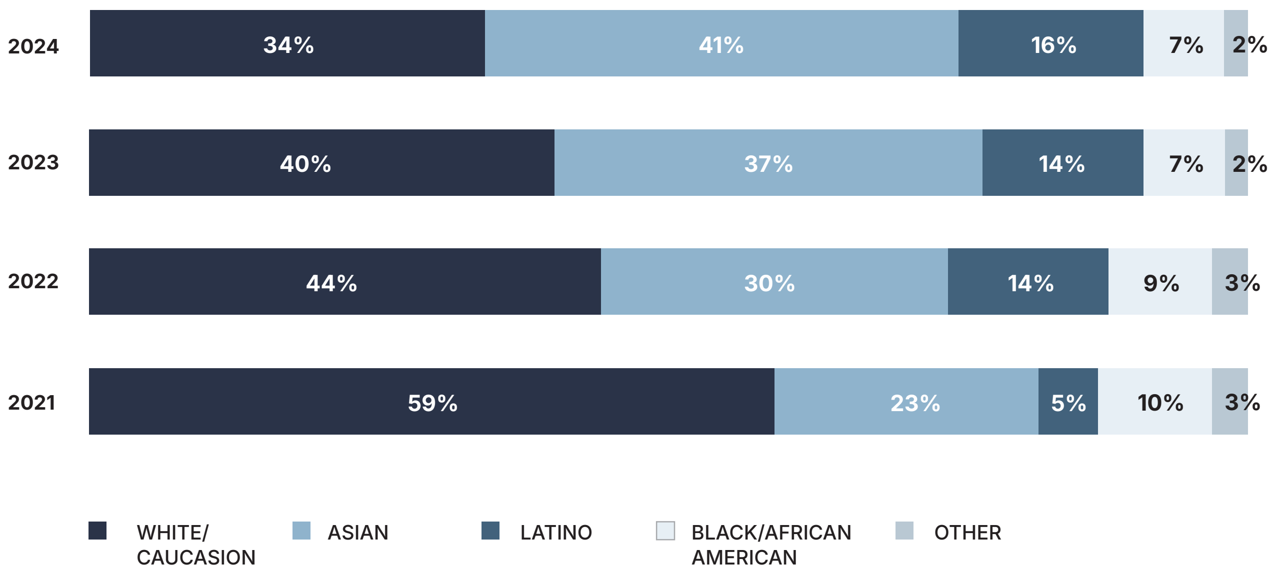
3. White/Caucasian buyers are no longer the majority, and likely never will be again. A direct reflection of the increasingly diverse society we live in, the ethnic and racial makeup of our buyers has naturally evolved. In several of our markets, the representation of Asian and Latino buyers far exceeds that of their Caucasian peers.

With Gen Z being the most diverse generation to date, the likelihood of demographics shifting to that of the past seems unlikely, which means it's more important than ever that our site planning, home designs, floorplans, lot orientations and other offerings serve these groups with intentionality.

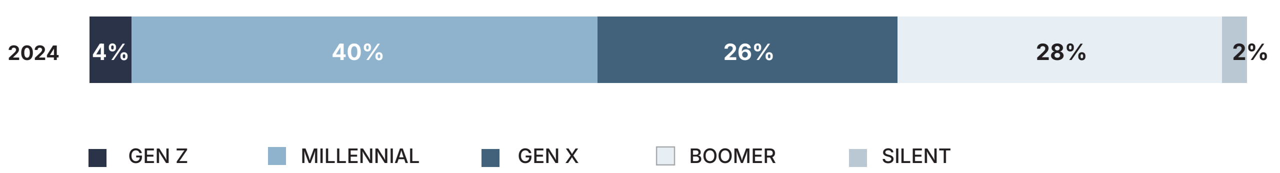

17059
KEYS TO


taylor morrison
The Tran Family
Lot#
586

Buyer demographics by cultural background



Buyer demographics by generation




KIDS HAVE SPOKEN!

Optimizing our product

River Falls | Charlotte, NC

To meet the evolving needs of our consumers, our Product Design Team merges expertise in architecture, engineering and market research to optimize Taylor Morrison's product offerings and floor plan library. The team conducts extensive competitor research and combines this with insights gathered from our shopper and buyer surveys and other national housing market research tools to deliver strategic recommendations to our architects and designers.

In five years, we narrowed our floor plan library by 75%, taking it from 3,500 unique plans and tens of thousands of additional options in 2019, to today's current 850 unique floor plans with just over 6,000 plan options. Having more consistency nationally, and a limited, yet well-researched product lineup has greatly improved cost structure and cycle times, while reducing decision fatigue for our buyers.

Streamlining options also allows us to be more intentional with the floor plans we offer. Our share of Asian buyers increased from 23% in 2021 to 41% in 2024, surpassing Caucasian buyers. Recognizing this shift in the market, we're designing homes that embrace the principles of Feng Shui, which holds deep significance in Chinese culture, and Vastu Shastra, a tradition central to Hindu culture—especially in regions where these demographics are more prominent. This approach reflects our desire to understand the needs of our buyers and create homes and communities that are not only functional but truly meaningful.


Parkside on the River | Austin, TX

Family of brands

ESPLANADE®

The most amenity-rich of our product offerings, our Esplanade communities emulate a luxury resort experience with dedicated concierge services, specialized programming, a vast selection of culinary options, spa and wellness centers, championship golf courses and cabana-lined pools.

This resort-lifestyle segment accounts for 23% of our buyers, with a high percentage of these consumers opting to select their own homesite, floorplan and elevation. These buyers are typically spending three times more on lot and option premiums compared to other consumer groups and require far fewer incentives than our entry-level buyers. This is particularly important in an unpredictable economic environment, as the brand caters to a buyer with greater purchasing power who is less reliant on traditional home financing, giving us more flexibility during market fluctuations. The financial strength of this consumer group, especially those who fit into the traditional active adult segment, can't be ignored, as they have amassed 70%, or $114 trillion, of our country's wealth. This leaves this segment poised for continued growth, with expanding opportunities in both new developments and market penetration.

We currently have 36 actively selling Esplanade communities and more than 85 new communities expected to open in the next several years—which we expect will double our Esplanade deliveries by 2028. At this time, the brand is well-established in key markets across California, Florida, and North Carolina, with a new Nevada community set to open in Summerlin early next year.

Esplanade at Artisan Lakes
Tampa, FL

A segment of Taylor Morrison's diverse product offering includes our build-to-rent platform, Yardly, which provides residents an attractive alternative to traditional multi-family apartment living.

Our Yardly brand launched into the marketplace almost three years ago and we are proud to have already established ourselves as a leader in what industry experts have declared a permanent asset class. By way of scaling this niche housing product, we were recognized as the No. 1 national developer of planned build-to-rent units by housing research pundit Zonda.

With approximately 40 communities, representing 9,200 owned and controlled units, operations are active in nine markets across four states—further demonstrating the velocity of our for-rent brand and how it's not only poised for continued growth, but doing so with intentional capital efficiency. We believe Yardly is well positioned to capitalize upon long-term demand for diverse housing options and municipalities consumers are hungry for.

In addition to solving for affordability challenges, our successful build-to-rent business model serves as an inspiration for us to incorporate strategies and products in our core for-sale business. In 2024, we sold two Yardly communities and expect to sell five to seven more in 2025.

Yardly's build-to-rent platform and superior multi-family living experience, plant the seeds of future Taylor Morrison homeownership.


Yardly Cypress
Houston, TX

Financial Services

Taylor Morrison's suite of financial services provides our buyers with a streamlined, competitive and convenient home financing experience. With a deep understanding of our mortgage programs and dedicated services, our in-house mortgage company, Taylor Morrison Home Funding, has become one of our company's greatest assets and serves as an essential sales tool.

As a one-stop-shop, providing mortgage, title, and homeowners' insurance options, our customers benefit by working with professionals who truly understand

new home construction, while Taylor Morrison gains the benefit of pipeline management and coordination throughout the sales, construction and closing coordination journey.

Year after year, Taylor Morrison Home Funding earns the opportunity to be the lender of choice—evident in our consistently high success rates. Since 2020, we have achieved an average of 82% and in 2024, we served an all-time high of 89% of our customers that financed their home with us.

Starting at the very beginning of the sales process, we introduce Taylor Morrison Home Funding and pre-qualify more than 95% of Taylor Morrison's potential buyers before they purchase a home. This meaningful step provides our customers with confidence and important financial information while also equipping our sales leaders with knowledge of the strength of the sale and ways to best optimize finance promotions and incentives to make homes more affordable.

The Fields at Looking Glass
Denver, CO

Building in *extreme* ways

576 build hours and five families' lives irrevocably altered. The opportunity for Taylor Morrison to serve as the official homebuilder for ABC's reboot of *Extreme Makeover: Home Edition* was truly a gift—and one of my standout memories from 2024.

Excluding the pilot, which was filmed in Austin in 2023, last fall marked our grand tour across America for these larger-than-life builds. While it sure would have been easier if the show was entirely *Hollywood magic*, rest assured, we really did complete construction of these homes in only a handful of days. This heroic feat was only possible thanks to the thousands of volunteers, Taylor Morrison team members, our generous trade partners and vendors, and the cast and crew who worked around the clock. Together, we made magic happen.

In addition to the five beautiful homes we built for Extreme Makeover, Taylor Morrison also completed construction of eight dwellings in the community of homes we built for cancer patients undergoing treatment at Banner MD Anderson Cancer Center in Gilbert, AZ. As part of the show's special two-part season finale, we created a Wellness Center that will serve as a gathering space for patients and their loved ones staying in these homes. This collaboration with Banner Health Foundation to create a truly one-of-a-kind neighborhood first began many years ago, so seeing it finally completed and meeting some of the patients who will call it their "home away from home" while receiving cancer treatment was indescribable.

The show premiered on ABC earlier this year and all episodes are now available to watch and stream on Hulu.

Not only was our role in Extreme Makeover a good deed we're proud to tout, but it was also an unmatched marketing opportunity to build brand awareness and affinity with the millions of viewers tuning in week after week on primetime TV.

44%

INCREASE IN WEB TRAFFIC YOY

3.3M

LIVE VIEWERS PER EPISODE





Turning the page

In March of this year, we had the opportunity to host our first-ever Investor Day where we shared Taylor Morrison's story and highlighted how our ability to think differently distinguishes us in the industry.

What an absolute honor to have investors and analysts visit our Esplanade at Azario community in Sarasota, FL, and become immersed in the Taylor Morrison resort-lifestyle experience. They had the opportunity to capture the essence of our operations firsthand and witness our unique approach to consumer engagement across our diverse offerings.

Although Investor Days and the sharing of long-term, strategic goals is not a common practice in our industry due to the cyclical nature of our business, we felt it was critical for our investors to hear these goals directly from us, so they could fully understand our capabilities and the scope of our growth journey.

In addition to presentations and a live Q&A with members of Taylor Morrison's Leadership Team and our Lead Director, Pete Lane, our investors and analysts also had the opportunity to hear from Ali Wolf of Zonda, who provided a macro economic outlook on the housing industry. I think it's safe to say those that attended walked away with a newfound appreciation of the Taylor Morrison of today—and of the future.

As I turn the page on yet another prolific year, I've never felt more optimistic about the opportunity that awaits Taylor Morrison. Year after year, our company raises the bar to accomplish extraordinary things and we believe 2025 will be no exception.

With our growth goal of 20,000 closings by 2028, an evolving consumer that feeds our diversified portfolio and strong financial results—what a time to be at Taylor Morrison. The next chapter of our company's maturation journey awaits, and it will be one that moves the needle in our industry in a meaningful way, I can promise you that.

My gratitude to you, our valued shareholders, for your continued support.

Warmly,

Sheryl D. Palmer
Chairman and Chief Executive Officer

Central Park | Treasure Coast, Fl

Paddlewheel at River Islands
Bay Area, CA

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

Form 10-K

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

For the fiscal year ended December 31, 2024

or

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

For the transition period from_______ to _______.

Commission File No. 001-35873

TAYLOR MORRISON HOME CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**83-2026677**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4900 N. Scottsdale Road, Suite 2000, Scottsdale, Arizona 85251
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (480) 840-8100

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00001 par value	TMHC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting stock held by non-affiliates of the registrant on June 28, 2024, the last business day of the registrant's most recently completed second fiscal quarter was $5,701,390,667, based on the closing sales price per share as reported by the New York Stock Exchange on such date.

The number of shares outstanding of the issuer's common stock, as of February 19, 2025:

Class	Outstanding
Common Stock, $0.00001 par value	101,737,678

Documents Incorporated by Reference

Portions of Part III of this Form 10-K are incorporated by reference from the registrant's definitive proxy statement for its 2025 annual meeting of shareholders to be filed with the Securities and Exchange Commission no later than 120 days after the end of the registrant's fiscal year.

TAYLOR MORRISON HOME CORPORATION
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2024

TaylorMorrison®

Table of Contents

AVAILABLE INFORMATION

Information about our company and communities is provided on our website at www.taylormorrison.com (the “Taylor Morrison website”). From time to time, we may use our website as a channel of distribution of material information. Financial and other material information regarding our company is routinely posted and accessible on our website. In addition, you may automatically receive e-mail alerts and other information about our company by enrolling your e-mail address by visiting the “Email Alerts” section of the “Investor Relations” page on our website. The information contained on or accessible through the Taylor Morrison website is not considered part of this Annual Report on Form 10-K (“Annual Report”). Our periodic and current reports, including any amendments, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are available, free of charge, on our Taylor Morrison website as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (“SEC”). In addition to our SEC filings, our corporate governance documents, including our Code of Conduct and Sustainability-Governance Guidelines are available on the “Investor Relations” page of our Taylor Morrison website under “Governance Documents.” To the extent required by the SEC’s rules and regulations, we intend to post amendments to or waivers from, if any, provisions of our Code of Conduct (to the extent applicable to our directors, principal executive officer, principal financial officer and principal accounting officer) at this location on the Taylor Morrison website. Our stockholders may also obtain these documents in paper format free of charge upon request made to our Investor Relations department.

We were incorporated in Delaware in November 2012. Our principal executive offices are located at 4900 N. Scottsdale Road, Suite 2000, Scottsdale, Arizona 85251 and our telephone number is (480) 840-8100.

FORWARD-LOOKING STATEMENTS

Certain information included in this Annual Report or in other materials we have filed or will file with the SEC (as well as information included in oral statements or other written statements made or to be made by us) contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act. You can identify these statements by the fact that they do not relate to matters of strictly historical or factual nature and generally discuss or relate to estimates or other expectations regarding future events. They contain words such as, but not limited to, “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “may,” “will,” “can,” “could,” “might,” “should” and other words or phrases of similar meaning in connection with any discussion of our strategy or future operating or financial performance. Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this Annual Report on Form 10-K, including those described below and under the heading “Risk Factors” in Part I, Item 1A.

Part I

ITEM 1 | BUSINESS

General Overview

Taylor Morrison Home Corporation ("TMHC") is a leading national homebuilder and land developer in the United States and has been named America's Most Trusted Homebuilder® for ten consecutive years (awarded by Lifestory Research). We have expanded our market footprint and product positioning through our homebuilder business acquisitions and smart organic growth. We serve a broad range of customers in the entry-level, move-up and resort lifestyle buyer groups across the country. We are also a land developer, with a portfolio of lifestyle and master-planned communities with single and multi-family detached and attached homes. With each of our consumer groups seeking varying levels of home specification and affordability considerations, we have a dynamic and flexible operating strategy and product offering that allows us to serve each of these segments and respond quickly to changing market conditions to maximize our financial performance.

We operate under various brand names including Taylor Morrison, Darling Homes Collection by Taylor Morrison, and Esplanade. We also leverage our core homebuilding and land development expertise in alternative ways by operating the following strategic real estate related businesses:

- We provide financial services to customers through our wholly owned mortgage subsidiary, Taylor Morrison Home Funding, Inc. ("TMHF"), title insurance and closing settlement services through our title company, Inspired Title Services, LLC ("Inspired Title"), and homeowner's insurance policies through our insurance agency, Taylor Morrison Insurance Services, LLC ("TMIS").
- We operate a "Build-to-Rent" homebuilding business under the brand name Yardly. Through Yardly, we serve as a land acquirer, developer, and homebuilder in addition to providing leasing and management functions.

2024 HIGHLIGHTS

- $7.8 billion of home closing revenue
- 12,896 home closings
- Net sales orders up 13.1% to 12,248
- Home closings gross margin of 24.4%
- Approximately $1.4 billion of liquidity
- Repurchased 5.6 million common shares for $347.6 million

Recent Awards

- America's Most Trusted Home Builder by Lifestory Research - 10 consecutive years
- Most Trusted Companies in America by Forbes
- America's Best Companies by Forbes
- America's Most Responsible Companies by Newsweek—three consecutive years
- U.S. News & World Report's Best Companies to Work For list—two consecutive years
- We are ranked on the Fortune 500 List—four consecutive years
- America's Greenest Companies by Newsweek—two consecutive years
- The American Opportunity Index

Our business is organized into multiple homebuilding operating components and a financial services component. Our homebuilding operating components are presented below.

Business Strategy and Operations

Our short and long-term priorities and strategies include the following:

SHORT-TERM PRIORITIES

- strategic land initiatives to mitigate risk, enhance capital efficiency, and improve returns on investments;
- process and product optimization to promote operational effectiveness;
- product innovation and standardization to drive operating efficiencies and cost reduction;
- balancing sales pace and price on a community-by-community basis to maintain targeted sales volume;
- balancing our inventory of homes under construction and our pace of new construction starts;
- optimizing, at a community level, the intentional balance of to-be-built and quick-move-in homes;
- ability to swiftly adjust our pricing, discounts/incentives, or financial services product offerings based on our customers' needs;
- continuing to enhance the customer experience by providing efficient processes and building superior products; and
- further scaling our Build-to-Rent operations to meet the need for rental households.

LONG-TERM STRATEGIES

- opportunistic land acquisition of prime assets in core locations;
- building distinctive communities driven by consumer preferences; resulting in a balanced portfolio which can withstand multiple economic cycles;

- consistent delivery of competitive financial metrics;
- innovative digital marketing capabilities;
- maintaining a cost-efficient operating structure and culture; and
- disciplined capital allocation with a focus on strong liquidity and balance sheet stewardship.

To support our business strategies, we maintain a balanced capital allocation approach designed to maximize long-term shareholder value. We operate our business to capitalize on market dynamics while mitigating risks from economic downturns as we recognize the cyclical nature of the housing industry. This capital allocation strategy is built on the following pillars:

- reinvest in core homebuilding operations;
- seek additional growth opportunities through mergers, acquisitions, organic growth into adjacent markets, opportunistic land investment and joint venture strategies;
- optimize debt leverage;
- reinvest in ancillary business opportunities within the industry; and
- returning capital to shareholders (i.e. share repurchase programs).

LAND AND DEVELOPMENT STRATEGIES

Prudent and disciplined acquisition of land in desirable locations and thoughtful community development have always been pillars of our long-term strategy. We pride ourselves on our responsible land stewardship. While we focus on investing in land in prime submarkets that appeal to our targeted consumer groups, we also seek to preserve natural habitats. Our proposed sites undergo project feasibility studies to assess the regulatory, market, environmental, social, and other risks and requirements. Considerations include accessibility to utilities, suspected threatened or endangered wildlife, significant or unusual noise levels, proper drainage infrastructure, and storm water pollution prevention.

Community development includes the acquisition and development of land, which may include obtaining significant planning and entitlement approvals and completing construction of off-site and on-site utilities and infrastructure. We generally operate as community developers, however in some communities we operate solely as merchant builders, in which case we acquire fully entitled and developed lots.

In order to maximize our risk-adjusted return, the allocation of capital for land investment is performed as part of a centralized process with a disciplined approach to overall portfolio management. Our portfolio investment committee of senior leadership meets on a regular basis. Annually, our operating divisions prepare a strategic plan for their respective geographies. Macro and micro indices, including but not limited to employment, housing starts, new home sales, re-sales and foreclosures, along with market related shifts in competition, land availability and consumer preferences, are carefully analyzed to determine our land and homebuilding strategy. Supply and demand are analyzed on a consumer segment and submarket basis to ensure land investment is targeted appropriately. Our long-term plan is compared on an ongoing basis to current conditions in the marketplace as they evolve and is adjusted to the extent necessary. Strategic decisions regarding community positioning are included in the decision making and underwriting process and are made in consultation with senior executives of our management team.

Consistent with our focus on capital-efficient growth, we continue to increase the percentage of our total homebuilding lots controlled via options and other off-balance sheet arrangements. These arrangements include seller financing, joint ventures and land banking opportunities. We evaluate each land acquisition for the optimal financing arrangement based on projected cost of capital, duration and expected returns in order to secure prime assets, minimize risk and maximize returns.

As a party to various land banking arrangements, we acquire land in staged takedowns, which limits risk and defers cash outflows. Third-party land bank entities use equity contributions from their owners and/or incur debt to finance the acquisition and development of the land. Such lots are included in our controlled lots.

As of December 31, 2024 and 2023, the allocation of owned and controlled lots held in our land portfolio, by year acquired, was as follows:

	AS OF DECEMBER 31, 2024	AS OF DECEMBER 31, 2023
Acquired in 2024	49%	—%
Acquired in 2023	16%	24%
Acquired in 2022	14%	16%
Acquired in 2021	8%	20%
Acquired in 2020 and prior	13%	40%
Total	100%	100%

Community Development and Home Design

We create a complete development concept for each community, beginning with an overall community layout and then determine the size, style and price range of the homes, the layout of the streets and positioning of the individual home sites. After necessary governmental and other approvals have been obtained, we improve the land by clearing and grading, installing roads and underground utility lines, staking out individual home sites and, in certain communities, building distinctive entrance structures and recreational amenities.

Each community has employees who perform construction management, sales and customer service functions, in conjunction with a local management team to manage the overall project.

The life cycle of a community generally ranges from two to five years, commencing with the acquisition of land, continuing through the land development phase, and concluding with the sale, construction, and delivery of homes. Actual life cycle will vary based on the size of the community, the sales absorption rate, and whether we purchased the property as raw land or as developed lots.

The construction time for our homes varies from project to project depending on geographic region, the time of year, the size and complexity of construction, the governmental approval processes, local labor availability, availability of materials and supplies, weather, and other factors.

Our dedication to service defines our customer experience and acknowledges homeowners' suggestions to incorporate style, quality and sustainability into every community we develop. We offer a range of award-winning and innovative designs with a number of features such as single-story, multi-story, multi-family, higher density living, ranch style living, split bedroom plans and first floor master bedroom suites to appeal to various buyer needs. We engage architectural firms and utilize internal architectural resources to develop and augment existing plans in order to ensure that our homes reflect current and local consumer tastes. We engineer our homes for energy-efficiency and cost savings to reduce the impact on the environment. Our TM LiveWell program provides homeowners with a robust suite of healthy home features and technologies focused on providing healthier air, cleaner water, and safer paint.

Supply Chain

Based on local market practices, we either directly, or indirectly through our subcontractors, purchase drywall, cement, steel, lumber, insulation and the other building materials necessary to construct a home. While these materials are generally widely available from a variety of sources, from time to time we experience material shortages on a localized basis which can substantially increase the price for such materials and our construction process can be slowed.

Our construction, land and purchasing teams coordinate subcontracting services and supervise all aspects of construction work and quality control. We are a general contractor for all of our homebuilding projects. Subcontractors perform all home construction and land development, generally under fixed-price contracts. The availability of labor, specifically as it relates to qualified tradespeople, at reasonable prices can be challenging in some markets.

Yardly For-Rent Brand

We operate a “Build-to-Rent” homebuilding business under the brand name Yardly. Taylor Morrison serves as a land acquirer, developer, and builder of these rental communities in addition to providing lease-up oversight in conjunction with professional third-party property management. Yardly has reimagined rental neighborhoods by blending function and form of both residential homes and traditional apartment living. Attractive one-to-three bedroom floor plans, smart home technology, low-maintenance living, and a focus on pets with private backyards allows for improved wellness and flexibility for residents. Differentiators from most traditional apartments include ground-floor primary living, limited to no wall-sharing to reduce noise, and a doggy door included in most homes for nonstop come-and-go pet access.

We currently source projects in multiple markets including Austin, Charlotte, Dallas, Houston, Orlando, Phoenix, Raleigh, Tampa, and Sarasota. These communities are either wholly-owned by us, part of a joint venture, and/or financed through equity and bank financing. We completed the lease-up process and associated asset sale for multiple projects in 2024. Sourcing, development and leasing is ongoing at communities nationwide with continued evaluation of upfront financing options, product offerings, execution strategies and back-end hold or exit decisions.

Sales and Marketing

We are committed to continuously enhancing our customer experience, including how we target and attract our consumers. Our marketing program utilizes a balanced approach of corporate support and local expertise to attract potential customers in a focused, efficient, and cost-effective manner.

Our goal is to identify the preferences of our customers and demographic groups and offer them innovative, well-designed, quality homes that are affordable for our homeowners, and efficient and profitable for us to build. We strive to maintain product and price level differentiation through continual market and customer research. We also use key indicators of market-specific supply and demand characteristics to determine the preferences of our customer base and to perform an optimal matching of consumer groups, product/community design, and community location.

The central element of our marketing platform is our web presence at www.taylormorrison.com which houses our suite of home-shopping digital tools placing innovation, transparency, and consumer ease at the forefront. As part of our ongoing evaluation of our online shopping experience with home shoppers to refine our online shopping experience, our homepage was completely redesigned in December 2024. Our full suite of online shopping products includes: an artificial intelligence enhanced chatbot to help provide information, engage the shopper, and generate leads; online self-service appointments to help customers schedule an appointment with ease; self-guided tours to enable customers to tour our homes privately, safely, and outside of normal business hours; and online home reservations, which allow shoppers to get an initial price based on their selection of lot, floor plan, exterior, and, in some markets, structural options, and to reserve their desired home configuration digitally.

These tools have proved to be instrumental to our online sales success. Shoppers can seamlessly continue their experience by visiting one of our quick-move-in and/or model homes via a self-guided or in-person tour. Customers may also use the website to schedule a phone appointment and receive a prompt response from one of our online sales managers. The website is fully integrated with our customer relationship management (CRM) and lead scoring system. By analyzing the content of the CRM, we focus our lead generation programs to deliver high-quality sales leads. With these leads, we are better able to increase sales conversion rates and lower marketing costs. Our CRM system also offers automated personalization features which optimizes our email engagement program through targeted messaging. We are using dynamic customer insights to adapt our strategy and optimize the impact of each interaction, resulting in a better customer experience and increased direct sales.

We also benefit from a centralized approach to in-house creative, paid and social media resulting in annual savings that is reinvested in additional media and high performing influencer campaigns to increase brand awareness. Additionally, we selectively utilize traditional advertising such as print, directional marketing, newspapers, billboards, and radio. We also directly notify local real estate agents and firms of new community openings to benefit from existing real estate agent/broker channels in each market. Pricing and incentives for our homes are evaluated weekly based on an analysis of market conditions, competitive environment, and supply and demand characteristics.

We use furnished model homes as a marketing tool to demonstrate the advantages of our homes designs, features and functionality, and to enhance the consumer experience. Depending upon the number of homes to be built in the project and the product lines to be offered, we generally build between one and three model homes within each active selling community. Our national model home program, known as Portrait, is aligned with a select group of design firms. The design firms follow our Taylor Morrison standards to create an integrated marketing program and a model home storefront that conveys the customer preferences we have identified. Our Canvas program includes curated design collections, which are created based on consumer preference and analytics as well as product procurement availability. This standardized approach not only allows us to create more predictable results, but also time synergies, cost benefits, and support of our digital online sales strategy. We also use our Canvas program in our quick-move-in homes. Operational efficiencies are paramount to our sales process and such efficiencies have included standardized processes, disciplined strategic activities, and execution of national programs.

Our homes are sold by commissioned team members who work from sales offices generally located within our model homes. Our goal is to ensure our sales force has extensive knowledge of the homes, including our energy-efficient features, sales strategies and incentives, mortgage options, and community dynamics. To achieve this goal, we have ongoing training for our sales team and conduct regular meetings to keep them abreast of the latest promotions, options, sales techniques, and geographic competition. Our sales team members are licensed real estate agents, where required by law, and assist our customers in adding design features to their homes, which we believe appeal to local consumer preferences. Third-party brokers who sell our homes are generally paid a sales commission based on the price of the home. In some of our divisions, we contract with third-party design studios that specialize in assisting our homebuyers with options and upgrades to personalize their homes. Utilizing these third-party design studios allows us to manage our overhead and costs more efficiently. We may also offer various sales incentives, including price concessions, assistance with closing costs, interest rate locks, interest rate buy downs, and landscaping or interior upgrades. The use, types, and amount of incentives depend largely on existing economic and local competitive market conditions. The consumer demand for online sales tools and the evolution of digital home buying experiences have created opportunities to evolve our internal and external commission programs.

We are proud to serve as the first-ever exclusive homebuilder for ABC’s reboot of the award-winning series Extreme Makeover: Home Edition. Similar to the original, the reboot series showcases heartwarming stories and new home builds for families who give back to their communities. Hosts Clea Shearer and Joanna Teplin of The Home Edit, an all-star team of designers, and Taylor Morrison come together to build and design homes that are both beautiful and functional for deserving families.

Competition

We operate in a very competitive environment and compete with large national and regional homebuilding companies and with smaller local homebuilders for land, financing and related services, raw materials, skilled management, volume discounts, and local realtor and labor resources. We also compete with the resale or “previously owned” home market as well as other housing alternatives such as the rental housing market.

To maximize our sales volumes, profitability, and product strategy, we strive to understand our competition and their pricing, product and sales volume strategies, and results. Competition among residential homebuilders of all sizes is based on several interrelated factors, including location, reputation, amenities, floor plans, design, quality, and price. We believe that we compare favorably to other homebuilders in the markets in which we operate.

Seasonality

Our business is seasonal. We have historically experienced, and expect to continue to experience, variability in our results on a quarterly basis. We may have a varying amount of homes under construction, home closings, revenue and operating income from quarter to quarter. Our results may fluctuate significantly on a quarterly basis, and we must maintain sufficient liquidity to meet short-term operating requirements. Factors expected to contribute to these fluctuations include, but are not limited to:

- the timing of the introduction and start of construction of new projects;
- the timing of sales;
- the timing of closings of homes, lots and parcels;
- the condition of the real estate market and general economic conditions in the areas in which we operate;
- mix of homes closed;
- construction timetables;
- the timing of receipt of regulatory approvals for development and construction;
- the cost and availability of materials and labor; and
- weather conditions in the markets in which we build.

As a result of seasonal activity, our quarterly results of operations and financial position are not necessarily representative of a full fiscal year. To illustrate the seasonality of our business, a summary of quarterly financial data follows:

	THREE MONTHS ENDED							
	2024				2023			
	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
Net sales orders	30%	25%	23%	22%	26%	28%	24%	22%
Home closings revenue, net	21%	25%	26%	28%	22%	28%	23%	27%
Income before income taxes	22%	23%	29%	26%	25%	31%	22%	22%
Net income	22%	23%	28%	27%	25%	31%	22%	22%

Financial Services

TMHF provides a number of finance-related services to our customers through our mortgage lending operations. The strategic purpose of TMHF is:

- to utilize mortgage finance as a sales tool in the home sale process to ensure a consistent customer experience and assist in maintaining home production efficiency; and
- to control and analyze our sales order backlog quality and to manage projected home closing and delivery dates for our customers.

TMHF operates as an independent mortgage banker and conducts its business as a Federal Housing Administration (“FHA”) Full Eagle lender. TMHF funds mortgage loans utilizing warehouse credit facilities. Revenue is earned through originating, selling, and servicing residential mortgage loans through TMHF’s retail channel. Typically, loans are sold and servicing is released, however a small percentage of servicing is retained.

TMHF competes with other mortgage lenders, including national, regional and local mortgage bankers and other financial institutions. TMHF utilizes a multi-investor correspondent platform which gives us increased flexibility when placing loans with investors. TMHF has continued to expand and strengthen our correspondent relationships. This has created stability and consistency in our origination process and delivery.

Inspired Title operates as a title insurance agent providing title and/or escrow services. Inspired Title searches and examines land title records, prepares title commitments and polices for land we acquire as well as for our homebuyers in our Florida, Georgia, North Carolina, South Carolina, Indiana, Arizona, Nevada, Colorado and Texas markets, contracting with agents in other markets where title insurance underwriters and attorneys perform the escrow closing functions. Inspired Title competes against other title and escrow agents that provide similar services. Specific to our California markets, Inspired California Escrow provides escrow services for homebuyers and competes against other escrow agents that provide similar services.

TMIS operates as an insurance agency utilizing third-party carriers that specialize in homeowner’s insurance for new homes and offers other insurance products such as auto, flood and universal for homebuyers in all of our markets. TMIS competes against other insurance agencies that provide similar services.

Regulation, Environmental, Health and Safety Matters

REGULATORY

We are subject to various local, state and federal statutes, ordinances, rules and regulations concerning zoning, building design, construction, safety and similar matters, including local regulations that impose restrictive zoning and density requirements in order to limit the number of homes that can eventually be built within the boundaries of a particular property or locality. In a number of our markets, there has been an increase in state and local legislation requiring the dedication of land as natural space. In addition, we are subject to various licensing, registration, filing, and reporting requirements in connection with the construction, advertisement and sale of homes in our communities.

In order to secure certain approvals in some areas, we may be required to provide affordable housing at below market sales prices. In addition, local and state governments have broad discretion regarding the imposition of development fees for projects under their jurisdictions, as well as requiring concessions or that the builder construct certain improvements to public places such as parks and streets, or fund schools.

TMHF is subject to various state and federal statutes, rules and regulations, including those that relate to licensing, lending operations and other areas of mortgage origination and financing. The impact of those statutes, rules and regulations can increase our homebuyers’ cost of financing, increase our cost of doing business, as well as restrict our homebuyers’ access to some types of loans. The title and escrow services provided by Inspired Title are subject to various regulations, including regulation by state banking and insurance regulators.

In order for our homebuyers to finance their home purchases with FHA-insured, Veterans Administration (“VA”)-guaranteed or U.S. Department of Agriculture (“USDA”)-guaranteed mortgages, we are required to build such homes in accordance with the regulatory requirements of those agencies.

Some states have statutory disclosure requirements or other pre-approval requirements or limitations governing the marketing and sale of new homes. These requirements vary widely from state to state. Some states require us to be registered as a licensed contractor, a licensed real estate broker and in some markets our sales agents are additionally required to be registered as licensed real estate agents.

ENVIRONMENTAL LAWS

We are subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning protection of public health and the environment (collectively, “environmental laws”). For example, environmental laws may affect: how we manage stormwater runoff, wastewater discharges, and dust; how we develop or operate on properties on or affecting resources such as wetlands, endangered species, cultural resources, or areas subject to preservation laws; and how we address contamination. The environmental laws that apply to any given community vary greatly according to the location and environmental characteristics of the site and its present and former uses. Complying with these environmental laws may result in delays, may cause us to incur substantial costs, and/or may prohibit or severely restrict development in certain environmentally sensitive regions or areas. Noncompliance with environmental laws could result in fines and penalties, obligations to remediate, permit revocation, and other sanctions; and contamination or other environmental conditions at or in the vicinity of our developments could result in claims against us for personal injury, property damage, or other costs.

EVALUATION

We manage compliance with environmental laws at the division level with assistance from the corporate and regional legal departments. As part of the land acquisition due diligence process, we utilize environmental assessments to identify environmental conditions that may exist on potential acquisition properties.

COMMUNITY

We believe we have the responsibility of creating communities and neighborhoods which will have long-lasting, positive impacts on their environments and the people who live in them. As such, we are committed to integrating sustainable values into various aspects of our business. This commitment to sustainability, our communities and our team is highlighted in our latest Sustainability and Belonging Report available on our website. This report is not considered part of this Annual Report.

HEALTH AND SAFETY

We are committed to maintaining high standards in health and safety at all of our sites. We have a health and safety audit system that includes comprehensive bi-annual independent third-party inspections of selected sites covering all aspects of health and safety. Key areas of focus are on site conditions meeting health and safety standards, and on subcontractor performance throughout our operating areas meeting or exceeding expectations. All of our team members must complete an assigned curriculum of online safety courses each year. These courses vary according to job responsibility. In addition, groups such as construction and field personnel are required to attend additional health and safety related training programs.

INFORMATION TECHNOLOGY

We have a distributed information technology organization that utilizes a “follow the sun” coverage model across the United States which allows for continuous team availability regardless of time zone. Our approach to information technology is to continuously simplify our information technology platform and consolidate and standardize applications. We believe a common application platform enables the sharing of ideas and rapid implementation of process improvements and best practices across the entire company. Our back-office operations use a homebuilding industry enterprise resource planning package. Marketing and field sales utilize a leading CRM solution that tracks leads and prospects from all sources and manages the customer communication process from lead creation through the buying process and beyond. Field operations teams collaborate with our supply chain management to schedule and manage development and construction projects with a set of standard and widely used homebuilding industry solutions.

INTELLECTUAL PROPERTY

We own certain logos and trademarks that are important to our overall branding and sales strategy. Our consumer logos are designed to draw on our recognized homebuilding heritage while emphasizing a customer-centric focus.

HUMAN CAPITAL

As of December 31, 2024 (figures presented are approximate)

As of December 31, 2024, none of our employees were covered by collective bargaining agreements. We act solely as a general contractor and all construction operations are supervised by our project managers and field superintendents who manage third party subcontractors. We use independent consultants and contractors for some architectural, engineering, advertising and legal services, and we strive to maintain good relationships with our subcontractors and independent consultants and contractors.

The people who work for our company are our most valuable resources and are critical to our continued success and execution of our strategies. Our People Services team focuses on attracting, promoting and retaining qualified employees with the expertise needed to manage and support our operations. Our top division and regional leaders average over 8 years of tenure with us. In addition, our executive leaders responsible for setting our overall strategy average approximately 15 years with us, and many of them have worked essentially their entire careers in the homebuilding industry.

To attract and retain top talent in our industry, we offer our employees a broad range of company-paid benefits and highly competitive compensation packages. Our employees are eligible for medical, dental and vision insurance, a savings/ retirement plan, life and disability insurance, various wellness programs and tuition reimbursement, along with other optional benefits designed to meet individual needs. We engage third party compensation and benefits consulting firms to evaluate our programs and benchmark them against our peers. We believe it is essential to provide opportunities for growth and development to recruit top talent in the labor environment. We offer over 5,000 online courses through our learning system, as well as various leadership programs designed for those in different stages of their leadership journey.

ITEM 1A | RISK FACTORS

Risks related to our industry, business and economic conditions

Our business is cyclical and is significantly affected by changes in general and local economic conditions.

Our business can be substantially affected by adverse changes in general economic or business conditions, and other events and conditions that are outside of our control, including:

- increases in short- and long-term interest rates;
- high inflation;
- interruptions in supply-chains and the cost or availability of building materials;
- the availability of subcontractors, vendors or other third parties;
- housing affordability;
- the cost and availability of suitable land and lots for the development of our communities;
- the availability and cost of financing for homebuyers;
- federal and state income and real estate tax laws, including limitations on, or the elimination of, the deduction of mortgage interest or property tax payments;
- employment levels, job and personal income growth and household debt-to-income levels;
- consumer confidence generally and the confidence of potential homebuyers in particular;
- the ability of homeowners to sell their existing homes at acceptable prices;
- the U.S. and global financial systems and credit markets, including stock market and credit market volatility;
- inclement weather and natural disasters, including risks associated with global climate change, such as increased frequency or intensity of adverse weather events;
- civil unrest, acts of terrorism, other acts of violence, threats to national security, escalating global trade tensions, the adoption of trade restrictions and/or tariffs, or public health issues such as epidemics or pandemics;
- mortgage financing programs and regulation of lending practices;
- housing demand from population growth, household formations and demographic changes (including immigration levels and trends in urban and suburban migration);
- demand from foreign buyers for our homes;
- the supply of available new or existing homes and other housing alternatives;
- energy prices; and
- the availability of developable land in our markets and in the United States generally.

Adverse changes in these conditions may affect our business nationally or may be more prevalent or concentrated in particular regions or localities in which we operate, which effects may be magnified where we have significant operations. Additionally, governmental action and legislation related to economic stimulus, taxation, tariffs, spending levels and borrowing limits, interest rates, immigration, as well as political debate, conflicts and compromises related to such actions, may negatively impact the financial markets and consumer confidence and spending, which could adversely impact the U.S. economy and the housing market. Any deterioration or significant uncertainty in economic or political conditions could have a material adverse effect on our business.

These adverse changes in economic and other conditions can cause mortgage rates to rise, demand and prices for our homes to fall or cause us to take longer to build our homes and make it more costly for us to do so. We may not be able to recover these increased costs by raising prices because of weak market conditions and because the price of each home we sell is usually set several months before the home is delivered, as many customers sign their home purchase contracts before construction begins. The potential difficulties described above could impact our customers' ability to obtain suitable financing and cause some homebuyers to cancel or refuse to honor their home purchase contracts altogether.

A slowdown or severe downturn in the housing market could have additional adverse effects on our operating results and financial condition.

During periods of industry downturn, housing markets across the United States may experience an oversupply of both new and resale home inventory, an increase in foreclosures, reduced levels of consumer demand for new homes, increased cancellation rates, aggressive price competition among homebuilders and increased incentives for home sales. The most recent significant industry downturn that began in 2008 materially and adversely impacted those in the homebuilding industry, including us. In the event of a significant downturn, we may experience a material reduction in revenue, margins, and operating cash flows. We cannot predict the trajectory of the U.S. housing market. Some housing markets and submarkets have been stronger than others, and there continue to be macroeconomic fluctuations and variability in operating trends, which may be significant and unfavorable.

Increases in interest rates or government fees could prevent potential customers from buying our homes and adversely affect our business or financial results.

Increases in interest rates as a result of changes to monetary policy could significantly increase the costs of owning a home or result in existing homeowners with low interest rates choosing to remain in their current homes rather than purchase a new home in a higher interest rate environment. This, in turn, could adversely impact demand for, and sales prices of, homes and the ability of potential customers to obtain financing and adversely affect our business, financial condition and operating results. Interest rates had been at historic lows for several years prior to 2022, which had made the homes we sell more affordable. During 2020 and 2021, the Federal Reserve took several steps to protect the economy from the impact of COVID-19, including reducing interest rates to new historic lows. However, in reaction to increasing inflation, the Federal Reserve increased interest rates 11 times from 2022 to 2024, which caused buyer apprehension and affordability concerns, initially resulting in an increase in cancellations and a negative impact on our net sales orders. To mitigate these impacts we began to adjust pricing, primarily by offering finance incentives, as well as home discounts and other pricing reductions during the second half of 2022. These pricing adjustments and incentives helped drive an increase in sales orders and a gradual normalization in cancellations beginning in 2023. However, there is no guarantee that these adjustments will be as effective in the future. Rising interest rates may also negatively impact demand for mortgage financing, which may result in lower home mortgage originations for our TMHF business. The Federal Reserve began lowering interest rates in 2024 and has indicated that it may further lower interest rates in 2025. Interest rates continue to remain elevated compared to prior years and there is no guarantee that the Federal Reserve will take action to reduce rates. Any increases in interest rates could negatively affect mortgage rates, real estate property values, sales orders and increase cancellations, which could adversely affect our business.

Tax increases and changes in tax rules may adversely affect our financial results.

We are exposed, both directly and indirectly, to the effects of changes in U.S., state and local tax rules. For example, if federal or state laws are changed to eliminate or reduce the income tax benefits associated with homeownership, such as personal tax deductions for mortgage loan interest costs and real estate taxes, the after-tax cost of homeownership could measurably increase and diminish interest in buying a home. Additionally, increases in property tax rates by local governmental authorities can adversely affect the ability of potential customers to obtain financing or their desire to purchase new homes. Fees imposed on developers to fund schools, open spaces, road improvements and/or provide low and moderate income housing, could increase our costs and have an adverse effect on our operations. In addition, increases in sales taxes could adversely affect our potential customers who may consider those costs in determining whether or not to make a new home purchase, potentially reducing our customer base and reducing sales revenue.

If homebuyers are not able to obtain suitable financing, our sales may decline.

A substantial majority of our homebuyers finance their home purchases through lenders that provide mortgage financing. The availability of mortgage financing may fluctuate due to various factors, including regulatory changes, that may cause a more conservative risk tolerance by lenders resulting in increased levels of scrutiny of a borrower’s ability to repay. This includes those mortgages meeting the requirements of the Qualified Mortgage Definition under the Truth-In-Lending Act (Regulation Z). A limited availability of home mortgage financing may adversely affect the volume of our home sales and the sales orders prices we achieve. It could also limit our ability to attract new customers, or our existing customers’ ability to resell their homes. While we typically do not write contracts to purchase contingent upon a customer’s sale of their existing home, our sales contracts do include a financing contingency that permits the customer to terminate their contract in the event they have applied for financing with the builder’s approved lender in accordance with the terms of the purchase agreement and are unable to qualify.

The liquidity provided by government sponsored entities, such as Fannie Mae and Freddie Mac, as well as Ginnie Mae, the FHA and the VA, to the mortgage industry has been very important to the housing market. If Fannie Mae and Freddie Mac were dissolved, or if the federal government tightened their borrowing standards or determined to stop providing liquidity support to the mortgage market (including due to any failure of lawmakers to agree on a budget or appropriation legislation to fund relevant programs or operations), there would be a reduction in the availability of the financing provided by these institutions. Any such reduction would likely have an adverse effect on interest rates, mortgage availability and our sales of new homes.

FHA-insured mortgage loans generally have lower down-payment requirements and qualification standards compared to conventional mortgage loans and, as a result, the FHA continues to be a particularly important source for financing the sale of our homes. Lenders have taken and may continue to take a more conservative view of FHA guidelines causing significant tightening of borrower eligibility for approval.

In each of our markets, decreases in the availability of credit and increases in the cost of credit adversely affect the ability of homebuyers to obtain or service mortgage debt. Even if potential homebuyers do not themselves need mortgage financing (e.g., potential homebuyers financing their home purchase via a sale of their existing home), increases in mortgage costs, lack of availability of mortgages and/or regulatory changes could prevent the buyers of our potential homebuyers’ existing homes from obtaining a mortgage, which would result in our potential homebuyers’ inability to buy a new home from us. Similar risks apply to those buyers who are awaiting delivery of their homes and are currently in backlog. If our customers (or potential buyers of our customers’ existing homes) cannot obtain financing, our sales and results of operations could be adversely affected.

If we experience shortages in labor supply, increased labor costs or labor disruptions, there could be delays or increased costs in developing our communities or building homes, which could adversely affect our operating results.

We require a qualified labor force to develop our communities and build our homes. Access to qualified labor may be affected by circumstances beyond our control, including work stoppages, changes in laws relating to union organizing activity and increases in subcontractor and professional services costs.

Labor shortages can be further exacerbated as demand for housing increases. Any of these circumstances could give rise to delays and increased costs developing one or more of our communities and building homes. In addition, the vast majority of our work carried out on site is performed by subcontractors. In the past, reduced levels of homebuilding in the United States has led to some skilled tradesmen leaving the industry to take jobs in other sectors. If subcontractors are not able to recruit sufficient numbers of skilled employees, our development and construction activities may suffer from delays and quality issues, which would also lead to reduced levels of customer satisfaction and increased home warranty and construction defect claims. Further, the cost of labor may also be adversely affected by inflation and changes in immigration laws and trends in labor migration. We may not be able to recover increased costs by raising our home prices because the price for each home is typically set months prior to its delivery pursuant to sales contracts with our homebuyers. In such circumstances, our operating results could be adversely affected. Additionally, market and competitive forces may also limit our ability to raise the sales prices of our homes.

Higher cancellation rates may have an adverse effect on our business.

Our backlog represents sales contracts with our homebuyers for homes that have not yet been delivered. We have received a deposit from a homebuyer for each home reflected in our backlog and, generally, we have the right, subject to certain exceptions, to retain the deposit if the homebuyer fails to comply with his or her obligations under the sales contract, including as a result of the homebuyer’s inability to sell his or her current home or the homebuyer’s inability to make additional deposits required prior to the closing date. In some situations, however, a homebuyer may cancel the agreement of sale and receive a complete or partial refund of the deposit.

Homebuyers may choose to terminate their existing home purchase contracts with us in order to negotiate for a lower price or because they cannot, or will not, complete the purchase and our remedies generally do not extend beyond the retention of deposits as our liquidated damages. For the year ended December 31, 2024, our cancellation rate was 9.5%, compared to 12.1% for the year ended December 31, 2023, and 13.5% for the year ended December 31, 2022.

In cases of cancellation, we remarket the home and retain any deposits we are permitted to retain. Nevertheless, the deposits may not offset the additional costs involved in remarketing the home, replacing or modifying installed options, carrying higher inventory, reducing the sales price or increasing incentives on the completed home for greater marketability. Further, depending on the stage of cancellation, a contract that is cancelled at the end of a phase may cause additional costs for the out of sequence construction or modification of the particular home. Significant numbers of cancellations could adversely affect our business, financial condition and results of operations.

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 has experienced and, from time to time, may experience raw material shortages and be adversely affected by volatility in global commodity prices. These shortages and interruptions can result in significant cost inflation and negatively impact the timing of our closings and the pace of our sales. In particular, shortages and fluctuations in the price of concrete, drywall, lumber or other important raw materials could result in delays in the start or completion of, or increase the cost of, developing one or more of our residential communities. Our lumber needs are particularly sensitive to shortages and related cost increases, including imposed tariffs should they occur. We may also face increased future home warranty and construction defect claims associated with substitute products or materials used in some instances to address supply shortages in certain served markets or communities. See – “Homebuilding is subject to home warranty and construction defect claims in the ordinary course of business that can lead to significant costs for us” below. In addition, 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, catastrophic storms, other severe weather, natural disasters or significant environmental accidents. Environmental laws and regulations may also have a negative impact on the availability and price of certain raw materials such as lumber and concrete. Additionally, pricing for raw materials may be affected by various other national, regional and local economic and political factors. For example, in recent years the federal government has imposed new or increased tariffs or duties on an array of imported materials and goods that are used in connection with the construction and delivery of our homes, including steel, aluminum and lumber, raising our costs for these items (or products made with them). Such government imposed tariffs and trade regulations on imported building supplies may in the future have significant impacts on the cost to construct our homes, including by causing disruptions or shortages in our supply chain and/or negatively impacting the U.S. regional or local economies.

We are particularly exposed to rapid increases in construction costs for those homes that are in our backlog because we are generally unable to pass increases in such costs on to our customers who have already entered into purchase contracts.

Inflation or deflation could adversely affect our business and financial results.

Inflation can adversely affect us by increasing costs of land, materials and labor, which we have experienced from 2022 to 2024. In addition, as discussed above, inflation is often accompanied by higher interest rates, which historically has had a negative impact on housing demand, as well as increasing the interest rates we need to pay for our own capital financing. While interest rates have recently stabilized, they are still elevated and are not expected to go down materially in the near future. In such an environment, we may not be able to raise home prices sufficiently to keep up with the rate of inflation, and our margins could decrease. An oversupply of homes relative to demand and home prices being set several months before homes are delivered may make any price increase difficult or impossible. Efforts by the government to stimulate the economy may increase the risk of significant inflation and its adverse impact on our business or financial results.

Deflation could also affect us adversely. A significant period of deflation could cause a decrease in overall spending and borrowing levels. This could lead to a further deterioration in economic conditions, including an increase in the rate of unemployment. Deflation could also cause the value of our inventories to decline or reduce the value of existing homes below the related mortgage loan balance, which could potentially increase the supply of existing homes and have a negative impact on demand and our results of operations.

Furthermore, a material decline in oil and gas prices may increase the risk of significant deflation and its adverse impact on our business or financial results, as the economies of some of the markets in which we operate are impacted by the health of the energy industry.

The homebuilding and mortgage and title services industries are highly competitive and if our competitors are more successful or offer better value to our customers, our business could decline.

We operate in a very competitive environment with competition from a number of other homebuilders in each of our markets. We compete with large national and regional homebuilding companies and with smaller local homebuilders for land, financing and related services, raw materials, skilled management, volume discounts, local realtor and labor resources. We also compete with the resale, or “previously owned,” home market, as well as other housing alternatives such as the rental housing market. Additionally, some of our competitors have longstanding relationships with subcontractors and suppliers in markets in which we operate and others may have greater financial resources or lower costs than us. Competitive conditions in the homebuilding industry could make it difficult for us to acquire suitable land at acceptable prices, cause us to increase selling incentives, reduce prices and/or result in an oversupply of homes for sale. These factors have adversely affected demand for our homes and our results of our operations in the past and could do so again in the future.

Additionally, our mortgage and title services businesses compete with other mortgage lenders and title companies, including national, regional and local mortgage banks and other financial institutions, some of which may be subject to fewer government regulations or, in the case of mortgage lenders, may have a greater range of products, greater access to or a lower cost of capital or different lending criteria and may be able to offer more attractive financing to potential customers.

If we are unable to compete effectively in our homebuilding and mortgage and title services markets, our business could decline disproportionately to our competitors, and our results of operations and financial condition could be adversely affected.

Any 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 us.

According to the U.S. Bureau of Labor Statistics, the U.S. unemployment rate was 4.1% as of December 2024, and the labor force participation rate was 62.5% which is 0.9 percentage points lower than the participation rate in February 2020. While the relatively low unemployment rate is an encouraging sign, a substantial portion of new jobs created have been relatively low-wage jobs or part-time jobs. People who are not employed, are underemployed, who have left the labor force or are concerned about low wages or 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 or qualifying for new mortgage financing. Therefore, any 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 us both by reducing demand for the homes we build and by increasing the supply of homes for sale.

Our quarterly operating results may fluctuate because of the seasonal nature of our business and other factors.

Our quarterly operating results generally fluctuate by season as a result of a variety of factors such as the timing of home deliveries and land sales, the changing composition and mix of our asset portfolio, and weather-related issues.

Weather-related problems, typically in the fall, late winter and early spring, may delay starts or closings and increase costs and thus reduce profitability. In some cases, we may not be able to recapture increased costs by raising prices. In addition, deliveries may be staggered over different periods of the year and may be concentrated in particular quarters. Our quarterly operating results may fluctuate because of these factors. See *Item 1—Business—Seasonality*.

Unusual weather events or natural disasters as well as the increased focus by investors and other stakeholders on sustainability issues, could increase our costs, damage our reputation and/or otherwise adversely impact our operations or stock price.

Some of our business is in areas that are particularly vulnerable to severe weather events, such as from the increased frequency and severity of storms, flooding, wildfires, tornados, severe cold and drought. For example, in recent years, hurricanes, winter storms, and unseasonably cold weather in certain regions have left homeowners without electricity and impacted utility prices. Such severe weather events can delay home construction, increase costs by damaging inventories, reduce the availability of building materials, and increase transportation delays further increasing stress on our supply chain and negatively impact the demand for new homes in affected areas, as well as slow down or otherwise impair the ability of utilities and local governmental authorities to provide approvals and service to new housing communities. Furthermore, if our insurance does not fully cover our costs and other losses from these events, including those arising out of related business interruptions, our earnings, liquidity, or capital resources could be adversely affected. Additionally, these factors may increase the cost of homeowners' insurance, which could reduce demand for the homes we build.

Additionally, increasing governmental and societal attention to sustainability matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, human capital, and risk oversight, could expand the nature, scope, and complexity of matters that we are required to control, assess, monitor and report. These factors may alter the environment in which we do business and may increase our ongoing costs of compliance and adversely impact our results of operations, cash flows, and stock price. If we are unable to adequately address such sustainability matters or we or our subcontractors fail to comply with all related laws, regulations, policies and expectations, it could negatively impact our reputation, our business results, and the price of our common stock.

An inability to obtain additional performance, payment and completion surety bonds and letters of credit could limit our future growth.

We are often required to provide performance, payment and completion and warranty/maintenance surety bonds or letters of credit to secure the completion of our construction contracts, development agreements and other arrangements. We believe we have obtained credit facilities to provide the required volume of such surety bonds and letters of credit for our expected growth in the medium term. However, unexpected growth may require additional facilities. We may also be required to renew or amend our existing facilities. Our ability to obtain additional performance, payment and completion and warranty/ maintenance surety bonds and letters of credit primarily depends on our credit rating, capitalization, working capital, past performance, management expertise and certain external factors, including the fluidity of the markets for such bonds. Performance, payment and completion and warranty/maintenance surety bond and letter of credit providers consider these factors in addition to our performance and claims record and provider-specific underwriting standards, which may change from time to time.

If our performance record or our providers' requirements or policies change, if we cannot obtain the necessary renewals or amendments from our lenders, or if the market's capacity to provide performance, payment and completion or warranty/ maintenance bonds or letters of credit is not sufficient, we could be unable to obtain such bonds or letters of credit from other sources when required, which could have a material adverse effect on our business, financial condition and results of operations.

Homebuilding is subject to home warranty and construction defect claims in the ordinary course of business that can lead to significant costs for us.

As a homebuilder, we are subject to home warranty and construction defect claims arising in the ordinary course of business. Construction defects may occur on projects and developments and may arise a significant period of time after completion. Unexpected expenditures attributable to defects or previously unknown sub-surface conditions arising on a development project may have a material adverse effect on our business, financial condition and operating results.

We maintain products and completed operations excess liability insurance, obtain indemnities and certificates of insurance from subcontractors generally covering claims related to damages resulting from faulty workmanship and materials and maintain warranty and other reserves for the homes we sell based on historical experience in our markets and our judgment of the risks associated with the types of homes built. Although we actively monitor our warranty reserves and insurance coverage, because of the uncertainties inherent to these matters, we cannot provide assurance that our insurance coverage, our subcontractor's indemnity and warranty arrangements and our reserves together will be adequate to address all of our warranty and construction defect claims in the future. We record changes in estimates to pre-existing reserves as needed. The reserve estimate is based on assumptions, including but not limited to, the number of homes affected, the costs associated with each repair, and the effectiveness of the repairs. Due to the degree of judgment required in making these estimates and the inherent uncertainty in potential outcomes, it is reasonably possible that actual costs could differ from those recorded and such differences could be material, resulting in a change in future estimated reserves. In addition, contractual indemnities with our subcontractors can be difficult to enforce. We may also be responsible for applicable self-insured retentions and some types of claims may not be covered by insurance or may exceed applicable coverage limits. Additionally, the coverage offered by and the availability of products and completed operations excess liability insurance for construction defects is currently limited and costly. This coverage may be further restricted or become more costly in the future.

In California we operate under an Owner Controlled Insurance Plan ("OCIP") for general liability exposures of most subcontractors (excluding consultants), as a result of the inability of subcontractors to procure acceptable insurance coverage to meet our requirements. Under the OCIP, subcontractors are effectively insured by us. We have assigned risk retentions and bid deductions to our subcontractors based on their risk category. These deductions are used to fund future liabilities. The cost of the future liabilities as they are realized could exceed the value of the deductions, which could increase our costs leading to a material adverse effect on our operating results.

Our reliance on subcontractors can expose us to various liability risks.

We rely on subcontractors in order to perform the construction of our homes and, in many cases, to select and obtain raw materials. We are exposed to various risks as a result of our reliance on these subcontractors and their suppliers. The subcontractors we rely on to perform the actual construction of our homes are also subject to a significant and evolving number of local, state and federal laws and regulations, including laws involving matters that are not within our control. If these subcontractors who construct our homes fail to comply with all applicable laws, we can suffer reputational damage and may be exposed to liability.

These subcontractors are independent from us under normal homebuilding industry practices. We do not have the ability to control what these independent subcontractors pay or the work rules they impose on their employees. However, various federal and state governmental agencies have sought, and may in the future seek, to hold contracting parties like us responsible for our subcontractors' violations of wage and hour laws, or workers' compensation, collective bargaining and/or other employment-related obligations related to subcontractors' workforces. Governmental agency determinations or attempts by others to make us responsible for our subcontractors' labor practices or obligations could create substantial adverse exposure for us in situations that are not within our control and could be material to our business, financial condition and results of operations.

Failure to manage land acquisitions, inventory and development and construction processes could result in significant cost overruns or errors in valuing sites.

We own and purchase a large number of sites each year and are therefore dependent on our ability to process a very large number of transactions and make a number of budgetary assumptions which include, among other things, evaluating the site, designing the layout of the development, sourcing materials and subcontractors and managing contractual commitments efficiently and accurately. If we do not manage this process efficiently or our estimates for development costs are not accurate, it could result in the community not generating the returns we expected when underwriting the project and acquiring the property.

In addition, we incur many costs even before we begin to build homes in a community. Depending on the stage of development of a land parcel when we acquire it, these may include: costs of preparing land, finishing and entitling lots, installing roads, sewers, water systems and other utilities; taxes and other costs related to ownership of the land on which we plan to build homes; constructing model homes; and promotional and marketing expenses to prepare for the opening of a new home community for sales. Moreover, local municipalities may impose development-related requirements resulting in additional costs. If the rate at which we sell and deliver homes slows or falls, or if our opening of new home communities for sale is delayed, we may incur additional costs, which would adversely affect our gross margins and could lead to a longer period of time for us to recover our costs, including those we incurred in acquiring and developing land.

In certain circumstances, a grant of entitlements or development agreement with respect to a particular parcel of land may include restrictions on the transfer of such entitlements to a buyer of such land, which may increase our exposure to decreases in the price of such entitled land by restricting our ability to sell it for its full entitled value. In addition, inventory carrying costs can be significant and can result in reduced margins or losses in a poorly performing community or market. Further, if we were required to record a significant inventory impairment, it could negatively affect our reported earnings and negatively impact the market perception of our business.

Access to capital could be hindered if land banks are not able to raise necessary investor funds or if we are unable to create and maintain relationships with land banks.

As part of our land acquisition strategy, we have developed and expanded our relationships with land bank partners with a view toward using land banks to gain future access to land without taking ownership. If we are unable to identify or to develop and maintain the necessary relationships with suitable land banks in the future, we will not be able to fully implement our land-light business strategy. Most land banks are funds that use financial investor capital to finance land acquisitions. If returns to investors in land banks are not sufficient to attract investor funds and land banks are not able to identify alternative sources of funding, we would no longer have access to land banks and instead might have to purchase our land directly from landowners. This would significantly impair our ability to carry out our strategy of reducing our inventory of owned land.

If land and lots are not available at competitive prices, our sales and results of operations could be adversely affected.

Our long-term profitability depends in large part on the price at which we are able to obtain suitable land and lots for the development of our communities. Increases in the price (or decreases in the availability) of suitable land and lots could adversely affect our profitability. Moreover, changes in the general availability of desirable land, geographical or topographical constraints, competition for available land and lots, limited availability of financing to acquire land and lots, zoning regulations that limit housing density, environmental requirements and other market conditions may hurt our ability to obtain land and lots for new communities at prices that will allow us to be profitable. If the supply of land and lots that are needed for development of new communities becomes more limited because of these or any other reason, the cost of land and lots could increase and the number of homes that we are able to build and sell could be reduced, which could adversely affect our results of operations and financial condition.

If the market value of our land inventory decreases, our results of operations could be adversely affected by impairments and write-downs.

The market value of our land and housing inventories depends on market conditions. We acquire land for expansion into new markets and for replacement of land inventory and expansion within our current markets, and there is often a significant lag time between when we acquire land for development and when we sell homes in our communities. This risk is exacerbated particularly with undeveloped and/or unentitled land.

There is an inherent risk that the value of the land we have purchased may decline. The valuation of property is inherently subjective and based on the individual characteristics of each property. We may have acquired options on or bought and developed land at a cost we will not be able to recover fully or on which we cannot build and sell homes profitably. In addition, our deposits for lots controlled under option or similar contracts may be put at risk, and depressed land values may cause us to abandon and forfeit deposits on land option contracts and other similar contracts if we cannot satisfactorily renegotiate the purchase price of the subject land. Moreover, all valuations are made on the basis of assumptions that may not prove to reflect economic or demographic reality. If housing demand decreases below what we anticipated when we acquired our inventory, our profitability may be adversely affected and we may not be able to recover our costs when we build and sell houses. In addition, we may incur charges against our earnings for inventory impairments if the value of our owned inventory, including land we decide to sell, is reduced or for land option deposit abandonments if we choose not to exercise land option contracts or other similar contracts, and these charges may be substantial.

We may not be able to use certain deferred tax assets, which may result in our having to pay substantial taxes.

We have significant deferred tax assets, including net operating losses that could be used to offset earnings and reduce the amount of taxes we are required to pay. Our ability to use our net operating losses is dependent on a number of factors, including applicable rules relating to the permitted carry back period for offsetting certain net operating losses against prior period earnings and the timing and amount of future taxable income. If we are unable to use our net operating losses, we may have to record charges to reduce our deferred tax assets, which could have an adverse effect on our results of operations.

We have significant operations in certain geographic areas, which subjects us to an increased risk of lost revenue or decreases in the market value of our land and homes in these regions from factors which may affect any of these regions.

We currently operate in several states with a concentration in the Western United States and a significant presence in California. Negative factors affecting one or a number of the geographic regions at the same time could result in a relatively greater impact on our results of operations than they might have on other companies that have a more diversified portfolio of operations. To the extent that regions in which our business is concentrated are impacted by an adverse event, we could be disproportionately affected compared to companies whose operations are less geographically concentrated.

We participate in certain unconsolidated joint ventures, including those in which we do not have a controlling interest, where we may be adversely impacted by the failure of the unconsolidated joint venture or the other partners in the unconsolidated joint venture to fulfill their obligations.

We have investments in and commitments to certain unconsolidated joint ventures with related and unrelated strategic partners generally involved in real estate development, homebuilding, Build-to-Rent, and/or mortgage lending activities. For example, in April 2022, we established a joint venture with Värde Partners ("Värde"), a leading global alternative investment firm, to develop rental properties as a part of our Build-To-Rent program. The venture includes $850 million in equity commitments, funded 60 percent by Värde and 40 percent by the Company. The venture provides Värde with the exclusive opportunity to invest in the acquisition and development of Build-To-Rent projects identified by the Company that meet the venture's investment guidelines. At December 31, 2024, our total investments in unconsolidated entities was $439.7 million.

To finance our joint ventures, our unconsolidated joint ventures often obtain loans from third-party lenders that are secured by the unconsolidated joint venture's assets. To the extent any of our joint ventures default on obligations secured by the assets of such joint venture, such assets could be forfeited to third-party lenders.

We have provided non-recourse carve-out guarantees to certain third-party lenders to our unconsolidated joint ventures (i.e., guarantees of losses suffered by the lender in the event that the borrowing entity or its equity owners engage in certain conduct, such as fraud, misappropriation of funds, unauthorized transfers of the collateral or equity interests in the borrowing entity, or the borrowing entity commences a voluntary bankruptcy case or violates environmental law, or hazardous materials are located on the property, or under other circumstances provided for in such guarantee or indemnity). In the future, we may provide other guarantees and indemnities to such lenders, including secured guarantees, in which case we may have increased liability in the event that a joint venture defaults on its obligations to a third party.

If the other partners in our unconsolidated joint ventures do not cooperate or fulfill their contractual obligations to the joint venture due to their financial condition, strategic business interests (which may be contrary to ours), or otherwise, we may be required to spend additional resources (including payments under the guarantees we have provided to the unconsolidated joint ventures' lenders) or suffer losses, each of which could be significant. Moreover, our ability to recoup such expenditures and losses by exercising remedies against such partners may be limited due to the contractual terms of the joint venture agreement, potential legal defenses they may have, their respective financial condition and other circumstances. Furthermore, because we lack a controlling interest in our unconsolidated joint ventures we cannot exercise sole decision-making authority, which could create the potential risk of impasses on decisions and prevent the joint venture from taking, or not taking, actions that we believe may be in our best interests. In addition, as our relationships with our partners are contractual in nature and may be terminated or dissolved under the terms of the applicable joint venture agreements, including buy-sell provisions, we may not continue to own or operate the interests or assets underlying such relationship or may need to purchase additional interests or assets in the venture to continue ownership. In the event a joint venture is terminated or dissolved, we could also be exposed to lawsuits and legal costs.

Information technology failures and data security breaches could harm our business.

We use information technology and other computer resources to carry out important operational and marketing activities as well as maintain our business records, including information provided by our customers. Many of these resources are provided to us and/or maintained on our behalf by third-party service providers pursuant to agreements that specify certain security and service level standards. Our ability to conduct our business may be impaired if these resources are compromised, degraded, damaged or fail, whether due to a virus or other harmful circumstance, intentional penetration or disruption of our information technology resources by a third party, natural disaster, hardware or software corruption, failure or error (including a failure of security controls incorporated into or applied to such hardware or software), telecommunications system failure, service provider error or failure, intentional or unintentional personnel actions (including the failure to follow our security protocols), or lost connectivity to our networked resources. A significant and extended disruption in the functioning of these resources could impair our operations, damage our reputation, expose us to significant costs to restore these networked resources and cause us to lose customers, sales and revenue.

Privacy, security, and compliance concerns have continued to increase as technology has evolved. As part of our normal business activities, we collect and store certain confidential information, including personal information of homebuyers/ borrowers and information about employees, vendors and suppliers. While we have implemented systems and processes intended to secure our information technology systems and prevent unauthorized access to or loss of sensitive, confidential and personal data, including through the use of encryption and authentication technologies, and have increased our monitoring capabilities to enhance early detection and rapid response to potential security anomalies, and, to date, have not had a significant cybersecurity breach or attack that had, or is likely to have, a material impact on our business strategy, results of operations, or financial condition, our security measures may not be sufficient for all possible occurrences and may be vulnerable to hacking (including through the use of artificial intelligence), employee error, malfeasance (including through phishing attempts and ransomware attacks), system error, faulty password management or other irregularities. Further, development and maintenance of these security measures are costly and continue to increase and require ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. If we fail to maintain the security of the data we are required to protect, or if we were to be subject to a material successful cyber intrusion, such occurrences could result in business disruption, damage to our reputation, financial obligations to third parties, fines, penalties, regulatory proceedings and private litigation with potentially large remediation and related costs, and also in deterioration in customers' confidence in us and other competitive disadvantages, each of which could have a material adverse effect on our business, financial condition and operating results.

Additionally, state governments, most notably California, Nevada, Texas and Colorado, have enacted or enhanced their data privacy regulations, and other governments are considering establishing similar or stronger protections. These regulations impose certain obligations for securing, and potentially removing, specified personal information in our systems, and for apprising individuals of the information we have collected about them. We have incurred costs in an effort to comply with these data privacy risks and requirements, and our costs may increase significantly as such risks become increasingly complex or if new or changing regulations are enacted. For example, in November 2020, California voters approved Proposition 24 (Consumer Personal Information Law and Agency Initiative), which became effective as of January 1, 2023 and has increased data privacy requirements for our business. Despite our efforts, any noncompliance could result in our incurring substantial penalties and reputational damage.

We may incur a variety of costs to engage in future growth or expansion of our operations or acquisitions of businesses, and the anticipated benefits may never be realized.

As a part of our business strategy, we may make acquisitions of, or significant investments in, businesses. Any future acquisitions, investments and/or disposals are accompanied by risks such as:

- difficulties in assimilating the operations and personnel of acquired companies or businesses;
- diversion of our management's attention from ongoing business concerns;
- our potential inability to maximize our financial and strategic position through the successful incorporation or disposition of operations;
- significant liabilities may not be identified in due diligence or may come to light after the expiry of warranty or indemnity periods;
- difficulties in the implementation of uniform standards, controls, procedures and policies; and

- impairment of existing relationships with employees, contractors, suppliers and customers as a result of the integration of new management personnel and cost-saving initiatives.

Acquisitions can result in dilution to existing stockholders if we issue our common stock as consideration, or reduce our liquidity if we fund them with cash. In addition, acquisitions can expose us to valuation risks, including the risk of writing off goodwill or impairing inventory and other assets related to such acquisitions. The risk of goodwill and asset impairments will increase during a cyclical housing downturn when our profitability may decline.

Dispositions have their own risks associated with the separation of operations and personnel, the potential provision of transition services and the allocation of management resources. Dispositions may also result in lost synergies that could negatively impact our balance sheet, statement of operations and cash flows. Additionally, while we would seek to limit our ongoing exposure, for example, through liability caps and time limits on warranties and indemnities, some warranties and indemnities may give rise to unexpected and significant liabilities. Any claims arising in the future may adversely affect our business, financial condition and operating results. We may not able to manage the risks associated with these transactions and the effects of such transactions, which may materially and adversely affect our business, financial condition and operating results.

A major health and safety incident relating to our business could be costly in terms of potential liabilities and reputational damage.

Building sites are inherently dangerous and pose certain inherent health and safety risks to construction workers and other persons on the site. Due to health and safety regulatory requirements and the number of projects we work on, health and safety performance is critical to the success of all areas of our business. Any failure in health and safety performance may result in penalties for non-compliance with relevant regulatory requirements, and a failure that results in a major or significant health and safety incident is likely to be costly in terms of potential liabilities incurred as a result. Such a failure could generate significant negative publicity and have a corresponding impact on our reputation, our relationships with relevant regulatory agencies or governmental authorities, and our ability to attract customers and employees, which in turn could have a material adverse effect on our business, financial condition and operating results.

Ownership or occupation of land and the use of hazardous materials carries potential environmental risks and liabilities.

We are subject to a variety of local, state and federal statutes, rules and regulations concerning land use and the protection of health, safety and the environment, including those governing the discharge of pollutants to water and air, storm water run-off, the presence and handling of (and exposure to) asbestos, and other hazardous materials, and the cleanup of contaminated structures and properties. Further, some environmental laws (including many addressing releases of hazardous substances) impose strict liability, which means that we may be held liable for environmental conditions on property we own, or previously owned, which we did not create or know about, or which resulted from conduct that was lawful. Contamination or other environmental conditions at or in the vicinity of our developments could also result in claims against us for personal injury, property damage or other losses. Such liabilities, and the costs of defending against such claims, may be substantial, and insurance coverage may be limited or non-existent. The presence of such contamination or other environmental conditions at or in the vicinity of our properties, or the failure to remediate such conditions properly, may also adversely affect our ability to sell the affected land or to borrow using it as security. Environmental impacts from historical activities have been identified at some of the projects we have developed in the past and additional projects may be located on land that may have been contaminated by previous use.

Negative publicity or poor relations with the residents of our communities could negatively impact sales, which could cause our revenues or results of operations to decline.

Unfavorable media or investor and analyst reports related to our industry, company, brands, marketing, leadership, personnel, operations, business performance, or prospects may affect our stock price and the performance of our business, regardless of its accuracy or inaccuracy. Our success in maintaining, extending and expanding our brand image depends on our ability to adapt to a rapidly changing media environment. Adverse publicity or negative commentary on social media outlets, such as blogs, websites or newsletters, could hurt operating results, as consumers might avoid or protest brands that receive bad press or negative reviews. Customers and other interested parties could act on such information without further investigation and without regard to its accuracy. Accordingly, we could suffer immediate harm without affording us an opportunity for redress or correction.

In addition, we can be affected by poor relations with the residents of communities we develop because these residents sometimes look to us to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts made by us to resolve these issues or disputes could be deemed unsatisfactory by the affected residents and subsequent actions by these residents could disrupt sales or adversely affect our reputation. In addition, we could decide or be required to make material expenditures related to the settlement of such issues or disputes or to modify our community development plans, which could adversely affect our results of operations.

Legal and regulatory risks.

New or changing government regulations and legal challenges may delay the start or completion of our communities, increase our expenses or limit our homebuilding or other activities, which could have a negative impact on our results of operations.

The approval of numerous governmental authorities must be obtained in connection with our development and construction activities, and these governmental authorities often have broad discretion in exercising their approval authority. We incur substantial costs related to compliance with legal and regulatory requirements. Any increase in legal and regulatory requirements may cause us to incur substantial additional costs, or in some cases cause us to determine that a property is not feasible for development. Various local, state and federal statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, subcontracting, sales and similar matters apply to and/or affect the housing industry. In addition, our ability to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond our control, such as changes in federal, state and local policies, rules and regulations and their interpretations and application. Furthermore, we are also subject to various fees and charges of government authorities designed to defray the cost of providing certain governmental services and improvements. For example, local and state governments have broad discretion regarding the imposition of development fees for projects under their jurisdictions, as well as requiring concessions or that the builder construct certain improvements to public places such as parks and streets, or fund schools.

Further, government agencies routinely initiate audits, reviews or investigations of our business practices to ensure compliance with applicable laws and regulations, which can cause us to incur costs or create other disruptions in our business that can be significant. Further, we may experience delays and increased expenses as a result of legal challenges to our proposed communities, whether brought by governmental authorities or private parties.

We have faced, and may face in the future, substantial damages or be enjoined from pursuing important activities as a result of existing or future litigation, arbitration or other claims.

We are involved in various litigation and legal claims, including actions brought on behalf of various classes of claimants. For example, in 2023 we paid $64.7 million resulting from a judgment in a case in Florida relating to our collection of club membership fees in connection with the use of our club amenities. See Note 14 - *Commitments and Contingencies - Legal Proceedings* in the Notes to the Consolidated financial statements included in this Annual Report for additional information. We establish liabilities for legal claims and regulatory matters when such matters are both probable of occurring and any potential loss is reasonably estimable. We accrue for such matters based on the facts and circumstances specific to each matter and revise these estimates as the matters evolve. In such cases, there may exist an exposure to loss in excess of any amounts currently accrued. In view of the inherent difficulty of predicting the outcome of these legal and regulatory matters, we generally cannot predict the ultimate resolution, the related timing or the amount of any eventual loss. To the extent the liability arising from the ultimate resolution of any matter exceeds the estimates reflected in the recorded reserves relating to such matter, we could incur additional charges that could be significant. Unfavorable litigation, arbitration or claims could also generate negative publicity in various media outlets that could be detrimental to our reputation.

Regulations regarding environmental matters and climate change may affect us by substantially increasing our costs and exposing us to potential liability.

We are subject to various environmental laws and regulations, which may affect aspects of our operations such as how we manage storm water runoff, wastewater discharge and dust; how we develop or operate on properties on or affecting resources such as wetlands, endangered species, cultural resources, or areas subject to preservation laws; and how we address contamination.

Developers and homebuilders may become subject to more stringent requirements under such laws. In addition, some of these requirements that significantly affect how certain properties may be developed are contentious, attract intense political attention, and may be subject to significant changes over time. For example, regulations governing wetlands permitting under the federal Clean Water Act have been the subject of extensive rulemakings for many years, resulting in several major joint rulemakings by the Environmental Protection Agency and the U.S. Army Corps of Engineers that have expanded and contracted the scope of wetlands subject to regulation; and such rulemakings have been the subject of many legal challenges, some of which remain pending. It is unclear how these and related developments, including at the state or local level, ultimately may affect the scope of regulated wetlands where we operate. Although we cannot reliably predict the extent of any effect these rulemakings regarding wetlands, or any other environmental requirements that may take effect, may have on us, they could result in time-consuming and expensive compliance programs and in substantial expenditures, which could cause delays and increase our cost of operations. Our noncompliance with environmental laws could result in fines and penalties, obligations to remediate or restore habitat, permit revocations and other sanctions.

In addition, there is growing concern from advocacy groups and the general public that the emission of greenhouse gases and other human activities are causing significant changes in weather patterns and temperatures and the frequency and severity of weather events and natural disasters. There is a variety of legislation and other regulation being implemented or considered, at the federal, state and local level relating to energy and climate change. This legislation and these regulations involve matters including carbon dioxide emissions control and building codes that impose energy efficiency standards, as well as standards to improve the resiliency of buildings to climate-related impacts such as flooding, storm surges, severe winds, wildfires and other extreme weather-related stress on buildings. Such requirements could significantly increase our cost to construct homes. Energy-related initiatives affect a wide variety of companies throughout the United States and the world and, because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel and concrete, they could also have an indirect adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade and similar energy related taxes and regulations. Furthermore, some of our homes and land development projects may be in locations that are susceptible to the physical impacts of climate change, and we may experience losses that are not adequately covered by insurance in the event of an adverse event, or may not be able to find buyers for homes and developments in locations perceived as vulnerable to the physical impacts of climate change. Additionally, the cost of insurance is rising due to the increasing frequency and severity of damages due to severe weather or natural disaster events, and in some cases, insurers are refusing to renew or to write new policies in areas deemed susceptible to such events. Our customers' inability to obtain affordable insurance policies could adversely impact our sales and results of operations.

Utility and resource shortages or rate fluctuations could have an adverse effect on our operations.

Several of the markets in which we operate have historically been subject to utility and resource shortages, including significant changes to the availability and cost of electricity and water. Shortages of utility resources in our markets, particularly of water, may make it more difficult for us to obtain regulatory approval of new developments and have other adverse implications.

For example, certain areas in which we operate, particularly the Western United States, have experienced and continue to experience severe drought conditions. In response to these conditions, government officials often take a number of steps to preserve potable water supplies. To address a state mandate and their own available potable water supplies, local water agencies/ suppliers could potentially: restrict, delay the issuance of, or proscribe new water connection permits for homes; increase the costs for securing such permits, either directly or by requiring participation in impact mitigation programs; adopt higher efficiency requirements for water-using appliances or fixtures; limit or ban the use of water for construction activities; impose requirements as to the types of allowed plant vegetation or irrigation for outdoor landscaping that are less desired by consumers; and/or impose fines and penalties for noncompliance with any such measures. These local water agencies/ suppliers could also increase rates and charges to residential users for the water they use, potentially increasing the cost of homeownership.

Any of the foregoing, individually or collectively, could adversely affect the regional economies in which we operate, which may limit, impair or delay our ability to acquire and develop land and/or build and deliver homes, increase our production costs or reduce demand for our homes, thereby negatively affecting our business and results of operations.

Risks related to our financial services business.

Our financial services businesses are subject to risks, including risks associated with our ability to sell mortgages we originate and to claims on loans sold to third parties.

While we intend for the loans originated by TMHF, our financial services business, to be sold on the secondary market, if TMHF is unable to sell loans into the secondary mortgage market or directly to large secondary market loan purchasers such as Fannie Mae and Freddie Mac, TMHF would bear the risk of being a long-term investor in these originated loans. Being required to hold loans on a long-term basis would subject us to credit risks associated with the borrowers to whom the loans are extended, would negatively affect our liquidity and could require us to use additional capital resources to finance the loans that TMHF is extending. In addition, although mortgage lenders under the mortgage warehouse facilities TMHF currently uses to finance our lending operations normally purchase our mortgages within approximately 20-30 days of origination, if such mortgage lenders default under these warehouse facilities TMHF would be required to fund the mortgages then in the pipeline. In such case, amounts available under our $1 Billion Revolving Credit Facility (the “Revolving Credit Facility”) and cash from operations may not be sufficient to allow TMHF to provide financing required by its business during these times, and our ability to originate and sell mortgage loans at competitive prices could be limited, which could negatively affect our business. Further, an obligation to commit our own funds to long-term investments in mortgage loans could, among other things, delay the time when we recognize revenue from home closings on our statements of operations.

Our financial services businesses may also be responsible for losses associated with mortgage loans originated and sold to investors (including loans originated by companies we have acquired) in the event of errors or omissions relating to certain representations and warranties made to secondary market purchasers that the loans sold meet certain requirements, including representations as to underwriting standards, the type of collateral, the existence of primary mortgage insurance and the validity of certain borrower representations in connection with the loan. Accordingly, mortgage investors could seek to have us buy back loans or compensate them for losses incurred on mortgages sold based on claims that we breached our limited representations or warranties. If, due to higher costs, reduced liquidity, residential consumer loan putback demands or internal or external reviews of its residential consumer mortgage loan foreclosure processes, or other factors or business decisions, TMHF is unable to make loan products available to our homebuyers, our home sales and financial services results of operations may be adversely affected.

We enter into interest rate lock commitments (“IRLCs”) to originate residential mortgage loans held for sale, at specified interest rates and within a specified period of time (generally between 30 and 60 days), with customers who have applied for a loan and meet certain credit and underwriting criteria. These commitments expose us to market risk if interest rates change and the underlying loan is not economically hedged or committed to an investor. We also have exposure to credit loss in the event of contractual non-performance by our trading counterparties in derivative instruments that we use in our rate risk management activities. We aim to manage this credit risk by selecting only counterparties that we believe to be financially strong, spreading the risk among multiple counterparties, by placing contractual limits on the amount of unsecured credit extended to any single counterparty, and by entering into netting agreements with counterparties, as appropriate.

Our financial services and title services businesses may be adversely affected by changes in governmental regulation.

Changes in governmental regulation with respect to mortgage lenders and title service providers could adversely affect the financial results of this portion of our business. Our financial services businesses are subject to numerous federal, state and local laws and regulations, which, among other things: prohibit discrimination and establish underwriting guidelines; provide for audits and inspections; require appraisals and/or credit reports on prospective borrowers and disclosure of certain information concerning credit and settlement costs; establish maximum loan amounts; prohibit predatory lending practices; and regulate the referral of business to affiliated entities. In addition, our title insurance operations are also subject to applicable insurance and banking laws and regulations as well as government audits, examinations and investigations, all of which may limit our ability to provide title services to potential purchasers.

The regulatory environment for mortgage lending is complex and ever changing and has led to an increase in the number of audits, examinations and investigations in the industry. The 2008 housing downturn resulted in numerous changes in the regulatory framework of the financial services industry. Any changes or new enactments could result in more stringent compliance standards, which could adversely affect our financial condition and results of operations and the market perception of our business. Additionally, if we are unable to originate mortgages for any reason going forward, our customers could experience mortgage loan funding issues, which could have a material impact on our homebuilding business and our results of operations.

The prices of our mortgages could be adversely affected if we lose any of our important commercial relationships.

We have longstanding relationships with members of the lender community from which our borrowers benefit. TMHF plans to continue with these relationships and use the correspondent lender platform as a part of its operational plan. While we believe that our current commercial relationships are strong, if our relationship with any one or more of those banks deteriorates or if one or more of those banks decide to renegotiate or terminate existing agreements or otherwise exit the market, TMHF may be required to increase the price of our products, or modify the range of products TMHF offers, which could cause us to lose customers who may choose other providers based solely on price or fees, which could adversely affect our financial condition and results of operations.

Risks related to our indebtedness

Constriction of the capital markets could limit our ability to access capital and increase our costs of capital.

We fund our operations with cash from operations, capital markets financings and borrowings under our Revolving Credit Facility and other loan facilities. The expansion and development of our business may require significant capital, which we may be unable to obtain. Further, our capital requirements may vary materially from those currently planned if, for example, our revenues do not reach, or our costs exceed, expected levels or we have to incur unforeseen capital expenditures to maintain our competitive position. If this is the case, we may require additional financing sooner than anticipated or we may have to delay or abandon some or all of our development and expansion plans or otherwise forego market opportunities. Volatile economic conditions and the constriction of the capital markets could reduce the sources of liquidity available to us and increase our costs of capital. If the size or availability of our banking facilities is reduced in the future, or if we are unable to obtain new, or renew existing, facilities in the future on favorable terms or otherwise access the loan or capital markets, it would have an adverse effect on our liquidity and operations.

Our substantial debt could adversely affect our business, financial condition or results of operations and prevent us from fulfilling our debt-related obligations.

We have a substantial amount of debt. As of December 31, 2024, the total principal amount of our debt (including $174.5 million of indebtedness of TMHF) was $2.1 billion. Our substantial debt could have important consequences for the holders of our common stock, including:

- making it more difficult for us to satisfy our obligations with respect to our debt or to our trade or other creditors;
- increasing our vulnerability to adverse economic or industry conditions;
- limiting our ability to obtain additional financing to fund land acquisitions and development and construction activities particularly when the availability of financing in the capital markets is limited;
- requiring us to pay higher interest rates upon refinancing or on our variable rate indebtedness if interest rates rise;
- requiring a substantial portion of our cash flows from operations and the proceeds of any capital markets offerings or loan borrowings for the payment of principal and interest on our debt thus reducing our ability to use our cash flows to fund working capital, land acquisitions and development and construction activities and general corporate requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- placing us at a competitive disadvantage to less leveraged competitors.

We cannot ensure that our business will generate sufficient cash flow from operations or that future borrowings will be available to us through capital markets financings or under our Revolving Credit Facility or otherwise in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, on or before its maturity. We cannot ensure that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. In addition, we may incur additional indebtedness in order to finance our operations, to fund acquisitions, or to repay existing indebtedness. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional debt or equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. We cannot ensure that any such actions, if necessary, could be effected on commercially reasonable terms, or at all.

Restrictive covenants in the agreements governing our Revolving Credit Facility and other indebtedness may restrict our ability to pursue our business strategies.

The agreement governing our Revolving Credit Facility limits our ability, and the terms of any future indebtedness may prohibit or limit our ability, among other things, to:

- incur or guarantee additional indebtedness;
- make certain investments;
- repurchase equity or subordinated indebtedness;
- pay dividends or make distributions on our capital stock;
- sell assets, including capital stock of restricted subsidiaries;
- agree to restrictions on distributions, transfers or dividends affecting our restricted subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

- enter into transactions with our affiliates;
- incur liens; and
- designate any of our subsidiaries as unrestricted subsidiaries.

In addition, the indentures governing our senior notes contain covenants that, among other things, restrict our ability to incur certain liens securing indebtedness without equally and ratably securing the senior notes and enter into certain sale and leaseback transactions, subject to certain exceptions and qualifications.

The agreement governing our Revolving Credit Facility contains certain “springing” financial covenants that, if triggered, require Taylor Morrison Home III Corporation, a Delaware corporation and our indirect wholly owned subsidiary, and its subsidiaries to comply with a maximum debt to capitalization ratio and a minimum consolidated tangible net worth test.

The restrictions contained in the indentures governing all of our senior notes and the agreement governing our Revolving Credit Facility could also limit our ability to plan for or react to market conditions, meet capital needs or make acquisitions or otherwise restrict our activities or business plans.

A breach of any of the restrictive covenants under the agreement governing our Revolving Credit Facility or any of our senior notes could allow for the acceleration of the Revolving Credit Facility and all senior notes. If the indebtedness under our Revolving Credit Facility or the senior notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness.

Risks related to our organization and structure

Provisions in our charter and by-laws and provisions of Delaware law may delay or prevent our acquisition by a third party, which might diminish the value of our common stock. Provisions in our debt agreements may also require an acquirer to refinance our outstanding indebtedness if a change of control occurs.

Our amended and restated certificate of incorporation and our amended and restated by-laws contain certain provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable, including the following:

- the sole ability of the Board of Directors to fill a vacancy created by the expansion of the Board of Directors;
- advance notice requirements for stockholder proposals and director nominations;
- limitations on the ability of stockholders to call special meetings and to take action by written consent;
- in certain cases, the approval of holders of at least three-fourths of the shares entitled to vote generally on the making, alteration, amendment or repeal of our certificate of incorporation or by-laws will be required to adopt, amend or repeal our bylaws, or amend or repeal certain provisions of our certificate of incorporation; and
- the ability of our Board of Directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our Board of Directors.

Section 203 of the Delaware General Corporation Law may affect the ability of an “interested stockholder” to engage in certain business combinations for a period of three years following the time that the stockholder becomes an “interested stockholder.” We have elected in our amended and restated certificate of incorporation not to be subject to Section 203 of the Delaware General Corporation Law. Nevertheless, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203 of the Delaware General Corporation Law.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Under our Revolving Credit Facility, a change of control would be an event of default, which could therefore require a third-party acquirer to obtain a facility to refinance any outstanding indebtedness under the Revolving Credit Facility. Under the indentures governing our Senior Notes, if a change of control were to occur, we would be required to make offers to repurchase all of our senior notes at a price equal to 101% of their respective principal amounts. These change of control provisions in our existing debt agreements may also delay or diminish the value of an acquisition by a third party.

Our charter provides to the fullest extent permitted by law that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between the Company and our stockholders, which could increase costs to bring a claim, discourage claims or limit the ability of our stockholders to bring a claim in a judicial forum viewed by stockholders as more favorable for disputes with us or our directors, officers or other employees.

Our charter provides to the fullest extent permitted by law that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders, (iii) any action or proceeding asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, as amended from time to time, or (iv) any action or proceeding asserting a claim governed by the internal affairs doctrine. The choice of forum provision may increase costs to bring a claim, discourage claims or limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or our directors, officers or other employees, which may discourage such lawsuits against us or our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. The exclusive forum provision in our charter will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under the federal securities laws including the Exchange Act or the Securities Act or the respective rules and regulations promulgated thereunder.

Any of the above risks could have a material adverse effect on your investment in our common stock.

ITEM 1B | UNRESOLVED STAFF COMMENTS

None.

ITEM 1C | CYBERSECURITY

Cybersecurity Risk Management and Strategy

We maintain a comprehensive cybersecurity program, including policies and procedures designed to protect our systems, operations, and data. We perform risk assessments on a quarterly basis to identify and remediate potential cybersecurity threats and vulnerabilities. In connection with our assessment of potential cybersecurity risks, our Information Technology ("IT") team engages in threat modeling, vulnerability scanning and penetration testing. For each identified risk, our IT team will estimate the likelihood of occurrence and potential impact, which will guide the Company in assessing and prioritizing risks. We have also implemented a process to evaluate and review potential cybersecurity risks arising from our use of third-party vendors. As part of our vendor engagement protocols, we will consider, among other things, each potential vendor's data backup procedures, incident reporting protocols and data privacy and encryption practices. Once a new vendor is onboarded, we monitor their cybersecurity posture utilizing a third-party cybersecurity ratings provider.

In addition to our internal exercises to test aspects of our cybersecurity program, we engage independent third parties semi-annually to assess the risks associated with our IT resources and information assets. Among other matters, these third parties analyze information on the interactions of users of our information technology resources, including employees, and conduct penetration tests and scanning exercises to assess the performance of our cybersecurity systems and processes. Annually, we examine our cybersecurity program with these third parties, evaluating its effectiveness in part by considering industry standards and established frameworks, such as the National Institute of Standards and Technology ("NIST"), as guidelines. As a mortgage company, we are also associated with the Federal Financial Institutions Examination Council.

For material cybersecurity risks, we've developed mitigation plans to reduce the risk's likelihood of occurrence and/or its expected impact. Such mitigation plans have involved, among other things, implementing additional technology controls or policies, increased training for company personnel or obtaining additional insurance for the identified risk. Our IT team monitors material risks over time and updates the Company's mitigation plans as appropriate. IT also regularly reports to the leadership team on the status of material risks, mitigation plans and incidents related to such risks.

We also maintain a data breach response plan, which is intended to be aligned with the NIST framework, and which is reviewed annually and conveyed to our team members through our mandatory cybersecurity training. We also retain experienced cybersecurity consultants that can assist us in the event of a serious breach, and maintain a cyber insurance policy.

For a discussion of how risks from cybersecurity threats affect our business, see "Item 1A. Risk Factors – Risk Related to our industry, business and economic conditions – Information technology failures and data security breaches could harm our business" in this Annual Report.

Cybersecurity Governance

Management is responsible for ongoing assessment and oversight of cybersecurity risks that could significantly impact our operations, finances or reputation. This includes identifying information assets and data systems that are critical to business functions, determining the vulnerability of those systems to potential cyberattacks, and developing comprehensive protections and response plans.

To fulfill these responsibilities, management relies on IT and cybersecurity leadership who possess specialized expertise in relevant areas. Our cybersecurity team is led by our Chief Information Officer ("CIO"), who has more than 25 years of experience working in information technology, of which more than 20 have been with Taylor Morrison. With over ten years of experience developing cybersecurity programs, the CIO leads security control implementation, risk and compliance monitoring, security tool management, and incident response planning. Reporting to the CIO, the Director of Information Security possesses expert knowledge in threat modeling and vulnerability testing methodologies. The Director of Information Security leads efforts to build security into all IT processes and procedures to protect against risks related to data leakage, broken authentication, injection flaws, improper encryption, and attacks on other application vulnerabilities.

Supporting the CIO and Director of Information Security is a team of IT security professionals who collectively hold the following degrees and certifications: Master’s degree in cybersecurity; Certified Information Systems Security Professional; Certified Ethical Hacker; Security +; Microsoft Certified Professional; Microsoft Certified Solutions Associate; and Microsoft Certified Systems Engineer.

Supported by these skilled leaders, management conducts quarterly cyber risk reviews, maintains a cybersecurity risk register, authorizes risk mitigation budgets and activities, and ensures appropriate resources are devoted to protecting against rapidly evolving cyber threats. The Audit Committee and the Board of Directors are also regularly updated on cybersecurity risk assessments, policy changes, significant incidents, and preparedness levels. This enables management to provide oversight, set risk tolerances, and support a comprehensive cybersecurity program that manages material cyber risks to the organization.

The CIO updates the Board of Directors biannually on the state of the cybersecurity program, which includes a discussion of the most important cybersecurity risks facing the Company, an update on notable cybersecurity incidents and recent threats, and a summary of the results of the Company’s recent independent cybersecurity assessments, among other items. In addition, the Audit Committee of the Board of Directors receives quarterly cybersecurity updates, which include reports on key cybersecurity metrics, cybersecurity headlines, current risks and mitigation strategies.

ITEM 2 | PROPERTIES

We lease office facilities for our homebuilding and financial services operations. We lease our corporate headquarters, which is located in Scottsdale, Arizona. At December 31, 2024, the lease on this facility covered a space of approximately 25,000 square feet and expires in December 2027. We have approximately 46 other leases for our other division offices and design centers. For information on land owned and controlled by us for use in our homebuilding activities, please see *Item 1—Business—Business Strategy and Operations—Land and Development Strategies and Note 4—Real Estate Inventory* in the Notes to the Consolidated financial statements included in this Annual Report.

ITEM 3 | LEGAL PROCEEDINGS

The information required with respect to this item can be found under Note 14—Commitments and Contingencies—Legal Proceedings in the Notes to the Consolidated financial statements included in this Annual Report and is incorporated by reference herein.

ITEM 4 | MINE SAFETY DISCLOSURE

Not applicable.

Part II

ITEM 5 | MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

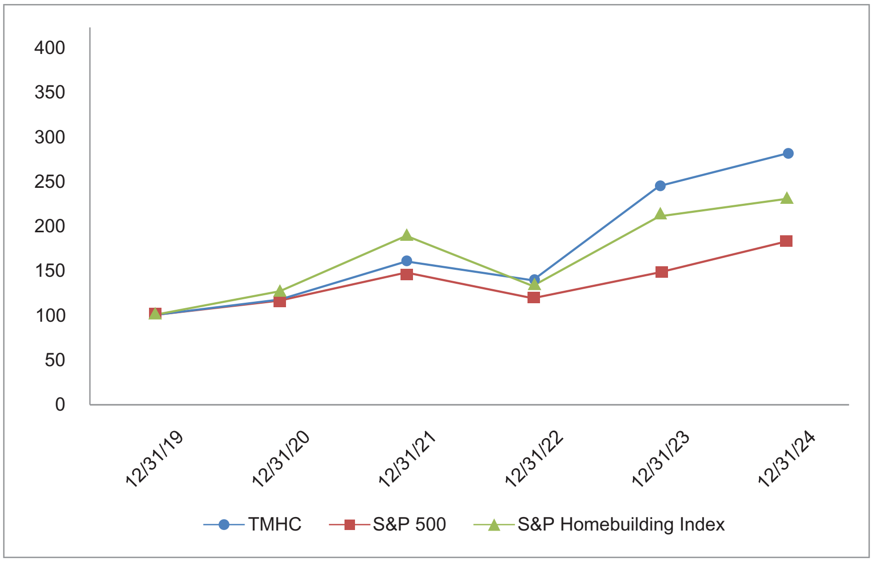
The Company lists its common stock on the New York Stock Exchange ("NYSE") under the symbol "TMHC". On February 19, 2025, the Company had 372 holders of record of our common stock. This does not include the number of stockholders who hold shares in TMHC through banks, brokers, and other financial institutions.

Stock Performance Graph

The following shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act, except to the extent we specifically incorporate it by reference into such filing.

This chart compares the cumulative total return on our common stock with that of the Standard & Poor's 500 Composite Stock Index (the "S&P 500") and the Standard & Poor's Homebuilding Index (the "S&P Homebuilding Index"). The chart assumes $100.00 was invested at the close of market on December 31, 2019, in the common stock of Taylor Morrison Home Corporation, the S&P 500 Index and the S&P Homebuilding Index, and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

COMPARISON OF CUMULATIVE TOTAL RETURN AMONG TMHC, THE S&P 500 AND THE S&P HOMEBUILDING INDEX FROM DECEMBER 31, 2019 TO DECEMBER 31, 2024



	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
TMHC	$ 100.00	$ 117.34	$ 159.93	$ 138.84	$ 244.05	$ 280.01
S&P 500	100.00	116.26	147.52	118.84	147.64	182.05
S&P Homebuilding Index	100.00	126.65	188.49	132.54	210.20	229.62

Dividends

We currently intend to use our future earnings to develop our business and for working capital needs and general corporate purposes, to fund our growth, to repay debt and to repurchase shares of our common stock, and do not anticipate paying any cash dividends in the foreseeable future. We have not previously declared or paid any cash dividends on our common stock.

Issuer Purchases of Equity Securities

The Company's stock repurchase program, allows for repurchases of the Company's common stock in open market purchases, privately negotiated transactions or other transactions. The stock repurchase program is subject to prevailing market conditions and other considerations, including our liquidity, the terms of our debt instruments, statutory requirements, planned land investment and development spending, acquisition and other investment opportunities and ongoing capital requirements. The program does not require the Company to repurchase any specific number of shares of common stock, and the program may be suspended, extended, modified or discontinued at any time. Our Board of Directors can also increase the amount available for repurchase under the program or extend the program. During the years ended December 31, 2024 and 2023, the Company repurchased an aggregate of 5,607,852 and 2,814,956 shares of common stock, respectively.

The table below represents our share repurchase activity for the quarter ended December 31, 2024:

PERIOD	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS(1)(2)	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS
				(in thousands)
October 1 to October 31, 2024	—	—	—	$ 1,000,000
November 1 to November 30, 2024	569,962	70.18	569,962	960,000
December 1 to December 31, 2024(3)	799,123	62.45	799,123	910,093
Total	1,369,085	65.67	1,369,085	$ 910,093

(1) In November 2024, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") in which the Company paid a third-party financial institution $50 million and received an initial delivery of approximately 569,962 shares of Common Stock, representing 80% of the transaction value based on the Company's closing share price on November 18, 2024. The total number of shares that the Company will ultimately repurchase under the ASR Agreement will be determined based on the volume-weighted average price of the Common Stock during the term of the ASR Agreement, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR Agreement. Final settlement of the ASR Agreement is expected to occur no later than the first quarter of 2025.

(2) On October 23, 2024, we announced that our Board of Directors authorized a $1.0 billion renewal of our stock repurchase program until December 31, 2026. This authorization replaced our prior $500.0 million repurchase authorization, which was originally scheduled to expire on December 31, 2025. (3) In September 2024, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") in which the Company paid a third-party financial institution $50 million and received an initial delivery of approximately 580,804 shares of Common Stock, representing 80% of the transaction value based on the Company's closing share price on September 26, 2024. Final settlement of the ASR Agreement occurred in December 2024, at which time we received an additional 147,013 shares of Common Stock based on a final weighted average price of $68.70.

ITEM 6 | [RESERVED]

ITEM 7 | MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General Overview

Our principal business is residential homebuilding and the development of lifestyle communities with operations across 12 states. We provide an assortment of homes across a wide range of price points to appeal to an array of consumer groups. We design, build and sell single and multi-family detached and attached homes in traditionally high growth markets for entry level, move-up, and resort lifestyle buyers. We operate under various brand names including Taylor Morrison, Darling Homes Collection by Taylor Morrison, and Esplanade. We also have a "Build-to-Rent" homebuilding business which operates under the Yardly brand name. In addition, we own and operate commercial space, retail, and multi-family properties under the Urban Form brand name. We also have operations which provide financial services to customers through our wholly owned mortgage subsidiary, TMHF, title services through our wholly owned title services subsidiary, Inspired Title, and homeowner's insurance policies through our insurance agency, TMIS. Our business is organized into multiple homebuilding operating components, and a financial services component, all of which are organized as four reportable segments: East, Central, West and Financial Services, as follows:

East	Atlanta, Charlotte, Jacksonville, Naples, Orlando, Raleigh, Sarasota, and Tampa
Central	Austin, Dallas, Denver, Houston, and Indianapolis
West	Bay Area, Las Vegas, Phoenix, Portland, Sacramento, Seattle, and Southern California
Financial Services	Taylor Morrison Home Funding, Inspired Title Services, and Taylor Morrison Insurance Services

Annual Overview and Business Strategy

We benefit from a dynamic and flexible operating strategy that allows us to serve a broad range of consumers and respond to market and economic conditions, community by community to maximize our financial performance. This flexible but prudent approach allows for shifts in our pricing strategies, financing incentives, starts volume and land investments to minimize risk and recalibrate affordability, while maintaining strong performance metrics including gross margin.

We continuously adjust sales prices across our portfolio based on market conditions to drive sales while also protecting the value of our backlog. Pricing adjustments are utilized in a variety of ways including finance incentives, adjustments to the pricing of lot premiums, options and upgrades, and in some instances base price of the home. Each community's buyer profile mix of adjustments is dependent on its backlog, inventory, duration, and competitive dynamics.

Our balance sheet remained strong for the year ended December 31, 2024, with over $1.4 billion in total liquidity, a homebuilding debt-to-capitalization ratio of 24.9% on a gross basis and 20.0% net of unrestricted cash. We believe we have a balanced capital allocation approach and continue to allocate capital and manage our land portfolio to acquire assets that have attractive characteristics, including access to preferred schools, shopping, recreation and transportation facilities. In connection with our overall land inventory management and investment process, our management team reviews these considerations, as well as other financial metrics, to decide the highest and best use of our capital.

Factors Affecting Comparability of Results

For the years ended December 31, 2024, 2023, and 2022 we recognized $5.0 million, $11.8 million, and $24.9 million in inventory impairment charges. Impairment charges are recorded to Cost of home closings on the Consolidated statements of operations.

For the year ended December 31, 2024, we recognized $17.8 million in impairment charges relating to our Urban Form properties. Impairment charges relating to our Urban Form properties are recorded to Amenity and other expenses on the Consolidated statements of operations. For the years ended December 31, 2023 and 2022, no such impairment charges were incurred.

At December 31, 2024 and 2023, our legal accruals were $49.1 million and $26.2 million, respectively. Legal expenses and settlements are recorded to Other expense, net on the Consolidated statements of operations. No substantial charges were recorded for the year ended December 31, 2022.

For the years ended December 31, 2024, 2023, and 2022 we recognized $21.3 million, $17.1 million, and $4.8 million in insurance losses relating to Beneva Indemnity Company ("Beneva"), respectively. Such losses are included in Other expense, net on the Consolidated statements of operations.

For the years ended December 31, 2024, 2023, and 2022, we recognized $9.5 million, $4.2 million, and $33.2 million in pre-acquisition abandonment charges, respectively. These charges are recorded to Other expense, net on the Consolidated statements of operations.

For the year ended December 31, 2022, we recognized $14.7 million of expense relating to the impairment of our investment in one of our unconsolidated joint ventures. This charge is included in Net (income)/loss from unconsolidated entities on the Consolidated statements of operations. For the years ended December 31, 2024 and 2023, no such impairment charges were incurred.

For the years ended December 31, 2023 and 2022, we recognized $0.3 million of loss on extinguishment of debt and a $13.9 million of gain on extinguishment of debt, respectively. There was no loss or gain on extinguishment of debt for the year ended December 31, 2024.

For the year ended December 31, 2022, we recognized a gain of $14.5 million related to land transferred to unconsolidated joint ventures. This gain is recorded in Other expense, net on the Consolidated statements of operations. For the years ended December 31, 2024 and 2023, we did not realize such gains.

Critical Accounting Policies and Estimates

GENERAL

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions, impacting our reported results of operations and financial condition.

Certain accounting policies involve significant judgments and assumptions by management, which have a material impact on the carrying value of assets and liabilities and the recognition of income and expenses. The estimates and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. The significant accounting policies that management believes are the most critical to aid in fully understanding and evaluating our reported financial results are described below.

REVENUE RECOGNITION

Revenue is recognized in accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*. The standard's core principle requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Home and Land Closings Revenue

Under ASC 606, the following steps are applied to determine home closings revenue and land closings revenue recognition: (1) identify the contract(s) with our customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the performance obligation(s) are satisfied. Our home sales transactions, have one contract, with one performance obligation, with each customer to build and deliver a home (or develop and deliver land). Based on the application of the five steps, the following summarizes the timing and manner of home and land sales revenue:

- Revenue from closings of residential real estate is recognized when the buyer has made the required minimum down payment, obtained necessary financing, the risks and rewards of ownership are transferred to the buyer, and we have no continuing involvement with the property, which is generally upon the close of escrow. Revenue is reported net of any discounts and incentives.
- Revenue from land sales is recognized when a significant down payment is received, title passes and collectability of the receivable, if any, is reasonably assured, and we have no continuing involvement with the property, which is generally upon the close of escrow.

AMENITY AND OTHER REVENUE

We own and operate certain amenities such as golf courses, club houses, and fitness centers, which require us to provide club members with access to the facilities in exchange for the payment of club dues. We collect club dues and other fees from club members, which are invoiced on a monthly basis. Revenue from our golf club operations is also included in Amenity and other revenue. Amenity and other revenue also includes revenue from our Urban Form operations and Build-to-Rent operations.

FINANCIAL SERVICES REVENUE

Mortgage operations and hedging activity related to financial services are not within the scope of Topic 606 and are recognized at the time the related real estate transactions are completed, usually upon the close of escrow. Generally, the loans TMHF originates are sold to third party investors within a short period of time, on a non-recourse basis. Gains and losses from the sale of mortgages are recognized in accordance with ASC Topic 860-20, *Sales of Financial Assets.* TMHF generally does not have continuing involvement with the transferred assets; therefore, we derecognize the mortgage loans at time of sale, based on the difference between the selling price and carrying value of the related loans upon sale, recording a gain/loss on sale in the period of sale. Also included in Financial services revenue/expenses is the realized and unrealized gains and losses from hedging instruments. ASC Topic 815-25, *Derivatives and Hedging,* requires that all hedging instruments be recognized as assets or liabilities on the Balance sheet at their fair value. We do not meet the criteria for hedge accounting; therefore, we account for these instruments as free-standing derivatives, with changes in fair value recognized in Financial services revenue/expenses on the Consolidated statement of operations in the period in which they occur.

REAL ESTATE INVENTORY VALUATION AND COSTING

Inventory consists of raw land, land under development, homes under construction, completed homes, and model homes, all of which are stated at cost. In addition to direct carrying costs, we also capitalize interest, real estate taxes, and related development costs that benefit the entire community, such as field construction supervision and related direct overhead. Vertical construction costs are accumulated and charged to Cost of home closings at the time of home closings using the specific identification method. Land acquisition, development, interest, and real estate taxes are capitalized and allocated generally using the relative sales value method. Generally, all overhead costs relating to purchasing, vertical construction, and construction utilities are considered overhead costs and are allocated on a per unit basis. These costs are capitalized to inventory beginning with the start of development through construction completion. Changes in estimated costs to be incurred in a community are generally allocated to the remaining project on a prospective basis. For those communities that have been temporarily closed or development has been discontinued, we do not allocate interest or other costs to the community's inventory until activity resumes. Such costs are expensed as incurred.

The life cycle of the community generally ranges from two to five years, commencing with the acquisition of unentitled or entitled land, continuing through the land development phase and concluding with the sale, construction and delivery of homes. Actual community lives will vary based on the size of the community, the sales absorption rate and whether we purchased the property as raw land or finished lots.

We capitalize qualifying interest costs to inventory during the development and construction periods. Capitalized interest is charged to Cost of home closings when the related inventory is charged to Cost of home closings.

We assess the recoverability of our inventory in accordance with the provisions of ASC Topic 360, *Property, Plant, and Equipment*. We review our real estate inventory for indicators of impairment on a community-level basis during each reporting period. If indicators of impairment are present for a community, an undiscounted cash flow analysis is generally prepared in order to determine if the carrying value of the assets in that community exceeds the estimated undiscounted cash flows. Generally, if the carrying value of the assets exceeds their estimated undiscounted cash flows, the assets are potentially impaired, requiring a fair value analysis. Our determination of fair value is primarily based on a discounted cash flow model which includes projections and estimates relating to sales prices, construction costs, sales pace, and other factors. However, in certain circumstances, fair value can also be determined through other methods, such as appraisals, contractual purchase offers, and other third party opinions of value. Changes in these expectations may lead to a change in the outcome of our impairment analysis, and actual results may also differ from our assumptions.

In certain cases, we may elect to cease development and/or marketing of an existing community if we believe the economic performance of the community would be maximized by deferring development for a period of time to allow for market conditions to improve. We refer to such communities as long-term strategic assets. The decision may be based on financial and/or operational metrics as determined by us. For those communities that have been temporarily closed or development has been discontinued, we do not allocate interest or other costs to the community's inventory until activity resumes and such costs are expensed as incurred. If we decide to cease development, we will evaluate the project for impairment and then cease future development and marketing activity until such a time when we believe that market conditions have improved and economic performance can be maximized. Our assessment of the carrying value of our long-term strategic assets typically includes subjective estimates of future performance, including the timing of when development will recommence, the type of product to be offered, and the margin to be realized. In the future, some of these inactive communities may be re-opened while others may be sold.

In the ordinary course of business, we enter into land purchase agreements with various sellers to acquire lots. Real estate not owned under these agreements is reflected in Consolidated real estate not owned with a corresponding liability in Liabilities attributable to consolidated real estate not owned in the Consolidated balance sheets. As a method of acquiring land in staged takedowns, while limiting risk and minimizing the use of funds from our available cash or other financing sources, we may transfer our right under certain specific performance agreements to entities owned by third parties ("land banking arrangements"). These entities use equity contributions from their owners and/or incur debt to finance the acquisition and development of the land. We incur interest expense on these arrangements. Interest is based on remaining lots to be purchased and is capitalized for the percentage of lots in each project actively under development, with the remainder expensed and included in Interest expense/(income), net on the Consolidated statement of operations. We are not legally obligated to purchase lots under these agreements, but would forfeit any existing deposits and could be subject to financial and other penalties if the lots are not purchased. We do not have an ownership interest in these entities or title to their assets and do not guarantee their liabilities. As such, these entities are not consolidated. These land banking arrangements help us manage the financial and market risk associated with land holdings.

In some locations where we act as a developer, we occasionally purchase land that includes commercially zoned parcels or areas designated for school or government use, which we typically sell to commercial developers or municipalities, as applicable. We also sell residential lots or land parcels to manage our land and lot supply on larger tracts of land. Land is considered held for sale once it meets all criteria in accordance with *ASC 360 Property, Plant and Equipment*. Land held for sale is recorded at the lower of cost or fair value less costs to sell. In determining the value of land held for sale, we consider recent offers received, prices for land in recent comparable sales transactions, and other factors. We record fair value adjustments for land held for sale within Cost of land closings on the Consolidated statements of operations.

INSURANCE COSTS, SELF-INSURANCE RESERVES AND WARRANTY RESERVES

We are the parent of Beneva, which provides insurance coverage for construction defects discovered up to ten years following the close of a home, coverage for premise operations risk, and from time to time, property damage. We have certain deductible limits for each of our policies under our workers' compensation, automobile, and general liability insurance policies, and we record warranty expense and liabilities for the estimated costs of potential claims for construction defects. We also generally require our subcontractors and design professionals to indemnify us and provide evidence of insurance for liabilities arising from their work, subject to certain limitations. The excess liability limits are aggregated annually and applied in excess of automobile liability, employer's liability under workers compensation and general liability policies. We accrue for the expected costs associated with the deductibles and self-insured amounts under our various insurance policies based on historical claims, estimates for claims incurred but not reported, and potential for recovery of costs from insurance and other sources. The estimates are subject to significant variability due to factors, such as claim settlement patterns, litigation trends, and the extended period of time in which a construction defect claim might be made after the closing of a home.

We offer a one-year limited warranty to cover various defects in workmanship or materials, a two-year limited warranty on certain systems (such as electrical or cooling systems), and a ten-year limited warranty on structural defects. In addition, any outstanding warranties which were offered by our acquired companies are also honored. Warranty reserves are established as homes close in an amount estimated to be adequate to cover expected costs of materials and outside labor during warranty periods. Our warranty is not considered a separate performance obligation in the sales arrangement since it is not priced apart from the home; therefore, it is accounted for in accordance with ASC Topic 450, *Contingencies,* which states that warranties that are not separately priced are generally accounted for by accruing the estimated costs to fulfill the warranty obligation. The amount of revenue related to the product is recognized in full upon the delivery of the home if all other criteria for revenue recognition have been met. As a result, we accrue the estimated costs to fulfill the warranty obligation at the time a home closes, as a component of Cost of home closings on the Consolidated statements of operations.

Our loss reserves for self-insured claims insured by Beneva are based on factors that include an actuarial study for structural, historical and anticipated claims, trends related to similar product types, number of home closings, and geographical areas. We also provide third-party warranty coverage on homes where required by FHA or VA lenders. We regularly review the reasonableness and adequacy of our reserves and make adjustments to the balance of the preexisting reserves to reflect changes in trends and historical data as information becomes available. Self-insurance and warranty reserves are included in Accrued expenses and other liabilities in the Consolidated balance sheets.

We have not made any material changes in our methodology or significant assumptions used to establish our warranty reserves during these periods. In the event of a specific claim such as a construction defect for a community, we adjust our reserves accordingly, taking into consideration items such as the number of homes affected, the costs associated with each repair and the effectiveness of the repairs. Due to the degree of judgment required in making these estimates and the inherent uncertainty in potential outcomes, it is reasonably possible that actual costs could differ from those recorded and such differences could be material, resulting in a change in future estimated reserves.

INVESTMENTS IN UNCONSOLIDATED ENTITIES AND VARIABLE INTEREST ENTITIES

We are involved in joint ventures with independent third parties for real estate development, homebuilding and mortgage lending activities. We use the equity method of accounting for entities over which we exercise significant influence but do not have a controlling interest over the operating and financial policies of the investee. For unconsolidated entities in which we function as the managing member, we have evaluated the rights held by our joint venture partners and determined that they have substantive participating rights that preclude the presumption of control. For these unconsolidated joint ventures, our share of net earnings or losses is included in Net (income)/loss from unconsolidated entities on the Consolidated statements of operations when earned and distributions are credited against our Investment in unconsolidated entities on the Consolidated balance sheets when received.

We evaluate our investments in unconsolidated joint ventures for indicators of impairment semi-annually. A series of operating losses of an investee or other factors may indicate that a decrease in value of our investment in the unconsolidated entity has occurred which is other-than-temporary. The amount of impairment recognized, if any, is the excess of the investment's carrying amount over its estimated fair value. Additionally, we consider various qualitative factors to determine if a decrease in the value of the investment is other-than-temporary. These factors include age of the venture, stage in its life cycle, intent and ability to recover our investment in the unconsolidated entity, financial condition and long-term prospects of the unconsolidated entity, short-term liquidity needs of the unconsolidated entity, trends in the general economic environment of the land, entitlement status of the land held by the unconsolidated entity, overall projected returns on investment, defaults under contracts with third parties (including bank debt), recoverability of the investment through future cash flows and relationships with the other partners. If we believe that the decline in the fair value of the investment is temporary, then no impairment is recorded.

In the ordinary course of business, we enter into land purchase contracts, lot option contracts and land banking arrangements in order to procure land or lots for the construction of homes. Such contracts enable us to control significant lot positions with a minimal initial capital investment and substantially reduce the risks associated with land ownership and development. In accordance with ASC Topic 810, *Consolidation*, we have concluded that when we enter into an option or purchase agreement to acquire land or lots and pay a non-refundable deposit, a variable interest entity ("VIE") may be created because we are deemed to have provided subordinated financial support that will absorb some or all of an entity's expected losses, or benefit from rights to residual returns, if they occur. If we are the primary beneficiary of the VIE, we consolidate the VIE in our Consolidated financial statements and reflect such assets and liabilities as Consolidated real estate not owned and Liabilities attributable to consolidated real estate not owned, respectively, in the Consolidated balance sheets.

VALUATION OF DEFERRED TAX ASSETS

We account for income taxes using the asset and liability method, which requires that deferred tax assets and liabilities be recognized based on future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the changes are enacted. Changes in existing federal and state tax laws and corporate income tax rates could affect future tax results and the realization of deferred tax assets over time.

In accordance with ASC Topic 740-10, *Income Taxes*, we evaluate our deferred tax assets by tax jurisdiction, including the benefit from net operating loss ("NOL") carryforwards by tax jurisdiction, to determine if a valuation allowance is required. We must assess, using significant judgments, whether a valuation allowance should be established based on the consideration of all available evidence using a "more likely than not" standard with significant weight being given to evidence that can be objectively verified. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the length of statutory carryforward periods, experience with operating losses and experience of utilizing tax credit carryforwards and tax planning alternatives. We have not made any material changes in our methodology used to establish our valuation allowance during these periods. If a specific event or transaction were to occur that impacts our valuation allowance, we would reassess the evidence and adjust the allowance accordingly. Although management believes our valuation allowance is reasonable, no assurance can be given that the final tax outcome of these matters will not be different from our current valuation of our deferred tax assets and it is reasonably possible that such differences could be material, resulting in a change in future valuations.

Results of Operations

The following table sets forth our results of operations for the periods presented:

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands, except per share information)	2024	2023	2022
Statements of Operations Data:			
Home closings revenue, net	$7,755,219	$7,158,857	$7,889,371
Land closings revenue	81,417	60,971	81,070
Financial services revenue	199,459	160,312	135,491
Amenity and other revenue	132,041	37,691	118,985
Total revenue	$8,168,136	$7,417,831	$8,224,917
Cost of home closings	5,863,743	5,451,401	5,904,458
Cost of land closings	73,609	55,218	63,644
Financial services expenses	108,592	93,990	83,960
Amenity and other expenses	137,980	34,149	80,489
Total cost of revenue	$6,183,924	$5,634,758	$6,132,551
Gross margin	1,984,212	1,783,073	2,092,366
Sales, commissions and other marketing costs	456,092	418,134	398,074
General and administrative expenses	314,406	280,573	245,138
Net (income)/loss from unconsolidated entities	(6,347)	(8,757)	14,184
Interest expense/(income), net	13,316	(12,577)	17,674
Other expense, net	50,627	87,567	38,497
Loss/(gain) on extinguishment of debt, net	—	295	(13,876)
Income before income taxes	$1,156,118	$1,017,838	$1,392,675
Income tax provision	269,548	248,097	336,428
Net income before allocation to non-controlling interests	$ 886,570	$ 769,741	$1,056,247
Net income attributable to non-controlling interests	(3,261)	(812)	(3,447)
Net income	$ 883,309	$ 768,929	$1,052,800
Home closings gross margin	24.4%	23.9%	25.2%
Average selling price per home closed	$ 601	$ 623	$ 624
Sales, commissions and other marketing costs as a percentage of home closings revenue, net	5.9%	5.9%	5.1%
General and administrative expenses as a percentage of home closings revenue, net	4.0%	3.9%	3.1%
Effective income tax rate	23.3%	24.4%	24.2%
Earnings per common share —			
Basic	$ 8.43	$ 7.09	$ 9.16
Diluted	$ 8.27	$ 6.98	$ 9.06

Non-GAAP Measures

In addition to the results reported in accordance with GAAP, we have provided information in this annual report relating to: (i) adjusted net income and adjusted earnings per common share, (ii) adjusted income before income taxes and related margin, (iii) adjusted home closings gross margin, (iv) EBITDA and adjusted EBITDA and (v) net homebuilding debt to capitalization ratio.

Adjusted net income, adjusted earnings per common share and adjusted income before income taxes and related margin are non-GAAP financial measures that reflect the net income/(loss) available to the Company excluding, to the extent applicable in a given period, the impact of inventory and real estate impairment charges, impairment of investment in unconsolidated entities, pre-acquisition abandonment charges, gains/losses on land transfers to joint ventures, extinguishment of debt, net, and legal reserves or settlements that the Company deems not to be in the ordinary course of business and in the case of adjusted net income and adjusted earnings per common share, the tax impact due to such items. The legal reserves or settlements amounts presented in the years ended December 31, 2024 and 2023 relate to the same claim and are discussed in Note 14—*Commitments and Contingencies* in the notes to the Consolidated financial statements included in this Annual Report.

EBITDA and Adjusted EBITDA are non-GAAP financial measures that measure performance by adjusting net income before allocation to non-controlling interests to exclude interest expense/(income), net, amortization of capitalized interest, income taxes, depreciation and amortization to calculate EBITDA. Adjusted EBITDA further excludes non-cash compensation expense, if any, inventory and real estate impairment charges, impairment of investments in unconsolidated entities, pre-acquisition abandonment charges, gains/losses on land transfers to joint ventures, extinguishment of debt, net and legal reserves or settlements that the Company deems not to be in the ordinary course of business.

Net homebuilding debt to capitalization ratio is a non-GAAP financial measure we calculate by dividing (i) total debt, plus unamortized debt issuance cost/(premium), net, and less mortgage warehouse borrowings, net of unrestricted cash and cash equivalents ("net homebuilding debt"), by (ii) total capitalization (the sum of net homebuilding debt and total stockholders' equity).

Adjusted home closings gross margin is a non-GAAP financial measure based on GAAP home closings gross margin (which is inclusive of capitalized interest), excluding inventory impairment charges.

Management uses these non-GAAP financial measures to evaluate our performance on a consolidated basis, as well as the performance of our segments, and to set targets for performance-based compensation. We also use the ratio of net homebuilding debt to total capitalization as an indicator of overall financial leverage and to evaluate our performance against other companies in the homebuilding industry. In the future, we may include additional adjustments in the above-described non-GAAP financial measures to the extent we deem them appropriate and useful to management and investors.

We believe that adjusted net income, adjusted earnings per common share, adjusted income before income taxes and related margin, as well as EBITDA and adjusted EBITDA, are useful for investors in order to allow them to evaluate our operations without the effects of various items we do not believe are characteristic of our ongoing operations or performance and also because such metrics assist both investors and management in analyzing and benchmarking the performance and value of our business. Adjusted EBITDA also provides an indicator of general economic performance that is not affected by fluctuations in interest rates or effective tax rates, levels of depreciation or amortization, or unusual items. Because we use the ratio of net homebuilding debt to total capitalization to evaluate our performance against other companies in the homebuilding industry, we believe this measure is also relevant and useful to investors for that reason. We believe that adjusted home closings gross margin is useful to investors because it allows investors to evaluate the performance of our homebuilding operations without the varying effects of items or transactions we do not believe are characteristic of our ongoing operations or performance.

These non-GAAP financial measures should be considered in addition to, rather than as a substitute for, the comparable U.S. GAAP financial measures of our operating performance or liquidity. Although other companies in the homebuilding industry may report similar information, their definitions may differ. We urge investors to understand the methods used by other companies to calculate similarly-titled non-GAAP financial measures before comparing their measures to ours.

A reconciliation of adjusted net income, adjusted earnings per common share, adjusted income before income taxes and related margin, adjusted home closings gross margin, EBITDA, Adjusted EBITDA, and ratio of net homebuilding debt to total capitalization to the comparable GAAP measures follows.

Adjusted Net Income and Adjusted Earnings Per Common Share

	YEAR ENDED DECEMBER 31,	
(Dollars in thousands, except per share data)	**2024**	**2023**
Net income	$ 883,309	$ 768,929
Legal reserves or settlements	23,682	64,665
Real estate impairment charges	29,637	11,791
Pre-acquisition abandonment charges	9,453	4,235
Loss on extinguishment of debt, net	—	295
Tax impact due to above non-GAAP reconciling items	(14,638)	(19,737)
Adjusted net income	$ 931,443	$ 830,178
Basic weighted average number of shares	104,813	108,424
Adjusted earnings per common share — Basic	$ 8.89	$ 7.66
Diluted weighted average number of shares	106,846	110,145
Adjusted earnings per common share — Diluted	$ 8.72	$ 7.54

Adjusted Income Before Income Taxes and Related Margin

	YEAR ENDED DECEMBER 31,	
(Dollars in thousands)	**2024**	**2023**
Income before income taxes	$1,156,118	$1,017,838
Legal reserves or settlements	23,682	64,665
Real estate impairment charges	29,637	11,791
Pre-acquisition abandonment charges	9,453	4,235
Loss on extinguishment of debt, net	—	295
Adjusted income before income taxes	$1,218,890	$1,098,824
Total revenue	$8,168,136	$7,417,831
Income before income taxes margin	14.2%	13.7%
Adjusted income before income taxes margin	14.9%	14.8%

Adjusted Home Closings Gross Margin

	YEAR ENDED DECEMBER 31,	
(Dollars in thousands)	2024	2023
Home closings revenue, net	$ 7,755,219	$ 7,158,857
Cost of home closings	5,863,743	5,451,401
Home closings gross margin	$ 1,891,476	$ 1,707,456
Inventory impairment charges	5,036	11,791
Adjusted home closings gross margin	$ 1,896,512	$ 1,719,247
Home closings gross margin as a percentage of home closings revenue, net	24.4%	23.9%
Adjusted home closings gross margin as a percentage of home closings revenue, net	24.5%	24.0%

EBITDA and Adjusted EBITDA Reconciliation

	TWELVE MONTHS ENDED DECEMBER 31,	
(Dollars in thousands)	2024	2023
Net income before allocation to non-controlling interests	$ 886,570	$ 769,741
Interest expense/(income), net	13,316	(12,577)
Amortization of capitalized interest	114,199	134,870
Income tax provision	269,548	248,097
Depreciation and amortization	11,535	8,976
EBITDA	$ 1,295,168	$ 1,149,107
Legal reserves or settlements	23,682	64,665
Non-cash compensation expense	22,461	26,095
Real estate impairment charges	29,637	11,791
Pre-acquisition abandonment charges	9,453	4,235
Loss on extinguishment of debt, net	—	295
Adjusted EBITDA	$ 1,380,401	$ 1,256,188
Total revenue	$ 8,168,136	$ 7,417,831
Net income before allocation to non-controlling interests as a percentage of total revenue	10.9%	10.4%
EBITDA as a percentage of total revenue	15.9%	15.5%
Adjusted EBITDA as a percentage of total revenue	16.9%	16.9%

Debt to Capitalization Ratios Reconciliation

	AS OF DECEMBER 31,	
(Dollars in thousands)	2024	2023
Total debt	$ 2,120,483	$ 2,017,102
Plus: unamortized debt issuance cost, net	6,616	8,375
Less: mortgage warehouse borrowings	(174,460)	(153,464)
Total homebuilding debt	$ 1,952,639	$ 1,872,013
Total stockholders' equity	5,878,180	5,332,286
Total capitalization	$ 7,830,819	$ 7,204,299
Total homebuilding debt to capitalization ratio	24.9%	26.0%
Total homebuilding debt	$ 1,952,639	$ 1,872,013
Less: cash and cash equivalents	(487,151)	(798,568)
Net homebuilding debt	$ 1,465,488	$ 1,073,445
Total stockholders' equity	5,878,180	5,332,286
Total capitalization	$ 7,343,668	$ 6,405,731
Net homebuilding debt to capitalization ratio	20.0%	16.8%

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

The following tables and related discussion set forth key operating and financial data for our operations as of and for the fiscal years ended December 31, 2024 and 2023. For similar operating and financial data and discussion of our fiscal 2023 results compared to our fiscal 2022 results, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 21, 2024, and is incorporated herein by reference.

ENDING ACTIVE SELLING COMMUNITIES

	YEAR ENDED DECEMBER 31,		Change
	2024	2023	
East	124	108	14.8%
Central	99	93	6.5%
West	116	126	(7.9)%
Total	339	327	3.7%

Ending active selling communities as of December 31, 2024 increased nearly 4% when compared to December 31, 2023. The increase was primarily attributable to the timing of community openings in our East and Central segments, including master planned communities, which were partially offset by community close-outs. The decrease in the West is due to the close-out of several higher paced communities in certain markets.

NET SALES ORDERS

	YEAR ENDED DECEMBER 31,								
	NET SALES ORDERS[1]			SALES VALUE[1]			AVERAGE SELLING PRICE		
(Dollars in thousands)	2024	2023	CHANGE	2024	2023	CHANGE	2024	2023	CHANGE
East	4,588	3,968	15.6%	$2,537,245	$2,366,528	7.2%	$553	$596	(7.2)%
Central	3,250	2,725	19.3%	1,773,792	1,588,169	11.7%	$546	$583	(6.3)%
West	4,410	4,137	6.6%	2,991,700	2,784,803	7.4%	$678	$673	0.7%
Total	12,248	10,830	13.1%	$7,302,737	$6,739,500	8.4%	$596	$622	(4.2)%

(1) Net sales orders and sales value represent the number and dollar value, respectively, of new sales contracts executed with customers, net of cancellations.

The number of net sales orders increased by 13.1% for the year ended December 31, 2024, compared to the prior year, primarily due to new community openings in our East and Central regions as well as a lower cancellation rate in our Central and West regions. The first quarter of 2024 experienced strong sales further contributing to this overall increase in the year ended December 31, 2024 compared to the prior year. We continue to offer our buyers various incentives, discounts, and financing programs which also contributed to the increase in net sales orders. The sales value increased by 8.4% as a result of the increase in the number of net sales orders, partially offset by a 4.2% decrease in average selling price due to decreases in option and lot premium revenues in certain markets combined with product mix.

SALES ORDER CANCELLATIONS

	Cancellation Rate [1]	
	YEAR ENDED DECEMBER 31,	
	2024	2023
East	9.3%	8.2%
Central	9.2%	15.3%
West	10.0%	13.4%
Total Company	9.5%	12.1%

(1) Cancellation rate represents the number of canceled sales orders divided by gross sales orders.

The total company cancellation rate for the year ended December 31, 2024 decreased to 9.5 % from 12.1 %, compared to the prior year. We believe the decrease in cancellations is due to improved buyer confidence as a result of stabilizing macro economic factors such as mortgage interest rates and inflation as well as our pricing and financing incentives or discounts which increased net sales orders for the year ended December 31, 2024, compared to the prior year.

SALES ORDER BACKLOG

	AS OF DECEMBER 31,								
	SOLD HOMES IN BACKLOG (1)			SALES VALUE			AVERAGE SELLING PRICE		
(Dollars in thousands)	2024	2023	CHANGE	2024	2023	CHANGE	2024	2023	CHANGE
East	1,737	2,071	(16.1)%	$ 1,190,884	$ 1,480,268	(19.5)%	$ 686	$ 715	(4.1)%
Central	1,098	1,299	(15.5)%	668,574	864,162	(22.6)%	$ 609	$ 665	(8.4)%
West	1,907	1,919	(0.6)%	1,332,690	1,300,200	2.5%	$ 699	$ 678	3.1%
Total	4,742	5,289	(10.3)%	$ 3,192,148	$ 3,644,630	(12.4)%	$ 673	$ 689	(2.3)%

(1) Sales order backlog represents homes under contract for which revenue has not yet been recognized at the end of the period (including homes sold but not yet started). Some of the sales contracts in our sales order backlog are subject to contingencies including mortgage loan approval and buyers selling their existing homes, which can result in future cancellations.

Total backlog units and total sales value decreased by 10.3% and 12.4%, respectively, at December 31, 2024 compared to December 31, 2023. Overall, we had more quick move-in homes which sold and closed during the year ended December 31, 2024 compared to the year ended December 31, 2023, which contributed to the decrease in company-wide sales order backlog.The decrease in backlog units in the East is primarily due to improved construction cycle times in the year ended December 31, 2024 as well as the prior year backlog including homes relating to the opportunistic bulk sale transactions to real estate investors. The decrease in the Central region is due to the closeout of certain high volume communities and improved cycle times.

HOME CLOSINGS REVENUE, NET

	YEAR ENDED DECEMBER 31,								
	HOMES CLOSED			HOME CLOSINGS REVENUE, NET			AVERAGE SELLING PRICE		
(DOLLARS IN THOUSANDS)	2024	2023	CHANGE	2024	2023	CHANGE	2024	2023	CHANGE
East	4,922	4,480	9.9%	$ 2,826,628	$ 2,619,322	7.9%	$ 574	$ 585	(1.8)%
Central	3,552	3,143	13.0%	1,969,381	1,935,500	1.8%	$ 554	$ 616	(10.0)%
West	4,422	3,872	14.2%	2,959,210	2,604,035	13.6%	$ 669	$ 673	(0.5)%
Total	12,896	11,495	12.2%	$ 7,755,219	$ 7,158,857	8.3%	$ 601	$ 623	(3.4)%

The number of homes closed increased by 12.2% for the year ended December 31, 2024, compared to the prior year. The increase in the number of homes closed in the year ended December 31, 2024 is primarily due to improved sales pace and construction cycle times. In addition, the West region had several master plan communities that began closing homes during the year ended December 31, 2024. Home closings revenue, net increased 8.3% as a result of the increase in the number of homes closed, partially offset by a decrease in average selling price for the year ended December 31, 2024, compared to the prior year, as a result of home closings mix and a decrease in option revenue and lot premium revenue in certain markets.

LAND CLOSINGS REVENUE

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands)	2024	2023	Change
East	$ 30,612	$ 32,206	$ (1,594)
Central	24,514	28,765	(4,251)
West	26,291	—	26,291
Total	$ 81,417	$ 60,971	$ 20,446

We generally purchase land and lots with the intent to build and sell homes. However, in some locations where we act as a developer, we occasionally purchase land that includes commercially zoned parcels or areas designated for school or government use, which we typically sell to commercial developers or municipalities, as applicable. We also sell residential lots or land parcels to manage our land and lot supply on larger tracts of land or if we determine certain properties no longer fit our strategic plans. Land and lot sales occur at various intervals and varying degrees of profitability. Therefore, the revenue and gross margin from land closings will fluctuate from period to period, depending on market conditions and opportunities. Land closings revenue for the year ended December 31, 2024 included lot sales in certain Florida markets in the East region, Texas markets in the Central region, and the Portland market in the West region.

AMENITY AND OTHER REVENUE

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands)	2024	2023	CHANGE
East	$ 22,296	$ 23,102	$ (806)
Central	—	—	—
West	1,316	1,414	(98)
Corporate	108,429	13,175	95,254
Total	$ 132,041	$ 37,691	$94,350

Several of our communities operate amenities such as golf courses, club houses, and fitness centers (generally in the East segment). We provide club members access to the amenity facilities and other services in exchange for club dues and fees. Our Corporate region includes the activity relating to our Build-to-Rent and Urban Form operations. Amenity and other revenue for the year ended December 31, 2024 in Corporate is due to the sale of two Build-to-Rent projects for an aggregate of $88.4 million in revenue.

SEGMENT HOME CLOSINGS GROSS MARGINS AND ADJUSTED GROSS MARGINS

The following table sets forth a reconciliation of adjusted home closings gross margin to GAAP home closings gross margin on a segment basis (see "Non-GAAP Measures" above for additional information about our use of non-GAAP measures).

	YEAR ENDED DECEMBER 31,							
	EAST		CENTRAL		WEST		CONSOLIDATED	
(Dollars in thousands)	2024	2023	2024	2023	2024	2023	2024	2023
Home closings revenue, net	$ 2,826,628	$ 2,619,322	$ 1,969,381	$ 1,935,500	$ 2,959,210	$ 2,604,035	$ 7,755,219	$ 7,158,857
Cost of home closings	2,065,218	1,900,833	1,485,968	1,443,490	2,312,557	2,107,078	5,863,743	5,451,401
Home closings gross margin	$ 761,410	$ 718,489	$ 483,413	$ 492,010	$ 646,653	$ 496,957	$ 1,891,476	$ 1,707,456
Real estate impairment charges	$ 2,325	$ —	$ 2,711	$ —	$ —	$ 11,791	$ 5,036	$ 11,791
Adjusted home closings gross margin	$ 763,735	$ 718,489	$ 486,124	$ 492,010	$ 646,653	$ 508,748	$ 1,896,512	$ 1,719,247
Home closings gross margin as a percentage of home closings revenue	26.9%	27.4%	24.5%	25.4%	21.9%	19.1%	24.4%	23.9%
Adjusted home closings gross margin as a percentage of home closings revenue	27.0%	27.4%	24.7%	25.4%	21.9%	19.5%	24.5%	24.0%

Consolidated home closings gross margin and adjusted gross margin each increased 50 basis points to 24.4% and 24.5%, respectively, for the year ended December 31, 2024, compared to 23.9% and 24.0%, respectively, in the prior year. Home closings gross margin decreased in the East and Central regions primarily as a result of closing product mix. The East and Central regions were also negatively impacted by impairment charges during the year ended December 31, 2024. In addition, a decrease in lot premium and option revenue as well as an increase in finance incentives at the time of closing further contributed to the changes in home closings gross margin for the East and Central regions. The increase in the West region is primarily due to closing product mix and a decrease in incentives and discounts. In addition, the West region was negatively impacted by an impairment charge during the year ended December 31, 2023 as a result of a change in scope directly related to a change in municipality requirements for one community.

FINANCIAL SERVICES

The following is a summary for the periods presented of financial services income before income taxes as well as supplemental data:

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands)	2024	2023	CHANGE
Mortgage services revenue	$ 154,812	$ 120,337	28.6%
Title services and other revenues	44,647	39,975	11.7%
Total financial services revenue	199,459	160,312	24.4%
Financial services net income from unconsolidated entities	8,915	9,149	(2.6%)
Total revenue	208,374	169,461	23.0%
Financial services expenses	108,592	93,990	15.5%
Financial services income before income taxes	$ 99,782	$ 75,471	32.2%
Total originations:			
Number of Loans	8,827	7,368	19.8%
Principal	$4,092,845	$ 3,445,247	18.8%

	YEAR ENDED DECEMBER 31,	
	2024	2023
Supplemental data:		
Average FICO score	752	753
Funded origination breakdown:		
Government (FHA,VA,USDA)	22%	22%
Other agency	75%	74%
Total agency	97%	96%
Non-agency	3%	4%
Total funded originations	100%	100%

Total financial services revenue increased by 24.4% for the year ended December 31, 2024, compared to the prior year. The increase in total financial services revenue was a result of an increase in mortgage loan originations as well as the revenue earned on the sale of loans from a favorable operating environment.

SALES, COMMISSIONS AND OTHER MARKETING COSTS

Sales, commissions and other marketing costs, as a percentage of home closings revenue, net, remained flat at 5.9% for the year ended December 31, 2024 compared to the prior year. Sales, commissions, and other marketing costs increased in the year ended December 31, 2024 compared to the prior year as a result of an increase in the number of homes closed.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses as a percentage of home closings revenue, net, increased to 4.0% for the year ended December 31, 2024 compared to 3.9% for the prior year. The increase was primarily due to an increase in payroll related expenses as a result of a 7.1% increase in headcount.

NET INCOME FROM UNCONSOLIDATED ENTITIES

Net income from unconsolidated entities was $6.3 million and $8.8 million for the years ended December 31, 2024 and 2023, respectively. The decrease in net income from unconsolidated entities is primarily due to new joint ventures which experienced start-up expenses prior to having the opportunity to generate income.

INTEREST EXPENSE/(INCOME), NET

Interest expense, net was $13.3 million and interest income, net was $12.6 million for the years ended December 31, 2024 and 2023, respectively. The increase in interest expense, net is primarily due to an increase in the amount of non-capitalizable interest expense relating to our land banking arrangements exceeding interest income earned on our outstanding cash balances.

OTHER EXPENSE, NET

Other expense, net for the years ended December 31, 2024 and 2023 was $50.6 million and $87.6 million, respectively. The decrease is primarily due to significant charges in 2023 relating to a certain legal settlement as discussed in *Note 14—Commitments and Contingencies* in the Notes to Consolidated financial statements included in this Annual Report. The year ended December 31, 2024 includes an aggregate of $23.7 million in legal charges compared to $64.7 million in 2023. Additionally, our insurance losses for the year ended December 31, 2024 totaled $21.3 million compared to $17.1 million for the year ended December 31, 2023.

INCOME TAX PROVISION

Our effective tax rate was 23.3% and 24.4% for the years ended December 31, 2024 and December 31, 2023, respectively. Our effective rate for both years was affected by a number of factors including state income taxes and nondeductible executive compensation, offset by energy tax credits related to homebuilding activities, and excess tax benefits from stock-based compensation.

NET INCOME

Net income before allocation to non-controlling interests and diluted earnings per common share for the year ended December 31, 2024 were $886.6 million and $8.27, respectively. Net income before allocation to non-controlling interests and diluted earnings per common share for the year ended December 31, 2023 were $769.7 million and $6.98, respectively. The increases in net income and diluted earnings per common share in the year ended December 31, 2024 compared to the prior year were primarily attributable to higher homebuilding gross margin and lower other expenses such as legal settlements, slightly offset by higher sales, commissions and other marketing costs and higher general and administrative expenses.

Liquidity and Capital Resources

LIQUIDITY

We finance our operations through the following:

- Cash generated from operations;
- Borrowings under our $1 Billion Revolving Credit Facility;
- Our various series of senior notes;
- Mortgage warehouse facilities;
- Project-level real estate financing (including non-recourse loans, land banking, and joint ventures); and
- Performance, payment and completion surety bonds, and letters of credit.

Cash flows for each of our communities depend on the status of the development cycle and can differ substantially from reported earnings. Early stages of development or expansion require significant cash expenditures for land acquisitions, on and off-site development, construction of homes, general landscaping and other amenities. Because these costs are a component of our inventory and are not recognized in our Consolidated statements of operations until a home closes, we incur significant cash outflows prior to recognition of earnings.

The table below summarizes our total cash and liquidity as of the dates indicated (in thousands):

	AS OF	
(Dollars in thousands)	DECEMBER 31, 2024	DECEMBER 31, 2023
Cash and cash equivalents	$ 487,151	$ 798,568
$1 Billion Revolving Credit Facility availability	1,000,000	1,000,000
$100 Million Revolving Credit Facility availability(1)	—	100,000
Letters of credit outstanding	(52,914)	(61,181)
Revolving Credit Facility availability	947,086	1,038,819
Total liquidity	$ 1,434,237	$ 1,837,387

(1) Our $100 Million Revolving Credit Facility matured on its maturity date of September 17, 2024 and was not renewed.

We believe we have adequate capital resources from cash generated from operations and sufficient access to external financing sources from borrowings under our Revolving Credit Facility to conduct our operations for the next twelve months. Beyond the next twelve months, our primary demand for funds will be for payments of our long-term debt as it becomes due, land purchases, lot development, home and amenity construction, long-term capital investments, investments in our joint ventures, payments of ongoing operating expenses, and repurchases of common stock. We believe we will generate sufficient cash from our operations to meet the demands for such funds, however we may also access the capital markets to obtain additional liquidity through debt and equity offerings or refinance debt to secure capital for such long-term demands. As part of our operations, we may from time to time purchase our outstanding debt or equity through open market purchases, privately negotiated transactions or otherwise. Purchases or retirements of debt and/or purchases of equity, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material.

MATERIAL CASH REQUIREMENTS

We have various contractual obligations with commitments to pay third parties, including but not limited to our debt facilities, land purchase and land banking contracts, and leases. These obligations impact our liquidity and capital resource needs and are presented in the table below. Our short-term demands are cash requirements for the next twelve months and long-term demands are cash requirements beyond twelve months.

	CASH REQUIREMENTS		
(Dollars in thousands)	TOTALS	SHORT-TERM DEMANDS	LONG-TERM DEMANDS
Lease obligations (1)	$ 325,318	$ 19,151	$ 306,167
Lot options and land banking arrangements	1,943,777	584,217	1,359,560
Senior notes	1,477,070	—	1,477,070
Other debt outstanding	650,029	307,646	342,383
Estimated interest expense (2)	322,758	97,147	225,611
Totals	$ 4,718,952	$ 1,008,161	$ 3,710,791

(1) Amount includes interest.
(2) Estimated interest expense amounts for debt outstanding at the respective contractual interest rates, the weighted average of which was 5.1% as of December 31, 2024.

In addition to our contractual obligations, we also have forecasted operational cash outlays on items such as future land purchases or common stock repurchases, to maintain our strategic growth and returns to our investors. Management expects to invest approximately $2.6 billion in land acquisition and development during the next twelve months which is consistent with our spend during 2024. As of December 31, 2024 we had approximately $910.1 million remaining on our share repurchase authorization, which expires on December 31, 2026.

CASH FLOW ACTIVITIES

Operating Cash Flow Activities

Our net cash provided by operating activities was $210.1 million) for the year ended December 31, 2024 compared to $806.2 million for the year ended December 31, 2023. The decrease in cash provided by operating activities was primarily attributable to an increase in spend on real estate inventory and land deposits as well as an increase in our mortgage loans held for sale, partially offset by an increase in accounts payable, accrued expenses and other liabilities and the sale of certain assets relating to our Build-to-Rent operations.

Investing Cash Flow Activities

Net cash used in investing activities was $136.4 million for the year ended December 31, 2024 compared to $97.2 million for the year ended December 31, 2023. The increase in cash used in investing activities was primarily due to an increase in net investments of capital into unconsolidated entities.

Financing Cash Flow Activities

Net cash used in financing activities was $393.6 million for the year ended December 31, 2024 compared to $628.5 million for the year ended December 31, 2023. The decrease in cash used in financing activities was primarily due to the prior year including a $350 million repayment of senior notes, offset in part by higher stock repurchases for the year ended December 31, 2024.

DEBT INSTRUMENTS

For information regarding our debt instruments, including the terms governing our senior notes and our Revolving Credit Facility, see *Note 8—Debt* in the Notes to the Consolidated financial statements included in this Annual Report.

FINANCIAL GUARANTEES

The following table summarizes our letters of credit and surety bonds as of the dates indicated:

	AS OF DECEMBER 31,	
(Dollars in thousands)	2024	2023
Letters of credit [1]	$ 52,914	$ 61,181
Surety bonds	1,355,242	1,243,307
Total outstanding letters of credit and surety bonds	$ 1,408,156	$ 1,304,488

(1) As of December 31, 2024 and 2023, there was $200.0 million total capacity of letters of credit available under our $1 Billion Revolving Credit Facility.

OFF-BALANCE SHEET ARRANGEMENTS AS OF DECEMBER 31, 2024

Investments in Land Development and Homebuilding Joint Ventures or Unconsolidated Entities

We participate in strategic land development and homebuilding joint ventures with related and unrelated third parties. Our participation with these entities, in some instances, enables us to acquire land to which we could not otherwise obtain access, or could not obtain access on terms that are as favorable. Our partners in these joint ventures historically have been land owners/ developers, other homebuilders and financial or strategic partners. Joint ventures with land owners/developers have given us access to sites owned or controlled by our partners. Joint ventures with other homebuilders have provided us with the ability to bid jointly with our partners for large or expensive land parcels. Joint ventures with financial or strategic partners have allowed us to combine our homebuilding expertise with access to our partners' capital.

For the years ended December 31, 2024 and 2023, total cash contributed to unconsolidated joint ventures was $129.8 million and $64.6 million, respectively.

The following is a summary of investments in unconsolidated joint ventures:

	AS OF DECEMBER 31,	
(Dollars in thousands)	2024	2023
East	$ 86,378	$ 63,628
Central	$ 164,434	$ 125,610
West	$ 94,864	$ 88,219
Financial Services / Corporate	$ 94,045	$ 68,735
Total	$ 439,721	$ 346,192

Land Option Contracts and Land Banking Agreements

We are subject to the usual obligations associated with entering into contracts (including land option contracts and land banking arrangements) for the purchase, development, and sale of real estate in our routine business. We have a number of land purchase option contracts and land banking agreements, generally through cash deposits, for the right to purchase land or lots at a future point in time with predetermined terms. We do not have title to the property and the creditors of the property owner generally have no recourse to the Company. Our obligations with respect to such contracts are generally limited to the forfeiture of the related non-refundable cash deposits and/or letters of credit provided to obtain the options. At December 31, 2024 and 2023, the aggregate purchase price of these contracts was $1.9 billion and $1.5 billion, respectively.

ITEM 7A | QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our operations are interest rate sensitive. We monitor our exposure to changes in interest rates and incur both fixed rate and variable rate debt. At December 31, 2024, approximately 92% of our debt was fixed rate and 8% was variable rate. None of our market sensitive instruments were entered into for trading purposes. For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not our earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not impact the fair value of the debt instrument but may affect our future earnings and cash flows, and may also impact our variable rate borrowing costs, which principally relate to any borrowings under our $1 Billion Revolving Credit Facility and to borrowings by TMHF under its various warehouse facilities. As of December 31, 2024, we had no outstanding borrowings under our $1 Billion Revolving Credit Facility. As of December 31, 2024, we had approximately $947.1 million of additional availability for borrowings under such facility including $147.1 million of additional availability for letters of credit (giving effect to $52.9 million of letters of credit outstanding as of such date).

The agreements governing our mortgage warehouse facilities as well as our $1 Billion Revolving Credit Facility use SOFR as the basis for determining interest rates. Given the limited history of this rate and potential volatility as compared to other benchmark or market rates, the future performance of this rate cannot be predicted based on historical performance. The consequences of using SOFR could include an increase in the cost of our variable rate indebtedness.

We are required to offer to purchase all of our outstanding senior unsecured notes, as described in *Note 8*, *Debt* in the Notes to Consolidated financial statements included in this Annual Report, at 101% of their aggregate principal amount plus accrued and unpaid interest upon the occurrence of specified change of control events. Other than in those circumstances, we do not have an obligation to prepay fixed rate debt prior to maturity and, as a result, we would not expect interest rate risk and changes in fair value to have a significant impact on our cash flows related to our fixed rate debt until such time as we are required to refinance, repurchase or repay such debt.

The following table sets forth principal payments by scheduled maturity and effective weighted average interest rates and estimated fair value of our debt obligations as of December 31, 2024. The interest rate for our variable rate debt represents the interest rate on our mortgage warehouse facilities. Because the mortgage warehouse facilities are secured by certain mortgage loans held for sale which are typically sold within approximately 20-30 days, its outstanding balance is included as a variable rate maturity in the most current period presented.

EXPECTED MATURITY DATE

(In millions, except percentage data)	2025	2026	2027	2028	2029	THEREAFTER	TOTAL	FAIR VALUE
Fixed Rate Debt	$ 133.1	$ 185.0	$ 609.9	$ 480.4	$ 23.2	$ 521.0	$ 1,952.6	$ 1,929.3
Weighted average interest rate[(1)]	2.7%	2.7%	5.2%	5.4%	2.7%	5.5%	4.9%	
Variable Rate Debt[(2)]	$ 174.5	$ —	$ —	$ —	$ —	$ —	$ 174.5	$ 174.5
Weighted average interest rate	6.2	—	—	—	—	—	6.2%	

(1) Represents the coupon rate of interest on the full principal amount of the debt.

(2) Based upon the amount of variable rate debt at December 31, 2024, and holding the variable rate debt balance constant, each 1% increase in interest rates would increase the interest incurred by us by approximately $1.7 million per year.

ITEM 8 | FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TAYLOR MORRISON HOME CORPORATION

Separate combined financial statements of our unconsolidated joint venture investments have been omitted because, if considered in the aggregate, they would not constitute a significant subsidiary as defined by Rule 3-09 of Regulation S-X.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Taylor Morrison Home Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Taylor Morrison Home Corporation and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 19, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Owned Inventory Valuation for active selling communities— Refer to Notes 2 and 4 to the financial statements

CRITICAL AUDIT MATTER DESCRIPTION

Owned inventory consists of land, land under development, homes under construction, completed homes and model homes, all of which are stated at cost. Management evaluates its owned inventory for indicators of impairment by community during each reporting period. If indicators of impairment are present for an active selling community, management first performs an undiscounted cash flow analysis to determine if a fair value analysis is required to be performed. The Company's undiscounted cash flow analysis includes projections and estimates relating to sales prices, construction costs, sales pace, and other factors. Changes in these expectations may lead to a change in the outcome of the Company's impairment analysis, and actual results may also differ from management's assumptions.

Given the subjectivity in determining whether further impairment analysis is required for an active selling community, management exercises significant judgment when reviewing the indicators of impairment and the undiscounted cash flow analyses, as applicable. Accordingly, auditing management's judgments regarding the identification of impairment indicators and the key assumptions used in the undiscounted cash flow analyses involved especially subjective auditor judgment.

HOW THE CRITICAL AUDIT MATTER WAS ADDRESSED IN THE AUDIT

We tested the operating effectiveness of controls over management's impairment indicator analysis, including controls over key inputs into the analysis such as management's forecast, and controls over management's review of any undiscounted cash flows analyses for active selling communities identified with impairment indicators.

We evaluated the reasonableness of management's impairment indicator analysis by evaluating management's process for identifying impairment indicators, including thresholds used for investigation, and whether management appropriately considered key relevant indicators. We also conducted an independent analysis to determine whether additional factors were present during the period, that may indicate that a fair value analysis is required to be performed. Additionally, to evaluate management's ability to develop estimates, we compared actual results for homes closed in the current year to prior projections for these same homes before closing and investigated variances.

If applicable, we evaluated the reasonableness of the key projections and estimates used in management's undiscounted cash flow analyses by comparing the assumptions to historical information. For any active selling communities without historical information available, we compared management's estimates to historical estimates for similar communities, taking into consideration factors such as location, size, and type of community. We also inquired with management regarding trends and changing market conditions that were incorporated into management's undiscounted cash flow projections in addition to consulting third-party analyst reports and projections that could identify factors that could affect an active selling community's recoverability.

/s/ DELOITTE & TOUCHE LLP

Tempe, Arizona
February 19, 2025

We have served as the Company's auditor since 2011.

TAYLOR MORRISON HOME CORPORATION
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,	
(In thousands, except share amounts)	2024	2023
Assets		
Cash and cash equivalents	$ 487,151	$ 798,568
Restricted cash	15	8,531
Total cash	487,166	807,099
Real estate inventory:		
Owned inventory	6,162,889	5,473,828
Consolidated real estate not owned	71,195	71,618
Total real estate inventory	6,234,084	5,545,446
Land deposits	299,668	203,217
Mortgage loans held for sale	207,936	193,344
Lease right of use assets	68,057	75,203
Prepaid expenses and other assets, net	370,642	290,925
Other receivables, net	217,703	184,518
Investments in unconsolidated entities	439,721	346,192
Deferred tax assets, net	76,248	67,825
Property and equipment, net	232,709	295,121
Goodwill	663,197	663,197
Total assets	$ 9,297,131	$ 8,672,087
Liabilities		
Accounts payable	$ 270,266	$ 263,481
Accrued expenses and other liabilities	632,250	549,074
Lease liabilities	78,998	84,999
Income taxes payable	2,243	—
Customer deposits	239,151	326,087
Estimated development liabilities	4,365	27,440
Senior notes, net	1,470,454	1,468,695
Loans payable and other borrowings	475,569	394,943
Revolving credit facility borrowings	—	—
Mortgage warehouse borrowings	174,460	153,464
Liabilities attributable to consolidated real estate not owned	71,195	71,618
Total liabilities	$ 3,418,951	$ 3,339,801
COMMITMENTS AND CONTINGENCIES (Note 14)		
Stockholders' equity		
Common stock, $0.00001 par value, 400,000,000 shares authorized, 162,061,709 and 161,129,515 shares issued, 102,241,978 and 106,917,636 shares outstanding as of December 31, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	3,086,342	3,068,597
Treasury stock at cost, 59,819,731 and 54,211,879 shares as of December 31, 2024 and December 31, 2023, respectively	(1,616,170)	(1,265,097)
Retained earnings	4,393,853	3,510,544
Accumulated other comprehensive income	2,509	896
Total stockholders' equity attributable to TMHC	5,866,535	5,314,941
Non-controlling interests	11,645	17,345
Total stockholders' equity	5,878,180	5,332,286
Total liabilities and stockholders' equity	$ 9,297,131	$ 8,672,087

See accompanying Notes to the Consolidated financial statements

TAYLOR MORRISON HOME CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31,		
(In thousands, except per share amounts)	2024	2023	2022
Home closings revenue, net	$ 7,755,219	$ 7,158,857	$ 7,889,371
Land closings revenue	81,417	60,971	81,070
Financial services revenue	199,459	160,312	135,491
Amenity and other revenue	132,041	37,691	118,985
Total revenue	8,168,136	7,417,831	8,224,917
Cost of home closings	5,863,743	5,451,401	5,904,458
Cost of land closings	73,609	55,218	63,644
Financial services expenses	108,592	93,990	83,960
Amenity and other expenses	137,980	34,149	80,489
Total cost of revenue	6,183,924	5,634,758	6,132,551
Gross margin	1,984,212	1,783,073	2,092,366
Sales, commissions and other marketing costs	456,092	418,134	398,074
General and administrative expenses	314,406	280,573	245,138
Net (income)/loss from unconsolidated entities	(6,347)	(8,757)	14,184
Interest expense/(income), net	13,316	(12,577)	17,674
Other expense, net	50,627	87,567	38,497
Loss/(gain) on extinguishment of debt, net	—	295	(13,876)
Income before income taxes	1,156,118	1,017,838	1,392,675
Income tax provision	269,548	248,097	336,428
Net income before allocation to non-controlling interests	886,570	769,741	1,056,247
Net income attributable to non-controlling interests	(3,261)	(812)	(3,447)
Net income	$ 883,309	$ 768,929	$ 1,052,800
Earnings per common share			
Basic	$ 8.43	$ 7.09	$ 9.16
Diluted	$ 8.27	$ 6.98	$ 9.06
Weighted average number of shares of common stock:			
Basic	104,813	108,424	114,982
Diluted	106,846	110,145	116,221

See accompanying Notes to the Consolidated financial statements

TAYLOR MORRISON HOME CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	YEAR ENDED DECEMBER 31,		
(In thousands)	2024	2023	2022
Income before non-controlling interests, net of tax	$ 886,570	$ 769,741	$ 1,056,247
Post-retirement benefits adjustments, net of tax	1,613	537	(330)
Comprehensive income	888,183	770,278	1,055,917
Comprehensive income attributable to non-controlling interests	(3,261)	(812)	(3,447)
Comprehensive income available to Taylor Morrison Home Corporation	$ 884,922	$ 769,466	$ 1,052,470

See accompanying Notes to the Consolidated financial statements

TAYLOR MORRISON HOME CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	TREASURY STOCK		STOCKHOLDERS' EQUITY			
(In thousands, except share data)	SHARES	AMOUNT	AMOUNT	SHARES	AMOUNT	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)	NON-CONTROLLING INTERESTS	TOTAL STOCKHOLDERS' EQUITY
Balance — December 31, 2021	121,833,649	$ 1	$ 2,997,211	36,828,559	$ (760,863)	$ 1,688,815	$ 689	$ 45,129	$ 3,970,982
Net income	—	—	—	—	—	1,052,800	—	3,447	1,056,247
Other comprehensive loss	—	—	—	—	—	—	(330)	—	(330)
Exercise of stock options and issuance of restricted stock, net[1]	729,977	—	1,377	—	—	—	—	—	1,377
Repurchase of common stock	(14,568,364)	—	—	14,568,364	(376,275)	—	—	—	(376,275)
Stock compensation expense	—	—	26,901	—	—	—	—	—	26,901
Distributions to non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	(31,261)	(31,261)
Changes in non-controlling interests of consolidated joint ventures, net	—	—	—	—	—	—	—	(782)	(782)
Balance — December 31, 2022	107,995,262	$ 1	$ 3,025,489	51,396,923	$ (1,137,138)	$ 2,741,615	$ 359	$ 16,533	$ 4,646,859
Net income	—	—	—	—	—	768,929	—	812	769,741
Other comprehensive income	—	—	—	—	—	—	537	—	537
Exercise of stock options and issuance of restricted stock, net[2]	1,737,330	—	17,013	—	—	—	—	—	17,013
Repurchase of common stock	(2,814,956)	—	—	2,814,956	(127,959)	—	—	—	(127,959)
Stock compensation expense	—	—	26,095	—	—	—	—	—	26,095
Balance — December 31, 2023	106,917,636	$ 1	$ 3,068,597	54,211,879	$ (1,265,097)	$ 3,510,544	$ 896	$ 17,345	$ 5,332,286
Net income	—	—	—	—	—	883,309	—	3,261	886,570
Other comprehensive income	—	—	—	—	—	—	1,613	—	1,613
Exercise of stock options and issuance of restricted stock, net[3]	932,194	—	(4,716)	—	—	—	—	—	(4,716)
Repurchase of common stock[4]	(5,607,852)	—	—	5,607,852	(351,073)	—	—	—	(351,073)
Stock compensation expense	—	—	22,461	—	—	—	—	—	22,461
Distributions to non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	(8,756)	(8,756)
Changes in non-controlling interests of consolidated joint ventures, net	—	—	—	—	—	—	—	(205)	(205)
Balance — December 31, 2024	102,241,978	$ 1	$ 3,086,342	59,819,731	$ (1,616,170)	$ 4,393,853	$ 2,509	$ 11,645	$ 5,878,180

(1) Dollar amount includes $6.7 million of stock options exercised offset with the value of shares withheld for taxes on the issuance of restricted stock units which equates to $5.3 million

(2) Dollar amount includes $26.4 million of stock options exercised offset with the value of shares withheld for taxes on the issuance of restricted stock units which equates to $9.4 million

(3) Dollar amount includes $10.7 million of stock options exercised offset with the value of shares withheld for taxes on the issuance of restricted stock units which equates to $15.4 million

(4) Dollar amount includes $200.0 million of Accelerated Share Repurchases and $3.5 million for the the 1% excise tax on share repurchases

See accompanying Notes to the Consolidated financial statements

TAYLOR MORRISON HOME CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
(In thousands)	2024	2023	2022
Cash Flows from Operating Activities			
Net income before allocation to non-controlling interests	$ 886,570	$ 769,741	$ 1,056,247
Adjustments to reconcile net income to net cash provided by operating activities:			
Net (income)/loss from unconsolidated entities	(6,347)	(8,757)	14,184
Stock compensation expense	22,461	26,095	26,901
Loss/(gain) on extinguishment of debt, net	—	295	(13,876)
Gain on land transfers	—	—	(14,508)
Distributions of earnings from unconsolidated entities	12,929	9,230	5,270
Depreciation and amortization	41,190	33,406	33,839
Lease expense	20,361	24,808	27,420
Debt issuance costs amortization	2,890	3,315	2,260
Estimated development liability change in estimate	(23,051)	(14,829)	—
Deferred income taxes	(8,423)	(169)	83,584
Real estate impairment charges	29,637	11,791	24,870
Change in Build-to-Rent/Urban Form assets due to sale	79,976	—	42,046
Changes in operating assets and liabilities:			
Real estate inventory and land deposits	(797,330)	(78,575)	(50,792)
Mortgage loans held for sale, prepaid expenses and other assets, net	(182,084)	31,012	5,789
Customer deposits	(86,936)	(86,005)	(73,613)
Accounts payable, accrued expenses and other liabilities	215,993	84,811	(61,849)
Income taxes payable	2,243	—	—
Net cash provided by operating activities	210,079	806,169	1,107,772
Cash Flows from Investing Activities:			
Purchase of property and equipment	(36,330)	(33,426)	(30,581)
Distributions of capital from unconsolidated entities	29,698	824	125,275
Investments of capital into unconsolidated entities	(129,809)	(64,589)	(109,574)
Net cash used in investing activities	(136,441)	(97,191)	(14,880)

TAYLOR MORRISON HOME CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)

	YEAR ENDED DECEMBER 31,		
(In thousands)	2024	2023	2022
Cash Flows from Financing Activities			
Increase in loans payable and other borrowings	—	7,103	38,202
Repayments on loans payable and other borrowings	(52,093)	(20,747)	(71,172)
Borrowings on revolving credit facilities	100,000	—	381,019
Repayments on revolving credit facilities	(100,000)	—	(412,548)
Borrowings on mortgage warehouse facilities	3,652,098	3,007,682	2,662,241
Repayments on mortgage warehouse facilities	(3,631,102)	(3,160,290)	(2,770,056)
Repayments on senior notes	—	(350,000)	(622,780)
Changes in stock option exercises and issuance of restricted stock, net	(4,716)	17,013	1,377
Payment of principal portion of finance lease	(1,404)	(1,316)	(1,344)
Repurchase of common stock, net	(347,598)	(127,959)	(376,275)
Cash and distributions to non-controlling interests of consolidated joint ventures, net	(8,756)	—	(31,261)
Net cash used in financing activities	(393,571)	(628,514)	(1,202,597)
Net Increase/Decrease in Cash and Cash Equivalents and Restricted Cash	$ (319,933)	$ 80,464	$ (109,705)
Cash, Cash Equivalents, and Restricted Cash — Beginning of period	807,099	726,635	836,340
Cash, Cash Equivalents, and Restricted Cash — End of period	$ 487,166	$ 807,099	$ 726,635
Supplemental Cash Flow Information			
Income tax payments	$ (264,425)	$ (204,274)	$ (270,034)
Supplemental Non-Cash Investing and Financing Activities:			
Loans payable issued to sellers in connection with land purchase contracts	$ 341,020	$ 235,554	$ 231,027
Change in inventory not owned	$ (423)	$ 47,647	$ (31,343)
Investments of land in unconsolidated joint ventures, net	$ —	$ —	$ 146,649
Impairment in unconsolidated joint ventures	$ —	$ —	$ (14,714)

See accompanying Notes to the Consolidated financial statements

TAYLOR MORRISON HOME CORPORATION NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS

Description of the Business — Taylor Morrison Home Corporation ("TMHC"), through its subsidiaries (together with TMHC referred to herein as "we," "our," "the Company" and "us"), owns and operates a residential homebuilding business and is a land developer. We operate in the states of Arizona, California, Colorado, Florida, Georgia, Indiana, Nevada, North and South Carolina, Oregon, Texas, and Washington. We provide an assortment of homes across a wide range of price points to appeal to an array of consumer groups. We design, build and sell single and multi-family detached and attached homes in traditionally high growth markets for entry level, move-up, and resort-lifestyle buyers. We are the general contractors for all real estate projects and engage subcontractors for home construction and land development. Our homebuilding segments operate under various brand names including Taylor Morrison, Darling Homes Collection by Taylor Morrison, and Esplanade. We also have a "Build-to-Rent" homebuilding business which operates under the Yardly brand name. In addition, we develop and construct multi-use properties consisting of commercial space, retail, and multi-family properties under the Urban Form brand. We also have operations which provide financial services to customers through our wholly owned mortgage subsidiary, Taylor Morrison Home Funding, INC ("TMHF"), title services through our wholly owned title services subsidiary, Inspired Title Services, LLC ("Inspired Title"), and homeowner's insurance policies through our insurance agency, Taylor Morrison Insurance Services, LLC ("TMIS"). Our business is organized into multiple homebuilding operating components, and a financial services component, all of which are managed as four reportable segments: East, Central, West, and Financial Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation — The accompanying Consolidated financial statements have been prepared in accordance with GAAP, include the accounts of TMHC and its consolidated subsidiaries as well as certain consolidated variable interest entities. Intercompany balances and transactions have been eliminated in consolidation.

Joint Ventures - We consolidate certain joint ventures in accordance with Accounting Standards Codification ("ASC") Topic 810, *Consolidation.* The income from the percentage of the joint venture not owned by us is presented as "Net income attributable to non-controlling interests" on the Consolidated statements of operations. The assets, liabilities and equity from the percentage of the joint venture not owned by us is presented as "Non-controlling interests" on the Consolidated balance sheets and Consolidated statement of stockholders' equity. The balance of Non-controlling interests on the Consolidated balance sheets will fluctuate from period to period as a result of activities within the respective joint ventures which may include the allocation of income or losses and distributions or contributions associated with the partners within the joint venture.

Use of Estimates — The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the amounts reported in the Consolidated financial statements and accompanying notes. Significant estimates include real estate development costs to complete, valuation of real estate, valuation of goodwill, valuation of estimated development liabilities, valuation of equity awards, valuation allowance on deferred tax assets, and reserves for warranty and self-insured risks. Actual results could differ from those estimates.

Concentration of Credit Risk — Financial instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents and mortgage loans held for sale. Cash and cash equivalents include amounts on deposit with financial institutions in the U.S. that are in excess of the Federal Deposit Insurance Corporation federally insured limits of up to $250,000. Of the different types of mortgage loans held for sale, there was no concentration of mortgage loans with any one borrower for the year ended December 31, 2024. No material losses have been experienced to date.

In addition, the Company is exposed to credit risk to the extent that mortgage loan borrowers fail to meet their contractual obligations. This risk is mitigated by collateralizing the home sold with a mortgage, and entering into forward commitments to sell our mortgage loans held for sale, generally within 30 days of origination.

Cash and Cash Equivalents — Cash and cash equivalents consist of cash on hand, demand and escrow deposits with financial institutions, and investments with original maturities of 90 days or less. At December 31, 2024, the majority of our cash and cash equivalents were invested in highly liquid money market funds or on deposit with major financial institutions.

Restricted Cash — For the year ended December 31, 2023 restricted cash consisted of cash held under broker margin accounts associated with derivative instruments.

Real Estate Inventory — Inventory consists of raw land, land under development, homes under construction, completed homes, and model homes, all of which are stated at cost. In addition to direct carrying costs, we also capitalize interest, real estate taxes, and related development costs that benefit the entire community, such as field construction supervision and related direct overhead. Home vertical construction costs are accumulated and charged to Cost of home closings at the time of home closings using the specific identification method. Land acquisition, development, interest, and real estate taxes are capitalized and allocated generally using the relative sales value method. Generally, all overhead costs relating to purchasing, vertical construction, and construction utilities are considered overhead costs and allocated on a per unit basis. These costs are capitalized to inventory beginning with the start of development through construction completion. Changes in estimated costs to be incurred in a community are generally allocated to the remaining project on a prospective basis.

The life cycle of a community typically ranges from two to five years, commencing with the acquisition of unentitled or entitled land, continuing through the land development phase and concluding with the sale, construction and delivery of homes. Actual community duration will vary based on the size of the community, the sales absorption rate and whether we purchased the property as raw land or finished lots.

We capitalize qualifying interest costs to inventory during the development and construction periods. Capitalized interest is charged to Cost of home closings when the related inventory is charged to Cost of home closings.

We assess the recoverability of our inventory in accordance with the provisions of ASC Topic 360, *Property, Plant, and Equipment*. We review our real estate inventory for indicators of impairment on a community-level basis during each reporting period. If indicators of impairment are present for a community, an undiscounted cash flow analysis is generally prepared in order to determine if the carrying value of the assets in that community exceeds the estimated undiscounted cash flows. Generally, if the carrying value of the assets exceeds their estimated undiscounted cash flows, the assets are potentially impaired, requiring a fair value analysis. Our determination of fair value is primarily based on a discounted cash flow model which includes projections and estimates relating to sales prices, construction costs, sales pace, and other factors. However, in certain circumstances, fair value can also be determined through other methods, such as appraisals, contractual purchase offers, and other third party opinions of value. Changes in these expectations may lead to a change in the outcome of our impairment analysis, and actual results may also differ from our assumptions. For the year ended December 31, 2024 we recorded $5.0 million of inventory impairments relating to our East and Central segments. For the years ended December 31, 2023 and 2022, we recorded $11.8 million and $24.9 million, respectively, of impairment charges relating to our West reporting segment. Impairment charges relating to real estate inventory are recorded to Cost of home closings on the Consolidated statement of operations. In addition to real estate inventory, we also review our other real estate assets for impairment. For the year ended December 31, 2024 we recorded $12.5 million of real estate asset impairment relating to one Urban Form asset in our Corporate and Unallocated reporting segment. For the years ended December 31, 2023 and 2022 there were no Urban Form asset impairment charges. Impairment charges relating to Urban Form assets are recorded to Amenity and other expenses on the Consolidated statement of operations.

In certain cases, we may elect to cease development and/or marketing of an existing community if we believe the economic performance of the community would be maximized by deferring development for a period of time to allow for market conditions to improve. We refer to such communities as long-term strategic assets. The decision may be based on financial and/or operational metrics as determined by us. For those communities that have been temporarily closed or development has been discontinued, we do not allocate interest or other costs to the community's inventory until activity resumes and such costs are expensed as incurred. In addition, if we decide to cease development, we will evaluate the project for recoverability and then cease future development and marketing activity until such a time when we believe that market conditions have improved and economic performance can be maximized. Our assessment of the carrying value of our long-term strategic assets typically includes estimates of future performance, including the timing of when development will recommence, the type of product to be offered, and the margin to be realized. In the future, some of these inactive communities may be re-opened while others may be sold. As of December 31, 2024 and 2023, we had no long-term strategic assets.

Real estate or inventory assets are considered held for sale once it is determined all criteria in accordance with Topic 360 have been met. The criteria includes the following considerations: (i) whether the company is committed to a plan to sell, (ii) whether the asset is available for immediate sale in the asset's present condition, (iii) whether an active program to locate a buyer and other actions required to complete the plan to sell have been initiated, (iv) whether the sale of the asset is probable (i.e., likely to occur) and the transfer is expected to qualify for recognition as a completed sale within one year, (v) whether the long-lived asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) whether actions necessary to complete the plan indicate that it is unlikely significant changes to the plan will be made and that the plan will be withdrawn. Real estate and inventory assets held for sale are reported at the lower of carrying value or estimated fair value, less estimated costs to sell. The estimated fair value is generally based on appraisal, sales listing agreements, purchase and sales agreements, letters of intent, broker price opinions, recent offers received, prices for assets in recent comparable sales transactions, or other third-party estimates. Impairment losses on real estate or inventory assets held for sale is recognized when the carrying value is greater than the fair value less estimated costs to sell. Fair value may be based on the estimated sales price of the property or a cash flow analysis may also be performed.

Inventory Assets Held for Sale — In some locations where we act as a developer, we occasionally purchase land that includes commercially zoned parcels or areas designated for school or government use, which we typically sell to commercial developers or municipalities, as applicable. We also sell residential lots or land parcels to manage our land and lot supply on larger tracts of land. For the twelve months ended December 31, 2024, we recorded $6.8 million of fair value adjustments for land held for sale in our West reporting segment, which was subsequently sold as of December 31, 2024. For the twelve months ended December 31, 2023 and 2022 we had no material fair value adjustments for land held for sale. Adjustments for land held for sale are recorded within Cost of land closings on the Consolidated statements of operations.

Real Estate Assets Held for Sale — As of December 31, 2024, we classified one Urban Form asset in Oregon to be held for sale. This asset is in our Corporate and Unallocated reporting segment. We expect the sale to occur within 12 months of the date it was classified as held for sale. We recorded an adjustment to fair value for $5.3 million, the amount of the impairment, which is included in Amenity and other expenses on the Consolidated statements of operations. The fair value of such asset held for sale as of December 31, 2024 is $89.7 million. There were no real estate assets classified as held for sale as of December 31, 2023 and 2022.

Land banking arrangements — We have land purchase agreements with various land sellers. As a method of acquiring land in staged takedowns, while limiting risk and minimizing the use of funds from our available cash or other financing sources, we transfer our right under certain specific performance agreements to entities owned by third parties ("land banking arrangements"). These entities use equity contributions from their owners and/or incur debt to finance the acquisition and development of the land. We incur interest expense on these arrangements. Interest is based on remaining lots to be purchased and is capitalized for the percentage of lots in each project actively under development, with the remainder expensed and included in Interest expense/(income), net on the Consolidated statements of operations. These lots are considered controlled, however we are not legally obligated to purchase lots under these agreements and would forfeit any existing deposits and could be subject to financial and other penalties if the lots were not purchased. We do not have an ownership interest in these entities or title to their assets and do not guarantee their liabilities. As such, these entities are not consolidated. These land banking arrangements help us manage the financial and market risk associated with land holdings which are not included in the Consolidated balance sheets.

As of December 31, 2024 and 2023, we had the right to purchase 6,895 lots and 5,818 lots under land banking agreements for an aggregate purchase price of $1.2 billion and $822.1 million, respectively. As of December 31, 2024 and 2023, our exposure to loss related to deposits on land banking arrangements totaled $154.8 million and $129.2 million, respectively.

Land Deposits — We make deposits related to land option contracts, land banking, and land purchase contracts, which are recorded to Land Deposits on the consolidated balance sheets. Land deposits are recorded as real estate inventory in the accompanying Consolidated balance sheets at the time the deposit is applied to the acquisition price of the land based on the terms of the underlying agreements. To the extent the deposits are non-refundable, they are charged to Other expense, net if the land acquisition process is terminated or no longer determined probable.

Mortgage Loans Held for Sale — Mortgage loans held for sale consist of mortgages due from buyers of Taylor Morrison homes that are financed through our wholly-owned mortgage finance subsidiary, TMHF. Mortgage loans held for sale are carried at fair value, using observable market information, including pricing from actual market transactions, investor commitment prices, or broker quotations. The fair value for Mortgage loans held for sale covered by investor commitments is generally based on commitment prices. The fair value for Mortgage loans held for sale not committed to be purchased by an investor is generally based on current delivery prices using best execution pricing.

Leases — We recognize leases in accordance with ASC Topic 842, ***Leases.*** Our operating leases primarily consist of office space, construction trailers, model home leasebacks, and equipment or storage units. Operating and finance leases are recorded in Lease right of use asset and Lease liabilities on the Consolidated balance sheets.

A summary of our leases is shown below:

	OPERATING LEASES AS OF DECEMBER 31,			FINANCE LEASES AS OF DECEMBER 31,		
(Dollars in millions)	2024	2023	2022	2024	2023	2022
Weighted average discount rate	5.8%	5.9%	5.9%	7.3%	7.3%	7.3%
Weighted average remaining lease term (in years)	4.9	3.8	4.1	83.1	85.1	86.0
Payments on lease liabilities	$ 21.4	$ 28.1	$ 29.2	$ 1.4	$ 1.3	$ 1.3
Recorded lease expense	$ 18.3	$ 22.8	$ 25.4	$ 2.1	$ 2.0	$ 2.0

The future minimum lease payments required under our leases as of December 31, 2024 are as follows (dollars in thousands):

YEARS ENDING DECEMBER 31,	OPERATING LEASE PAYMENTS	FINANCE LEASE PAYMENTS	TOTAL LEASE PAYMENTS
2025	$ 17,766	$ 1,385	$ 19,151
2026	13,170	1,385	14,555
2027	10,314	1,385	11,699
2028	6,370	1,385	7,755
2029	5,516	1,574	7,090
Thereafter	9,242	255,826(1)	265,068
Total lease payments	$ 62,378	$ 262,940	$ 325,318
Less: Interest	$ 8,390	$ 237,930	$ 246,320
Present value of future lease payments	$ 53,988	$ 25,010	$ 78,998

(1) Includes a 90-year land lease.

Prepaid Expenses and Other Assets, net — Prepaid expenses and other assets, net consist of the following:

	AS OF DECEMBER 31,	
(Dollars in thousands)	2024	2023
Prepaid expenses	$ 41,254	$ 41,310
Other assets	86,422	104,210
Build-to-Rent assets	242,966	145,405
Total prepaid expenses and other assets, net	$ 370,642	$ 290,925

Prepaid expenses consist primarily of sales commissions, prepaid rent, impact fees and the unamortized debt issuance costs for the revolving credit facility. Prepaid sales commissions are recorded on pre-closing sales activities, which are recognized on the ultimate closing of the homes to which they relate. Other assets consist primarily of various operating and escrow deposits, pre-acquisition costs, rebate receivables, income tax receivables, Urban Form assets, and other deferred costs. Build-to-Rent assets consist primarily of land and development costs relating to projects under construction.

Derivative Assets — We enter into interest rate lock commitments ("IRLCs") when originating residential mortgage loans held for sale, at specified interest rates and within a specified period of time (generally between 30 and 60 days), with customers who have applied for a loan and meet certain credit and underwriting criteria. We are exposed to interest rate risk as a result of these IRLCs and originated Mortgage loans held for sale until those loans are sold in the secondary market. The price risk related to changes in the fair value of IRLCs and Mortgage loans held for sale not committed to be purchased by investors are subject to change primarily due to changes in market interest rates. We manage the interest rate and price risk associated with our outstanding IRLCs and Mortgage loans held for sale not committed to be purchased by investors by entering into hedging instruments such as forward loan sales commitments and mandatory delivery commitments. We expect these instruments will experience changes in fair value inverse to changes in the fair value of the IRLCs and Mortgage loans held for sale not committed to investors, thereby reducing earnings volatility. Best effort sale commitments are also executed for certain loans at the time the IRLC is locked with the borrower. The fair value of the best effort IRLC and Mortgage loans held for sale are valued using the commitment price to the investor. We take into account various factors and strategies in determining what portion of the IRLCs and Mortgage loans held for sale to economically hedge.

The IRLCs meet the definition of a derivative and are reflected on the balance sheet at fair value in Prepaid expenses and other assets, net or Accrued expenses and other liabilities, with changes in fair value recognized in Financial Services revenue on the Consolidated statements of operations. Unrealized gains and losses on the IRLCs, reflected as derivative assets, are measured based on the fair value of the underlying mortgage loan, quoted Agency MBS prices, estimates of the fair value of the mortgage servicing rights and the probability that the mortgage loan will fund within the terms of the IRLC, net of commission expense and broker fees. The fair value of the forward loan sales commitment and mandatory delivery commitments being used to hedge the IRLCs and Mortgage loans held for sale not committed to be purchased by investors are based on quoted Agency MBS prices. Refer to *Note 15—Mortgage Hedging Activities* for additional information.

Other Receivables, net — Other receivables primarily consist of amounts expected to be recovered from various community development, municipality, and utility districts and utility deposits. Allowances are maintained for potential losses based on historical experience, present economic conditions, and other factors considered relevant. Allowances are recorded in Other expense, net, when collectability becomes unlikely. Allowances at December 31, 2024 and 2023 were immaterial.

Investments in Consolidated and Unconsolidated Entities

Consolidated Entities — In the ordinary course of business, we enter into land purchase contracts, lot option contracts and land banking arrangements in order to procure land or lots for the construction of homes. Such contracts give us access to significant lot positions with a minimal initial capital investment and substantially reduce the risk associated with land ownership and development. In accordance with ASC Topic 810, *Consolidation*, when we enter into agreements to acquire land or lots and pay a non-refundable deposit, we evaluate if a Variable Interest Entity ("VIE") is created and if we are deemed to have provided subordinated financial support that will absorb some or all of an entity's expected losses, or rights to residual returns, if they occur. If we are the primary beneficiary of the VIE, we consolidate the VIE and reflect such assets and liabilities as Consolidated real estate not owned and Liabilities attributable to consolidated real estate not owned, respectively, in the Consolidated balance sheets.

Unconsolidated Joint Ventures — We use the equity method of accounting for entities, generally joint ventures with other builders, where we do not have a controlling interest over the operating and financial policies of the investee. Our share of net earnings or losses is included in Net (income)/loss from unconsolidated entities on the Consolidated statements of operations when earned and distributions are credited against our Investment in unconsolidated entities on the Consolidated balance sheets when received.

We evaluate our investments in unconsolidated entities for indicators of impairment semi-annually. A series of operating losses of an investee or other factors may indicate that a decrease in value of our investment in the unconsolidated entity has occurred which is other-than-temporary. The amount of impairment recognized, if any, is the excess of the investment's carrying amount over its estimated fair value. Additionally, we consider various qualitative factors to determine if a decrease in the value of the investment is other-than-temporary. These factors include age of the venture, stage in its life cycle, intent and ability for us to recover our investment in the entity, financial condition and long-term prospects of the entity, short-term liquidity needs, trends in the general economic environment, entitlement status of the land, overall projected returns on investment, defaults under contracts with third parties (including bank debt), recoverability of the investment through future cash flows and relationships with the other partners. If we believe that the decline in the fair value of the investment is temporary, then no impairment is recorded. We recorded $14.7 million of impairment charges related to investments in unconsolidated entities for the year ended December 31, 2022. No such charges were recorded for the years ended December 31, 2024 and 2023.

Income Taxes — We account for income taxes in accordance with ASC Topic 740, ***Income Taxes*** ("ASC 740")***.*** Deferred tax assets and liabilities are recorded based on future tax consequences of temporary differences between the amounts reported for financial reporting purposes and the amounts deductible for income tax purposes, and are measured using enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the changes are enacted.

We periodically assess our deferred tax assets, including the benefit from net operating losses, to determine if a valuation allowance is required. A valuation allowance is established when, based upon available evidence, it is more likely than not that all or a portion of the deferred tax assets will not be realized. Realization of the deferred tax assets is dependent upon, among other matters, taxable income in prior years available for carryback, estimates of future income, tax planning strategies, and reversal of existing temporary differences.

Property and Equipment, net — Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is generally computed using the straight-line basis over the estimated useful lives of the assets as follows:

Buildings: 20 – 40 years

Building and leasehold improvements: 10 years or remaining life of building/lease term if less than 10 years

Information systems: over the term of the license

Furniture, fixtures and computer and equipment: 5 – 7 years

Model and sales office improvements: lesser of 3 years or the life of the community

Maintenance and repair costs are expensed as incurred.

Depreciation expense was $11.5 million, $9.0 million, and $7.6 million, respectively, for the years ended December 31, 2024, 2023, and 2022. Depreciation expense is recorded in General and administrative expenses in the Consolidated statement of operations.

Goodwill — The excess of the purchase price of a business acquisition over the net fair value of assets acquired and liabilities assumed is capitalized as goodwill in accordance with ASC Topic 350, *Intangibles — Goodwill and Other*. ASC 350 requires that goodwill and intangible assets that do not have finite lives not be amortized, but rather assessed for impairment at least annually or more frequently if certain impairment indicators are present. We perform our annual impairment test during the fourth fiscal quarter or whenever impairment indicators are present. For the years ended December 31, 2024, 2023 and 2022, goodwill was not impaired.

Insurance Costs, Self-Insurance Reserves and Warranty Reserves — We have certain deductible limits for each of our policies under our workers' compensation, automobile, and general liability insurance policies, and we record warranty expense and liabilities for the estimated costs of potential claims for construction defects. The excess liability is aggregated annually and applied in excess of automobile liability, employer's liability under workers compensation and general liability policies. We also generally require our subcontractors and design professionals to indemnify us and provide evidence of insurance for liabilities arising from their work, subject to certain limitations. We are the parent of Beneva Indemnity Company ("Beneva"), a wholly-owned captive insurance company, which provides insurance coverage for construction defects discovered up to ten years following the close of a home, coverage for premise operations risk, and property damage. We accrue for the expected costs associated with the deductibles and self-insured amounts under our various insurance policies based on historical claims, estimates for claims incurred but not reported, and potential for recovery of costs from insurance and other sources. The estimates are subject to significant variability due to factors, such as claim settlement patterns, litigation trends, and the extended period of time in which a construction defect claim might be made after the closing of a home.

Our loss reserves for structural defects are based on factors that include an actuarial study for structural, historical and anticipated claims, trends related to similar product types, number of home closings, and geographical areas. We also provide third-party warranty coverage on homes where required by Federal Housing Administration or Veterans Administration lenders. We regularly review the reasonableness and adequacy of our reserves and make adjustments to the balance of the preexisting reserves to reflect changes in trends and historical data as information becomes available. Self-insurance and warranty reserves are included in Accrued expenses and other liabilities in the Consolidated balance sheets.

We offer a one year limited warranty to cover various defects in workmanship or materials, two year limited warranty on certain systems (such as electrical or cooling systems), and a ten year limited warranty on structural defects. Warranty reserves are established as homes close in an amount estimated to be adequate to cover expected costs of materials and outside labor during warranty periods. Our warranty is not considered a separate performance obligation in the sales arrangement since it is not priced separately from the home, therefore, it is accounted for in accordance with ASC Topic 450, *Contingencies*, which states that warranties that are not separately priced are generally accounted for by accruing the estimated costs to fulfill the warranty obligation. As a result, we accrue the estimated costs to fulfill the warranty obligation at the time a home closes, as a component of Cost of home closings on the Consolidated statements of operations.

Employee Benefit Plans — We maintain a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code ("IRC") ("401(k) Plan"). Each eligible employee may elect to make before-tax contributions up to the current tax limits. At December 31, 2024, we match 100% of employees' voluntary contributions up to 4% of eligible compensation, and 50% for each dollar contributed between 4% and 5% of eligible compensation. We contributed $14.4 million, $13.2 million, and $13.6 million to the 401(k) Plan for the years ended December 31, 2024, 2023, and 2022, respectively.

Treasury Stock — We account for treasury stock, including the shares repurchased as part of our Accelerated Share Repurchase ("ASR") programs, in accordance with ASC Topic 505-30, *Equity—Treasury Stock*. Repurchased shares are reflected as a reduction in stockholders' equity. Refer to *Note 11—Stockholders' Equity* for additional discussion regarding ASR programs.

Stock Based Compensation — We have stock options, performance-based restricted stock units ("PRSUs") and non-performance-based restricted stock units ("RSUs" or "Restricted stock"), which we account for in accordance with ASC Topic 718-10, *Compensation—Stock Compensation*. The fair value for stock options is measured and estimated on the date of grant using the Black-Scholes option pricing model and recognized evenly over the vesting period of the options. PRSUs are measured using the closing price on the date of grant and expensed using a probability of attainment calculation which determines the likelihood of achieving the performance targets. RSUs are time-based awards and measured using the closing price on the date of grant and are expensed ratably over the vesting period.

Revenue Recognition — Revenue is recognized in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). The standard's core principle requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Home and land closings revenue

Under Topic 606, the following steps are applied to determine home closings revenue and land closings revenue recognition: (1) identify the contract(s) with our customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the performance obligation(s) are satisfied. Our home sales transactions, have one contract, with one performance obligation, with each customer to build and deliver the home purchased (or develop and deliver land). Based on the application of the five steps, the following summarizes the timing and manner of home and land sales revenue:

- Revenue from closings of residential real estate is recognized when the buyer has made the required minimum down payment, obtained necessary financing, the risks and rewards of ownership are transferred to the buyer, and we have no continuing involvement with the property, which is generally upon the close of escrow. Revenue is reported net of any discounts and incentives.

- Revenue from land sales is recognized when a significant down payment is received, title passes and collectability of the receivable, if any, is probable, and control of the property transfers to the buyer, which is generally upon the close of escrow.

Amenity and other revenue

We own and operate certain amenities such as golf courses, club houses, and fitness centers, which require us to provide club members with access to the facilities in exchange for the payment of club dues. We collect club dues and other fees from club members, which are invoiced and recorded as revenue on a monthly basis. Revenue from our golf club operations is also included in Amenity and other revenue. Amenity and other revenue also includes revenue from the sale of assets from our Urban Form operations and Build-to-Rent operations which is recorded as control transfers to the buyer at transaction close and other criteria of ASC Topic 606 are met.

Financial services revenue

Mortgage operations and hedging activity related to financial services are not within the scope of Topic 606. Loan origination fees (including title fees, points, and closing costs) are recognized at the time the related real estate transactions are completed, which is usually upon the close of escrow. Generally, loans TMHF originates are sold to third party investors within a short period of time, on a non-recourse basis. Gains and losses from the sale of mortgages are recognized in accordance with ASC Topic 860-20, *Sales of Financial Assets*. TMHF does not have continuing involvement with the transferred assets; therefore, we derecognize the mortgage loans at time of sale, based on the difference between the selling price and carrying value of the related loans upon sale, recording a gain/loss on sale in the period of sale. Also included in Financial services revenue/expenses is the realized and unrealized gains and losses from hedging instruments. ASC Topic 815-25, *Derivatives and Hedging*, requires that all hedging instruments be recognized as assets or liabilities on the balance sheet at their fair value. We do not meet the criteria for hedge accounting; therefore, we account for these instruments as free-standing derivatives, with changes in fair value recognized in Financial services revenue/expenses on the statement of operations in the period in which they occur. See “Derivative Assets” above in this Note 2.

Advertising Costs — We expense advertising costs as incurred. For the years ended December 31, 2024, 2023, and 2022, advertising costs were $33.8 million, $28.7 million, and $33.9 million, respectively. Such costs are included in Sales, commissions and other marketing costs on the Consolidated statement of operations.

Asset Acquisition — On April 29, 2024, we acquired substantially all the assets of Pyatt Builders, a privately-held Indianapolis based homebuilder. The assets acquired were primarily inventory for existing and future communities, including approximately 1,700 owned and controlled lots. The acquisition was accounted for as an asset acquisition and was not material to our results of operations or financial condition.

Recently Issued Accounting Pronouncements — In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Improvements to Income Tax Disclosures*, which establishes new income tax disclosure requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation as well as further disaggregate income taxes paid. This ASU can be applied prospectively or retrospectively and is effective for the annual reporting period ending December 31, 2025. The adoption of ASU 2023-09 will not impact our Consolidated financial statements but we are currently reviewing the impact that it may have on our footnote disclosures.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which establishes new disclosure requirements for income statement expenses. Under the new guidance, entities must provide greater disaggregation of expenses which includes disclosing the amounts of purchases of inventory, employee compensation, and depreciation included in each relevant expense caption. Entities will also have to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, the total amount of selling expenses, and a definition of selling expenses. This ASU can be applied prospectively or retrospectively and is effective for the annual reporting period ending December 31, 2027. The adoption of ASU 2024-03 will not impact our Consolidated financial statements but we are currently reviewing the impact that it may have on our footnote disclosures.

In November 2024, the FASB issued ASU 2024-04, *Induced Conversions of Convertible Debt Instruments*, which clarifies requirements for determining whether certain settlements of convertible debt instruments, including convertible debt instruments with cash conversion features or convertible debt instruments that are not currently convertible, should be accounted for as an induced conversion. This ASU must be applied prospectively and is effective for the annual reporting period ending December 31, 2026. The adoption of ASU 2024-04 will not impact our Consolidated financial statements but we are currently reviewing the impact that it may have on our footnote disclosures.

3. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share gives effect to the potential dilution that could occur if all outstanding dilutive equity awards to issue shares of common stock were exercised or settled.

The following is a summary of the components of basic and diluted earnings per share:

	YEAR ENDED DECEMBER 31,		
	2024	2023	2022
Numerator:			
Net income	$ 883,309	$ 768,929	$ 1,052,800
Denominator:			
Weighted average shares – basic	104,813	108,424	114,982
Restricted stock	986	925	707
Stock options	1,047	796	532
Weighted average shares – diluted	106,846	110,145	116,221
Earnings per common share – basic	$ 8.43	$ 7.09	$ 9.16
Earnings per common share – diluted	$ 8.27	$ 6.98	$ 9.06

The above calculations of weighted average shares exclude 120,255, 303,033, and 1,485,064 outstanding anti-dilutive stock options and unvested performance and non-performance restricted stock for the years ended December 31, 2024, 2023, and 2022, respectively.

In addition, 176,725 shares relating to our ASR (refer to Note 11—Stockholders' Equity) were also anti-dilutive and excluded from the above for the year ended December 31, 2024. There were no ASR transactions in 2023.

4. REAL ESTATE INVENTORY

Inventory consists of the following:

	AS OF DECEMBER 31,	
(Dollars in thousands)	2024	2023
Real estate developed and under development	$ 4,455,623	$ 3,855,534
Real estate held for development or held for sale (1)	26,301	29,317
Total land inventory	4,481,924	3,884,851
Operating communities (2)	1,524,352	1,414,528
Capitalized interest	156,613	174,449
Total owned inventory	6,162,889	5,473,828
Consolidated real estate not owned	71,195	71,618
Total real estate inventory	$ 6,234,084	$ 5,545,446

(1) Real estate held for development or held for sale includes properties which are not in active production.
(2) Operating communities consist of all vertical construction costs relating to homes in progress and completed homes.

We have land option purchase contracts, land banking arrangements and other controlled lot agreements. We do not have title to the properties, and the property owner and its creditors generally only have recourse against us in the form of retaining non-refundable deposits. We are also not legally obligated to purchase the lots.

A summary of owned and controlled lots is as follows:

	AS OF DECEMBER 31,	
(Dollars in thousands)	2024	2023
Owned lots:		
Undeveloped	16,345	13,418
Under development	8,774	8,848
Finished	11,599	11,811
Total owned lots	36,718	34,077
Controlled lots:		
Land option purchase contracts	9,529	8,621
Land banking arrangements	6,895	5,818
Other controlled lots(1)	33,011	23,846
Total controlled lots	49,435	38,285
Total owned and controlled lots	86,153	72,362
Homes in inventory	7,698	7,867

(1) Other controlled lots include single transaction take-downs and lots from our portion of unconsolidated JVs.

Lots which represent homes in progress and completed homes have been excluded from total owned lots. Controlled lots represent lots in which we have a contractual right to acquire real property, generally through an option contract, land banking arrangement, or a land deposit paid to a seller. Homes in inventory include any lots which have commenced vertical construction.

Capitalized Interest — Interest capitalized, incurred and amortized is as follows:

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands)	2024	2023	2022
Interest capitalized — beginning of period	$ 174,449	$ 190,123	$ 168,670
Interest capitalized	96,363	119,196	159,913
Interest amortized to cost of home closings	(114,199)	(134,870)	(138,460)
Interest capitalized — end of period	$ 156,613	$ 174,449	$ 190,123

5. INVESTMENTS IN CONSOLIDATED AND UNCONSOLIDATED ENTITIES

Unconsolidated Entities — We have investments in a number of joint ventures with third parties. These entities are generally involved in real estate development, homebuilding, Build-to-Rent, and/or mortgage lending activities. The primary activity of our real estate development joint ventures is the development and sale of lots to joint venture partners and/or unrelated builders.

During the year ended December 31, 2022, we contributed land as part of two initial investments in existing unconsolidated joint ventures. In accordance with ASC 606, when the transferee obtains title, physical possession and maintains the risks and rewards of ownership of the property and the transferor has no continuing involvement, the contribution is considered a transfer. To recognize the transfer, the difference between the fair value of the land and carrying value at the time of the contribution is recorded as a gain/loss on transfer. For the year ended December 31, 2022, we recognized gains of $14.5 million in Other expense, net on the Consolidated statements of operations, related to land transferred to unconsolidated joint ventures.

Summarized, unaudited condensed combined financial information of unconsolidated entities that are accounted for by the equity method are as follows (in thousands):

	AS OF DECEMBER 31,	
	2024	**2023**
Assets:		
Real estate inventory	1,396,887	$ 952,223
Other assets	226,198	182,517
Total assets	$1,623,085	$1,134,740
Liabilities:		
Debt	$ 576,753	$ 317,224
Other liabilities	69,706	50,739
Total liabilities	$ 646,459	$ 367,963
Owners' equity:		
TMHC	$ 439,721	$ 346,192
Others	536,905	420,585
Total owners' equity	$ 976,626	$ 766,777
Total liabilities and owners' equity	$1,623,085	$1,134,740

	YEAR ENDED DECEMBER 31,		
	2024	**2023**	**2022**
Revenues	$ 305,057	$ 158,174	$ 168,695
Costs and expenses	(288,473)	(135,007)	(163,488)
Net income from unconsolidated entities	$ 16,584	$ 23,166	$ 5,207
TMHC's share in net income/(loss) of unconsolidated entities(1)	$ 6,347	$ 8,757	$ (14,184)
Distributions to TMHC from unconsolidated entities	$ 42,627	$ 10,054	$ 130,545

(1) TMHC's share in net loss from unconsolidated entities in 2022 relates to a $14.7 million impairment charge to our investment in one of our unconsolidated joint ventures.

Consolidated Entities — We have several joint ventures for the purpose of real estate development and homebuilding activities, which we have determined to be VIEs. As the managing member, we oversee the daily operations and have the power to direct the activities of the joint ventures. For this specific subset of joint ventures, based upon the allocation of income and loss per the applicable joint venture agreements and certain performance guarantees, we have potentially significant exposure to the risks and rewards of the joint ventures. Therefore, we are the primary beneficiary of these joint venture VIEs, and the entities are consolidated.

As of December 31, 2024, the assets of the consolidated joint ventures totaled $98.6 million, of which $18.1 million was cash and cash equivalents and $79.1 million was owned real estate inventory. As of December 31, 2023, the assets of the consolidated joint ventures totaled $265.2 million, of which $29.8 million was cash and cash equivalents, $70.2 million was owned real estate inventory, and $121.3 million was property and equipment, net. The liabilities of the consolidated joint ventures totaled $48.4 million and $133.8 million as of December 31, 2024 and December 31, 2023, respectively, and were primarily comprised of accounts payable and accrued expenses and other liabilities. The decrease in the balances at December 31, 2024 from December 31, 2023 is a result of our fourth quarter 2024 purchase for $4.4 million, from our partner, of the percentage of the Urban Form joint venture we did not previously own. We recognized an immaterial loss on the buyout which is recorded in Changes in non-controlling interest of consolidated joint ventures, net on the Consolidated statements of stockholders' equity.

6. ACCRUED EXPENSES AND OTHER LIABILITIES

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

	AS OF DECEMBER 31,	
	2024	2023
Real estate development costs to complete	$ 44,046	$ 46,114
Compensation and employee benefits	174,509	149,095
Self-insurance and warranty reserves	214,105	184,448
Interest payable	32,288	31,042
Property and sales taxes payable	36,575	30,887
Other accruals	130,727	107,488
Total accrued expenses and other liabilities	$ 632,250	$ 549,074

Self-Insurance and Warranty Reserves — We accrue for the expected costs associated with our limited warranty, deductibles and self-insured exposure under our various insurance policies within Beneva. A summary of the changes in reserves are as follows (in thousands):

	YEAR ENDED DECEMBER 31,		
	2024	2023	2022
Reserve — beginning of period	$184,448	$161,675	$141,839
Additions to reserves	82,376	83,226	76,643
Cost of claims incurred	(85,454)	(80,646)	(76,994)
Changes in estimates to pre-existing reserves	32,735	20,193	20,187
Reserve — end of period	$214,105	$184,448	$161,675

The increase in the end of period reserves as of December 31, 2024 is a result of year-to-date net losses generated in Beneva. The reserve estimates utilize actuarial assumptions which are based on historical and recent claims data. Both the frequency of the claims and the cost to remediate the claims have increased in recent years, causing increases in reserves.

7. ESTIMATED DEVELOPMENT LIABILITIES

Estimated development liabilities consist primarily of estimated future utilities improvements in Poinciana, Florida and Rio Rico, Arizona for home sites previously sold, in most cases prior to 1980. Such development liabilities were assumed through our acquisition of AV Homes and initially incurred by affiliates of AV Homes in connection with class action settlement agreements in 1974 (the “1974 Judgment”), which required AV Homes to install certain water and electric infrastructure at home sites upon satisfaction of certain conditions. Estimated development liabilities are reduced by actual expenditures and are evaluated and adjusted, as appropriate, to reflect management’s estimate of potential completion costs. These liabilities were historically based on third-party engineer cost estimates which reflected the estimated completion costs. In 2023, management performed an analysis which included identifying the number of home sites eligible for the future utility improvements and bifurcating into groups based on the home site status to better estimate the future costs and our ultimate liabilities.

This analysis, which is deemed to be a change in estimate, was a result of a change in policy, consistent with the terms of the 1974 Judgment, to perform infrastructure work for only lot owners that meet specific criteria, such as having privity of contract with the original sale documents. Management considered many factors in connection with this policy change, including the number of lots estimated to be owned by the original owners after bulk sales and foreclosures. Cost increases as a result of inflation or other economic factors were also taken into consideration.

There was a reduction to the estimated development liabilities of $23.1 million and $14.8 million during 2024 and 2023, respectively. In 2023, we used an engineer's cost study to perform an initial assessment of the value of the liabilities. In 2024, we engaged legal and other experts to further determine which lots within the initial engineer's cost study could potentially not have privity of contract and further reduced our estimated development liabilities by the number of lots that were determined to not have privity of contract or had no need for infrastructure installation. These reductions in the liabilities equated to an increase of approximately $0.17 and $0.10 per diluted share for the year ended December 31, 2024 and 2023, respectively. Unforeseen changes in claim activity, future increases or decreases of costs for construction, material and labor, as well as other land development and utilities infrastructure costs, may have a significant effect on the estimated development liabilities.

8. DEBT

Total debt consists of the following (in thousands):

	AS OF DECEMBER 31,					
	2024			2023		
	PRINCIPAL	UNAMORTIZED DEBT ISSUANCE (COSTS)/ PREMIUM	CARRYING VALUE	PRINCIPAL	UNAMORTIZED DEBT ISSUANCE (COSTS)/ PREMIUM	CARRYING VALUE
5.875% Senior Notes due 2027	500,000	(1,890)	498,110	500,000	(2,672)	497,328
6.625% Senior Notes due 2027(1)	27,070	733	27,803	27,070	1,022	28,092
5.75% Senior Notes due 2028	450,000	(1,920)	448,080	450,000	(2,551)	447,449
5.125% Senior Notes due 2030	500,000	(3,539)	496,461	500,000	(4,174)	495,826
Senior Notes subtotal	$1,477,070	$(6,616)	$1,470,454	$1,477,070	$(8,375)	$1,468,695
Loans payable and other borrowings	475,569	—	475,569	394,943	—	394,943
$1 Billion Revolving Credit Facility(2)	—	—	—	—	—	—
$100 Million Revolving Credit Facility	—	—	—	—	—	—
Mortgage warehouse borrowings	174,460	—	174,460	153,464	—	153,464
Total debt	$2,127,099	$(6,616)	$2,120,483	$2,025,477	$(8,375)	$2,017,102

(1) Unamortized debt issuance premium is reflective of fair value adjustments as a result of purchase accounting.
(2) Unamortized debt issuance costs are included in Prepaid expenses and other assets, net on the Consolidated balance sheets.

Senior Notes

All of our senior notes (the "Senior Notes") described below and the related guarantees are senior unsecured obligations and are not subject to registration rights. The majority of indentures governing our senior notes contain covenants that limit our ability to incur debt secured by liens and enter into certain sale and leaseback transactions and contain customary events of default. None of the indentures for the senior notes have financial maintenance covenants. As of December 31, 2024, we were in compliance with all of the covenants under the Senior Notes.

5.875% Senior Notes due 2027

On June 5, 2019, Taylor Morrison Communities, Inc. ("TM Communities") issued $500.0 million aggregate principal amount of 5.875% Senior Notes due 2027 (the "2027 5.875% Senior Notes"), which mature on June 15, 2027. The 2027 5.875% Senior Notes are guaranteed by Taylor Morrison Home III Corporation, Taylor Morrison Holdings, Inc. and their homebuilding subsidiaries (collectively, the “Guarantors”). We are required to offer to repurchase the 2027 5.875% Senior Notes at a price equal to 101% of their aggregate principal amount (plus accrued and unpaid interest) upon certain change of control events where there is a credit rating downgrade that occurs in connection with the change in control.

Prior to March 15, 2027, the 2027 5.875% Senior Notes are redeemable at a price equal to 100% plus a “make-whole” premium for payments through March 15, 2027 (plus accrued and unpaid interest). Beginning on March 15, 2027, the 2027 5.875% Senior Notes are redeemable at par (plus accrued and unpaid interest).

6.625% Senior Notes due 2027

Following our exchange offer in the first quarter of 2021 (the “Exchange Offer”), whereby TM Communities offered to exchange any and all outstanding senior notes issued by William Lyon Homes (“WLH”), we had $290.4 million aggregate principal amount of 6.625% Senior Notes due 2027 issued by TM Communities (the “2027 6.625% TM Communities Notes”) and $9.6 million aggregate principal amount of 6.625% Senior Notes due 2027 issued by WLH (the “2027 6.625% WLH Notes” and together with the 2027 6.625% TM Communities Notes, the “2027 6.625% Senior Notes”). The 2027 6.625% TM Communities Notes are obligations of TM Communities and are guaranteed by the Guarantors.

On June 13, 2022, TM Communities announced a cash tender offer to purchase any and all of the $290.4 million outstanding aggregate principal amount of the 2027 6.625% TM Communities Notes (the “Tender Offer”), which expired July 12, 2022. TM Communities purchased $264.1 million and an additional approximately $0.9 million of the 2027 6.625% TM Communities Notes pursuant to the Tender Offer using cash on hand and borrowings on our $1 Billion Revolving Credit Facility at a price equal to 100% and 97%, respectively, of the principal amounts, plus accrued and unpaid interest up to, but excluding, the settlement date. As a result of the Tender Offer, TM Communities repurchased a total of $265.0 million in aggregate principal amount of outstanding 2027 6.625% TM Communities Notes and we recorded a net gain on extinguishment of debt of approximately $13.6 million for the year ended December 31, 2022 to Loss/(gain) on extinguishment of debt, net, on the Consolidated statement of operations.

On November 3, 2022, we purchased $8.0 million of the 2027 6.625% WLH Notes using cash on hand and borrowings on our $1 Billion Revolving Credit Facility at a price equal to 91.25% of the principal amount, plus accrued and unpaid interest up to, but excluding, the settlement date. As a result of the redemption of the 2027 6.625% WLH Notes, we recorded a net gain on extinguishment of debt of approximately $1.1 million for the year ended December 31, 2022 to Loss/(gain) on extinguishment of debt, net, on the Consolidated statement of operations.

The remaining 2027 6.625% Senior Notes mature on July 15, 2027. As of December 31, 2024, the remaining 2027 6.625% Senior Notes are redeemable at a price equal to 101.104% of principal (plus accrued and unpaid interest). On or after July 15, 2025, the remaining 2027 6.625% Senior Notes are redeemable at a price equal to 100% of principal (plus accrued and unpaid interest).

5.75% Senior Notes due 2028

On August 1, 2019, TM Communities issued $450.0 million aggregate principal amount of 5.75% Senior Notes due 2028 (the “2028 Senior Notes”), which mature on January 15, 2028. The 2028 Senior Notes are guaranteed by the same Guarantors that guarantee our other Senior Notes. The change of control provisions in the indenture governing the 2028 Senior Notes are similar to those contained in the indentures governing our other Senior Notes.

Prior to October 15, 2027, the 2028 Senior Notes are redeemable at a price equal to 100% plus a “make-whole” premium for payments through October 15, 2027 (plus accrued and unpaid interest). Beginning on October 15, 2027, the 2028 Senior Notes are redeemable at par (plus accrued and unpaid interest).

5.125% Senior Notes due 2030

On July 22, 2020, TM Communities issued $500.0 million aggregate principal amount of 5.125% Senior Notes due 2030 (the “2030 Senior Notes), which mature on August 1, 2030. The 2030 Senior Notes are guaranteed by the same Guarantors that guarantee our other Senior Notes. The change of control provisions in the indenture governing the 2030 Senior Notes are similar to those contained in the indentures governing our other Senior Notes.

Prior to February 1, 2030, the 2030 Senior Notes are redeemable at a price equal to 100.0% plus a “make-whole” premium for payments through February 1, 2030 (plus accrued and unpaid interest). Beginning on February 1, 2030, the 2030 Senior Notes are redeemable at par (plus accrued and unpaid interest).

$1 Billion Revolving Credit Facility

Our $1 Billion Revolving Credit Facility (“$1 Billion Facility”) has a maturity date of March 11, 2027. During the year ended December 31, 2024, we borrowed and repaid $100.0 million under this facility. We had no outstanding borrowings as of December 31, 2024 and December 31, 2023.

As of December 31, 2024 and December 31, 2023, we had $2.0 million and $2.9 million, respectively, of unamortized debt issuance costs, which are included in Prepaid expenses and other assets, net, on the Consolidated balance sheets. As of December 31, 2024 and December 31, 2023, we had $52.9 million and $61.2 million, respectively, of utilized letters of credit, resulting in $947.1 million and $938.8 million, respectively, of availability.

The $1 Billion Facility contains certain “springing” financial covenants, requiring us and our subsidiaries to comply with a maximum debt to capitalization ratio of not more than 0.60 to 1.00 and a minimum consolidated tangible net worth level, currently of at least $3.8 billion. The financial covenants would be in effect for any fiscal quarter during which any (a) loans under the $1 Billion Facility are outstanding during the last day of such fiscal quarter or on more than five separate days during such fiscal quarter or (b) undrawn letters of credit (except to the extent cash collateralized) issued under the $1 Billion Facility in an aggregate amount greater than $40.0 million or unreimbursed letters of credit issued under the $1 Billion Facility are outstanding on the last day of such fiscal quarter or for more than five consecutive days during such fiscal quarter. For purposes of determining compliance with the financial covenants for any fiscal quarter, the $1 Billion Facility provides that we may exercise an equity cure by issuing certain permitted securities for cash or otherwise recording cash contributions to our capital that will, upon the contribution of such cash to the borrower, be included in the calculation of consolidated tangible net worth and consolidated total capitalization. The equity cure right is exercisable up to twice in any period of four consecutive fiscal quarters and up to five times overall.

The $1 Billion Facility contains certain restrictive covenants including limitations on incurrence of liens, the payment of dividends and other distributions, asset dispositions and investments in entities that are not guarantors, limitations on prepayment of subordinated indebtedness and limitations on fundamental changes. The $1 Billion Facility contains customary events of default, subject to applicable grace periods, including for nonpayment of principal, interest or other amounts, violation of covenants (including financial covenants, subject to the exercise of an equity cure), incorrectness of representations and warranties in any material respect, cross default and cross acceleration, bankruptcy, material monetary judgments, ERISA events with material adverse effect, actual or asserted invalidity of material guarantees and change of control.

As of December 31, 2024, we were in compliance with all of the covenants under the $1 Billion Facility.

$100 Million Revolving Credit Facility

Our $100 Million Revolving Credit Facility matured on its maturity date of September 17, 2024 and was not renewed.

Mortgage Warehouse Borrowings

The following is a summary of our TMHF mortgage warehouse borrowings:

	AS OF DECEMBER 31, 2024				
FACILITY	AMOUNT DRAWN	FACILITY AMOUNT	INTEREST RATE	EXPIRATION DATE	COLLATERAL[1]
Warehouse A[2]	$ —	$ —	Term SOFR + 1.70%	on demand	Mortgage loans
Warehouse C	69,008	125,000	Term SOFR + 1.50%	on demand	Mortgage loans
Warehouse D	60,176	125,000	Daily SOFR + 1.50%	September 3, 2025[3]	Mortgage loans
Warehouse E	43,153	100,000	Term SOFR + 1.60%	on demand	Mortgage loans
Warehouse F[2]	2,123	60,000	Term SOFR + 1.70%	on demand	Mortgage loans
Total	$174,460	$410,000			

	AS OF DECEMBER 31, 2023				
FACILITY	AMOUNT DRAWN	FACILITY AMOUNT	INTEREST RATE	EXPIRATION DATE	COLLATERAL[1]
Warehouse A	$ 13,477	$ 60,000	Daily SOFR + 1.70%	on demand	Mortgage loans
Warehouse C	25,567	100,000	Term SOFR + 1.65%	on demand	Mortgage loans
Warehouse D	56,745	100,000	Daily SOFR + 1.50%	September 4, 2024	Mortgage loans
Warehouse E	57,675	100,000	Term SOFR + 1.60%	on demand	Mortgage loans
Total	$153,464	$360,000			

(1) The mortgage warehouse borrowings outstanding as of December 31, 2024 and 2023, are collateralized by $207.9 million and $193.3 million, respectively, of mortgage loans held for sale.
(2) During December 2024, Warehouse A's bank was purchased by Warehouse F's bank and created a new facility referred to as Warehouse F. As a result, there was no availability under Warehouse A as of December 31, 2024.
(3) The Company has the intent and ability to renew Warehouse D's borrowing's upon expiration.

Loans Payable and Other Borrowings

Loans payable and other borrowings as of December 31, 2024 and 2023 consist of project-level debt to various land sellers and financial institutions for specific communities. Project-level debt is generally secured by the land that was acquired and the principal payments generally coincide with corresponding project lot closings or a principal reduction schedule. These borrowings bear interest at rates that ranged from 0% to 11% and 0% to 9% at each of December 31, 2024 and December 31, 2023, respectively. We impute interest for loans with no stated interest rates.

Future Minimum Principal Payments on Total Debt

Principal maturities of total debt for the year ended December 31, 2024 are as follows (in thousands):

(Dollars in thousands)	YEAR ENDED DECEMBER 31,
2025	$ 307,646
2026	184,994
2027	609,923
2028	480,364
2029	23,152
Thereafter	521,020
Total debt	$2,127,099

9. FAIR VALUE DISCLOSURES

ASC Topic 820 provides a framework for measuring fair value under GAAP, expands disclosures about fair value measurements, and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the fair value hierarchy are summarized as follows:

Level 1 — Fair value is based on quoted prices for identical assets or liabilities in active markets.

Level 2 — Fair value is determined using quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active or are directly or indirectly observable.

Level 3 — Fair value is determined using one or more significant inputs that are unobservable in active markets at the measurement date, such as a pricing model, discounted cash flow, or similar technique.

The fair value of our Mortgage loans held for sale is derived from negotiated rates with partner lending institutions. The fair value of derivative assets and liabilities includes IRLCs and mortgage backed securities ("MBS"). The fair value of IRLCs is based on the value of the underlying mortgage loans, quoted MBS prices and the probability that the mortgage loan will fund within the terms of the IRLCs. We estimate the fair value of the forward sales commitments based on quoted MBS prices. The fair value of our Mortgage warehouse borrowings and Loans payable and other borrowings approximate carrying value due to their short term nature and variable interest rate terms. The fair value of our Senior Notes is derived from quoted market prices by independent dealers in markets that are not active. The fair value of our Equity security investment in a public company is based upon quoted prices for identical assets in an active market. There were no changes to or transfers between the levels of the fair value hierarchy for any of our financial instruments as of December 31, 2024, when compared to December 31, 2023.

The carrying value and fair value of our financial instruments are as follows:

(Dollars in thousands)	LEVEL IN FAIR VALUE HIERARCHY	AS OF DECEMBER 31, 2024 CARRYING VALUE	AS OF DECEMBER 31, 2024 ESTIMATED FAIR VALUE	AS OF DECEMBER 31, 2023 CARRYING VALUE	AS OF DECEMBER 31, 2023 ESTIMATED FAIR VALUE
Description:					
Mortgage loans held for sale	2	$207,936	$207,936	$193,344	$193,344
IRLCs	3	(5,917)	(5,917)	1,489	1,489
MBSs	2	4,174	4,174	(5,055)	(5,055)
Mortgage warehouse borrowings	2	174,460	174,460	153,464	153,464
Loans payable and other borrowings	2	475,569	475,569	394,943	394,943
5.875% Senior Notes due 2027 (1)	2	498,110	501,770	497,328	502,500
6.625% Senior Notes due 2027 (1)	2	27,803	26,804	28,092	26,529
5.75% Senior Notes due 2028 (1)	2	448,080	446,679	447,449	451,571
5.125% Senior Notes due 2030 (1)	2	496,461	478,455	495,826	483,690
Equity security	1	201	201	460	460

(1) Carrying value for Senior Notes, as presented, includes unamortized debt issuance costs or bond premium. Debt issuance costs are not factored into the fair value calculation for the Senior Notes.

Fair value measurements are used for inventories on a nonrecurring basis when events and circumstances indicate that their carrying value is not recoverable. The fair value of such inventories as of December 31, 2024 were $10.6 million and as of June 30, 2024 were $7.0 million. These values are a level 3 in the fair value hierarchy. As of December 31, 2023, the fair value for such inventories was not determined as there were no events and circumstances that indicated their carrying value was not recoverable.

10. INCOME TAXES

The provision for income taxes for the years ended December 31, 2024, 2023 and 2022 consisted of the following:

(Dollars in thousands)	YEAR ENDED DECEMBER 31, 2024	2023	2022
Current:			
Federal	$ 231,758	$ 196,464	$ 203,119
State	46,902	51,009	48,134
Current tax provision	$ 278,660	$ 247,473	$ 251,253
Deferred:			
Federal	$ (8,951)	$ (1,003)	$ 66,667
State	(161)	1,627	18,508
Deferred tax provision	$ (9,112)	$ 624	$ 85,175
Total income tax provision	$ 269,548	$ 248,097	$ 336,428

A reconciliation of the provision for income taxes and the amount computed by applying the federal statutory income tax rate of 21% to income before provision for income taxes is as follows:

	YEAR ENDED DECEMBER 31,		
	2024	2023	2022
Tax at federal statutory rate	21.0%	21.0%	21.0%
State income taxes (net of federal benefit)	3.6	4.1	3.9
Non-controlling interest	—	(0.3)	(0.1)
Energy tax credits	(0.7)	(0.4)	(1.3)
Disallowed compensation expense	0.6	0.6	0.4
Excess stock compensation benefit	(0.6)	(0.5)	—
Other	(0.6)	(0.1)	0.3
Effective Rate	23.3%	24.4%	24.2%

Our effective tax rate was 23.3% and 24.4% for the years ended December 31, 2024 and December 31, 2023, respectively. Our effective rate for both years was affected by a number of factors including state income taxes and nondeductible executive compensation, offset by energy tax credits related to homebuilding activities, and excess tax benefits from stock-based compensation.

We have certain tax attributes available to offset the impact of future income taxes. The components of net deferred tax assets and liabilities at December 31, 2024 and 2023, consisted of timing differences related to real estate inventory impairments, expense accruals and reserves, provisions for liabilities, and net operating loss carryforwards. A summary of these components for the years ending December 31, 2024 and 2023 is as follows:

	YEAR ENDED DECEMBER 31,	
(Dollars in thousands)	2024	2023
Deferred tax assets:		
Real estate inventory	$ 26,483	$ 41,660
Accruals and reserves	73,418	58,864
Net operating losses [(1)]	48,996	54,845
Total deferred tax assets	$148,897	$155,369
Deferred tax liabilities:		
Real estate inventory, intangibles, other	$ (6,223)	$ (8,414)
Other	(5,512)	(2,274)
Deferred income	(55,186)	(76,856)
Total Deferred Tax Liabilities	$ (66,921)	$ (87,544)
Valuation allowance	(5,728)	—
Total net deferred tax assets	$ 76,248	$ 67,825

(1) A portion of our net operating losses is limited by Section 382 of the Internal Revenue Code, stemming from three business acquisitions: 1) the 2011 acquisition of the Company by our former principal equity holders, 2) the 2018 acquisition of AV Homes and 3) the 2021 acquisition of William Lyon Homes. All three acquisitions were deemed to be a change in control as defined by Section 382.

For the year ended December 31, 2024, we recorded a net valuation allowance of $5.7 million related to certain state deferred taxes which are not expected to be realized. We have approximately $163.2 million in available gross federal NOL carryforwards. Federal NOL carryforwards generated prior to January 1, 2018 may be used to offset future taxable income for a period of 20 years and begin to expire in 2029. State NOL carryforwards may be used to offset future taxable income for a period of 20 years and begin to expire in 2026. On an ongoing basis, we will continue to review all available evidence to determine if we expect to realize our deferred tax assets and federal and state NOL carryovers or if a valuation allowance is necessary.

We account for uncertain tax positions in accordance with ASC 740. ASC 740 requires a company to recognize the financial statement effect of a tax position when it is more likely than not based on the technical merits of the position that the position will be sustained upon examination. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to be recognized in the financial statements based upon the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Interest and penalties related to uncertain tax positions are recognized as a component of income tax expense. We believe we have a reasonable basis for our current income tax filing positions and that our positions would be sustained under audit. As such, we do not anticipate any adjustments that would result in a material change.

As of December 31, 2024, 2023 and 2022 there are no unrecognized tax benefits.

We are currently under exam by the IRS for certain federal income tax returns for tax years 2015 through 2018 and 2021. The outcome of these examinations is not yet determinable but we believe our tax positions meet the more-likely-than-not threshold.

The statute of limitations for our major taxing jurisdictions remains open for examination for tax years through 2024.

11. STOCKHOLDERS' EQUITY

Capital Stock

The Company's authorized capital stock consists of 400,000,000 shares of common stock, par value $0.00001 per share (the "common stock"), and 50,000,000 shares of preferred stock, par value $0.00001 per share.

Stock Repurchase Program

October 23, 2024, the Board of Directors authorized a renewal of the Company's stock repurchase program which permits the repurchase up to $1.0 billion of the Company's common stock through December 31, 2026, which replaced the Company's prior $500.0 million repurchase authorization scheduled to expire on December 31, 2025. Repurchases under the program may occur from time to time through open market purchases, privately negotiated transactions or other transactions. The timing, manner, price and amount of any common stock repurchases will be determined by us in our discretion and will depend on a variety of factors, including prevailing market conditions, our liquidity, the terms of our debt instruments, legal requirements, planned land investment and development spending, acquisition and other investment opportunities and ongoing capital requirements. The program does not require us to repurchase any specific number of shares of common stock, and the program may be suspended, extended, modified or discontinued at any time.

Using the availability under our stock repurchase program, we entered into four separate ASR agreements with the same financial institution during the year ended December 31, 2024 to supplement our traditional repurchase program. We paid $50.0 million for each agreement and received an initial delivery of common stock with an aggregate value of 80% of the repurchase price on the respective repurchase date, with the remaining 20% received (or to be received) at final settlement in accordance with the terms of each ASR agreement. The final settlements for the first three ASR agreements occurred during 2024, at which time, the volume-weighted average price calculations over the term of the ASR agreement were used to determine the final number of shares to be delivered. We accounted for the ASRs as common stock repurchases and forward contracts indexed to our own common stock. We determined that the equity classification criteria was met for the forward contracts; therefore, they were not accounted for as derivative instruments.

The following table summarizes share repurchase activity for the program for the years ended December 31, 2024 and 2023:

(Number of Shares)	2024	2023
Number of shares repurchased with ASR[1]	2,977,494	—
Other share repurchases[2]	2,630,358	2,814,956
Total amount repurchased	5,607,852	2,814,956

(1) Subsequent to December 31, 2024 the fourth ASR settled a total of 184,214 shares which are not included in the table above.
(2) Amount represents shares repurchased under our existing share repurchase program which are not part of ASRs.

The following table summarizes our spend on share repurchases for the years ended December 31, 2024 and 2023:

(Dollars in thousands)	2024	2023
Amount available for repurchase — beginning of period	$ 494,489	$ 279,138
Amount cancelled from expired or unused authorizations	(236,799)	(156,690)
Additional amount authorized for repurchase	1,000,000	500,000
Amount repurchased	(347,597)	(127,959)
Amount available for repurchase — end of period	$ 910,093	$ 494,489

The Inflation Reduction Act was enacted in 2022 and includes a one percent excise tax on the net repurchase of Company stock. We have accrued such tax as of December 31, 2024 and included it in the cost of treasury stock repurchases on our Consolidated statement of stockholders' equity.

12. STOCK BASED COMPENSATION

In April 2013, we adopted the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (the "Plan"). The Plan was most recently amended and restated in May 2022. The Plan provides for the grant of stock options, RSUs PRSUs, and other equity-based awards deliverable in shares of our common stock. As of December 31, 2024, we had an aggregate of 4,889,987 shares of common stock available for future grants under the Plan.

The following table provides information regarding the amount and components of stock-based compensation expense, which is included in General and administrative expenses in the Consolidated statement of operations (in thousands):

	YEAR ENDED DECEMBER 31,		
	2024	2023	2022
Restricted stock [1]	$ 17,837	$ 21,977	$ 22,464
Stock options	4,624	4,118	4,437
Total stock compensation	$ 22,461	$ 26,095	$ 26,901

(1) Includes compensation expense related to time-based RSUs and PRSUs.

At December 31, 2024, 2023, and 2022, the aggregate unamortized value of all outstanding stock-based compensation awards was approximately $29.2 million, $26.5 million, and $27.1 million, respectively.

Stock options — Options granted to employees generally vest and become exercisable ratably on the first, second, third, and fourth anniversary of the date of grant. Vesting of the options is subject to continued employment, through the applicable vesting dates, and options expire within ten years from the date of grant.

The following tables summarize stock option activity for the Plan for each year presented:

	YEAR ENDED DECEMBER 31,					
	2024		2023		2022	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE/ GRANT PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE/ GRANT PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE/ GRANT PRICE
Outstanding, beginning	2,254,142	$26.84	3,273,258	$23.35	3,165,612	$22.02
Granted[1]	127,513	56.48	359,768	35.18	519,799	29.30
Exercised	(414,629)	25.75	(1,252,516)	21.07	(323,625)	20.69
Cancelled/forfeited[1]	(10,330)	31.74	(126,368)	28.29	(88,528)	24.64
Balance, ending	1,956,696	$28.98	2,254,142	$26.84	3,273,258	$23.35
Options exercisable, at December 31,	1,231,352	$24.85	1,133,734	$23.48	1,775,881	$20.50

(1) Excludes the number of options granted and canceled in the same period.

	AS OF DECEMBER 31,		
(Dollars in thousands)	2024	2023	2022
Unamortized value of unvested stock options (net of estimated forfeitures)	$ 6,999	$ 7,861	$ 7,712
Weighted-average period (in years) expense expected to be recognized	2.4	2.5	2.5
Weighted-average remaining contractual life (in years) for options outstanding	5.7	6.4	6.6
Weighted-average remaining contractual life (in years) for options exercisable	4.5	4.8	5.2

The following table summarizes the weighted-average assumptions and fair value used for stock options grants:

	YEAR ENDED DECEMBER 31,		
	2024	2023	2022
Expected dividend yield	—%	—%	—%
Expected volatility[1]	51.60%	50.87%	30.46%
Risk-free interest rate[1]	4.24%	3.90%	1.91%
Expected term (in years)[1]	6.25	6.25	6.25
Weighted average fair value of options granted during the period	$ 31.02	$ 14.50	$ 9.94

(1) Expected volatilities and expected term are based on the historical information of comparable publicly traded homebuilders. Due to the limited number and homogeneous nature of option holders, the expected term was evaluated using a single group. The risk-free rate is based on the U.S. Treasury yield curve for periods equivalent to the expected term of the options on the grant date.

The following table provides information pertaining to the aggregate intrinsic value of options outstanding and exercisable at December 31, 2024, 2023 and 2022:

	AS OF DECEMBER 31,		
(Dollars in thousands)	2024	2023	2022
Aggregate intrinsic value of options outstanding	$ 63,069	$ 59,758	$ 21,439
Aggregate intrinsic value of options exercisable	$ 44,766	$ 33,861	$ 15,385

The aggregate intrinsic value is based on the market price of our common stock on December 31, 2024, the last trading day in December 2024, which was $61.21, less the applicable exercise price of the underlying options. This value represents the amount that would have been realized if all the option holders had exercised their options on December 31, 2024.

Performance-Based Restricted Stock Units – These awards will vest in full based on the achievement of certain performance goals over a three-year performance period, subject to the employee's continued employment through the last date of the performance period and will be settled in shares of our common stock. The number of shares that may be issued in settlement of the PRSUs to the award recipients may be greater or lesser than the target award amount depending on actual performance achieved as compared to the performance targets set forth in the awards.

The following table summarizes the activity of our PRSUs:

	YEAR ENDED DECEMBER 31,		
	2024	**2023**	**2022**
Balance, beginning	724,123	802,379	926,193
Granted	140,070	229,164	272,716
Vested	(244,781)	(245,306)	(380,632)
Forfeited	(1,588)	(62,114)	(15,898)
Balance, ending	617,824	724,123	802,379

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands):	**2024**	**2023**	**2022**
PRSU expense recognized	$ 7,058	$ 12,619	$ 12,642
Unamortized value of PRSUs	$ 8,755	$ 8,122	$ 8,911
Weighted-average period expense is expected to be recognized (in years)	1.8	1.8	1.8

Non-Performance-Based Restricted Stock Units — Our RSUs consist of shares of our common stock that have been awarded to our employees and members of our Board of Directors. Vesting of RSUs is subject to continued employment with TMHC or continued service on the Board of Directors, through the applicable vesting dates. Time-based RSUs granted to employees generally vest ratably over a three to four year period, based on the grant date.

Time-based RSUs granted to members of the Board of Directors generally vest on the first anniversary of the grant date.

The following tables summarize the activity of our RSUs:

	YEAR ENDED DECEMBER 31,					
	2024		2023		2022	
	NUMBER OF RSUs	WEIGHTED AVERAGE GRANT DATE FAIR VALUE	NUMBER OF RSUs[(1)]	WEIGHTED AVERAGE GRANT DATE FAIR VALUE	NUMBER OF RSUs	WEIGHTED AVERAGE GRANT DATE FAIR VALUE
Outstanding, beginning	767,216	$ 29.87	814,834	$ 26.74	804,465	$ 24.73
Granted	251,435	57.52	297,317	35.96	359,993	29.04
Vested	(305,702)	31.30	(301,359)	27.52	(319,595)	24.32
Forfeited	(6,360)	49.37	(43,576)	29.81	(30,029)	26.90
Balance, ending	706,589	$ 38.90	767,216	$ 29.87	814,834	$ 26.74

	YEAR ENDED DECEMBER 31,		
(Dollars in thousands):	**2024**	**2023**	**2022**
RSU expense recognized	$ 10,779	$ 9,357	$ 9,822
Unamortized value of RSUs	$ 13,456	$ 10,496	$ 10,486
Weighted-average period expense is expected to be recognized (in years)	2.2	1.7	1.7

The Plan permits us to withhold from the total number of shares that would otherwise be distributed to a recipient on vesting of an RSU, an amount equal to the number of shares having a fair value at the time of distribution equal to the applicable income tax withholdings due and remit the remaining RSU shares to the recipient.

13. OPERATING AND REPORTING SEGMENTS

We have multiple homebuilding operating components which are engaged in the business of acquiring and developing land, constructing homes, marketing and selling homes, and providing warranty and customer service. We aggregate our homebuilding operating components into three reporting segments, East, Central, and West, based on similar long-term economic characteristics. The activity from our Build-to-Rent and Urban Form operations are included in our Corporate segment. We also have a Financial Services reporting segment.

The Company defines the Chief Operating Decision Maker ("CODM") function as the Chief Executive Officer, the Chief Financial Officer, and the Chief Corporate Operations Officer. On a quarterly basis, the CODM is provided with the financial results and key performance metrics at consolidated and disaggregated levels. The Company's CODM assesses the segment's performance by using each segment's gross margin and income before income taxes (which includes certain corporate overhead allocations to each homebuilding segment for certain costs such as travel and entertainment and payroll related costs for the marketing department). The CODM makes company decisions and allocates resources based on the results and performance of the reporting segments.

Our reporting segments are as follows:

East	Atlanta, Charlotte, Jacksonville, Naples, Orlando, Raleigh, Sarasota, and Tampa
Central	Austin, Dallas, Denver, Houston, and Indianapolis
West	Bay Area, Las Vegas, Phoenix, Portland, Sacramento, Seattle, and Southern California
Financial Services	Taylor Morrison Home Funding, Inspired Title Services, and Taylor Morrison Insurance Services

Operating results for each segment may not be indicative of the results for such segment had it been an independent, stand-alone entity. The prior year tables shown below include Total costs of sales and a disaggregation of Sales, commissions and other marketing costs and General and administrative expenses as a result of the adoption of ASU 2023-07, *Improvements to Reportable Segment Disclosures.* The segment information is consistent with the metrics reviewed in the CODMs package and is as follows (in thousands):

	YEAR ENDED DECEMBER 31, 2024						
	EAST	CENTRAL	WEST	FINANCIAL SERVICES	OPERATING AND REPORTING SEGMENT SUBTOTAL	CORPORATE AND UNALLOCATED[1]	TOTAL
Home closings revenue, net	$ 2,826,628	$ 1,969,381	$ 2,959,210	$ —	$ 7,755,219	$ —	$ 7,755,219
All other revenue	52,908	24,514	27,607	199,459	304,488	108,429	$ 412,917
Total revenue	2,879,536	1,993,895	2,986,817	199,459	8,059,707	108,429	8,168,136
Cost of home closings	2,065,218	1,485,968	2,312,557	—	5,863,743	—	$ 5,863,743
All other cost of sales	43,604	20,825	34,569	108,592	207,590	112,591	$ 320,181
Total cost of sales	2,108,822	1,506,793	2,347,126	108,592	6,071,333	112,591	6,183,924
Home closings gross margin	761,410	483,413	646,653	—	1,891,476	—	$ 1,891,476
Total gross margin	770,714	487,102	639,691	90,867	1,988,374	(4,162)	$ 1,984,212
Sales, commissions and other marketing costs[2]	(169,270)	(131,997)	(146,909)	—	(448,176)	(7,916)	$ (456,092)
General and administrative expenses	(47,888)	(34,501)	(46,514)	—	(128,903)	(185,503)	$ (314,406)
Net (loss)/income from unconsolidated entities	—	(51)	(28)	8,915	8,836	(2,489)	$ 6,347
Interest and other (expense)/ income, net[3]	(771)	(16,087)	(6,646)	2,112	(21,392)	(42,551)	$ (63,943)
Income before income taxes	$ 552,785	$ 304,466	$ 439,594	$ 101,894	$ 1,398,739	$ (242,621)	$ 1,156,118

(1) Includes the activity from our Build-To-Rent and Urban Form operations
(2) Includes corporate marketing expense allocations
(3) Interest and other (expense)/income, net includes pre-acquisition write-offs of terminated projects.

	YEAR ENDED DECEMBER 31, 2023						
	EAST	CENTRAL	WEST	FINANCIAL SERVICES	OPERATING AND REPORTING SEGMENT SUBTOTAL	CORPORATE AND UNALLOCATED[1]	TOTAL
Home closings revenue, net	$ 2,619,322	$ 1,935,500	$ 2,604,035	$ —	$ 7,158,857	$ —	$ 7,158,857
All other revenue	55,308	28,765	1,414	160,312	245,799	13,175	258,974
Total revenue	2,674,630	1,964,265	2,605,449	160,312	7,404,656	13,175	7,417,831
Cost of home closings	1,900,833	1,443,490	2,107,078	—	5,451,401	—	5,451,401
All other cost of sales	52,478	24,846	2,053	93,989	173,366	9,991	183,357
Total cost of sales	1,953,311	1,468,336	2,109,131	93,989	5,624,767	9,991	5,634,758
Home closings gross margin	718,489	492,010	496,957	—	1,707,456	—	1,707,456
Total gross margin	721,319	495,929	496,318	66,323	1,779,889	3,184	1,783,073
Sales, commissions and other marketing costs[2]	(145,943)	(128,914)	(136,522)	—	(411,379)	(6,755)	(418,134)
General and administrative expenses	(39,381)	(29,893)	(42,306)	—	(111,580)	(168,993)	(280,573)
Net (loss)/income from unconsolidated entities	—	(98)	(217)	9,148	8,833	(76)	8,757
Interest and other (expense)/ income, net[3]	(73,205)	(7,608)	3,981	—	(76,832)	1,842	(74,990)
Loss on extinguishment of debt	—	—	—	—	—	(295)	(295)
Income before income taxes	$ 462,790	$ 329,416	$ 321,254	$ 75,471	$ 1,188,931	$ (171,093)	$ 1,017,838

(1) Includes the assets from our Build-To-Rent and Urban Form operations
(2) Includes corporate marketing expense allocations
(3) Interest and other (expense)/income, net includes pre-acquisition write-offs of terminated projects.

	YEAR ENDED DECEMBER 31, 2022						
	EAST	CENTRAL	WEST	FINANCIAL SERVICES	OPERATING AND REPORTING SEGMENT SUBTOTAL	CORPORATE AND UNALLOCATED[1]	TOTAL
Home closings revenue, net	$ 2,673,951	$ 2,014,869	$ 3,200,551	$ —	$ 7,889,371	$ —	$ 7,889,371
All other revenue	65,808	9,861	28,302	135,491	$ 239,462	96,084	335,546
Total revenue	2,739,759	2,024,730	3,228,853	135,491	8,128,833	96,084	8,224,917
Cost of home closings	1,963,177	1,522,353	2,418,928	—	5,904,458	—	5,904,458
All other cost of sales	58,359	9,371	17,981	83,960	169,671	58,422	228,093
Total cost of sales	2,021,536	1,531,724	2,436,909	83,960	6,074,129	58,422	6,132,551
Home closings gross margin	710,774	492,516	781,623	—	1,984,913	—	1,984,913
Total gross margin	718,223	493,006	791,944	51,531	2,054,704	37,662	2,092,366
Sales, commissions and other marketing costs[2]	(141,729)	(112,701)	(128,339)	—	(382,769)	(15,305)	(398,074)
General and administrative expenses	(38,448)	(25,123)	(39,412)	—	(102,983)	(142,155)	(245,138)
Net (loss)/income from unconsolidated entities	—	(55)	(18,445)	5,271	(13,229)	(955)	(14,184)
Interest and other expense, net[3]	(6,725)	(10,364)	(23,881)	—	(40,970)	(15,201)	(56,171)
Gain on extinguishment of debt	—	—	—	—	—	13,876	13,876
Income before income taxes	$ 531,321	$ 344,763	$ 581,867	$ 56,802	$ 1,514,753	$ (122,078)	$ 1,392,675

(1) Includes the assets from our Build-To-Rent and Urban Form operations
(2) Includes corporate marketing expense allocations
(3) Interest and other (expense)/income, net includes pre-acquisition write-offs of terminated projects

AS OF DECEMBER 31, 2024

	EAST	CENTRAL	WEST	FINANCIAL SERVICES	OPERATING AND REPORTING SEGMENT SUBTOTAL	CORPORATE AND UNALLOCATED(1)	TOTAL
Real estate inventory and land deposits	$ 2,389,791	$ 1,296,272	$ 2,847,689	$ —	$ 6,533,752	$ —	$ 6,533,752
Investments in unconsolidated entities	86,378	164,434	94,864	5,483	351,159	88,562	439,721
Other assets	173,489	225,846	610,212	297,107	1,306,654	1,017,004	2,323,658
Total assets	$ 2,649,658	$ 1,686,552	$ 3,552,765	$ 302,590	$ 8,191,565	$ 1,105,566	$ 9,297,131

(1) Includes the assets from our Build-To-Rent and Urban Form operations.

AS OF DECEMBER 31, 2023

	EAST	CENTRAL	WEST	FINANCIAL SERVICES	OPERATING AND REPORTING SEGMENT SUBTOTAL	CORPORATE AND UNALLOCATED(1)	TOTAL
Real estate inventory and land deposits	$ 1,909,084	$ 1,181,014	$ 2,658,565	$ —	$ 5,748,663	$ —	$ 5,748,663
Investments in unconsolidated entities	63,628	125,610	88,219	5,483	282,940	63,252	346,192
Other assets	177,739	214,685	616,210	298,451	1,307,085	1,270,147	2,577,232
Total assets	$ 2,150,451	$ 1,521,309	$ 3,362,994	$ 303,934	$ 7,338,688	$ 1,333,399	$ 8,672,087

(1) Includes the assets from our Build-To-Rent and Urban Form operations.

AS OF DECEMBER 31, 2022

	EAST	CENTRAL	WEST	FINANCIAL SERVICES	OPERATING AND REPORTING SEGMENT SUBTOTAL	CORPORATE AND UNALLOCATED(1)	TOTAL
Real estate inventory and land deposits	$ 1,820,765	$ 1,359,805	$ 2,453,662	$ —	$ 5,634,232	$ —	$ 5,634,232
Investments in unconsolidated entities	46,629	104,070	80,310	5,283	236,292	46,608	282,900
Other assets	216,816	251,727	613,029	431,535	1,513,107	1,040,485	2,553,592
Total assets	$ 2,084,210	$ 1,715,602	$ 3,147,001	$ 436,818	$ 7,383,631	$ 1,087,093	$ 8,470,724

(1) Includes the assets from our Build-To-Rent and Urban Form operations.

14. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Surety Bonds — We are committed, under various letters of credit and surety bonds, to perform certain development and construction activities and provide certain guarantees in the normal course of business. Outstanding letters of credit and surety bonds under these arrangements totaled $1.4 billion and $1.3 billion at December 31, 2024 and December 31, 2023, respectively. Although significant development and construction activities have been completed related to these site improvements, the bonds are generally not released until all development and construction activities are completed. We do not believe that it is probable that any outstanding bonds as of December 31, 2024 will be drawn upon.

Purchase Commitments — We are subject to the usual obligations associated with entering into contracts (including land option contracts and land banking arrangements) for the purchase, development, and sale of real estate in the routine course of our business. We have a number of land purchase option contracts and land banking agreements for the right to purchase land or lots at a future point in time on predetermined terms. We do not have title to the property and the property owners and its creditors generally have no recourse. Our obligations with respect to such contracts are generally limited to the forfeiture of the related non-refundable cash deposits. At December 31, 2024 and 2023, the aggregate purchase price of these contracts was $1.9 billion and $1.5 billion, respectively.

Legal Proceedings — We are involved in various litigation and legal claims in the normal course of business, including actions brought on behalf of various classes of claimants. We are also subject to a variety of local, state, and federal laws and regulations related to land development activities, house construction standards, sales practices, mortgage lending operations, employment practices, and protection of the environment. As a result, we are subject to periodic examination or inquiry by various governmental agencies that administer these laws and regulations.

We establish liabilities for legal claims and regulatory matters when such matters are both probable of occurring and any potential loss can be reasonably estimated. At December 31, 2024 and 2023, our legal accruals were $49.1 million and $26.2 million, respectively. We accrue for such matters based on the facts and circumstances specific to each matter and revise these estimates as the matters evolve. In such cases, there may exist an exposure to loss in excess of any amounts currently accrued. Predicting the ultimate resolution of the pending matters, the related timing, or the eventual loss associated with these matters is inherently difficult. Accordingly, the liability arising from the ultimate resolution of any matter may exceed the estimate reflected in the recorded accruals relating to such matter. While the outcome of such contingencies cannot be predicted with certainty, we do not believe that the resolution of such matters will have a material adverse impact on our results of operations, financial position, or cash flows.

On April 26, 2017, a class action complaint was filed in the Circuit Court of the Tenth Judicial Circuit in and for Polk County, Florida by Norman Gundel, William Mann, and Brenda Taylor against Avatar Properties, Inc., (an acquired AV Homes entity) (“Avatar”), generally alleging that our collection of club membership fees in connection with the use of one of our amenities in our East homebuilding segment violated various laws relating to homeowner associations and other Florida-specific laws (the “Solivita litigation”). The class action complaint sought an injunction to prohibit future collection of club membership fees. On November 2, 2021, the court determined that the club membership fees were improper and that plaintiffs were entitled to $35.0 million in fee reimbursements. We appealed the court’s ruling to the Sixth District Court of Appeal (the “District Court”) on November 29, 2021, and the plaintiffs agreed to continue to pay club membership fees pending the outcome of the appeal. On June 23, 2023, the District Court affirmed the trial court judgment in a split decision, with three separate opinions. Recognizing the potential “far-reaching effects on homeowners associations throughout the State,” the District Court certified a question of great public importance to the Florida Supreme Court, and we filed a notice to invoke the discretionary review of the Florida Supreme Court. On November 2, 2023, the Florida Supreme Court declined to exercise jurisdiction. Following the Florida Supreme Court’s decision, we paid $64.7 million to the plaintiffs during the quarter ended December 31, 2023, which included the amount of the trial court’s judgment, club membership fees received during the pendency of our appeal, pre-judgment interest and post-judgment interest. The Court held evidentiary hearings on July 29 and 30, 2024 with respect to the plaintiffs’ claims for additional pre-judgment interest and legal fees and heard closing argument on August 13, 2024. On November 4, 2024, the Tenth Judicial Circuit Court for Polk County, Florida issued an order granting the plaintiffs’ motion for attorneys’ fees and taxable costs and denied their motion for pre-judgment interest at a rate higher than the Florida statutory rate. The Court awarded plaintiffs $22.5 million for attorneys’ fees, $0.6 million for pre-judgment interest at the statutory rate of 9.46%, and $0.6 million for reimbursement of taxable costs. As of December 31, 2024, we filed a notice of appeal and have recorded an accrual with respect to our estimated liability for the plaintiffs’ legal fees and costs for this matter, which is reflected in our legal accruals as of December 31, 2024.

After reviewing our amenity arrangements in our Florida communities to determine whether such arrangements might subject the Company to liability in light of the outcome of the Solivita litigation described above, we identified one additional community with similar claims. On August 13, 2020, Slade Chelbian, a resident of our Bellalago community in Kissimmee, Florida, filed a purported class action suit against Avatar, AV Homes, Inc. and Taylor Morrison Home Corporation in the Circuit Court of the Ninth Circuit in and for Osceola County, Florida, generally alleging that Avatar cannot earn profits from community members for use of club amenities where membership in the club is mandatory for all residents and failure to pay club membership fees could result in the foreclosure of their homes by Avatar. On February 25, 2022, the court stayed the action pending the resolution of the Solivita litigation. Following the resolution of the Solivita appeal, the court held a case management conference to create timelines for the case. The parties reached an agreement regarding class certification which was approved by the court. While the ultimate outcome and the costs associated with litigation are inherently uncertain and difficult to predict, we have recorded an accrual for our estimated liability for this matter, which is reflected in our legal accruals as of December 31, 2024.

15. MORTGAGE HEDGING ACTIVITIES

The following summarizes derivative instruments as of the periods presented:

	AS OF			
	DECEMBER 31, 2024		DECEMBER 31, 2023	
(Dollars in thousands)	FAIR VALUE	NOTIONAL AMOUNT[1]	FAIR VALUE	NOTIONAL AMOUNT[1]
IRLCs	$ (5,917)	$ 233,881	$ 1,489	$ 219,129
MBSs	4,174	405,000	(5,055)	285,000
Total	$ (1,743)		$ (3,566)	

(1) The notional amounts in the table above include mandatory and best effort mortgages, that have been locked and approved.

Total commitments to originate loans approximated $246.1 million and $242.6 million at December 31, 2024 and 2023, respectively. This amount represents the commitments to originate loans that have been locked and approved by underwriting. The notional amounts in the table above include mandatory and best effort loans that have been locked and approved by underwriting.

We have exposure to credit loss in the event of contractual non-performance by our trading counterparties in derivative instruments that we use in our rate risk management activities. We manage this credit risk by selecting only counterparties that we believe to be financially strong, spreading the risk among multiple counterparties, by placing contractual limits on the amount of unsecured credit extended to any single counterparty, and by entering into netting agreements with counterparties, as appropriate. Commitments to originate loans do not necessarily reflect future cash requirements as some commitments are expected to expire without being drawn upon.

ITEM 9 | CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A | CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Form 10-K, we carried out an evaluation, under the supervision and with the participation of our principal executive officer, principal financial officer and principal accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation as of December 31, 2024, our principal executive officer, principal financial officer and principal accounting officer concluded that our disclosure controls and procedures were effective in alerting them in a timely manner to material information required to be disclosed in our reports filed or submitted with the SEC.

Internal Control over Financial Reporting

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for the preparation and fair presentation of the consolidated financial statements included in this Annual Report. The consolidated financial statements have been prepared in conformity with U.S. GAAP and reflect management's judgments and estimates concerning events and transactions that are accounted for or disclosed.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Management recognizes that there are inherent limitations in the effectiveness of any internal control and effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Additionally, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

In order to ensure that the Company's internal control over financial reporting is effective, management regularly assesses such controls and did so most recently for its financial reporting as of December 31, 2024. Management's assessment was based on criteria for effective internal control over financial reporting described in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2024.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements included in this Annual Report, has issued its attestation report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Taylor Morrison Home Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Taylor Morrison Home Corporation and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024 of the Company and our report dated February 19, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's annual report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Tempe, Arizona
February 19, 2025

ITEM 9B | OTHER INFORMATION

During the three months ended December 31, 2024, none of the Company's directors or officers (as defined in Exchange Act Rule 16a-1(f)) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 9C | DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

Part III

ITEM 10 | DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Items 401, 405, 406 and 407(c)(3), (d)(4), and (d)(5), and 408(b) of Regulation S-K will be set forth in our 2025 Annual Meeting Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2024 (the "Proxy Statement"). For the limited purpose of providing the information necessary to comply with this Item 10, the Proxy Statement is incorporated herein by this reference. All references to the Proxy Statement in this Part III are exclusive of the information set forth under the captions "Audit Committee Report."

ITEM 11 | EXECUTIVE COMPENSATION

The information required by Items 402 of Regulation S-K and paragraphs (e)(4) and (e)(5) of Item 4.07 of Regulation S-K will be set forth in the Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 11, the Proxy Statement is incorporated herein by this reference.

ITEM 12 | SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information

The following table provides information with respect to the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan as amended and restated as of May 26, 2022, (the "Equity Plan") under which our equity securities are authorized for issuance as of December 31, 2024.

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (A)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (B)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A)) (C)
Equity compensation plans approved by security holders(1)	3,281,109(2)	$ 28.98(3)	4,889,987(4)
Equity compensation plans not approved by security holders	—	—	—

(1) The Equity Plan is currently our only compensation plan pursuant to which our equity is awarded.

(2) Column (A) includes 1,324,413 shares of our common stock underlying outstanding time-based vesting and performance-based vesting restricted stock units ("RSUs" or "restricted stock") and outstanding deferred stock units ("DSUs"). Amount assumes achievement of the maximum level of performance in respect of RSUs that are subject to performance-based vesting conditions. Because there is no exercise price associated with RSUs, such equity awards are not included in the weighted-average exercise price calculation in column (B).

(3) The weighted average exercise price in column (B) relates only to outstanding stock options. The calculation of the weighted average exercise price does not include outstanding equity awards that are received for no consideration and does not include shares of common stock credited to the deferred compensation accounts of certain non-employee directors at fair market value in lieu compensation at the election of such directors.

(4) A total of 15,161,459 shares of our common stock have been authorized for issuance pursuant to the terms of the Equity Plan.

The information required by Item 403 of Regulation S-K will be set forth in the Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 12, the Proxy Statement is incorporated herein by this reference.

ITEM 13 | CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Items 404 and 407(a) of Regulation S-K will be set forth in the Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 13, the Proxy Statement is incorporated herein by this reference.

ITEM 14 | PRINCIPAL ACCOUNTANT FEES AND SERVICES

This information required by Item 9(e) of Schedule 14A will be set forth in the Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 14, the Proxy Statement is incorporated herein by this reference.

Part IV

ITEM 15 | EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

EXHIBIT NO.	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation (included as Exhibit 3.1 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on May 30, 2019, and incorporated herein by reference).
3.2	Amended and Restated By-laws (included as Exhibit 3.1 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on March 7, 2023, and incorporated herein by reference).
4.1	Indenture, dated as of June 5, 2019, relating to Taylor Morrison Communities, Inc.'s 5.875% Senior Notes due 2027, by and among Taylor Morrison Communities, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee (included as Exhibit 4.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, filed on August 1, 2019, and incorporated herein by reference).
4.2	Indenture, dated as of August 1, 2019, relating to Taylor Morrison Communities, Inc.'s 5.75% Senior Notes due 2028, by and among Taylor Morrison Communities, Inc., the guarantors party thereto and U.S. Bank National Association (included as Exhibit 4.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, filed on October 30, 2019, and incorporated herein by reference).
4.3	First Supplemental Indenture, dated as of February 6, 2020, to the Indenture, dated as of June 5, 2019, among Taylor Morrison Communities, Inc., the guarantors party thereto and U.S. Bank National Association (included as Exhibit 4.6 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on February 11, 2020, and incorporated herein by reference).
4.4	First Supplemental Indenture, dated as of February 6, 2020, to the Indenture, dated as of August 1, 2019, among Taylor Morrison Communities, Inc., the guarantors party thereto and U.S. Bank National Association (included as Exhibit 4.7 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on February 11, 2020, and incorporated herein by reference).
4.5	Indenture, dated as of July 22, 2020, relating to Taylor Morrison Communities, Inc.'s 5.125% Senior Notes Due 2030, by and among Taylor Morrison Communities, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee (included as Exhibit 4.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 2, 2020, and incorporated herein by reference).
4.6	Specimen Class A Common Stock Certificate of Taylor Morrison Home Corporation (included as Exhibit 4.1 to Taylor Morrison Home Corporation's Registration Statement on Form 8-A12B/A, filed on June 10, 2019, and incorporated herein by reference).
4.7	Description of Registrant's Securities (included as Exhibit 4.20 to Taylor Morrison Home Corporation's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 19, 2020, and incorporated herein by reference).
10.1	Reorganization Agreement, dated as of April 9, 2013, by and among Taylor Morrison Home Corporation and the other parties named therein (included as Exhibit 10.6 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on April 15, 2013, and incorporated herein by reference).
10.2*†	Form of Indemnification Agreement
10.3†	Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (Amended and Restated as of May 26, 2022) (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on May 31, 2022, and incorporated herein by reference).
10.4†	Form of Employee Nonqualified Option Award Agreement for use with the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (Amended and Restated as of May 25, 2016) (included as Exhibit 10.15 to Amendment No. 5 to Taylor Morrison Home Corporation's Registration Statement on Form S-1, filed on April 4, 2013, and incorporated herein by reference).
10.5†	Taylor Morrison Long-Term Cash Incentive Plan (included as Exhibit 10.18 to Amendment No. 5 to Taylor Morrison Home Corporation's Registration Statement on Form S-1, filed on April 4, 2013, and incorporated herein by reference).
10.6†	Form of Restricted Stock Unit Agreement for use with the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (included as Exhibit 10.16 to Amendment No. 5 to Taylor Morrison Home Corporation's Registration Statement on Form S-1, filed on April 4, 2013, and incorporated herein by reference).
10.7†	Amended and Restated Employment Agreement, dated October 12, 2021, between Taylor Morrison, Inc. and Sheryl D. Palmer (included as Exhibit 10.7 to Taylor Morrison Home Corporation's Annual Report on Form 10-K for the year ended December 31, 2021, filed on February 23, 2022, and incorporated herein by reference).
10.7.1†	Amendment to Amended and Restated Employment Agreement, dated July 26, 2022, between Taylor Morrison, Inc. and Sheryl D. Palmer (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, filed on October 26, 2022, and incorporated herein by reference).
10.8†	Amended and Restated Employment Agreement, dated July 24, 2023, between Taylor Morrison, Inc. and Curt VanHyfte (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on October 25, 2023, and incorporated herein by reference).
10.9†	Amended and Restated Employment Agreement, dated October 12, 2021, between Taylor Morrison, Inc. and Darrell C. Sherman (included as Exhibit 10.9 to Taylor Morrison Home Corporation's Annual Report on Form 10-K for the year ended December 31, 2021, filed on February 23, 2022, and incorporated herein by reference).
10.9.1†	Amendment to Amended and Restated Employment Agreement, dated July 26, 2022, between Taylor Morrison, Inc. and Darrell C. Sherman (included as Exhibit 10.3 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, filed on October 26, 2022, and incorporated herein by reference).

EXHIBIT NO.	DESCRIPTION
10.10†	Form of Restrictive Covenants Agreement with Taylor Morrison, Inc. (included as Exhibit 10.12 to Amendment No. 3 to Taylor Morrison Home Corporation's Registration Statement on Form S-1, filed on March 6, 2013, and incorporated herein by reference.
10.11†	2015 Non-Employee Director Deferred Compensation Plan (included as Exhibit 10.4 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, filed on May 7, 2015, and incorporated herein by reference).
10.11.1†	Form of Deferred Stock Unit Award Agreement (included as Exhibit 10.5 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, filed on May 7, 2015, and incorporated herein by reference).
10.12†	Form of Employee Nonqualified Option Award Agreement for use with the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (Amended and Restated as of May 25, 2016) for grants made in 2015 and thereafter (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed on August 5, 2015, and incorporated herein by reference).
10.13†	Form of Restricted Stock Unit Agreement for use with the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (Amended and Restated as of May 25, 2016) for grants made in 2015 and thereafter (included as Exhibit 10.2 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed on August 5, 2015, and incorporated herein by reference).
10.14†	Form of Performance-Based Restricted Stock Unit Agreement for use with the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (Amended and Restated as of May 25, 2016) for grants made in 2015 and thereafter (included as Exhibit 10.3 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed on August 5, 2015, and incorporated herein by reference).
10.15†	Form of Omnibus Amendment to the Restricted Stock Unit Agreements and Employee Nonqualified Option Award Agreement for use with the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (Amended as of June 14, 2018) (included as Exhibit 10.3 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed on August 1, 2018, and incorporated herein by reference).
10.15.1†	Form of Omnibus Amendment to Restricted Stock Unit Agreements and Employee Nonqualified Option Award Agreements under the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed on July 26, 2023, and incorporated herein by reference).
10.16	Amended and Restated Credit Agreement, dated as of March 11, 2022, among the Borrower, Taylor Morrison Home III Corporation, Taylor Morrison Holdings, Inc., Taylor Morrison Finance, Inc., each lender from time to time party thereto and Citibank, N.A., as administrative agent (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Current Report on Form 8-K filed on March 14, 2022, and incorporated herein by reference).
10.17*†	Form of Profit Sharing Restricted Stock Unit Agreement for use with the 2013 Taylor Morrison Home Corporation Omnibus Equity Award Plan
10.18	Limited Liability Company Agreement of TMVP BTR Venture, LLC (included as Exhibit 10.2 to Taylor Morrison Home Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed on July 27, 2022, and incorporated herein by reference).
10.19	Additional Facilities Assumption Agreement, dated as of September 9, 2022 by and among Taylor Morrison Communities, Inc., Taylor Morrison Home III Corporation, Taylor Morrison Holdings, Inc., Taylor Morrison Finance, Inc., the subsidiaries of Taylor Morrison Communities, Inc. party thereto as guarantors, the lenders party thereto, the issuing banks party thereto and Citibank, N.A., as issuing bank and administrative agent (included as Exhibit 10.1 to Taylor Morrison Home Corporation's Current Report on Form 8-K, filed on September 13, 2022, and incorporated herein by reference).
19.1*	Securities Trading Policy
21.1*	Subsidiaries of Taylor Morrison Home Corporation.
23.1*	Consent of Deloitte & Touche LLP.
31.1*	Certification of Sheryl D. Palmer, Chief Executive Officer, pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
31.2*	Certification of Curt VanHyfte, Chief Financial Officer, pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
32.1**	Certification of Sheryl D. Palmer, Chief Executive Officer, pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
32.2**	Certification of Curt VanHyfte, Chief Financial Officer, pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
97.1	Taylor Morrison Home Corporation Incentive Compensation Clawback Policy (included as Exhibit 97.1 to Taylor Morrison Home Corporation's Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 21, 2024, and incorporated herein by reference).
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 With Embedded Linkbase Documents.
104	Cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in inline XBRL (and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.
† Management contract or compensatory plan in which directors and/or executive officers are eligible to participate.
\# Certain information contained in this agreement has been omitted because it is not material and is the type that the registrant treats as private or confidential.

The registrant hereby agrees to furnish to the SEC at its request copies of long-term debt instruments defining the rights of holders of outstanding long-term debt that are not required to be filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

ITEM 16 | FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAYLOR MORRISON HOME CORPORATION
Registrant

DATE: February 19, 2025

/s/ Sheryl D. Palmer

Sheryl D. Palmer
Chairman of the Board of Directors and Chief Executive Officer
(Principal Executive Officer)

/s/ Curt VanHyfte

Curt VanHyfte
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Joseph Terracciano

Joseph Terracciano
Chief Accounting Officer
(Principal Accounting Officer)

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Peter Lane Peter Lane	Director	February 19, 2025
/s/ Anne L. Mariucci Anne L. Mariucci	Director	February 19, 2025
/s/ David Merritt David Merritt	Director	February 19, 2025
/s/ Andrea Owen Andrea Owen	Director	February 19, 2025
/s/ Fletcher Previn Fletcher Previn	Director	February 19, 2025
/s/ Denise Warren Denise Warren	Director	February 19, 2025
/s/ Christopher Yip Christopher Yip	Director	February 19, 2025

More About America's Most Trusted® Home Builder

Corporate Profile

Taylor Morrison aims to create a seamless homebuying experience led by innovation and a commitment to healthy living, guided by exceptional customer service and experiences consumers can trust.

Headquartered in Scottsdale, Arizona, Taylor Morrison is one of the nation's leading homebuilders and developers. We serve a wide array of consumers from coast to coast, including first-time, move-up and resort-lifestyle homebuyers and renters under our family of brands—including Taylor Morrison, Esplanade and Yardly. From 2016-2025, Taylor Morrison has been recognized as America's Most Trusted® Home Builder by Lifestory Research. Our strong commitment to sustainability, our communities and our team is highlighted in our annual Corporate Sustainability and Belonging Report.

FOR MORE INFORMATION ABOUT TAYLOR MORRISON
PLEASE VISIT TAYLORMORRISON.COM

Executive Officers

Sheryl D. Palmer | Chairman and Chief Executive Officer
Curt VanHyfte | Executive Vice President and Chief Financial Officer
Darrell C. Sherman | Executive Vice President, Chief Legal Officer and Secretary

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Investor Relations | Investor@taylormorrison.com | 480.734.2060
Auditor of Record Deloitte & Touche LLP

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