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

# FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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 Number: 1-12378

# NVR, Inc.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Virginia** | **54-1394360** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |


**11700 Plaza America Drive, Suite 500**
**Reston, Virginia 20190**
**(703) 956-4000**
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)


**Not Applicable**
(Former name, former address, and former fiscal year if changed since last report)

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, par value $0.01 per share** | **NVR** | **New York Stock Exchange** |

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

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

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

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

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

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

As of October 31, 2024 there were 3,063,876 shares of common stock outstanding.

**NVR, Inc.**
**FORM 10-Q**

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## PART I. FINANCIAL INFORMATION
### Item 1. Financial Statements

**NVR, Inc.**

Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| ***Homebuilding:*** | | |
| Cash and cash equivalents | $ 2,474,219 | $ 3,126,472 |
| Restricted cash | 46,474 | 41,483 |
| Receivables | 35,563 | 29,000 |
| Inventory: | | |
| Lots and housing units, covered under sales agreements with customers | 1,946,533 | 1,674,686 |
| Unsold lots and housing units | 223,828 | 214,666 |
| Land under development | 63,339 | 36,895 |
| Building materials and other | 23,697 | 23,903 |
| | 2,257,397 | 1,950,150 |
| | | |
| Contract land deposits, net | 668,436 | 576,551 |
| Property, plant and equipment, net | 85,998 | 63,716 |
| Operating lease right-of-use assets | 74,415 | 70,384 |
| Reorganization value in excess of amounts allocable to identifiable assets, net | 41,580 | 41,580 |
| Other assets | 251,027 | 242,751 |
| | 5,935,109 | 6,142,087 |
| ***Mortgage Banking:*** | | |
| Cash and cash equivalents | 36,727 | 36,422 |
| Restricted cash | 11,247 | 11,067 |
| Mortgage loans held for sale, net | 379,232 | 222,560 |
| Property and equipment, net | 7,086 | 6,348 |
| Operating lease right-of-use assets | 21,499 | 23,541 |
| Reorganization value in excess of amounts allocable to identifiable assets, net | 7,347 | 7,347 |
| Other assets | 89,912 | 152,385 |
| | 553,050 | 459,670 |
| **Total assets** | $ 6,488,159 | $ 6,601,757 |

See notes to condensed consolidated financial statements.

# NVR, Inc.

Condensed Consolidated Balance Sheets (Continued)

(in thousands, except share and per share data)

(unaudited)

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| ***Homebuilding:*** | | |
| Accounts payable | $ 370,131 | $ 347,738 |
| Accrued expenses and other liabilities | 406,319 | 413,043 |
| Customer deposits | 358,609 | 334,441 |
| Operating lease liabilities | 79,796 | 75,797 |
| Senior notes | 911,599 | 913,027 |
| | 2,126,454 | 2,084,046 |
| ***Mortgage Banking:*** | | |
| Accounts payable and other liabilities | 67,029 | 127,511 |
| Operating lease liabilities | 23,428 | 25,475 |
| | 90,457 | 152,986 |
| **Total liabilities** | 2,216,911 | 2,237,032 |
| | | |
| ***Commitments and contingencies*** | | |
| | | |
| ***Shareholders' equity:*** | | |
| Common stock, $0.01 par value; 60,000,000 shares authorized; 20,555,330 shares issued as of both September 30, 2024 and December 31, 2023 | 206 | 206 |
| Additional paid-in capital | 2,989,776 | 2,848,528 |
| Deferred compensation trust – 106,697 shares of NVR, Inc. common stock as of both September 30, 2024 and December 31, 2023 | (16,710) | (16,710) |
| Deferred compensation liability | 16,710 | 16,710 |
| Retained earnings | 14,589,521 | 13,365,025 |
| Less treasury stock at cost – 17,490,540 and 17,360,454 shares as of September 30, 2024 and December 31, 2023, respectively | (13,308,255) | (11,849,034) |
| **Total shareholders' equity** | 4,271,248 | 4,364,725 |
| **Total liabilities and shareholders' equity** | $ 6,488,159 | $ 6,601,757 |

See notes to condensed consolidated financial statements.

**NVR, Inc.**
Condensed Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Homebuilding:*** | | | | |
| Revenues | $ 2,677,640 | $ 2,512,409 | $ 7,511,708 | $ 6,927,511 |
| Other income | 33,746 | 39,914 | 110,796 | 107,119 |
| Cost of sales | (2,051,087) | (1,902,174) | (5,724,916) | (5,238,230) |
| Selling, general and administrative | (149,777) | (142,715) | (443,493) | (434,876) |
| Operating income | 510,522 | 507,434 | 1,454,095 | 1,361,524 |
| Interest expense | (6,855) | (6,628) | (20,214) | (20,257) |
| Homebuilding income | 503,667 | 500,806 | 1,433,881 | 1,341,267 |
| ***Mortgage Banking:*** | | | | |
| Mortgage banking fees | 55,311 | 56,616 | 167,163 | 158,121 |
| Interest income | 4,728 | 5,067 | 13,492 | 11,908 |
| Other income | 1,414 | 1,169 | 3,918 | 3,260 |
| General and administrative | (26,317) | (24,050) | (75,026) | (69,538) |
| Interest expense | (191) | (268) | (556) | (692) |
| Mortgage banking income | 34,945 | 38,534 | 108,991 | 103,059 |
| ***Income before taxes*** | 538,612 | 539,340 | 1,542,872 | 1,444,326 |
| Income tax expense | (109,289) | (106,183) | (318,376) | (262,790) |
| ***Net income*** | $ 429,323 | $ 433,157 | $ 1,224,496 | $ 1,181,536 |
| ***Basic earnings per share*** | $ 139.65 | $ 132.92 | $ 391.37 | $ 363.14 |
| ***Diluted earnings per share*** | $ 130.50 | $ 125.26 | $ 367.20 | $ 341.97 |
| ***Basic weighted average shares outstanding*** | 3,074 | 3,259 | 3,129 | 3,254 |
| ***Diluted weighted average shares outstanding*** | 3,290 | 3,458 | 3,335 | 3,455 |

See notes to condensed consolidated financial statements.

**NVR, Inc.**
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

| | Nine Months Ended September 30, 2024 | 2023 |
|---|---|---|
| ***Cash flows from operating activities:*** | | |
| Net income | $ 1,224,496 | $ 1,181,536 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 13,422 | 12,585 |
| Equity-based compensation expense | 54,465 | 73,488 |
| Contract land deposit recoveries, net | (4,868) | (6,217) |
| Gain on sale of loans, net | (135,799) | (127,898) |
| Mortgage loans closed | (4,568,806) | (4,243,040) |
| Mortgage loans sold and principal payments on mortgage loans held for sale | 4,538,919 | 4,347,960 |
| Distribution of earnings from unconsolidated joint ventures | 1,500 | 2,000 |
| Net change in assets and liabilities: | | |
| Increase in inventory | (307,247) | (215,498) |
| Increase in contract land deposits | (87,017) | (27,873) |
| Decrease (increase) in receivables | 46,993 | (17,628) |
| Decrease in accounts payable and accrued expenses | (59,417) | (5,669) |
| Increase in customer deposits | 24,168 | 41,507 |
| Other, net | (3,397) | (12,966) |
| Net cash provided by operating activities | 737,412 | 1,002,287 |
| ***Cash flows from investing activities:*** | | |
| Investments in and advances to unconsolidated joint ventures | (1,640) | (1,224) |
| Distribution of capital from unconsolidated joint ventures | 2,715 | 180 |
| Purchase of property, plant and equipment | (23,621) | (18,531) |
| Proceeds from the sale of property, plant and equipment | 2,749 | 2,221 |
| Net cash used in investing activities | (19,797) | (17,354) |
| ***Cash flows from financing activities:*** | | |
| Purchase of treasury stock | (1,493,362) | (795,387) |
| Principal payments on finance lease liabilities | (1,808) | (1,233) |
| Proceeds from the exercise of stock options | 130,778 | 207,163 |
| Net cash used in financing activities | (1,364,392) | (589,457) |
| Net (decrease) increase in cash, restricted cash, and cash equivalents | (646,777) | 395,476 |
| Cash, restricted cash, and cash equivalents, beginning of the period | 3,215,444 | 2,574,518 |
| Cash, restricted cash, and cash equivalents, end of the period | $ 2,568,667 | $ 2,969,994 |
| ***Supplemental disclosures of cash flow information:*** | | |
| Interest paid during the period, net of interest capitalized | $ 15,094 | $ 15,285 |
| Income taxes paid during the period, net of refunds | $ 307,263 | $ 312,631 |

See notes to condensed consolidated financial statements.

**NVR, Inc.**
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)
(unaudited)

## 1. Significant Accounting Policies

### Basis of Presentation

The accompanying unaudited, condensed consolidated financial statements include the accounts of NVR, Inc. (“NVR”, the “Company”, "we", "us" or "our") and its subsidiaries and certain other entities in which the Company is deemed to be the primary beneficiary (see Notes 2 and 3 to the accompanying condensed consolidated financial statements). Intercompany accounts and transactions have been eliminated in consolidation. The statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Because the accompanying condensed consolidated financial statements do not include all of the information and footnotes required by GAAP, they should be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, all adjustments (consisting only of normal recurring accruals except as otherwise noted herein) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

For the three and nine months ended September 30, 2024 and 2023, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying condensed consolidated financial statements.

### Revenue Recognition

Homebuilding revenue is recognized on the settlement date at the contract sales price, when control is transferred to our customers. Our contract liabilities, which consist of deposits received from customers on homes not settled, were $358,609 and $334,441 as of September 30, 2024 and December 31, 2023, respectively. We expect that substantially all of the customer deposits held as of December 31, 2023 will be recognized in revenue in 2024. Our contract assets consist of prepaid sales compensation and totaled approximately $25,100 and $17,900 as of September 30, 2024 and December 31, 2023, respectively. Prepaid sales compensation is included in homebuilding “Other assets” on the accompanying condensed consolidated balance sheets.

### Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, "Income Taxes - Improvements to Income Tax Disclosures." The amendments in the ASU require disclosure of specific categories in the rate reconciliation and for the entity to provide additional information for reconciling items that meet a quantitative threshold. The ASU will be effective for our fiscal year ending December 31, 2025. The amendments in the ASU are to be applied on a prospective basis and early adoption is permitted. We are currently evaluating the impact of the adoption of ASU 2023-09 and do not expect it to have a material impact on our consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting - Improvements to Reportable Segment Disclosures." The amendments in the ASU are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. The amendments also expand interim segment disclosure requirements. The ASU will be effective for our fiscal year ending December 31, 2024 and for interim periods starting in the first quarter of fiscal year 2025. The amendments in this ASU are required to be applied on a retrospective basis and early adoption is permitted. We do not expect the adoption of ASU 2023-07 to have a material impact on our consolidated financial statements and related disclosures.

(dollars in thousands, except per share data)

## 2. Variable Interest Entities ("VIEs")

***Fixed Price Finished Lot Purchase Agreements ("LPAs")***

We generally do not engage in the land development business. Instead, we typically acquire finished building lots at market prices from various development entities under LPAs. The LPAs require deposits that may be forfeited if we fail to perform under the LPAs. The deposits required under the LPAs are in the form of cash or letters of credit in varying amounts, and typically range up to 10% of the aggregate purchase price of the finished lots.

The deposit placed by us pursuant to the LPA is deemed to be a variable interest in the respective development entities. Those development entities are deemed to be VIEs. Therefore, the development entities with which we enter into LPAs, including the joint venture limited liability corporations discussed below, are evaluated for possible consolidation by us. We have concluded that we are not the primary beneficiary of the development entities with which we enter into LPAs, and therefore, we do not consolidate any of these VIEs.

As of September 30, 2024, we controlled approximately 144,400 lots under LPAs with third parties through deposits in cash and letters of credit totaling approximately $696,500 and $10,400, respectively. Our sole legal obligation and economic loss for failure to perform under these LPAs is limited to the amount of the deposit pursuant to the liquidated damage provisions contained in the LPAs and, in very limited circumstances, specific performance obligations. For the three months ended September 30, 2024, we incurred pre-tax impairment charges on lot deposits of approximately $3,900. For the nine months ended September 30, 2024, we recorded a net expense reversal of approximately $4,900 related to previously impaired lot deposits based on current market conditions. For the three months ended September 30, 2023, we incurred pre-tax impairment charges on lot deposits of approximately $3,800. For the nine months ended September 30, 2023, we recorded a net expense reversal of approximately $6,200 related to previously impaired lot deposits. Our contract land deposit asset is shown net of a $47,686 and $53,397 impairment reserve as of September 30, 2024 and December 31, 2023, respectively.

In addition, we have certain properties under contract with land owners that are expected to yield approximately 38,200 lots, which are not included in the number of total lots controlled. Some of these properties may require rezoning or other approvals to achieve the expected yield. These properties are controlled with cash deposits totaling approximately $19,700 as of September 30, 2024, of which approximately $5,100 is refundable if certain contractual conditions are not met. We generally expect to assign the raw land contracts to a land developer and simultaneously enter into an LPA with the assignee if the project is determined to be feasible.

Our total risk of loss related to contract land deposits is limited to the amount of the deposits pursuant to the liquidated damages provision of the LPAs. As of September 30, 2024 and December 31, 2023, our total risk of loss was as follows:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Contract land deposits | $ 716,122 | $ 629,948 |
| Loss reserve on contract land deposits | (47,686) | (53,397) |
| Contract land deposits, net | 668,436 | 576,551 |
| Contingent obligations in the form of letters of credit | 10,396 | 7,769 |
| Total risk of loss | $ 678,832 | $ 584,320 |

## 3. Joint Ventures

On a limited basis, we acquire finished lots using joint venture limited liability corporations ("JVs"). The JVs are typically structured such that we are a non-controlling member and are at risk only for the amount we have invested, or have committed to invest, in addition to any deposits placed under LPAs with the joint venture. We are not a borrower, guarantor or obligor on any debt of the JVs, as applicable. We enter into LPAs to purchase lots from these JVs, and as a result have a variable interest in these JVs. We determined that we are not the primary beneficiary in any of the JVs because we and the other JV partner either share power or the other JV partner has the controlling financial interest.

As of September 30, 2024, we had an aggregate investment totaling approximately $27,800 in three JVs that are expected to produce approximately 5,150 finished lots, of which approximately 4,800 lots were controlled by us and the remaining approximately 350 lots were either under contract with unrelated parties or not currently under contract. We had additional funding commitments totaling approximately $9,800 to one of the JVs as of September 30, 2024. As of December 31, 2023, our aggregate investment in JVs totaled approximately $29,200. Investments in JVs for the respective periods are reported in the homebuilding "Other assets" line item on the accompanying condensed consolidated balance sheets. None of the JVs had any indicators of impairment as of September 30, 2024.

We recognize income from the JVs as a reduction to the lot cost of the lots purchased from the respective JVs when the homes are settled, based on the expected total profitability and the total number of lots expected to be produced by the respective JVs.

We classify distributions received from unconsolidated JVs using the cumulative earnings approach. As a result, distributions received up to the amount of cumulative earnings recognized by us are reported as distributions of earnings and those in excess of that amount are reported as a distribution of capital. These distributions are classified within the accompanying condensed consolidated statements of cash flows as cash flows from operating activities and investing activities, respectively.

## 4. Land Under Development

On a limited basis, we directly acquire raw land parcels already zoned for its intended use to develop into finished lots. Land under development includes the land acquisition costs, direct improvement costs, capitalized interest, where applicable, and real estate taxes. During the first quarter of 2024, we purchased a raw land parcel for approximately $20,000, which is expected to produce approximately 850 lots.

As of September 30, 2024, we owned land with a carrying value of $63,339 that will be developed into approximately 2,600 finished lots. As of December 31, 2023, the carrying value of land under development was $36,895. None of the raw parcels had any indicators of impairment as of September 30, 2024.

## 5. Capitalized Interest

We capitalize interest costs to land under development during the active development of finished lots. In addition, we capitalize interest costs on our JV investments while the investments are considered qualified assets pursuant to ASC Topic 835-20 - *Interest*. Capitalized interest is transferred to sold or unsold inventory as the development of finished lots is completed, then charged to cost of sales upon our settlement of homes and the respective lots. Interest incurred in excess of the interest capitalizable based on the level of qualified assets is expensed in the period incurred.

(dollars in thousands, except per share data)

The following table reflects the changes in our capitalized interest during the three and nine months ended September 30, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Interest capitalized, beginning of period | $ 206 | $ 189 | $ 151 | $ 570 |
| Interest incurred | 7,121 | 6,921 | 20,963 | 20,750 |
| Interest charged to interest expense | (7,046) | (6,896) | (20,770) | (20,949) |
| Interest charged to cost of sales | (14) | (22) | (77) | (179) |
| Interest capitalized, end of period | $ 267 | $ 192 | $ 267 | $ 192 |

## 6. Earnings per Share

The following weighted average shares and share equivalents were used to calculate basic and diluted earnings per share ("EPS") for the three and nine months ended September 30, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Weighted average number of shares outstanding used to calculate basic EPS | 3,074,230 | 3,258,863 | 3,128,709 | 3,253,623 |
| *Dilutive securities:* | | | | |
| Stock options and restricted share units | 215,694 | 199,279 | 205,984 | 201,477 |
| Weighted average number of shares and share equivalents outstanding used to calculate diluted EPS | 3,289,924 | 3,458,142 | 3,334,693 | 3,455,100 |

The following non-qualified stock options ("Options") and restricted stock units ("RSUs") issued under equity incentive plans were outstanding during the three and nine months ended September 30, 2024 and 2023, but were not included in the computation of diluted EPS because the effect would have been anti-dilutive.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Anti-dilutive securities | 4,520 | 4,188 | 5,060 | 15,464 |

## 7. Shareholders' Equity

A summary of changes in shareholders' equity for the three months ended September 30, 2024 is presented below:

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Deferred Compensation Trust | Deferred Compensation Liability | Total |
|---|---|---|---|---|---|---|---|
| ***Balance, June 30, 2024*** | $ 206 | $ 2,935,053 | $ 14,160,198 | $ (12,961,549) | $ (16,710) | $ 16,710 | $ 4,133,908 |
| Net income | — | — | 429,323 | — | — | — | 429,323 |
| Purchase of common stock for treasury | — | — | — | (359,520) | — | — | (359,520) |
| Equity-based compensation | — | 19,223 | — | — | — | — | 19,223 |
| Proceeds from Options exercised | — | 48,314 | — | — | — | — | 48,314 |
| Treasury stock issued upon Option exercise | — | (12,814) | — | 12,814 | — | — | — |
| ***Balance, September 30, 2024*** | $ 206 | $ 2,989,776 | $ 14,589,521 | $ (13,308,255) | $ (16,710) | $ 16,710 | $ 4,271,248 |

**NVR, Inc.**
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)
(unaudited)

A summary of changes in shareholders' equity for the nine months ended September 30, 2024 is presented below:

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Deferred Compensation Trust | Deferred Compensation Liability | Total |
|---|---|---|---|---|---|---|---|
| ***Balance, December 31, 2023*** | $ 206 | $ 2,848,528 | $ 13,365,025 | $ (11,849,034) | $ (16,710) | $ 16,710 | $ 4,364,725 |
| Net income | — | — | 1,224,496 | — | — | — | 1,224,496 |
| Purchase of common stock for treasury | — | — | — | (1,503,216) | — | — | (1,503,216) |
| Equity-based compensation | — | 54,465 | — | — | — | — | 54,465 |
| Proceeds from Options exercised | — | 130,778 | — | — | — | — | 130,778 |
| Treasury stock issued upon Option exercise and RSU vesting | — | (43,995) | — | 43,995 | — | — | — |
| ***Balance, September 30, 2024*** | $ 206 | $ 2,989,776 | $ 14,589,521 | $ (13,308,255) | $ (16,710) | $ 16,710 | $ 4,271,248 |

We repurchased 42,629 and 192,655 shares of our outstanding common stock during the three and nine months ended September 30, 2024, respectively. We settle Option exercises and vesting of RSUs by issuing shares of treasury stock. We issued 17,153 and 61,939 shares from the treasury account during the three and nine months ended September 30, 2024, respectively, in settlement of Option exercises and vesting of RSUs. Shares are relieved from the treasury account based on the weighted average cost basis of treasury shares.

A summary of changes in shareholders' equity for the three months ended September 30, 2023 is presented below:

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Deferred Compensation Trust | Deferred Compensation Liability | Total |
|---|---|---|---|---|---|---|---|
| ***Balance, June 30, 2023*** | $ 206 | $ 2,747,687 | $ 12,521,793 | $ (11,116,423) | $ (16,710) | $ 16,710 | $ 4,153,263 |
| Net income | — | — | 433,157 | — | — | — | 433,157 |
| Purchase of common stock for treasury | — | — | — | (485,328) | — | — | (485,328) |
| Equity-based compensation | — | 26,052 | — | — | — | — | 26,052 |
| Proceeds from Options exercised | — | 45,439 | — | — | — | — | 45,439 |
| Treasury stock issued upon Option exercise | — | (18,151) | — | 18,151 | — | — | — |
| ***Balance, September 30, 2023*** | $ 206 | $ 2,801,027 | $ 12,954,950 | $ (11,583,600) | $ (16,710) | $ 16,710 | $ 4,172,583 |

**NVR, Inc.**
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)
(unaudited)

A summary of changes in shareholders' equity for the nine months ended September 30, 2023 is presented below:

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Deferred Compensation Trust | Deferred Compensation Liability | Total |
|---|---|---|---|---|---|---|---|
| ***Balance, December 31, 2022*** | $ 206 | $ 2,600,014 | $ 11,773,414 | $ (10,866,785) | $ (16,710) | $ 16,710 | $ 3,506,849 |
| Net income | — | — | 1,181,536 | — | — | — | 1,181,536 |
| Purchase of common stock for treasury | — | — | — | (796,453) | — | — | (796,453) |
| Equity-based compensation | — | 73,488 | — | — | — | — | 73,488 |
| Proceeds from Options exercised | — | 207,163 | — | — | — | — | 207,163 |
| Treasury stock issued upon Option exercise | — | (79,638) | — | 79,638 | — | — | — |
| ***Balance, September 30, 2023*** | $ 206 | $ 2,801,027 | $ 12,954,950 | $ (11,583,600) | $ (16,710) | $ 16,710 | $ 4,172,583 |

We repurchased 78,750 and 134,751 shares of our outstanding common stock during the three and nine months ended September 30, 2023, respectively. We issued 28,189 and 125,745 shares from the treasury account during the three and nine months ended September 30, 2023, respectively, in settlement of Option exercises and vesting of RSUs.

## 8. Product Warranties

We establish warranty and product liability reserves ("Warranty Reserve") to provide for estimated future expenses as a result of construction and product defects, product recalls and litigation incidental to our homebuilding business. Liability estimates are determined based on management's judgment, considering such factors as historical experience, the estimated current cost of corrective action, manufacturers' and subcontractors' participation in sharing the cost of corrective action, consultations with third party experts such as engineers, and discussions with our general counsel and outside counsel retained to handle specific product liability cases.

The following table reflects the changes in our Warranty Reserve during the three and nine months ended September 30, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Warranty reserve, beginning of period | $ 143,341 | $ 142,420 | $ 146,283 | $ 144,006 |
| Provision | 26,270 | 25,503 | 68,491 | 69,085 |
| Payments | (25,672) | (24,129) | (70,835) | (69,297) |
| Warranty reserve, end of period | $ 143,939 | $ 143,794 | $ 143,939 | $ 143,794 |

## 9. Segment Disclosures

We disclose four homebuilding reportable segments that aggregate geographically our homebuilding operating divisions, and we present our mortgage banking operations as one reportable segment. The homebuilding reportable segments are comprised of operating divisions in the following geographic areas:

(dollars in thousands, except per share data)

| | |
|---|---|
| *Mid Atlantic:* | Maryland, Virginia, West Virginia, Delaware and Washington, D.C. |
| *North East:* | New Jersey and Eastern Pennsylvania |
| *Mid East:* | New York, Ohio, Western Pennsylvania, Indiana and Illinois |
| *South East:* | North Carolina, South Carolina, Tennessee, Florida, Georgia and Kentucky |

Homebuilding profit before tax includes all revenues and income generated from the sale of homes, less the cost of homes sold, selling, general and administrative expenses and a corporate capital allocation charge. The corporate capital allocation charge is eliminated in consolidation and is based on the segment's average net assets employed. The corporate capital allocation charged to the operating segment allows the Chief Operating Decision Maker ("CODM") to determine whether the operating segment's results are providing the desired rate of return after covering our cost of capital.

Assets not allocated to the operating segments are not included in either the operating segment's corporate capital allocation charge or the CODM's evaluation of the operating segment's performance. We record charges on contract land deposits when it is determined that it is probable that recovery of the deposit is impaired. For segment reporting purposes, impairments on contract land deposits are generally charged to the operating segment upon the termination of an LPA with the developer, or the restructuring of an LPA resulting in the forfeiture of the deposit. Mortgage banking profit before tax consists of revenues generated from mortgage financing, title insurance and closing services, less the costs of such services and general and administrative costs. Mortgage banking operations are not charged a corporate capital allocation charge.

In addition to the corporate capital allocation and contract land deposit impairments discussed above, the other reconciling items between segment profit and consolidated profit before taxes include unallocated corporate overhead (including all management incentive compensation), equity-based compensation expense, consolidation adjustments and external corporate interest expense. Our overhead functions such as accounting, treasury and human resources are centrally performed and these costs are not allocated to our operating segments. Consolidation adjustments consist of such items necessary to convert the reportable segments' results, which are predominantly maintained on a cash basis, to a full accrual basis for external financial statement presentation purposes, and are not allocated to our operating segments. External corporate interest expense primarily consists of interest charges on our 3.00% Senior Notes due 2030 (the "Senior Notes"), which are not charged to the operating segments because the charges are included in the corporate capital allocation discussed above.

The following tables present segment revenues, profit and assets with reconciliations to the amounts reported for the consolidated enterprise, where applicable:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Revenues:*** | | | | |
| Homebuilding Mid Atlantic | $ 1,147,893 | $ 1,146,559 | $ 3,299,047 | $ 3,146,501 |
| Homebuilding North East | 300,448 | 268,237 | 843,452 | 684,593 |
| Homebuilding Mid East | 501,190 | 468,727 | 1,352,137 | 1,282,806 |
| Homebuilding South East | 728,109 | 628,886 | 2,017,072 | 1,813,611 |
| Mortgage Banking | 55,311 | 56,616 | 167,163 | 158,121 |
| Total consolidated revenues | $ 2,732,951 | $ 2,569,025 | $ 7,678,871 | $ 7,085,632 |

**NVR, Inc.**
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)
(unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Income before taxes:*** | | | | |
| Homebuilding Mid Atlantic | $ 214,132 | $ 212,826 | $ 613,262 | $ 567,119 |
| Homebuilding North East | 56,246 | 48,787 | 157,476 | 125,779 |
| Homebuilding Mid East | 81,385 | 75,136 | 211,374 | 193,360 |
| Homebuilding South East | 95,089 | 107,666 | 280,936 | 339,723 |
| Mortgage Banking | 36,156 | 39,921 | 112,046 | 107,191 |
| Total segment profit before taxes | 483,008 | 484,336 | 1,375,094 | 1,333,172 |
| ***Reconciling items:*** | | | | |
| Contract land deposit reserve adjustment (1) | (3,079) | (3,783) | 5,712 | 6,696 |
| Equity-based compensation expense (2) | (19,223) | (26,052) | (54,465) | (73,488) |
| Corporate capital allocation (3) | 86,489 | 74,171 | 246,044 | 215,862 |
| Unallocated corporate overhead | (36,780) | (38,376) | (122,300) | (130,701) |
| Consolidation adjustments and other | 2,575 | 16,947 | 6,666 | 10,948 |
| Corporate interest expense | (6,787) | (6,583) | (20,052) | (20,126) |
| Corporate interest income | 32,409 | 38,680 | 106,173 | 101,963 |
| Reconciling items sub-total | 55,604 | 55,004 | 167,778 | 111,154 |
| Consolidated income before taxes | $ 538,612 | $ 539,340 | $ 1,542,872 | $ 1,444,326 |

(1) This item represents changes to the contract land deposit impairment reserve, which are not allocated to our reportable segments. See further discussion of lot deposit impairment charges in Note 2.

(2) The decrease in equity-based compensation expense for the three and nine-month periods ended September 30, 2024 was primarily attributable to the Options and RSUs issued as part of the 2018 four-year block grant being fully vested as of December 31, 2023.

(3) This item represents the elimination of the corporate capital allocation charge included in the respective homebuilding reportable segments. The corporate capital allocation charge is based on the segment's monthly average asset balance, and was as follows for the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Corporate capital allocation charge:*** | | | | |
| Homebuilding Mid Atlantic | $ 35,976 | $ 33,994 | $ 104,872 | $ 102,509 |
| Homebuilding North East | 10,578 | 8,944 | 30,456 | 24,542 |
| Homebuilding Mid East | 11,929 | 9,974 | 32,850 | 29,453 |
| Homebuilding South East | 28,006 | 21,259 | 77,866 | 59,358 |
| Total | $ 86,489 | $ 74,171 | $ 246,044 | $ 215,862 |

**NVR, Inc.**
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)
(unaudited)

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| ***Assets:*** | | |
| Homebuilding Mid Atlantic | $ 1,337,734 | $ 1,252,360 |
| Homebuilding North East | 376,051 | 314,904 |
| Homebuilding Mid East | 437,193 | 368,154 |
| Homebuilding South East | 992,687 | 796,505 |
| Mortgage Banking | 545,703 | 452,323 |
| Total segment assets | 3,689,368 | 3,184,246 |
| ***Reconciling items:*** | | |
| Cash and cash equivalents | 2,474,219 | 3,126,472 |
| Deferred taxes | 151,699 | 148,005 |
| Intangible assets and goodwill | 49,368 | 49,368 |
| Operating lease right-of-use assets | 74,415 | 70,384 |
| Finance lease right-of-use assets | 31,038 | 13,310 |
| Contract land deposit reserve | (47,686) | (53,397) |
| Consolidation adjustments and other | 65,738 | 63,369 |
| Reconciling items sub-total | 2,798,791 | 3,417,511 |
| Consolidated assets | $ 6,488,159 | $ 6,601,757 |

## 10. Fair Value

GAAP assigns a fair value hierarchy to the inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets and liabilities. Level 2 inputs are inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

***Financial Instruments***

The estimated fair values of our Senior Notes as of September 30, 2024 and December 31, 2023 were $833,796 and $803,646, respectively. The estimated fair value is based on recent market prices of similar transactions, which is classified as Level 2 within the fair value hierarchy. The carrying values as of September 30, 2024 and December 31, 2023 were $911,599 and $913,027, respectively.

Due to the short term nature of our cash equivalents, we believe that insignificant differences exist between their carrying value and fair value.

***Derivative Instruments and Mortgage Loans Held for Sale***

In the normal course of business, our wholly-owned mortgage subsidiary, NVR Mortgage Finance, Inc. (“NVRM”), enters into contractual commitments to extend credit to our homebuyers with fixed expiration dates. The commitments become effective when the borrowers "lock-in" a specified interest rate within time frames established by NVRM, and some of these commitments include a prepaid float down option. All mortgagors are evaluated for credit worthiness prior to the extension of the commitment. Market risk arises if interest rates move adversely between the time of the "lock-in" of rates by the borrower and the sale date of the loan to an investor. To mitigate the effect of the interest rate risk inherent in providing rate lock commitments to borrowers, NVRM enters into optional or mandatory delivery forward sale contracts to sell whole loans and mortgage-backed securities to investors. The forward sales contracts lock-in a range of interest rates and prices for the sale of loans similar to the specific rate lock commitments. NVRM does not engage in speculative or trading derivative activities. Both the rate lock commitments to borrowers and the forward sale contracts to investors are undesignated derivatives and, accordingly, are marked to fair value through earnings. As of September 30, 2024, there were contractual commitments to extend credit to borrowers aggregating $2,240,991 and open forward delivery contracts aggregating $2,159,948, which hedge both the rate lock commitments and closed loans held for sale.

(dollars in thousands, except per share data)

The fair value of NVRM's rate lock commitments to borrowers and the related input levels include, as applicable:

i) the assumed gain/loss of the expected resultant loan sale (Level 2);

ii) the effects of interest rate movements between the date of the rate lock and the balance sheet date (Level 2); and

iii) the value of the servicing rights associated with the loan (Level 2).

The assumed gain/loss considers the excess servicing to be received or buydown fees to be paid upon securitization of the loan. The excess servicing and buydown fees are calculated pursuant to contractual terms with investors. To calculate the effects of interest rate movements, NVRM utilizes applicable published mortgage-backed security prices, and multiplies the price movement between the rate lock date and the balance sheet date by the notional loan commitment amount. NVRM sells its loans primarily on a servicing released basis, and receives a servicing released premium upon sale. Thus, the value of the servicing rights is included in the fair value measurement and is based upon contractual terms with investors and varies depending on the loan type. NVRM assumes a fallout rate when measuring the fair value of rate lock commitments. Fallout is defined as locked loan commitments for which NVRM does not close a mortgage loan and is based on historical experience and market conditions.

The fair value of NVRM's forward sales contracts to investors solely considers the market price movement of the same type of security between the trade date and the balance sheet date (Level 2). The market price changes are multiplied by the notional amount of the forward sales contracts to measure the fair value.

Mortgage loans held for sale are recorded at fair value when closed, and thereafter are carried at the lower of cost or fair value, net of deferred origination costs, until sold. Fair value is measured using Level 2 inputs. As of September 30, 2024, the fair value of loans held for sale of $379,232 included on the accompanying condensed consolidated balance sheet was increased by $12,114 from the aggregate principal balance of $367,118. As of December 31, 2023, the fair value of loans held for sale of $222,560 was increased by $6,349 from the aggregate principal balance of $216,211.

The fair value measurement of NVRM's undesignated derivative instruments was as follows:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| ***Rate lock commitments:*** | | |
| Gross assets | $ 56,189 | $ 61,150 |
| Gross liabilities | 1,575 | 168 |
| Net rate lock commitments | $ 54,614 | $ 60,982 |
| ***Forward sales contracts:*** | | |
| Gross assets | $ 1,254 | $ 8 |
| Gross liabilities | 4,921 | 18,305 |
| Net forward sales contracts | $ (3,667) | $ (18,297) |

As of both September 30, 2024 and December 31, 2023, the net rate lock commitments are reported in mortgage banking "Other assets" and the net forward sales contracts are reported in mortgage banking "Accounts payable and other liabilities".

(dollars in thousands, except per share data)

The fair value measurement as of September 30, 2024 was as follows:

| | Notional or Principal Amount | Assumed Gain From Loan Sale | Interest Rate Movement Effect | Servicing Rights Value | Security Price Change | Total Fair Value Measurement |
|---|---|---|---|---|---|---|
| Rate lock commitments | $ 2,240,991 | $ 4,178 | $ 23,157 | $ 27,279 | $ — | $ 54,614 |
| Forward sales contracts | $ 2,159,948 | — | — | — | (3,667) | (3,667) |
| Mortgages held for sale | $ 367,118 | 764 | 6,534 | 4,816 | — | 12,114 |
| Total fair value measurement | | $ 4,942 | $ 29,691 | $ 32,095 | $ (3,667) | $ 63,061 |

The total fair value measurement as of December 31, 2023 was a net gain of $49,034. NVRM recorded a fair value adjustment to income of $17,529 and $14,027 for the three and nine months ended September 30, 2024, respectively. NVRM recorded a fair value adjustment to expense of $32,167 for the three months ended September 30, 2023, and recorded a fair value adjustment to income of $10,322 for the nine months ended September 30, 2023.

Unrealized gains/losses from the change in the fair value measurements are included in earnings as a component of mortgage banking fees in the accompanying condensed consolidated statements of income. The fair value measurement will be impacted in the future by the change in the value of the servicing rights, interest rate movements, security price fluctuations, and the volume and product mix of NVRM's closed loans and locked loan commitments.

## 11. Debt

As of September 30, 2024, we had the following debt instruments outstanding:

***Senior Notes***

Our outstanding Senior Notes have an aggregate principal balance of $900,000, mature on May 15, 2030 and bear interest at 3.00%, payable semi-annually in arrears on May 15 and November 15. The Senior Notes are senior unsecured obligations and rank equally in right of payment with any of our existing and future unsecured senior indebtedness. The Senior Notes were issued in three separate issuances, $600,000 issued at a discount to yield 3.02%, and the two additional issuances totaling $300,000 issued at a premium to yield 2.00%. The Senior Notes have been reflected net of the unamortized discount or premium, as applicable, and the unamortized debt issuance costs in the accompanying condensed consolidated balance sheet.

The indenture governing the Senior Notes does not contain any financial covenants; however, it does contain, among other items, and subject to certain exceptions, covenants that restrict our ability to create, incur, assume or guarantee secured debt, enter into sale and leaseback transactions and conditions related to mergers and/or the sale of assets. We were in compliance with all covenants under the Senior Notes as of September 30, 2024.

***Credit Agreement***

We have an unsecured Credit Agreement (the "Credit Agreement"), which provides for aggregate revolving loan commitments of $300,000 (the "Facility"). Under the Credit Agreement, we may request increases of up to $300,000 to the Facility in the form of revolving loan commitments or term loans to the extent that new or existing lenders agree to provide additional revolving loan or term loan commitments. The Credit Agreement provides for a $100,000 sublimit for the issuance of letters of credit, of which approximately $17,100 was outstanding as of September 30, 2024. The Credit Agreement termination date is February 12, 2026. There were no borrowings outstanding under the Facility as of September 30, 2024.

***Repurchase Agreement***

NVRM provides for its mortgage origination and other operating activities using cash generated from its operations, borrowings from its parent company, NVR, as well as a revolving mortgage repurchase agreement (the

(dollars in thousands, except per share data)

“Repurchase Agreement”), which is non-recourse to NVR. The Repurchase Agreement provides for loan purchases up to $150,000, subject to certain sub-limits. Amounts outstanding under the Repurchase Agreement are collateralized by the Company’s mortgage loans held for sale.

Effective July 16, 2024, NVRM entered into the Second Amendment to Second Amended and Restated Master Repurchase Agreement with U.S. Bank National Association, as Agent and a Buyer (the "Amended MRA"), which extended the term of the Repurchase Agreement through July 14, 2025. All other terms and conditions under the Amended Repurchase Agreement remained materially consistent. As of September 30, 2024, there were no borrowing base limitations reducing the amount available under the Repurchase Agreement and there were no borrowings outstanding.

## 12. Commitments and Contingencies

We are involved in various litigation arising in the ordinary course of business. In the opinion of management, and based on advice of legal counsel, this litigation is not expected to have a material adverse effect on our financial position, results of operations or cash flows. Legal costs incurred in connection with outstanding litigation are expensed as incurred.

## 13. Leases

We have operating leases for our corporate and division offices, production facilities, model homes, and certain office and production equipment. Additionally, we have finance leases for certain production equipment and facilities which are recorded in homebuilding "Property, plant and equipment, net" and "Accrued expenses and other liabilities" on the accompanying condensed consolidated balance sheets. Our finance lease Right-of-use ("ROU") assets and finance lease liabilities were $31,038 and $33,198, respectively, as of September 30, 2024, and $13,310 and $14,965, respectively, as of December 31, 2023. Our leases have remaining lease terms of up to 15.9 years, some of which include options to extend the lease for up to 20 years, and some of which include options to terminate the lease.

We recognize operating lease expense on a straight-line basis over the lease term. We have elected to use the portfolio approach for certain equipment leases which have similar lease terms and payment schedules. Additionally, for certain equipment we account for the lease and non-lease components as a single lease component. Our sublease income is de minimis.

We have certain leases, primarily the leases of model homes, which have initial lease terms of twelve months or less ("Short-term leases"). We elected to exclude these leases from the recognition requirements under Topic 842, and these leases have not been included in our recognized ROU assets and lease liabilities.

The components of lease expense were as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Lease expense** | | | | |
| Operating lease expense | $ 10,078 | $ 9,385 | $ 28,939 | $ 28,000 |
| Finance lease expense: | | | | |
| Amortization of ROU assets | 983 | 520 | 2,313 | 1,533 |
| Interest on lease liabilities | 350 | 106 | 703 | 316 |
| Short-term lease expense | 8,320 | 7,528 | 24,399 | 22,551 |
| Total lease expense | $ 19,731 | $ 17,539 | $ 56,354 | $ 52,400 |

(dollars in thousands, except per share data)

Other information related to leases was as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Supplemental Cash Flows Information:** | | | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | | | |
| Operating cash flows from operating leases | $ 8,153 | $ 7,129 | $ 23,466 | $ 21,865 |
| Operating cash flows from finance leases | 350 | 106 | 703 | 316 |
| Financing cash flows from finance leases | 752 | 422 | 1,808 | 1,233 |
| **ROU assets obtained in exchange for lease obligations:** | | | | |
| Operating leases | $ 9,060 | $ 7,164 | $ 22,551 | $ 30,501 |
| Finance leases | $ 2,184 | $ 126 | $ 20,041 | $ 625 |

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **Weighted-average remaining lease term (in years):** | | |
| Operating leases | 6.0 | 5.8 |
| Finance leases | 10.3 | 9.9 |
| **Weighted-average discount rate:** | | |
| Operating leases | 4.5 % | 4.2 % |
| Finance leases | 4.6 % | 3.1 % |

## 14. Income Taxes

Our effective tax rate for the three and nine months ended September 30, 2024 was 20.3% and 20.6%, respectively, compared to 19.7% and 18.2% for the three and nine months ended September 30, 2023, respectively. The increase in the effective tax rate in the three and nine month periods of 2024 compared to the same periods in 2023 was primarily attributable to a lower income tax benefit recognized for excess tax benefits from stock option exercises, which totaled $23,128 and $73,736 for the three and nine months ended September 30, 2024, respectively, and $31,877 and $111,028 for the three and nine months ended September 30, 2023, respectively.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands, except per share data)

### Forward-Looking Statements

Some of the statements in this Quarterly Report on Form 10-Q, as well as statements made by us in periodic press releases or other public communications, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "will," "should" or "anticipates" or the negative thereof or other comparable terminology. All statements other than of historical facts are forward-looking statements. Forward-looking statements contained in this document may include those regarding market trends, our financial position and financial results, business strategy, the outcome of pending litigation, investigations or similar contingencies, projected plans and objectives of management for future operations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results or performance to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements. Such risk factors include, but are not limited to the following: general economic and business conditions (on both a national and regional level); interest rate changes; access to suitable financing by us and our customers; increased regulation in the mortgage banking industry; the ability of our mortgage banking subsidiary to sell loans it originates into the secondary market; competition; the availability and cost of land and other raw materials used by us in our homebuilding operations; shortages of labor; the economic impact of a major epidemic or pandemic; weather related slow-downs; building moratoriums; governmental regulation; fluctuation and volatility of stock and other financial markets; mortgage financing availability; and other factors over which we have little or no control. We undertake no obligation to update such forward-looking statements except as required by law. For additional information regarding risk factors, see Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Unless the context otherwise requires, references to "NVR," "we," "us," or "our" include NVR and its consolidated subsidiaries.

### Results of Operations for the Three and Nine Months Ended September 30, 2024 and 2023

#### Business Environment and Current Outlook

Demand for new homes remained solid in the third quarter of 2024 despite continued affordability issues driven by high mortgage interest rates and home prices. New home demand continues to be favorably impacted by a limited supply of homes in the resale market; however, we expect that affordability issues, inflationary pressures, interest rate volatility and economic uncertainty may weigh on future demand. We also expect to continue to face cost pressures related to building materials, labor and land costs which we expect will impact profit margins based on our ability to manage these costs while balancing sales pace and home prices. Although we are unable to predict the extent to which this will impact our operational and financial performance, we believe that we are well positioned to take advantage of opportunities that may arise from future economic and homebuilding market volatility due to the strength of our balance sheet and our disciplined lot acquisition strategy.

#### Business

Our primary business is the construction and sale of single-family detached homes, townhomes and condominiums, all of which are primarily constructed on a pre-sold basis. To fully serve customers of our homebuilding operations, we also operate a mortgage banking and title services business. We primarily conduct our operations in mature markets. Additionally, we generally grow our business through market share gains in our existing markets and by expanding into markets contiguous to our current active markets. Our four homebuilding reportable segments consist of the following regions:

| | |
|---|---|
| *Mid Atlantic:* | Maryland, Virginia, West Virginia, Delaware and Washington, D.C. |
| *North East:* | New Jersey and Eastern Pennsylvania |
| *Mid East:* | New York, Ohio, Western Pennsylvania, Indiana and Illinois |
| *South East:* | North Carolina, South Carolina, Tennessee, Florida, Georgia and Kentucky |

Our lot acquisition strategy is predicated upon avoiding the financial requirements and risks associated with direct land ownership and development. We generally do not engage in land development (see discussion below of our land development activities). Instead, we typically acquire finished building lots from various third party land developers pursuant to fixed price finished lot purchase agreements ("LPAs"). These LPAs require deposits, typically ranging up to 10% of the aggregate purchase price of the finished lots, in the form of cash or letters of credit that may be forfeited if we fail to perform under the LPA. This strategy has allowed us to maximize inventory turnover, which we believe enables us to minimize market risk and to operate with less capital, thereby enhancing rates of return on equity and total capital.

In addition to constructing homes primarily on a pre-sold basis and utilizing what we believe is a conservative lot acquisition strategy, we focus on obtaining and maintaining a leading market position in each market we serve. This strategy allows us to gain valuable efficiencies and competitive advantages in our markets, which we believe contributes to minimizing the adverse effects of regional economic cycles and provides growth opportunities within these markets. Our continued success is contingent upon our ability to control an adequate supply of finished lots on which to build.

In certain specific strategic circumstances we engage in joint venture arrangements with land developers or directly acquire raw ground already zoned for its intended use for development. Once we acquire control of raw ground, we determine whether to sell the raw parcel to a developer and enter into an LPA with the developer to purchase the finished lots or to hire a developer to develop the land on our behalf. While joint venture arrangements and direct land development activity are not our preferred method of acquiring finished building lots, we may enter into additional transactions in the future on a limited basis where there exists a compelling strategic or prudent financial reason to do so. We expect, however, to continue to acquire substantially all our finished lot inventory using LPAs with forfeitable deposits.

As of September 30, 2024, we controlled approximately 151,800 lots as described below.

*Lot Purchase Agreements*

We controlled approximately 144,400 lots under LPAs with third parties through deposits in cash and letters of credit totaling approximately $696,500 and $10,400, respectively. Included in the number of controlled lots are approximately 9,600 lots for which we have recorded a contract land deposit impairment reserve of approximately $47,700 as of September 30, 2024.

*Joint Venture Limited Liability Corporations ("JVs")*

We had an aggregate investment totaling approximately $27,800 in three JVs, expected to produce approximately 5,150 lots. Of the lots to be produced by the JVs, approximately 4,800 lots were controlled by us and approximately 350 were either under contract with unrelated parties or currently not under contract. We had additional funding commitments totaling approximately $9,800 to one of the JVs as of September 30, 2024.

*Land Under Development*

We owned land with a carrying value of approximately $63,300 that will be developed into approximately 2,600 finished lots.

See Notes 2, 3 and 4 to the condensed consolidated financial statements included herein for additional information regarding LPAs, JVs and land under development, respectively.

*Raw Land Purchase Agreements*

In addition, we have certain properties under contract with land owners that are expected to yield approximately 38,200 lots, which are not included in the number of total lots controlled. Some of these properties may require rezoning or other approvals to achieve the expected yield. As of September 30, 2024, these properties are controlled with deposits in cash totaling approximately $19,700, of which approximately $5,100 is refundable if certain contractual conditions are not met. We generally expect to assign the raw land contracts to a land developer and simultaneously enter into an LPA with the assignee if the project is determined to be feasible.

**Key Financial Results**

Our consolidated revenues for the third quarter of 2024 totaled $2,732,951, a 6% increase from the third quarter of 2023. Net income for the third quarter ended September 30, 2024 was $429,323, or $130.50 per diluted share. For the third quarter ended September 30, 2024, net income decreased 1% and diluted earnings per share increased 4% when compared to net income and diluted earnings per share for the third quarter of 2023, respectively. Our homebuilding gross profit margin percentage decreased to 23.4% in the third quarter of 2024 from 24.3% in the third quarter of 2023. New orders, net of cancellations ("New Orders") increased by 19% in the third quarter of 2024 compared to the third quarter of 2023. The New Order cancellation rate for the third quarter of 2024 increased to 14.5% from 13.6% in the same period in 2023. The average sales price for New Orders in the third quarter of 2024 was $450.7, a decrease of 1% compared to the third quarter of 2023.

**Homebuilding Operations**

The following table summarizes the results of operations and other data for our homebuilding operations:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Financial Data:*** | | | | |
| Revenues | $ 2,677,640 | $ 2,512,409 | $ 7,511,708 | $ 6,927,511 |
| Cost of sales | $ 2,051,087 | $ 1,902,174 | $ 5,724,916 | $ 5,238,230 |
| Gross profit margin percentage | 23.4 % | 24.3 % | 23.8 % | 24.4 % |
| Selling, general and administrative expenses | $ 149,777 | $ 142,715 | $ 443,493 | $ 434,876 |
| ***Operating Data:*** | | | | |
| New orders (units) | 5,650 | 4,746 | 17,766 | 16,539 |
| Average new order price | $ 450.7 | $ 456.1 | $ 454.7 | $ 447.7 |
| Settlements (units) | 5,908 | 5,606 | 16,656 | 15,330 |
| Average settlement price | $ 453.2 | $ 448.0 | $ 451.0 | $ 451.8 |
| Backlog (units) | | | 11,339 | 10,371 |
| Average backlog price | | | $ 469.5 | $ 463.1 |
| New order cancellation rate | 14.5 % | 13.6 % | 13.5 % | 12.7 % |

***Consolidated Homebuilding - Three Months Ended September 30, 2024 and 2023***

Homebuilding revenues increased 7% in the third quarter of 2024 compared to the same period in 2023, primarily as a result of a 5% increase in the number of units settled. The increase in settlements was primarily attributable to a 3% higher backlog unit balance entering the third quarter of 2024 compared to the backlog unit balance entering the third quarter of 2023, coupled with a higher backlog turnover rate quarter over quarter. Gross profit margin percentage in the third quarter of 2024 decreased to 23.4%, from 24.3% in the third quarter of 2023. Gross profit margin was negatively impacted by higher lot costs and closing cost assistance quarter over quarter.

Selling, general and administrative ("SG&A") expense in the third quarter of 2024 increased by approximately $7,100 compared to the third quarter of 2023, but as a percentage of revenue decreased to 5.6% from

5.7% quarter over quarter. The increase in SG&A expense was primarily attributable to a $7,000 increase in personnel costs attributable to an increase in headcount quarter over quarter. Additionally, sales and marketing expenses were approximately $3,300 higher quarter over quarter due to an increase in model home related expenses. These increases in SG&A expense were partially offset by a $6,600 decrease in equity-based compensation quarter over quarter due primarily to the Options and RSUs issued as part of the 2018 four-year block grant being fully vested as of December 31, 2023.

New Orders increased 19%, while the average sales price of New Orders decreased 1% in the third quarter of 2024 compared to the third quarter of 2023. New Orders were impacted primarily by a higher sales absorption rate in the third quarter of 2024.

***Consolidated Homebuilding - Nine Months Ended September 30, 2024 and 2023***

Homebuilding revenues increased 8% in the first nine months of 2024 compared to the same period in 2023, primarily as a result of a 9% increase in the number of units settled. The increase in settlements was attributable to a 12% higher backlog unit balance entering 2024 compared to the backlog unit balance entering 2023. Gross profit margin percentage in the first nine months of 2024 decreased to 23.8% from 24.4% in the first nine months of 2023. Gross profit margin was negatively impacted by higher lot costs and closing cost assistance year over year.

SG&A expense in the first nine months of 2024 increased by approximately $8,600 compared to the same period in 2023, and as a percentage of revenue decreased to 5.9% in 2024 from 6.3% in 2023. The increase in SG&A expense was primarily attributable to a $14,500 increase in personnel costs attributable to an increase in headcount year over year. Additionally, sales and marketing expenses were approximately $7,200 higher year over year due to an increase in model home related expenses. These increases in SG&A expense were partially offset by a $17,700 decrease in equity-based compensation year over year due primarily to the Options and RSUs issued as part of the 2018 four-year block grant being fully vested as of December 31, 2023.

New Orders and the average sales price of New Orders increased 7% and 2%, respectively, in the first nine months of 2024 compared to the same period in 2023. New Orders were favorably impacted primarily by a higher sales absorption rate year over year. The increase in the average sales price of New Orders is primarily attributable to a relative shift to higher priced markets and communities in certain of our reporting segments as discussed in the respective segments below.

Our backlog represents homes sold but not yet settled with our customers. As of September 30, 2024, our backlog increased on a unit basis by 9% to 11,339 units and on a dollar basis by 11% to $5,323,366 when compared to 10,371 units and $4,802,807, respectively, as of September 30, 2023. The increase in the number of backlog units was primarily attributable to a 12% higher backlog unit balance entering 2024 compared to the backlog unit balance entering 2023. Backlog dollars were higher primarily due to the increase in backlog units year over year.

Our backlog may be impacted by customer cancellations for various reasons that are beyond our control, such as failure to obtain mortgage financing, inability to sell an existing home, job loss, or a variety of other reasons. In any period, a portion of the cancellations that we experience are related to new sales that occurred during the same period, and a portion are related to sales that occurred in prior periods and therefore appeared in the opening backlog for the current period. Calculated as the total of all cancellations during the period as a percentage of gross sales during that same period, our cancellation rate was approximately 14% and 13% in the first nine months of 2024 and 2023, respectively. During the most recent four quarters, approximately 5% of a reporting quarter's opening backlog cancelled during the fiscal quarter. We can provide no assurance that our historical cancellation rates are indicative of the actual cancellation rate that may occur during the remainder of 2024 or future years. Other than those units that are cancelled, we expect to settle substantially all of our September 30, 2024 backlog within the next twelve months.

The backlog turnover rate is impacted by various factors, including, but not limited to, changes in New Order activity, internal production capacity, external subcontractor capacity, building material supply chain disruptions and other external factors over which we do not exercise control.

**Reportable Segments**

Homebuilding segment profit includes all revenues and income generated from the sale of homes, less the cost of homes sold, SG&A expenses, and a corporate capital allocation charge determined by corporate management. The corporate capital allocation charge eliminates in consolidation and is based on the segment's average net assets employed. The corporate capital allocation charged to the operating segment allows the Chief Operating Decision Maker to determine whether the operating segment is providing the desired rate of return after covering our cost of capital.

We record charges on contract land deposits when we determine that it is probable that recovery of the deposit is impaired. For segment reporting purposes, impairments on contract land deposits are generally charged to the operating segment upon the termination of an LPA with the developer, or the restructuring of an LPA resulting in the forfeiture of the deposit. We evaluate our entire net contract land deposit portfolio for impairment each quarter. For presentation purposes below, the contract land deposit reserve as of September 30, 2024 and December 31, 2023 has been allocated to the respective year's reportable segments to show contract land deposits on a net basis. The net contract land deposit balances below also include approximately $10,400 and $7,700 as of September 30, 2024 and December 31, 2023, respectively, of letters of credit issued as deposits in lieu of cash.

The following tables summarize certain homebuilding operating activity by reportable segment for the three and nine months ended September 30, 2024 and 2023.

**Selected Segment Financial Data:**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Revenues:*** | | | | |
| Mid Atlantic | $ 1,147,893 | $ 1,146,559 | $ 3,299,047 | $ 3,146,501 |
| North East | 300,448 | 268,237 | 843,452 | 684,593 |
| Mid East | 501,190 | 468,727 | 1,352,137 | 1,282,806 |
| South East | 728,109 | 628,886 | 2,017,072 | 1,813,611 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Gross profit margin:*** | | | | |
| Mid Atlantic | $ 288,131 | $ 281,230 | $ 830,097 | $ 775,983 |
| North East | 78,251 | 67,861 | 221,829 | 180,389 |
| Mid East | 114,087 | 103,918 | 302,977 | 278,983 |
| South East | 159,431 | 156,846 | 459,137 | 476,319 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Gross profit margin percentage:*** | | | | |
| Mid Atlantic | 25.1 % | 24.5 % | 25.2 % | 24.7 % |
| North East | 26.0 % | 25.3 % | 26.3 % | 26.3 % |
| Mid East | 22.8 % | 22.2 % | 22.4 % | 21.7 % |
| South East | 21.9 % | 24.9 % | 22.8 % | 26.3 % |

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| ***Segment profit:*** | | | | | | | | |
| Mid Atlantic | $ | 214,132 | $ | 212,826 | $ | 613,262 | $ | 567,119 |
| North East | | 56,246 | | 48,787 | | 157,476 | | 125,779 |
| Mid East | | 81,385 | | 75,136 | | 211,374 | | 193,360 |
| South East | | 95,089 | | 107,666 | | 280,936 | | 339,723 |

**Operating Activity:**

| | Three Months Ended September 30, | | | | | | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | | 2024 | | | 2023 | | |
| | Units | Average Price | | Units | Average Price | | Units | Average Price | | Units | Average Price | |
| ***New orders, net of cancellations:*** | | | | | | | | | | | | |
| Mid Atlantic | 2,206 | $ | 514.7 | 1,822 | $ | 526.2 | 6,785 | $ | 522.2 | 6,405 | $ | 520.2 |
| North East | 536 | $ | 616.4 | 448 | $ | 561.3 | 1,541 | $ | 617.2 | 1,353 | $ | 563.7 |
| Mid East | 1,105 | $ | 400.2 | 916 | $ | 407.2 | 3,630 | $ | 404.8 | 3,572 | $ | 392.4 |
| South East | 1,803 | $ | 354.1 | 1,560 | $ | 372.8 | 5,810 | $ | 363.9 | 5,209 | $ | 366.3 |
| Total | 5,650 | $ | 450.7 | 4,746 | $ | 456.1 | 17,766 | $ | 454.7 | 16,539 | $ | 447.7 |

| | Three Months Ended September 30, | | | | | | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | | 2024 | | | 2023 | | |
| | Units | Average Price | | Units | Average Price | | Units | Average Price | | Units | Average Price | |
| ***Settlements:*** | | | | | | | | | | | | |
| Mid Atlantic | 2,229 | $ | 514.9 | 2,199 | $ | 521.2 | 6,394 | $ | 515.9 | 6,024 | $ | 522.2 |
| North East | 495 | $ | 606.9 | 476 | $ | 563.5 | 1,445 | $ | 583.6 | 1,271 | $ | 538.6 |
| Mid East | 1,219 | $ | 411.1 | 1,209 | $ | 387.5 | 3,343 | $ | 404.5 | 3,265 | $ | 392.8 |
| South East | 1,965 | $ | 370.5 | 1,722 | $ | 365.2 | 5,474 | $ | 368.5 | 4,770 | $ | 380.2 |
| Total | 5,908 | $ | 453.2 | 5,606 | $ | 448.0 | 16,656 | $ | 451.0 | 15,330 | $ | 451.8 |

| | As of September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Units | Average Price | | Units | Average Price | |
| ***Backlog:*** | | | | | | |
| Mid Atlantic | 4,485 | $ | 531.4 | 4,073 | $ | 531.7 |
| North East | 1,124 | $ | 646.5 | 967 | $ | 587.5 |
| Mid East | 2,263 | $ | 411.5 | 2,160 | $ | 401.1 |
| South East | 3,467 | $ | 369.8 | 3,171 | $ | 379.3 |
| Total | 11,339 | $ | 469.5 | 10,371 | $ | 463.1 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***New order cancellation rate:*** | | | | |
| Mid Atlantic | 12.4 % | 12.8 % | 12.2 % | 13.0 % |
| North East | 12.3 % | 11.5 % | 13.8 % | 11.5 % |
| Mid East | 16.5 % | 15.3 % | 15.1 % | 13.3 % |
| South East | 16.5 % | 14.1 % | 13.8 % | 12.3 % |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Average active communities:*** | | | | |
| Mid Atlantic | 146 | 167 | 152 | 166 |
| North East | 32 | 36 | 32 | 37 |
| Mid East | 98 | 109 | 100 | 111 |
| South East | 146 | 119 | 143 | 110 |
| Total | 422 | 431 | 427 | 424 |

## Homebuilding Inventory:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| ***Sold inventory:*** | | |
| Mid Atlantic | $ 873,945 | $ 796,591 |
| North East | 251,437 | 220,511 |
| Mid East | 325,572 | 268,269 |
| South East | 517,526 | 412,873 |
| Total (1) | $ 1,968,480 | $ 1,698,244 |

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| ***Unsold lots and housing units inventory:*** | | |
| Mid Atlantic | $ 82,328 | $ 116,165 |
| North East | 29,772 | 18,804 |
| Mid East | 23,780 | 20,559 |
| South East | 90,070 | 60,953 |
| Total (1) | $ 225,950 | $ 216,481 |

(1) The reconciling items between segment inventory and consolidated inventory include certain consolidation adjustments necessary to convert the reportable segments' results, which are predominantly maintained on a cash basis, to a full accrual basis for external financial statement presentation purposes. These consolidation adjustments are not allocated to our operating segments.

## Lots Controlled and Land Deposits:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| ***Total lots controlled:*** | | |
| Mid Atlantic | 48,800 | 46,000 |
| North East | 16,400 | 14,300 |
| Mid East | 22,700 | 22,200 |
| South East | 63,900 | 59,000 |
| Total | 151,800 | 141,500 |

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| ***Contract land deposits, net:*** | | |
| Mid Atlantic | $ 252,385 | $ 222,922 |
| North East | 80,283 | 61,182 |
| Mid East | 58,765 | 46,804 |
| South East | 287,399 | 253,292 |
| Total | $ 678,832 | $ 584,200 |

## Mid Atlantic

***Three Months Ended September 30, 2024 and 2023***

The Mid Atlantic segment profit was relatively flat quarter over quarter, as revenues remained flat due to a 1% increase in the number of units settled, offset by a 1% decline in the average settlement price. The segment's gross profit margin percentage increased to 25.1% in the third quarter of 2024 from 24.5% in the third quarter of 2023. Gross profit margins were positively impacted by lower lumber costs quarter over quarter.

Segment New Orders increased 21%, while the average sales price of New Orders decreased 2% in the third quarter of 2024 compared to the third quarter of 2023. Despite a 12% decrease in the average number of active communities quarter over quarter, New Orders were favorably impacted by a higher sales absorption rate in the third quarter of 2024. The decrease in the average sales price of New Orders was primarily attributable to a shift to lower priced communities within certain markets in the segment quarter over quarter.

***Nine Months Ended September 30, 2024 and 2023***

The Mid Atlantic segment had an approximate $46,100, or 8%, increase in segment profit in the first nine months of 2024 compared to the first nine months of 2023. The increase in segment profit was driven by an increase in segment revenues of approximately $152,500, or 5%, coupled with an increase in gross profit margins. Segment revenues increased due to a 6% increase in the number of units settled which was primarily attributable to an 11% higher backlog unit balance entering 2024 compared to backlog entering 2023. The segment's gross profit margin percentage increased to 25.2% in the first nine months of 2024 from 24.7% in the first nine months of 2023. Gross profit margins were positively impacted primarily by the improved leveraging of certain operating costs attributable to the increase in settlement activity, offset partially by higher lot costs and closing cost assistance year over year.

Segment New Orders increased 6% in the first nine months of 2024 compared to the first nine months of 2023, while the average sales price of New Orders remained relatively flat. Despite an 8% decrease in the average number of active communities year over year, New Orders were favorably impacted by a higher sales absorption rate year over year.

## North East

***Three Months Ended September 30, 2024 and 2023***

The North East segment had an approximate $7,500, or 15%, increase in segment profit in the third quarter of 2024 compared to the third quarter of 2023. The increase in segment profit was driven by an increase in segment revenues of approximately $32,200, or 12%. Segment revenues increased due to a 4% increase in the number of units settled and a 8% increase in the average settlement price quarter over quarter. The increase in settlements was primarily attributable to a 9% higher backlog unit balance entering the third quarter of 2024 compared to backlog entering the third quarter of 2023, offset partially by a lower backlog turnover rate quarter over quarter. The increase in the average settlement price was primarily attributable to a 9% higher average price of units in backlog entering the third quarter of 2024 compared to the average price of units in backlog entering the third quarter of 2023. The segment's gross profit margin percentage increased to 26.0% in the third quarter of 2024 from 25.3% in the third quarter of 2023. Gross profit margins were positively impacted primarily by the improved leveraging of certain operating costs attributable to the increase in settlement activity, offset partially by higher lot costs and closing cost assistance. In addition, margins were favorably impacted by lower lumber costs quarter over quarter.

Segment New Orders and the average sales price of New Orders increased 20% and 10%, respectively, in the third quarter of 2024 compared to the third quarter of 2023. Despite a 12% decrease in the average number of active communities quarter over quarter, New Orders were favorably impacted by a higher sales absorption rate quarter over quarter. The increase in the average sales price of New Orders was primarily attributable to a shift to higher priced communities in certain markets quarter over quarter.

***Nine Months Ended September 30, 2024 and 2023***

The North East segment had an approximate $31,700, or 25%, increase in segment profit in the first nine months of 2024 compared to the first nine months of 2023. Segment profits were favorably impacted by an increase in segment revenue of approximately $158,900, or 23%. Segment revenues were favorably impacted by a 14%

increase in the number of units settled and a 8% increase in the average settlement price year over year. The increase in settlements was primarily attributable to a 16% higher backlog unit balance entering 2024 compared to backlog entering 2023, coupled with a higher backlog turnover rate year over year. The increase in the average settlement price was primarily attributable to a 9% higher average sales price of units in backlog entering 2024 compared to backlog entering 2023. The segment's gross profit margin percentage was flat year over year.

Segment New Orders and the average sales price of New Orders increased 14% and 10%, respectively, in the first nine months of 2024 compared to the first nine months of 2023. Despite an 11% decrease in the average number of active communities year over year, New Orders were favorably impacted by a higher sales absorption rate year over year. The increase in the average sales price of New Orders was primarily attributable to a shift to higher priced communities in certain markets year over year.

**Mid East**

***Three Months Ended September 30, 2024 and 2023***

The Mid East segment had an approximate $6,200, or 8%, increase in segment profit in the third quarter of 2024 compared to the third quarter of 2023, due primarily to an increase in segment revenues of approximately $32,500, or 7%, coupled with an increase in gross profit margins to 22.8% in the the third quarter of 2024 from 22.2% in the third quarter of 2023. Segment revenues were favorably impacted by a 6% increase in the average price of homes settled quarter over quarter, due to a 6% higher average sales price of units in backlog entering the third quarter of 2024 compared to backlog entering the third quarter of 2023. The segment's gross profit margin percentage was favorably impacted by the higher average settlement prices and lower lumber costs quarter over quarter, offset partially by higher lot costs and closing cost assistance.

Segment New Orders increased 21% in the third quarter of 2024 compared to the third quarter of 2023, while the average sales price of New Orders decreased 2% quarter over quarter. Despite a 10% decrease in the average number of active communities quarter over quarter, New Orders were favorably impacted by a higher sales absorption rate in the third quarter of 2024. The decrease in the average sales price of New Orders was primarily attributable to a shift to lower priced markets within the segment.

***Nine Months Ended September 30, 2024 and 2023***

The Mid East segment had an approximate $18,000, or 9%, increase in segment profit in the first nine months of 2024 compared to the first nine months of 2023, due primarily to an increase in segment revenues of approximately $69,300, or 5%, coupled with an increase in gross profit margins to 22.4% in the first nine months of 2024 from 21.7% in the first nine months of 2023. Segment revenues increased due to a 3% increase in the average price of units settled and a 2% increase in the number of units settled year over year. The increase in the average settlement price was attributable primarily to the 6% increase in the average settlement price in the third quarter of 2024 as discussed above. The increase in settlements was attributable primarily to a 7% higher backlog unit balance entering 2024 compared to the backlog entering 2023. Gross profit margin was favorably impacted by the improved leveraging of certain operating costs as settlement activity increased, offset partially by higher lot costs and closing cost assistance year over year.

Segment New Orders increased 2% in the first nine months of 2024 compared to the first nine months of 2023, while the average sales price of New Orders increased 3% year over year. Despite a 10% decrease in the average number of active communities year over year, New Orders were favorably impacted by a higher sales absorption rate year over year. The increase in the average sales price of New Orders was primarily attributable to a shift to higher priced communities within certain markets year over year.

**South East**

***Three Months Ended September 30, 2024 and 2023***

The South East segment had an approximate $12,600, or 12%, decrease in segment profit in the third quarter of 2024 compared to the third quarter of 2023. The decrease in segment profit was primarily driven by a decrease in gross profit margins to 21.9% in the third quarter of 2024 from 24.9% in the third quarter of 2023. Gross profit margins were negatively impacted primarily by higher lot costs and closing cost assistance. Segment revenues in the third quarter of 2024 were higher by approximately $99,200, or 16%, due to primarily to a 14% increase in the number of units settled. The increase in settlements is attributable primarily to a 9% higher backlog unit balance entering the third quarter of 2024 compared to the backlog entering the third quarter of 2023, coupled with a higher backlog turnover rate quarter over quarter.

Segment New Orders increased 16% in the third quarter of 2024 compared to the third quarter of 2023, while the average sales price of New Orders decreased 5% quarter over quarter. New Orders were favorably impacted by a 22% increase in the average number of active communities, offset partially by a 6% lower absorption rate within the segment quarter over quarter. The decrease in the average sales price of New Orders was primarily attributable to a shift to lower priced communities in certain markets within the segment quarter over quarter.

***Nine Months Ended September 30, 2024 and 2023***

The South East segment had an approximate $58,800, or 17%, decrease in segment profit in the first nine months of 2024 compared to the first nine months of 2023 due primarily to a decrease in gross profit margins to 22.8% in the first nine months of 2024 from 26.3% in the first nine months of 2023. Gross profit margins were negatively impacted primarily by higher lot costs and closing cost assistance. Segment revenues in the third quarter of 2024 were higher by approximately $203,500, or 11%, due to a 15% increase in the number of units settled, partially offset by a 3% decrease in the average price of units settled year over year. The increase in settlements was attributable primarily to a 15% higher backlog balance entering 2024 compared to the backlog entering 2023, coupled with a higher backlog turnover rate year over year. The decrease in the average settlement price was attributable primarily to a 7% lower average sales price of units in backlog entering 2024 compared to backlog entering 2023.

Segment New Orders increased 12% in the first nine months of 2024 compared to the first nine months of 2023, while the average sales price of New Orders decreased 1% year over year. The increase in New Orders was primarily attributable to a 30% increase in the average number of active communities, offset partially by a 14% lower absorption rate within the segment year over year.

### Homebuilding Segment Reconciliations to Consolidated Homebuilding Operations

In addition to the corporate capital allocation and contract land deposit impairments discussed above, the other reconciling items between homebuilding segment profit and homebuilding consolidated income before tax include unallocated corporate overhead (which includes all management incentive compensation), equity-based compensation expense, consolidation adjustments and external corporate interest expense. Our overhead functions, such as accounting, treasury and human resources, are centrally performed and the costs are not allocated to our operating segments. Consolidation adjustments consist of such items to convert the reportable segments' results, which are predominantly maintained on a cash basis, to a full accrual basis for external financial statement presentation purposes, and are not allocated to our operating segments. External corporate interest expense primarily consists of interest charges on our Senior Notes, and is not charged to the operating segments because the charges are included in the corporate capital allocation discussed above.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Homebuilding consolidated gross profit:*** | | | | |
| Mid Atlantic | $ 288,131 | $ 281,230 | $ 830,097 | $ 775,983 |
| North East | 78,251 | 67,861 | 221,829 | 180,389 |
| Mid East | 114,087 | 103,918 | 302,977 | 278,983 |
| South East | 159,431 | 156,846 | 459,137 | 476,319 |
| Consolidation adjustments and other | (13,347) | 380 | (27,248) | (22,393) |
| Homebuilding consolidated gross profit | $ 626,553 | $ 610,235 | $ 1,786,792 | $ 1,689,281 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Homebuilding consolidated income before taxes:*** | | | | |
| Mid Atlantic | $ 214,132 | $ 212,826 | $ 613,262 | $ 567,119 |
| North East | 56,246 | 48,787 | 157,476 | 125,779 |
| Mid East | 81,385 | 75,136 | 211,374 | 193,360 |
| South East | 95,089 | 107,666 | 280,936 | 339,723 |
| ***Reconciling items:*** | | | | |
| Contract land deposit reserve adjustment (1) | (3,079) | (3,783) | 5,712 | 6,696 |
| Equity-based compensation expense (2) | (18,012) | (24,665) | (51,410) | (69,356) |
| Corporate capital allocation (3) | 86,489 | 74,171 | 246,044 | 215,862 |
| Unallocated corporate overhead | (36,780) | (38,376) | (122,300) | (130,701) |
| Consolidation adjustments and other | 2,575 | 16,947 | 6,666 | 10,948 |
| Corporate interest expense | (6,787) | (6,583) | (20,052) | (20,126) |
| Corporate interest income | 32,409 | 38,680 | 106,173 | 101,963 |
| Reconciling items sub-total | 56,815 | 56,391 | 170,833 | 115,286 |
| Homebuilding consolidated income before taxes | $ 503,667 | $ 500,806 | $ 1,433,881 | $ 1,341,267 |

(1) This item represents changes to the contract land deposit impairment reserve, which are not allocated to our reportable segments. See further discussion of lot deposit impairment charges in Note 2 in the accompanying condensed consolidated financial statements.

(2) The decrease in equity-based compensation expense for the three and nine-month periods ended September 30, 2024 was primarily attributable to the Options and RSUs issued as part of the 2018 four-year block grant being fully vested as of December 31, 2023.

(3) This item represents the elimination of the corporate capital allocation charge included in the respective homebuilding reportable segments. The corporate capital allocation charge is based on the segment's monthly average asset balance, and is as follows for the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Corporate capital allocation charge:*** | | | | |
| Mid Atlantic | $ 35,976 | $ 33,994 | $ 104,872 | $ 102,509 |
| North East | 10,578 | 8,944 | 30,456 | 24,542 |
| Mid East | 11,929 | 9,974 | 32,850 | 29,453 |
| South East | 28,006 | 21,259 | 77,866 | 59,358 |
| Total | $ 86,489 | $ 74,171 | $ 246,044 | $ 215,862 |

## Mortgage Banking Segment

### *Three and Nine Months Ended September 30, 2024 and 2023*

We conduct our mortgage banking activity through NVR Mortgage Finance, Inc. ("NVRM"), a wholly owned subsidiary. NVRM focuses exclusively on serving the homebuilding segment's customers. NVRM sells almost all of the mortgage loans it closes to investors in the secondary markets on a servicing-released basis, typically within 30 days from the loan closing. The following table summarizes the results of our mortgage banking operations and certain statistical data for the three and nine months ended September 30, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| ***Loan closing volume:*** | | | | |
| Total principal | $ 1,656,507 | $ 1,621,599 | $ 4,564,597 | $ 4,240,529 |
| ***Loan volume mix:*** | | | | |
| Adjustable rate mortgages | 2 % | 2 % | 2 % | 3 % |
| Fixed-rate mortgages | 98 % | 98 % | 98 % | 97 % |
| ***Operating profit:*** | | | | |
| Segment profit | $ 36,156 | $ 39,921 | $ 112,046 | $ 107,191 |
| Equity-based compensation expense | (1,211) | (1,387) | (3,055) | (4,132) |
| Mortgage banking income before tax | $ 34,945 | $ 38,534 | $ 108,991 | $ 103,059 |
| ***Capture rate:*** | 86 % | 89 % | 86 % | 86 % |
| ***Mortgage banking fees:*** | | | | |
| Net gain on sale of loans | $ 43,896 | $ 46,767 | $ 135,046 | $ 127,898 |
| Title services | 11,316 | 9,753 | 31,875 | 30,068 |
| Servicing fees | 99 | 96 | 242 | 155 |
| | $ 55,311 | $ 56,616 | $ 167,163 | $ 158,121 |

Loan closing volume for the three and nine months ended September 30, 2024 increased by approximately $34,900, or 2%, and $324,100, or 8%, respectively, from the same periods in 2023. The increase in loan closing volume during both the three and nine months ended September 30, 2024 was primarily attributable to the 5% and 9% increases in the homebuilding segment's number of units settled for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023. The favorable impact of higher homebuilding settlements on loan closing volume during the third quarter of 2024 was partially offset by a lower capture rate quarter over quarter.

Segment profit for the three months ended September 30, 2024 decreased by approximately $3,800, or 9%, from the same period in 2023. This decrease was attributable to an increase in general and administrative expenses and a decrease in mortgage banking fees. General and administrative expenses increased by approximately $2,400, or 11%, from the same period in 2023, primarily due to an increase in personnel costs. Mortgage banking fees decreased by approximately $1,300, or 2%, which was primarily due to a decrease in gains on sales of loans.

Segment profit for the nine months ended September 30, 2024 increased by approximately $4,900, or 5%, from the same period in 2023. This increase was primarily attributable to an increase of approximately $9,000, or 6%, in mortgage banking fees due to an increase in gains on sales of loans. This increase was partially offset by an increase in general and administrative expenses of approximately $6,600, or 10%, during the nine months ended September 30, 2024, which was primarily due to an increase in personnel costs.

**Seasonality**

We historically have experienced variability in our quarterly results, generally having higher New Order activity in the first half of the year and higher home settlements, revenue and net income in the second half of the year. However, in recent years our typical seasonal trends have been affected by significant changes in market conditions. As a result, our quarterly results of operations are not necessarily indicative of the results that may be expected for the full year.

**Effective Tax Rate**

Our effective tax rate for the three and nine months ended September 30, 2024 was 20.3% and 20.6%, respectively, compared to 19.7% and 18.2% for the three and nine months ended September 30, 2023, respectively. The increase in the effective tax rate in the three and nine month periods of 2024 compared to the same periods in 2023 was primarily attributable to a lower income tax benefit recognized for excess tax benefits from stock option exercises, which totaled approximately $23,100 and $73,700 for the three and nine months ended September 30, 2024, respectively, and approximately $31,900 and $111,000 for the three and nine months ended September 30, 2023, respectively.

We expect to experience volatility in our effective tax rate in future quarters as the amount of the excess tax benefit from equity-based awards is dependent on our stock price when awards are exercised as well as on the timing of exercises, which historically has varied from quarter to quarter.

**Liquidity and Capital Resources**

We fund our operations primarily from our current cash holdings and cash flows generated by operating activities. In addition, we have available a short-term unsecured working capital revolving credit facility and revolving mortgage repurchase facility, as further described below. As of September 30, 2024, we had approximately $2,500,000 in cash and cash equivalents, approximately $282,900 in unused committed capacity under our revolving credit facility and $150,000 in unused committed capacity under our revolving mortgage repurchase facility.

***Material Cash Requirements***

We believe that our current cash holdings, cash generated from operations, and cash available under our short-term unsecured credit agreement and revolving mortgage repurchase facility, as well as the public debt and equity markets, will be sufficient to satisfy both our short term and long term cash requirements for working capital to support our daily operations and meet commitments under our contractual obligations with third parties. Our material contractual obligations primarily consist of the following:

(i) Payments due to service our debt and interest on that debt. Future interest payments on our outstanding senior notes total $158,550, with $27,000 due within the next twelve months.

(ii) Payment obligations totaling approximately $485,000 under existing LPAs for deposits to be paid to land developers, assuming that contractual development milestones are met by the developers and we exercise our option to acquire finished lots under those LPAs. We expect to make the majority of these payments within the next three years.

(iii) Obligations under operating and finance leases related primarily to office space and our production facilities. See Note 13 of this Quarterly Report on Form 10-Q for additional discussion of our leases.

In addition to funding growth in our homebuilding and mortgage banking operations, we historically have used a substantial portion of our excess liquidity to repurchase outstanding shares of our common stock in open market and privately negotiated transactions. This ongoing repurchase program assists us in accomplishing our primary objective, creating increases in shareholder value. See Part II, Item 2, Unregistered Sales of Equity Securities and Use of Proceeds, of this Quarterly Report on Form 10-Q for further discussion of repurchase activity during the third quarter of 2024. For the nine months ended September 30, 2024, we repurchased 192,655 shares of our common stock at an aggregate purchase price of $1,493,362. As of September 30, 2024, we had approximately $682,507 available under a Board approved repurchase authorization.

***Capital Resources***

**Senior Notes**

As of September 30, 2024, we had Senior Notes with an aggregate principal balance of $900,000, which mature in May 2030. The Senior Notes are senior unsecured obligations and rank equally in right of payment with any of our existing and future unsecured senior indebtedness, will rank senior in right of payment to any of our future indebtedness that is by its terms expressly subordinated to the Senior Notes and will be effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The indenture governing the Senior Notes does not contain any financial covenants; however, it does contain, among other items, and subject to certain exceptions, covenants that restrict our ability to create, incur, assume or guarantee secured debt, enter into sale and leaseback transactions and conditions related to mergers and/or the sale of assets. We were in compliance with all covenants under the Senior Notes as of September 30, 2024.

**Credit Agreement**

We have an unsecured revolving credit agreement (the "Credit Agreement") with a group of lenders which may be used for working capital and general corporate purposes. The Credit Agreement provides for aggregate revolving loan commitments of $300,000 (the "Facility"). Under the Credit Agreement, we may request increases of up to $300,000 to the Facility in the form of revolving loan commitments or term loans to the extent that new or existing lenders agree to provide additional revolving loan or term loan commitments. In addition, the Credit Agreement provides for a $100,000 sublimit for the issuance of letters of credit of which there was approximately $17,100 outstanding as of September 30, 2024. The Credit Agreement termination date is February 12, 2026. There were no borrowings outstanding under the Credit Agreement as of September 30, 2024.

**Repurchase Agreement**

NVRM has an unsecured revolving mortgage repurchase facility (the "Repurchase Agreement") which provides for aggregate borrowings up to $150,000 and is non-recourse to NVR. In July 2024, NVRM entered into the Second Amendment to the Repurchase Agreement, which extended the term of the Repurchase Agreement through July 14, 2025. All other terms and conditions under the amended Repurchase Agreement remained materially consistent. As of September 30, 2024, there were no borrowing base limitations reducing the amount available under the Repurchase Agreement. There were no borrowings outstanding under the Repurchase Agreement as of September 30, 2024.

For additional information regarding the Senior Notes, Credit Agreement and Repurchase Agreement, see Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023.

***Cash Flows***

For the nine months ended September 30, 2024, cash, restricted cash, and cash equivalents decreased by $646,777. Net cash provided by operating activities was $737,412 for the nine months ended September 30, 2024, due primarily to cash provided by earnings. Cash was primarily used to fund the increase in inventory of $307,247, attributable to an increase in units under construction as of September 30, 2024 compared to December 31, 2023 and a net use of approximately $166,000 from mortgage loan activity.

Net cash used in investing activities for the nine months ended September 30, 2024 was $19,797. Cash was used primarily for purchases of property, plant and equipment of $23,621.

Net cash used in financing activities was $1,364,392 for the nine months ended September 30, 2024. Cash was used to repurchase 192,655 shares of our common stock at an aggregate purchase price of $1,493,362 under our ongoing common stock repurchase program, discussed above. Cash was provided from stock option exercise proceeds totaling $130,778.

**Critical Accounting Estimates**

There have been no material changes to our critical accounting estimates as previously disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 3. Quantitative and Qualitative Disclosure about Market Risk**

There have been no material changes in our market risks during the nine months ended September 30, 2024. For additional information regarding our market risks, see Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 4. Controls and Procedures**

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective. There have been no changes in our internal control over financial reporting in the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

We are involved in various litigation arising in the ordinary course of business. In the opinion of management, and based on advice of legal counsel, this litigation is not expected to have a material adverse effect on our financial position, results of operations or cash flows. Legal costs incurred in connection with outstanding litigation are expensed as incurred.

### Item 1A. Risk Factors

There have been no material changes to the risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the quarter ended September 30, 2024, we fully utilized the remaining amount available under our $750 million share repurchase authorization that was publicly announced on February 14, 2024. On May 7, 2024, we publicly announced that our Board of Directors had approved an additional repurchase authorization in the amount of up to $750 million. The share repurchase authorizations authorized the repurchase of our outstanding common stock in one or more open market and/or privately negotiated transactions, with no expiration date. Repurchase activity is typically executed in accordance with the safe-harbor provisions of Rule 10b-18 and Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended. We repurchased the following shares of our common stock during the third quarter of 2024:

| Period (1) | Total Number of Shares Purchased | | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands) |
|---|---|---|---|---|---|---|
| July 1 - 31, 2024 | 20,127 | $ | 7,707.35 | 20,127 | $ | 884,831 |
| August 1 - 31, 2024 | 11,157 | $ | 8,807.67 | 11,157 | $ | 786,564 |
| September 1 - 30, 2024 | 11,345 | $ | 9,172.09 | 11,345 | $ | 682,507 |
| Total | 42,629 | $ | 8,385.15 | 42,629 | | |

(1) All of the shares repurchased in July and August 2024 were repurchased under our February 14, 2024 repurchase authorization. Of the shares repurchased in September 2024, 4,018 shares were repurchased under the February 14, 2024 share repurchase authorization, which fully utilized the February 2024 authorization. The remaining 7,327 shares were repurchased under the May 7, 2024 share repurchase authorization.

### Item 5. Other Events

During the quarter ended September 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K.

## Item 6. Exhibits

| Exhibit Number | Exhibit Description |
|---|---|
| 31.1 | Certification of NVR's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith. |
| 31.2 | Certification of NVR's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith. |
| 32 | Certification of NVR's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Furnished herewith. |
| 101.INS | 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 | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

## SIGNATURE

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

**NVR, Inc.**

| | | |
|---|---|---|
| Date: November 5, 2024 | By: | Daniel D. Malzahn |
| | | Daniel D. Malzahn |
| | | *Senior Vice President, Chief Financial Officer and Treasurer* |

**Exhibit 31.1**

**SARBANES-OXLEY ACT SECTION 302 CERTIFICATIONS**

I, Eugene J. Bredow, certify that:

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

Date: November 5, 2024

By: /s/ Eugene J. Bredow
Eugene J. Bredow
*President and Chief Executive Officer*

**Exhibit 31.2**

**SARBANES-OXLEY ACT SECTION 302 CERTIFICATIONS**

I, Daniel D. Malzahn, certify that:

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

Date: November 5, 2024

By: /s/ Daniel D. Malzahn
Daniel D. Malzahn
*Senior Vice President, Chief Financial Officer and Treasurer*

**Exhibit 32**

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

In connection with the Quarterly Report on Form 10-Q of NVR, Inc. for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of NVR, Inc., hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: November 5, 2024

By: /s/ Eugene J. Bredow
Eugene J. Bredow
*President and Chief Executive Officer*

By: /s/ Daniel D. Malzahn
Daniel D. Malzahn
*Senior Vice President, Chief Financial Officer and Treasurer*