Forward Looking Statement

Various statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, land and lot sales, operational and financial results, financial condition, prospects, and capital spending. Our forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “intend,” “anticipate,” “potential,” “plan,” “goal,” “target,” “guidance,” “outlook,” “will,” or other words that convey future events or outcomes. The forward-looking statements in this presentation speak only as of the date of this presentation, and we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. These forward-looking statements are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. The following factors, among others, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements: the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar; market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions; levels of competition; the successful execution of our internal performance plans, including restructuring and cost reduction initiatives; global economic conditions; raw material prices; oil and other energy prices; the effect of weather, including the re-occurrence of drought conditions in California; the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters; transportation costs; federal and state tax policies; the effect of land use, environment and other governmental regulations; legal proceedings or disputes and the adequacy of reserves; risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects; changes in accounting principles; risks related to unauthorized access to our computer systems, theft of our customers’ confidential information or other forms of cyber-attack; and additional factors discussed under the sections captioned “Risk Factors” included in our annual and quarterly reports filed with the Securities and Exchange Commission. The foregoing list is not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. This presentation includes certain non-GAAP financial metrics, including adjusted homebuilding gross margin and net debt-to-capital. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Supplemental Data and Reconciliation section of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP. Winchester is a registered trademark and is used with permission.
Management Team

**Thomas Mitchell**  
*President & COO*  
- Over 25 years of real estate and homebuilding experience  
- Former EVP and Southern California Regional President at William Lyon Homes

**Douglas Bauer**  
*Chief Executive Officer*  
- Over 25 years of real estate and homebuilding experience  
- Former President and COO of William Lyon Homes

**Michael Grubbs**  
*Chief Financial Officer*  
- Over 25 years of real estate and homebuilding experience  
- Former SVP / CFO of William Lyon Homes

Working together for over 25 years, TRI Pointe senior management has significant experience running a large, geographically diverse, growth-oriented public homebuilder. Deep managerial talent at each operating division with key local relationships supports dynamic tailored growth strategies.
A Family of Regional Homebuilders

LTM Orders: 4,398
LTM Home Sales (“HS”) Revenue: $2,298,285
Lots Owned or Controlled: 28,760

LTM Deliveries: 4,198
LTM Average Sales Price (“ASP”): $547

Data as of March 31, 2017
Note: Dollars in thousands
2017 First Quarter Highlights

- Absorption rate of 3.5 new home orders per community per month
- New home deliveries down 2% to 758 with an average sales price of $517K
- Home sales revenue down 7% to $392MM
- Homebuilding gross margin of 18.8%
- Adj. homebuilding gross margin of 21.3% (1)
- SG&A expense increased 270 basis points to 15.7% of home sales revenue compared to 13.0%
- Net income available to common stockholders of $8.2MM, or $0.05 per diluted share vs. $28.6MM or $0.18 per diluted share
- Repurchased 39,387 shares for $492K at an average price of $12.49 per share in 1Q17. Repurchased an additional 1,166,557 shares for $14.4 million at an average price of $12.35 per share subsequent to 1Q17.

<table>
<thead>
<tr>
<th>Metric</th>
<th>1Q17</th>
<th>1Q16</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>1,299</td>
<td>1,149</td>
<td>13%</td>
</tr>
<tr>
<td>Deliveries</td>
<td>758</td>
<td>771</td>
<td>-2%</td>
</tr>
<tr>
<td>ASP of Deliveries ($000s)</td>
<td>$517</td>
<td>$549</td>
<td>-6%</td>
</tr>
<tr>
<td>Backlog (units) (2)</td>
<td>1,734</td>
<td>1,534</td>
<td>13%</td>
</tr>
<tr>
<td>Home Sales Revenue ($000s)</td>
<td>$392,004</td>
<td>$423,055</td>
<td>-7%</td>
</tr>
<tr>
<td>HB Gross Margin</td>
<td>18.8%</td>
<td>23.3%</td>
<td>-450 bps</td>
</tr>
<tr>
<td>Adjusted HB Gross Margin (1)</td>
<td>21.3%</td>
<td>25.4%</td>
<td>-410 bps</td>
</tr>
<tr>
<td>SG&amp;A Expense (% of sales)</td>
<td>15.7%</td>
<td>13.0%</td>
<td>+270 bps</td>
</tr>
<tr>
<td>EPS (Diluted)</td>
<td>$0.05</td>
<td>$0.18</td>
<td>-72.2%</td>
</tr>
</tbody>
</table>

(1) See “Reconciliation of Non-GAAP Measures” in the appendix of this presentation
(2) Backlog (units) figures are as of March 31, 2017 and 2016, respectively
Active Selling Communities and Absorption Rate
As of and for the quarters ended March 31, 2016 and 2017

Active Selling Communities by State
As of March 31, 2017

Opened 14 new communities and closed 15 in 1Q17

- California: 33%
- Texas: 26%
- Arizona: 14%
- Nevada: 10%
- Maryland: 6%
- Colorado: 4%
- Virginia: 2%
- Washington: 5%
New Home Orders – Q1 2017 Results

**New Home Orders**
*For the quarters ended March 31, 2016 and 2017*

- **2016:** 1,149
- **2017:** 1,299

Increase 13% YOY

**New Home Orders by State**
*For the quarter ended March 31, 2017*

- California: 43%
- Arizona: 14%
- Texas: 12%
- Virginia: 4%
- Colorado: 4%
- Nevada: 9%
- Maryland: 5%
- Washington: 9%

Increase 13% YOY
Backlog – Units and Dollar Value – Q1 2017 Results

Backlog – Units and Dollar Value
As of March 31, 2016 and 2017 (dollars in thousands)

Backlog Dollar Value by State
As of March 31, 2017

Arizona 15%
California 42%
Maryland 7%
Nevada 6%
Colorado 5%
Texas 11%
Virginia 11%
Washington 11%

$581K $585K 
Average Sales Price in Backlog
New Home Deliveries – Q1 2017 Results

New Home Deliveries
As of and for the quarters ended March 31, 2016 and 2017

- 2016: 771
- 2017: 758

Decrease 2% YOY

Backlog Conversion Ratio:
- 67% for 2016
- 64% for 2017

New Home Deliveries by State
For the quarter ended March 31, 2017

- California: 39%
- Arizona: 16%
- Texas: 14%
- Nevada: 10%
- Colorado: 4%
- Maryland: 6%
- Virginia: 3%
- Washington: 8%
Home Sales Revenue – Q1 2017 Results

Home Sales Revenue
For the quarters ended March 31, 2016 and 2017 (dollars in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Home Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$423,055</td>
</tr>
<tr>
<td>2017</td>
<td>$392,004</td>
</tr>
</tbody>
</table>

Decrease 7% YOY

Home Sales Revenue by State
For the quarter ended March 31, 2017

- California: 44%
- Arizona: 13%
- Texas: 13%
- Colorado: 4%
- Nevada: 7%
- Maryland: 6%
- Virginia: 3%
- Washington: 10%

Average Sales Price of Deliveries

- $549K
- $517K
SG&A Expenses, Income before Taxes and Net Income – Q1 2017 Results

**Selling General and Administrative Expenses**
For the quarters ended March 31, 2016 and 2017 (dollars in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>SG&amp;A</th>
<th>S&amp;M</th>
<th>Incl</th>
<th>G&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$54,852</td>
<td>$26,321</td>
<td>$26,700</td>
<td>$28,531</td>
</tr>
<tr>
<td>2017</td>
<td>$61,349</td>
<td>$26,000</td>
<td>$26,700</td>
<td>$28,531</td>
</tr>
</tbody>
</table>

Increase 12% YOY

13.0% 15.7%

SG&A as a % of Home Sales Revenue

**Income before Taxes, Net Income available to Common Stockholders and EPS (Diluted)**
For the quarters ended March 31, 2016 and 2017 (dollars in thousands except EPS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Inc Before Taxes</th>
<th>Net Income</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$44,200</td>
<td>$12,831</td>
<td>$0.05</td>
</tr>
<tr>
<td>2017</td>
<td>$28,550</td>
<td>$8,193</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

Dec 71% YOY
Orders, Deliveries and Absorption Rate year over year comparisons for the First Quarter 2017 by Segment

(Includes breakout by state for Pardee Homes and TRI Pointe Homes brands)
Orders, Deliveries and Absorption Rate
For the quarters ended March 31, 2016 and 2017

1Q16 1Q17
Orders $395K $429K
Deliveries 115 119
Absorption 201 184
Decrease 8% YOY Increase 3% YOY

Orders, Deliveries and Absorption Rate
For the quarters ended March 31, 2016 and 2017

1Q16 1Q17
Orders $494K $633K
Deliveries 133 120
Absorption 4.7 5.3
Decrease 10% YOY Decrease 32% YOY

Average Sales Price of Deliveries
Orders, Deliveries and Absorption Rate
For the quarters ended March 31, 2016 and 2017

Orders, Deliveries and Absorption Rate
For the quarters ended March 31, 2016 and 2017

1Q16 1Q17
$498K $490K
Average Sales Price of Deliveries

Increase 24% YOY

Increase 20% YOY

115 113
67 66
2.9 3.2

Decrease 1% YOY

Decrease 2% YOY

1Q16 1Q17
$559K $524K
Average Sales Price of Deliveries
Orders, Deliveries and Absorption Rate
For the quarters ended March 31, 2016 and 2017

**California**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Orders 1Q16</th>
<th>Deliveries 1Q16</th>
<th>Absorption 1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q16</td>
<td>$664K</td>
<td>151</td>
<td>4.8</td>
</tr>
<tr>
<td>1Q17</td>
<td>$466K</td>
<td>121</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Increase 43% YOY
Decrease 20% YOY

**Average Sales Price of Deliveries**

California Increase 43% YOY
Decrease 20% YOY

**Nevada**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Orders 1Q16</th>
<th>Deliveries 1Q16</th>
<th>Absorption 1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q16</td>
<td>$328K</td>
<td>57</td>
<td>4.0</td>
</tr>
<tr>
<td>1Q17</td>
<td>$364K</td>
<td>75</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Decrease 12% YOY
Increase 32% YOY

**Average Sales Price of Deliveries**

Nevada Decrease 12% YOY
Increase 32% YOY
Orders, Deliveries and Absorption Rate
For the quarters ended March 31, 2016 and 2017

**California**

- **1Q16**
  - Orders: $697K
  - Deliveries: 163
  - Absorption: 222
  - Average Sales Price of Deliveries: $3.6
- **1Q17**
  - Orders: $640K
  - Deliveries: 178
  - Absorption: 300
  - Increase 35% YOY
  - Increase 9% YOY

**Colorado**

- **1Q16**
  - Orders: $482K
  - Deliveries: 38
  - Absorption: 43
  - Increase 23% YOY
- **1Q17**
  - Orders: $564K
  - Deliveries: 30
  - Absorption: 53
  - Decrease 21% YOY

Average Sales Price of Deliveries

- **1Q16**
  - $482K
- **1Q17**
  - $564K
2014 – 2016 Historical Results with 2017 Guidance Ranges
Average Selling Communities and Absorption Rate

As of and for the years ended December 31, 2014 through 2016 and 2017 projections

Average Selling Communities by State

For the year ended December 31, 2016

- Arizona 15%
- California 30%
- Maryland 6%
- Nevada 9%
- Colorado 4%
- Virginia 5%
- Texas 24%
- Washington 7%
- California 30%

Opened 63 new communities and closed 43 in 2016
Expect to open over 60 new communities in 2017

See Forward Looking Statement disclosure on page 2 of the presentation
New Home Orders – FY 2014 through FY 2016

**New Home Orders**  
*For the years ended December 31, 2014 through 2016*

- 2014: 2,947
- 2015: 4,181 (Increase 42% YOY)
- 2016: 4,248 (Increase 2% YOY)

**New Home Orders by State**  
*For the year ended December 31, 2016*

- California: 40%
- Arizona: 16%
- Nevada: 11%
- Washington: 8%
- Colorado: 7%
- Texas: 12%
- Virginia: 3%
- Maryland: 3%
- Increase 42% YOY
Backlog Units – FY 2014 through FY 2016

Backlog Units
For the years ended December 31, 2014 through 2016

Backlog Units by State
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Backlog Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>34%</td>
</tr>
<tr>
<td>Arizona</td>
<td>21%</td>
</tr>
<tr>
<td>Nevada</td>
<td>8%</td>
</tr>
<tr>
<td>Colorado</td>
<td>5%</td>
</tr>
<tr>
<td>Maryland</td>
<td>8%</td>
</tr>
<tr>
<td>Virginia</td>
<td>2%</td>
</tr>
<tr>
<td>Texas</td>
<td>14%</td>
</tr>
<tr>
<td>Washington</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$633K  $603K  $554K
Average Sales Price of Backlog Units

Increase 3% YOY

Increase 12% YOY

**New Home Deliveries**
*For the years ended December 31, 2014 through 2016 and 2017 projections*

![Bar chart for New Home Deliveries](image)

- **2014**: 3,100
- **2015**: Increase 31% YOY
- **2016**: Increase 4% YOY
- **2017P**: Increase 10% YOY at midpoint of the range

**New Home Deliveries by State**
*For the year ended December 31, 2016*

- **Arizona**: 15%
- **California**: 40%
- **Maryland**: 6%
- **Nevada**: 11%
- **Colorado**: 4%
- **Texas**: 11%
- **Virginia**: 4%
- **Washington**: 9%
- **California**: 40%

Guidance Range of Deliveries:
- **2014**: 3,100
- **2015**: 4,057
- **2016**: 4,211
- **2017P**: 4,800

Increase 10% YOY at midpoint of the range

Increase 4% YOY

Increase 31% YOY

See Forward Looking Statement disclosure on page 2 of the presentation
**Home Sales Revenue**

*For the years ended December 31, 2014 through 2016 and 2017 projections (dollars in thousands)*

- **2014**: $1,646
- **2015**: $2,291 (Increase 39% YOY)
- **2016**: $2,329 (Increase 2% YOY)
- **2017P**: $2,736 (Increase 14% YOY at midpoint of the range)

**Average Sales Price of Deliveries**

- **2014**: $531K
- **2015**: $565K
- **2016**: $553K
- **2017**: $570K

See Forward Looking Statement disclosure on page 2 of the presentation.

---

**Home Sales Revenue by State**

*For the year ended December 31, 2016*

- **California**: 48%
- **Arizona**: 11%
- **Texas**: 10%
- **Virginia**: 9%
- **Washington**: 9%
- **Colorado**: 4%
- **Nevada**: 8%
- **Maryland**: 6%

Guidance Range of Home Sales Revenue:

**Selling, General and Administrative Expenses**

*For the years ended December 31, 2014 through 2016 (dollars in thousands)*

<table>
<thead>
<tr>
<th>Year</th>
<th>SG&amp;A as % of Home Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.3%</td>
</tr>
<tr>
<td>2015</td>
<td>10.2%</td>
</tr>
<tr>
<td>2016</td>
<td>10.8%</td>
</tr>
<tr>
<td>2017</td>
<td>10.2%-10.4%</td>
</tr>
</tbody>
</table>

2017 Guidance Project SG&A Expense Ratio of 10.2% to 10.4% of Home Sales Revenue

**Income before Taxes, Net Income available to Common Stockholders and EPS (Diluted)**

*For the full years ended December 31, 2014 through 2016 (dollars in thousands except EPS)*

- **Inc Before Taxes**: $185,958, $233,713, $251,093, $127,964
- **Net Income**: $0, $50,000, $100,000, $150,000
- **EPS**: $0, $0.10, $0.30, $0.50

See Forward Looking Statement disclosure on page 2 of the presentation.
Second Quarter

• Expect opening 18 new communities and closing out of 14, resulting in 127 active selling communities as of June 30, 2017

• Anticipate delivering approximately 58% of the 1,734 homes in backlog as of March 31, 2017 at an average sales price of approximately $550,000

• Anticipate homebuilding gross margins for the second quarter in a range of 19.5% to 20.5%

Full Year 2017

• Expect to grow average selling communities by 10% for the full year

• Anticipate delivering between 4,500 and 4,800 homes at an average sales price of $570,000

• Anticipate generating $45 million of gross profit from land and lot sales, most of which is expected to close in the third quarter of 2017

• Anticipate homebuilding gross margins for the full year in a range of 20% to 21%

• Anticipate SG&A expense ratio for the full year to be in a range of 10.2% to 10.4% of home sales revenue

See Forward Looking Statement disclosure on page 2 of the presentation
Land Supply

Orders by Month

Debt
## Significant Land Supply to Fuel Growth

### Combined Lot Position

*As of March 31, 2017*

<table>
<thead>
<tr>
<th>Market</th>
<th>Owned</th>
<th>Controlled</th>
<th>Total Lots</th>
<th>% Owned</th>
<th>Inventory Dollars</th>
<th>LTM Deliveries</th>
<th>Implied Years of Supply (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>16,543</td>
<td>390</td>
<td>16,933</td>
<td>98%</td>
<td>$1,664,728</td>
<td>1,674</td>
<td>10.1</td>
</tr>
<tr>
<td>Colorado</td>
<td>655</td>
<td>229</td>
<td>884</td>
<td>74%</td>
<td>$105,844</td>
<td>152</td>
<td>5.8</td>
</tr>
<tr>
<td>Washington, D.C. (2)</td>
<td>1,744</td>
<td>666</td>
<td>2,410</td>
<td>72%</td>
<td>$296,965</td>
<td>419</td>
<td>5.8</td>
</tr>
<tr>
<td>Arizona</td>
<td>1,645</td>
<td>966</td>
<td>2,611</td>
<td>63%</td>
<td>$238,546</td>
<td>629</td>
<td>4.2</td>
</tr>
<tr>
<td>Nevada</td>
<td>1,821</td>
<td>399</td>
<td>2,220</td>
<td>82%</td>
<td>$280,632</td>
<td>478</td>
<td>4.6</td>
</tr>
<tr>
<td>Texas</td>
<td>1,637</td>
<td>265</td>
<td>1,902</td>
<td>86%</td>
<td>$212,809</td>
<td>492</td>
<td>3.9</td>
</tr>
<tr>
<td>Washington</td>
<td>1,089</td>
<td>711</td>
<td>1,800</td>
<td>61%</td>
<td>$246,568</td>
<td>354</td>
<td>5.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,134</td>
<td>3,626</td>
<td>28,760</td>
<td>87%</td>
<td>$3,046,092</td>
<td>4,198</td>
<td>6.9</td>
</tr>
</tbody>
</table>

Note: Dollars in thousands

(1) Based on last twelve months’ deliveries as of March 31, 2017

(2) Includes lots in the greater Washington D.C. area.

---

**Total Lots**

- California: 59%
- Washington: 6%
- Texas: 7%
- Nevada: 8%
- Arizona: 9%
- Washington, D.C. (2): 8%
- Colorado: 3%

**Inventory Dollars**

- California: 55%
- Washington, D.C. (2): 10%
- Texas: 7%
- Nevada: 9%
- Arizona: 8%
- Colorado: 3%
## Selected Balance Sheet Metrics

<table>
<thead>
<tr>
<th>$ in thousands</th>
<th>3/31/2017</th>
<th>12/31/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$128,519</td>
<td>$208,657</td>
</tr>
<tr>
<td>Real estate inventories</td>
<td>$3,046,092</td>
<td>$2,910,627</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$1,419,914</td>
<td>$1,382,033</td>
</tr>
<tr>
<td>Total Stockholders' equity</td>
<td>$1,839,174</td>
<td>$1,829,447</td>
</tr>
</tbody>
</table>

### Debt-to-capital
<table>
<thead>
<tr>
<th></th>
<th>3/31/2017</th>
<th>12/31/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt-to-capital</td>
<td>43.6%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Net debt-to-capital</td>
<td>41.3%</td>
<td>39.1%</td>
</tr>
</tbody>
</table>

- During the first quarter, the Company borrowed $50 million under its $625 million unsecured revolving credit facility.
- $370 million of availability under the unsecured revolving credit facility as of March 31, 2017

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### Senior Note Debt Maturities (in millions)

- **$450 million** in 2019
- **$300 million** in 2020
- **$450 million** in 2024

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(1) See “Reconciliation of Non-GAAP Measures” in the appendix of this presentation
Supplemental Data and Reconciliation
In this presentation, we utilize certain financial measures that are non-GAAP financial measures as defined by the Securities and Exchange Commission. We present these measures because we believe they and similar measures are useful to management and investors in evaluating the Company’s operating performance and financing structure. We also believe these measures facilitate the comparison of our operating performance and financing structure with other companies in our industry. Because these measures are not calculated in accordance with Generally Accepted Accounting Principles (“GAAP”), they may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

The following table reconciles homebuilding gross margin percentage, as reported and prepared in accordance with GAAP, to the non-GAAP measure adjusted homebuilding gross margin percentage. We believe this information is meaningful as it isolates the impact that leverage has on homebuilding gross margin and permits investors to make better comparisons with our competitors, who adjust gross margins in a similar fashion.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>%</th>
<th>2016</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home sales revenue</strong></td>
<td>$392,004</td>
<td>100.0%</td>
<td>$423,055</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Cost of home sales</strong></td>
<td>318,404</td>
<td>81.2%</td>
<td>324,499</td>
<td>76.7%</td>
</tr>
<tr>
<td><strong>Homebuilding gross margin</strong></td>
<td>73,600</td>
<td>18.8%</td>
<td>98,556</td>
<td>23.3%</td>
</tr>
<tr>
<td>Add: interest in cost of home sales</td>
<td>9,680</td>
<td>2.5%</td>
<td>8,830</td>
<td>2.1%</td>
</tr>
<tr>
<td>Add: impairments and lot option abandonments</td>
<td>288</td>
<td>0.1%</td>
<td>182</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Adjusted homebuilding gross margin</strong></td>
<td>$83,568</td>
<td>21.3%</td>
<td>$107,568</td>
<td>25.4%</td>
</tr>
<tr>
<td><strong>Homebuilding gross margin percentage</strong></td>
<td>18.8%</td>
<td>23.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted homebuilding gross margin percentage</strong></td>
<td>21.3%</td>
<td>25.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The following table reconciles the Company’s ratio of debt-to-capital to the ratio of net debt-to-capital. We believe that the ratio of net debt-to-capital is a relevant financial measure for management and investors to understand the leverage employed in our operations and as an indicator of the Company’s ability to obtain financing.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured revolving credit facility</td>
<td>$ 250,000</td>
<td>$ 200,000</td>
</tr>
<tr>
<td>Seller financed loans</td>
<td>—</td>
<td>13,726</td>
</tr>
<tr>
<td>Senior notes</td>
<td>1,169,914</td>
<td>1,168,307</td>
</tr>
<tr>
<td><strong>Total debt</strong></td>
<td>1,419,914</td>
<td>1,382,033</td>
</tr>
<tr>
<td>Stockholders’ equity</td>
<td>1,839,174</td>
<td>1,829,447</td>
</tr>
<tr>
<td><strong>Total capital</strong></td>
<td>$ 3,259,088</td>
<td>$ 3,211,480</td>
</tr>
<tr>
<td><strong>Ratio of debt-to-capital</strong>(1)</td>
<td>43.6%</td>
<td>43.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt</td>
<td>$ 1,419,914</td>
<td>$ 1,382,033</td>
</tr>
<tr>
<td>Less: Cash and cash equivalents</td>
<td>(128,519)</td>
<td>(208,657)</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1,291,395</td>
<td>1,173,376</td>
</tr>
<tr>
<td>Stockholders’ equity</td>
<td>1,839,174</td>
<td>1,829,447</td>
</tr>
<tr>
<td><strong>Total capital</strong></td>
<td>$ 3,130,569</td>
<td>$ 3,002,823</td>
</tr>
<tr>
<td><strong>Ratio of net debt-to-capital</strong>(2)</td>
<td>41.3%</td>
<td>39.1%</td>
</tr>
</tbody>
</table>

(1) The ratio of debt-to-capital is computed as the quotient obtained by dividing debt by the sum of debt plus equity.

(2) The ratio of net debt-to-capital is computed as the quotient obtained by dividing net debt (which is debt less cash and cash equivalents) by the sum of net debt plus equity.