UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20594

FORM 10-Q

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

For the Quarterly Period Ended March 31, 1999

or

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

Commission File Number 001-12822

BEAZER HOMES USA, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	58-2086934
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

5775 Peachtree Dunwoody Road, Suite B-200, Atlanta, Georgia 30342
(Address of principal executive offices) (Zip Code)

(404) 250-3420
(Registrant's telephone number, including area code)

5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342
(former address of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.

YES X NO

Class	Outstanding at May 15, 1999
Common Stock, $0.01 par value	8,566,059 shares
Series A Cumulative Convertible Exchangeable Preferred Stock, $0.01 par value	267,540 shares

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PART I. FINANCIAL INFORMATION

BEAZER HOMES USE, INC.
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	MARCH 31, 1999 (UNAUDITED)	SEPTEMBER 30, 1998
ASSETS		
Cash and cash equivalents	$ 1,558	$ 67,608
Accounts receivable	18,429	16,949
Inventory	553,015	405,095
Property, plant and equipment, net	12,893	12,332
Goodwill, net	8,451	8,853
Other assets	14,073	14,754
Total assets	$ 608,419	$ 525,591
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	$ 46,231	$ 61,942
Other payables and accrued liabilities	62,901	49,425
Revolving credit facility	75,000	---
Senior notes	215,000	215,000
Total liabilities	399,132	326,367
Stockholders' equity:		
Preferred stock (par value $.01 per share, 5,000,000 shares authorized, 427,240 and 2,000,000 issued and outstanding; $10,681 and $50,000 aggregate liquidation preference)	4	20
Common stock (par value $.01 per share, 30,000,000 shares authorized, 11,648,256 and 9,559,200 issued, 8,356,479 and 6,267,423 outstanding)	117	93
Paid in capital	193,179	192,729
Retained earnings	73,494	64,003
Unearned restricted stock	(5,524)	(5,638)
Treasury stock (3,291,777 shares)	(51,983)	(51,983)
Total stockholders' equity	209,287	199,224
Total liabilities and stockholders' equity	$ 608,419	$ 525,591

See Notes to Condensed Consolidated Financial Statements

BEAZER HOMES USE, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31,		SIX MONTHS ENDED MARCH 31,	
	1999	1998	1999	1998
Total revenue	$ 327,345	$ 221,323	$ 569,455	$ 376,949
Costs and expenses:				
Home construction and land sales	272,021	185,318	473,186	315,793
Interest	6,262	4,271	11,297	7,318
Selling, general and administrative	35,871	25,599	64,118	44,895
Operating income	13,191	6,135	20,854	8,943
Other income	(45)	51	(92)	201
Income before income taxes	13,146	6,186	20,762	9,144
Provision for income taxes	5,061	2,381	7,993	3,520
Net income	$ 8,085	$ 3,805	$ 12,769	$ 5,624
Dividends and other payments to preferred shareholders	$ 2,009	$ 1,000	$ 3,009	$ 2,000
Net income applicable to common stockholders:				
Basic	$ 6,076	$ 2,805	$ 9,760	$ 3,624
Diluted	$ 6,290	$ 3,805	$ 10,187	$ 5,624
Weighted average number of shares (in thousands):				
Basic	6,550	5,850	6,219	5,842
Diluted	7,471	8,732	7,139	6,095
Net income per common share:				
Basic	$ 0.93	$ 0.48	$ 1.57	$ 0.62
Diluted	$ 0.84	$ 0.44	$ 1.43	$ 0.59

See Notes to Condensed Consolidated Financial Statements

BEAZER HOMES USA, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	SIX MONTHS ENDED MARCH 31, 1999	SIX MONTHS ENDED MARCH 31, 1998
Cash flows from operating activities:		
Net income	$ 12,769	$ 5,624
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	2,061	1,344
Changes in operating assets and liabilities, net of effects of acquisitions		
Increase in inventory	(43,585)	(20,708)
Increase in trade accounts payable	(25,887)	(14,879)
Other changes	10,136	(11,804)
Net cash used by operating activities	(44,506)	(40,423)
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(91,800)	(16,766)
Capital expenditures	(1,472)	(2,995)
Net cash used by investing activities	(93,272)	(19,761)
Cash flows from financing activities:		
Proceeds from issuance of senior notes, net		96,433
Changes in revolving credit facility, net	75,000	(10,000)
Dividends and other payments to preferred shareholders	(3,272)	(2,000)
Net cash provided by financing activities	71,728	84,433
Increase (decrease) in cash and cash equivalents	(66,050)	24,249
Cash and cash equivalents at beginning of period	67,608	1,267
Cash and cash equivalents at end of period	$ 1,558	$ 25,516

See Notes to Condensed Consolidated Financial Statements

BEAZER HOMES USA, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Beazer Homes USA, Inc. ("Beazer" or the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Consequently, such financial statements do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. Accordingly, for further information, the reader of this Form 10-Q should refer to the audited consolidated financial statements of the Company incorporated by reference in the Company's Annual Report on Form 10-K for the year ended September 30, 1998.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the accompanying condensed financial statements.

(2) INVENTORY

A summary of inventory is as follows (dollars in thousands):

	MARCH 31, 1999	September 30, 1998
Homes under construction	$211,201	$194,566
Development projects in progress	289,880	165,218
Unimproved land held for future development	15,874	18,605
Model homes	36,060	26,706
	$553,015	$405,095

Homes under construction includes homes finished and ready for delivery and homes in various stages of construction. The Company had 195 completed homes ($28.0 million) and 208 completed homes ($30.7 million) at March 31, 1999 and September 30, 1998, respectively, that were not subject to a sales contract, not including model homes.

Development projects in progress consist principally of land and land improvement costs. Certain of the fully developed lots in this category are reserved by a deposit or sales contract.

BEAZER HOMES USA, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(3) INTEREST

The following table sets forth certain information regarding interest:

	THREE MONTHS ENDED MARCH 31,		SIX MONTHS ENDED MARCH 31,	
	1999	1998	1999	1998
During the period:				
Interest incurred	$ 7,080	$ 5,300	$ 13,019	$ 9,916
Previously capitalized interest amortized to costs and expenses	$ 6,262	$ 4,271	$ 11,297	$ 7,318
At the end of the period:				
Capitalized interest in ending inventory	$ 11,535	$ 9,453	$ 11,535	$ 9,453

(4) PREFERRED STOCK TRANSACTIONS

During the quarter ended March 31, 1999, the Company paid an aggregate of $1.2 million in cash to holders of 1,572,760 shares of its Series A Cumulative Convertible Exchangeable Preferred Stock (the "Preferred Stock") to induce those holders to convert their preferred shares into 2,063,984 common shares in accordance with the original conversion terms of the Preferred Stock. The payments were made in conjunction with individually negotiated transactions and a general inducement offer during the period.

On April 19, 1999, subsequent to additional individually negotiated transactions involving 159,700 shares of Preferred Stock (including cash payments aggregating $120,000) during April 1999, the Company called the remaining outstanding 267,540 shares of Preferred Stock for redemption on May 19, 1999 for cash (including accrued and unpaid dividends) of $26.678 per preferred share.

(5) EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Quarter Ended March 31,		Six Months Ended March 31,	
	1999	1998	1999	1998
Earnings				
Net income	$ 8,085	$ 3,805	$ 12,769	$ 5,624
Less: Dividends and other payments to preferred shareholders	2,009	1,000	3,009	2,000
Net income applicable to common shareholders	$ 6,076	$ 2,805	$ 9,760	$ 3,624
Basic:				
Net income applicable to common shareholders	$ 6,076	$ 2,805	$ 9,760	$ 3,624
Weighted average number of common shares outstanding	6,550	5,850	6,219	5,842
Basic earnings per share	$ 0.93	$ 0.48	$ 1.57	$ 0.62
Diluted:				
Net income applicable to common shareholders	$ 6,076	$ 2,805	$ 9,760	$ 3,624
Add back: Payments to preferred shareholders on shares outstanding during the entire period	214	1,000	427	n/a
Adjusted net income applicable to common shareholders	$ 6,290	$ 3,805	$ 10,187	$ 3,624
Weighted average number of common shares outstanding	6,550	5,850	6,219	5,842
Effect of dilutive securities-				
Assumed conversion of Preferred Stock outstanding during the entire period	561	2,625	561	n/a
Restricted stock	254	176	254	184
Options to acquire common stock	106	81	105	69
Diluted weighted common shares outstanding	7,471	8,732	7,139	6,095
Diluted earnings per share	$ 0.84	$ 0.44	$ 1.43	$ 0.59

The computation of diluted earnings per share for the three and six month periods ended March 31, 1999 excludes both (i) the effect of all payments (including dividends) made to preferred shareholders who converted their shares into common stock during the period and (ii) the associated assumed conversion of such Preferred Stock to common stock for the period prior to their actual conversion, as the effect is antidilutive to the computation for such periods. The computation of diluted earnings per share for the six months ended March 31, 1998 excludes the assumed conversion of 2.0 million shares of Preferred Stock into 2.6 million shares of common stock at the conversion price of $19.05 since the effect of such conversion is antidilutive for that period.

(6) CREDIT AGREEMENT

The Company maintains a revolving line of credit with a group of banks. In November 1998, the Company amended and restated the credit facility to extend the maturity and modify certain provisions, including the determination of available borrowings. The credit facility provides for up to $200 million of unsecured borrowings. Borrowings under the credit facility generally bear interest at a fluctuating rate based upon the corporate base rate of interest announced by the lead bank, the federal funds rate or LIBOR. All outstanding borrowings will be due in November 2002. The credit facility contains various operating and financial covenants. Each of the Company's significant subsidiaries is a guarantor under the credit facility.

(7) ACQUISITIONS

In December 1998, the Company acquired the assets of the homebuilding operations of Trafalgar House Property, Inc. ("THPI") for approximately $90 million in cash. The Company funded this acquisition with borrowings under the Credit Facility.The acquisition has been accounted for as a purchase and, accordingly the purchase price has been tentatively allocated to reflect the fair value of assets and liabilities acquired. Such allocation resulted principally in a reduction in inventory from THPI's historical carrying value and no residual goodwill.

The following unaudited pro forma financial data give effect to Beazer's acquisition of THPI as if it had occurred on the first day of each period presented. The pro forma financial data is provided for comparative purposes only and are not necessarily indicative of the results which would have been obtained if the THPI acquisition had been effected during the periods presented. This pro forma financial information reflects purchase accounting adjustments necessary for the acquisition, including a reduction in gross margin for homes closed in the period immediately following the acquisition date.

	Six Months Ended March 31,	
	1999	1998
Total revenues	$ 604,396	$ 449,219
Net income	13,487	5,523
Net income per share		
Basic	$ 1.68	$ 0.60
Diluted	$ 1.53	$ 0.58

In October 1998 , the Company acquired the assets of Snow Construction, Inc. in Orlando, Florida for approximately $1.8 million.

In November 1997 the Company acquired the assets of the Orlando, Florida homebuilding operations of Calton Homes of Florida, Inc. for approximately $16.8 million. The allocation of the purchase price resulted in approximately $3.9 million of goodwill.

(8) RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the FASB issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information,"("SFAS 131"). SFAS 131 will be effective for the Company's 1999 annual financial statements. The Company does not expect a significant effect on the presentation of its financial information under SFAS 131.

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133 is effective for periods beginning after June 15, 1999. The Company has not yet completed an analysis of the effect of this statement on its financial statements.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table presents certain operating and financial data for the Company (dollars in thousands):

	THREE MONTHS ENDED MARCH 31,			SIX MONTHS ENDED MARCH 31,		
	1999		1998	1999		1998
	Amount	% Change	Amount	Amount	% Change	Amount
NUMBER OF NEW ORDERS, NET OF CANCELLATIONS: (a)						
Southeast region	958	1.8 %	941	1,555	14.5 %	1,358
Southwest region	866	(18.1)	1,058	1,476	(9.5)	1,631
Central region	130	(53.2)	278	208	(44.4)	374
Mid-Atlantic region	404	n/a	-	468	n/a	-
Total	2,358	3.6	2,277	3,707	10.2	3,363
NUMBER OF CLOSINGS:						
Southeast region	708	26.2 %	561	1,243	27.4 %	976
Southwest region	725	9.4	663	1,320	16.6	1,132
Central region	128	(14.1)	149	264	(12.9)	303
Mid-Atlantic region	240	n/a	-	370	n/a	-
Total	1,801	31.2	1,373	3,197	32.6	2,411
TOTAL REVENUE:						
Southeast region	$ 118,933	30.5 %	$ 91,110	$ 206,677	31.4 %	$ 157,289
Southwest region	130,796	26.1	103,727	231,739	38.6	167,170
Central region	22,730	(14.2)	26,486	47,648	(9.2)	52,490
Mid-Atlantic region	52,785	n/a	-	78,977	n/a	-
Total	$ 325,244	47.0	$ 221,323	$ 565,041	49.9	$ 376,949
AVERAGE SALES PRICE PER HOME CLOSED:						
Southeast region	$ 168.0	3.9 %	$ 161.7	$ 166.3	3.5 %	$ 160.7
Southwest region	180.4	16.1	155.4	175.6	19.4	147.1
Central region	177.6	0.6	176.6	180.5	4.5	172.7
Mid-Atlantic region	219.9	n/a	n/a	212.9	n/a	n/a
Total	180.6	12.7	160.3	176.9	13.5	155.8

(a) New orders for the six months ended March 31, 1999 and 1998 do not include 555 and 96 homes, respectively, in backlog acquired from business acquisitions.

	MARCH 31,		
	1999		1998
	AMOUNT	% CHANGE	AMOUNT
BACKLOG UNITS AT END OF PERIOD:			
Southeast region	1,378	40.2 %	983
Southwest region	899	(8.1)	978
Central region	262	(6.1)	279
Mid-Atlantic region	583	n/a	-
Total	3,122	39.4	2,240
AGGREGATE SALES VALUE OF HOMES IN BACKLOG AT END OF PERIOD:	$ 579,332	65.4 %	$ 350,364
NUMBER OF ACTIVE SUBDIVISIONS AT END OF PERIOD:			
Southeast region	122	4.3 %	117
Southwest region	65	0.0	65
Central region	32	0.0	32
Mid-Atlantic region	42	n/a	-
Total	261	22.0	214

OVERVIEW:

Beazer Homes USA, Inc. (the "Company" and "Beazer") designs, builds and sells single family homes in the Southeast, Southwest, Central and (through its December 4, 1998 acquisition of Trafalgar House, see below) Mid-Atlantic regions of the United States. The Company's Southeast Region includes Georgia, North Carolina, South Carolina, Tennessee and Florida; its Southwest Region includes Arizona, California and Nevada; its Central Region includes Texas; and its Mid-Atlantic region includes Maryland, New Jersey and Virginia. The Company intends, subject to market conditions, to expand in its current markets and to consider entering new markets through expansion from existing markets ("satellite expansion") or through acquisitions of established regional homebuilders.

In October 1998, the Company acquired the assets of Snow Construction, Inc., in Orlando, Florida for approximately $1.8 million. On December 4, 1998 the Company acquired certain assets of the homebuilding operations of Trafalgar House Property, Inc. ("Trafalgar House") for approximately $90 million in cash.

The Company's homes are designed to appeal primarily to entry-level and first move-up home buyers, and are generally offered for sale in advance of their construction. The majority of homes are sold pursuant to standard sales contracts entered into prior to commencement of construction. Once a contract has been signed, the Company classifies the transaction as a "new order." Such sales contracts are usually subject to certain contingencies such as the buyer's ability to qualify for financing. Homes covered by such sales contracts are considered by the Company as its "backlog." The Company does not recognize revenue on homes in backlog until the sales are closed and the risk of ownership has been transferred to the buyer.

Through its subsidiary, Beazer Mortgage Corp. ("Beazer Mortgage"), the Company originates mortgages principally for homebuyers of Beazer. Beazer Mortgage does not hold or service the mortgages.

During fiscal 1998, the Company entered into a joint venture agreement with Corporacion GEO, the largest builder of affordable homes in Mexico, to build homes in the United States. The joint venture, which operates under the name Premier Communities will focus exclusively on the development, construction and sale of affordable housing throughout the U.S., initially priced between $35,000 and $55,000. The joint venture is owned 60% by Corporacion GEO and 40% by Beazer. Development has begun on Premier Communities' first community, Oasis Ranch, in El Paso, Texas. The Company does not anticipate a significant contribution from the joint venture in fiscal 1999.

NEW ORDERS AND BACKLOG: The increase in new orders for the three and six month period ended March 31, 1999 compared to the same periods in 1998 reflects post-acquisition new orders from Trafalgar House. Excluding 404 and 468 new orders from Trafalgar House for the three and six month periods ended March 31, 1999, respectively, the Company's new orders in its existing operations decreased by 14% and 4%, respectively. The decrease results primarily from comparisons to extremely strong prior year periods where new orders were up 48% and 31% for the three and six month periods ended March 31, 1998, respectively. In addition the Company has raised prices in certain markets where labor and material availability constraints have increased the length of time necessary to build a home.

The number of homes in backlog at March 31, 1999 increased 39% (13% excluding 583 homes in backlog from the acquired Trafalgar House operations). This increase is both the result of historically high opening backlog levels and strong new order volume for the three and six month periods. The increase in the dollar value of backlog at March 31, 1999 is greater than that of the number of homes in backlog as a result of a 19% increase in the average price of homes in backlog.

RESULTS OF OPERATIONS:

The following table provides additional details of revenues and certain expenses and shows certain items

expressed as a percentage of certain components of
revenues (dollars in thousands):

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998	Six Months Ended March 31, 1999	Six Months Ended March 31, 1998
DETAILS OF REVENUES AND CERTAIN EXPENSES:				
REVENUES:				
Home sales	$ 325,244	$ 211,501	$565,041	$367,102
Land and lot sales	363	8,538	1,002	8,563
Mortgage operations	3,314	2,491	5,850	2,715
Intercompany elimination - mortgage	(1,576)	(1,207)	(2,438)	(1,431)
Total revenue	$ 327,345	$221,323	$ 569,455	$ 376,949
COST OF HOME CONSTRUCTION AND LAND SALES				
Home sales	$ 273,260	$178,332	$ 474,835	$ 309,004
Land and lot sales	337	8,193	791	8,220
Intercompany elimination - mortgage	(1,576)	(1,207)	(2,438)	(1,431)
Total cost of home construction and land sales	$272,021	$ 185,318	$473,188	$315,793
SELLING, GENERAL AND ADMINISTRATIVE:				
Homebuilding operations	$ 33,778	$ 24,071	$ 60,290	$ 43,367
Mortgage origination operations	2,093	1,528	3,827	1,528
Total selling, general and administrative	$ 35,871	$ 25,599	$ 64,117	$ 44,895
CERTAIN ITEMS AS A PERCENTAGE OF REVENUES:				
AS A PERCENTAGE OF TOTAL REVENUE:				
Costs of home construction and land sales	83.1%	83.7%	83.1%	83.8%
Amortization of previously capitalized interest	1.9%	1.9%	2.0%	1.9%
Selling, general and administrative				
Homebuilding operations	10.3%	10.9%	10.6%	11.5%
Mortgage operations	0.6%	0.7%	0.7%	0.4%
AS A PERCENTAGE OF HOME SALE REVENUE:				
Costs of home construction	84.0%	84.3%	84.0%	84.2%

REVENUES: The increase in revenues for the three and six months ended March 31, 1999 compared to the same periods in 1998 is the result of increased home closings in the Company's southeast and southwest regions and 240 and 370 closings for the three and six month periods, respectively, from the Trafalgar House operations acquired in December 1998. Higher backlog levels entering the current quarter and fiscal year were the primary reason for the increase. The company's central region experienced decreases in both revenues and closings for the comparable periods, due to construction delays that resulted from limited availability of subcontractors during the period. The average price of homes closed increased in all of the Company's regions.

COST OF HOME CONSTRUCTION: The decrease in the cost of home construction as a percentage of home sales for both the three and six month period was a result of a continued strong economic environment as well as the benefits of profitability initiatives implemented over the past two years - principally design centers and mortgage origination operations.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE: The decrease in homebuilding selling, general and administrative expense as a percentage of total revenues for the quarter ended March 31, 1999 compared to the same period in the prior year is a result of higher revenues recognized on the fixed portion of such expense.

MORTGAGE ORIGINATION OPERATIONS: Beazer mortgage had pretax income of $1.2 million and $2.0 million for the quarter and six months ended March 31, 1999 compared to $963,000 and $1.2 million for the same periods in the prior year. The increase is attributable to the completion of the rollout of the Company's mortgage operations during fiscal 1998. Beazer Mortgage is now operating in substantially all of the Company's markets, other than its newly acquired Trafalgar House operations. The Company anticipates opening Beazer Mortgage branches in the acquired operations during fiscal 1999.

INCOME TAXES: The Company's effective income tax rate was 38.5% for both the three month periods ended March 31, 1999 and 1998.

BEAZER HOMES USA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND LIQUIDITY:

At March 31, 1999 the Company had $75 million of outstanding borrowings under its $200 million unsecured revolving credit facility. The Company fulfills its short-term cash requirements with cash generated from its operations and unused funds available from its unsecured revolving credit facility. Available borrowings under this credit agreement are limited to certain percentages of homes under contract, unsold homes, substantially improved lots and accounts receivable. At March 31, 1999 the Company had available additional borrowings of $109.6 million under the credit agreement.

All significant subsidiaries of Beazer Homes USA, Inc. are guarantors of the Senior Notes and are jointly and severally liable for the Company's obligations under the Senior Notes. Separate financial statements and other disclosures concerning each of the significant subsidiaries are not included, as the aggregate assets, liabilities, earnings and equity of the subsidiaries equal such amounts for the Company on a consolidated basis and separate subsidiary financial statements are not considered material to investors. The total assets, revenues and operating profit of the non-guarantor subsidiaries are in the aggregate immaterial to the Company on a consolidated basis. Neither the Credit Agreement nor the Senior Notes restrict distributions to Beazer Homes USA, Inc. by its subsidiaries.

The Company has utilized, and will continue to utilize, land options as a method of controlling and subsequently acquiring land. At March 31, 1999 the Company had 11,103 lots under option. At March 31, 1999, the Company had commitments with respect to option contracts with specific performance obligations of approximately $ 60 million. The Company expects to exercise all of its option contracts with specific performance obligations and, subject to market conditions, substantially all of its options contracts without specific performance obligations.

During the quarter ended March 31, 1999, the Company paid an aggregate of $1.2 million in cash to holders of 1,572,760 shares of its Series A Cumulative Convertible Exchangeable Preferred Stock (the "Preferred Stock") to induce those holders to convert their preferred shares into 2,063,984 common shares in accordance with the original conversion terms of the Preferred Stock. The payments were made in conjunction with individually negotiated transactions and a general inducement offer during the period.

On April 19, 1999, subsequent to additional individually negotiated transactions involving 159,700 shares of Preferred Stock (including cash payments aggregating $120,000) during April 1999, the Company called the remaining outstanding 267,540 shares of Preferred Stock for redemption on May 19, 1999 for a cash (including accrued and unpaid dividends) of $26.678 per preferred share.

Management believes that the Company's current borrowing capacity at March 31, 1999, and anticipated cash flows from the operations is sufficient to meet liquidity needs for the foreseeable future. There can be no assurance, however, that amounts available in the future from the Company's sources of liquidity will be sufficient to meet the Company's future capital needs. The amount and types of indebtedness that the Company may incur may be limited by the terms of the Indenture governing its Senior Notes and its Credit Agreement. The Company continually evaluates expansion opportunities through acquisition of established regional homebuilders and such opportunities may require the Company to seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financing and/or securities offerings.

OUTLOOK:

Beazer's record dollar backlog and the acquisition of Trafalgar House provides the Company confidence that absent significant adverse economic changes, fiscal 1999 new orders and closings will exceed those reported in fiscal 1998 and earnings will approximate $4.00 per diluted share.

YEAR 2000 COMPLIANCE AND READINESS DISCLOSURES:

GENERAL: The Company recognizes the importance of the year 2000 issue and is taking a proactive approach intended to facilitate an appropriate transition into the year 2000. This proactive approach includes the following phases:

- Allocation of Company resources to manage the approach,
- Evaluation of the Company's information technology ("IT") systems and non-IT systems that include imbedded microprocessors (together the Company's "Internal Systems'),
- Evaluation of IT and non-IT systems for principal vendors (principally subcontractors) and other service providers (together the Company's "External Systems"),
- Evaluation of risk associated with Internal and External Systems compliance efforts,
- Test all material Internal and External Systems as practicable,
- Creation of contingency plans for non-compliance of either Internal or External Systems, and
- Determination of the expected total cost of a complete state of readiness for the Company

STATE OF READINESS: The Company is in the process of implementing a series of profitability initiatives including a streamlining of all Internal Systems. These efforts include updating the hardware and software being used by a majority of the Company's employees. All such purchases contemplated future Year 2000 issues and are considered compliant. As such, the Company's Year 2000 initiative has not required substantial investments as of March 31, 1999 and the Company does not believe it will require a substantial future investment.

The Company has allocated resources to the phased approach outlined above and has completed an inventory of Internal Systems and substantially completed an inventory of External Systems to determine those that do not properly recognize dates after December 31, 1999.

The Company's principal Internal Systems include its general systems architecture (local and wide area networks), common financial system, executive information system, payroll services system and cash management system. The Company is currently operating on the latest version of each of the listed systems (excluding architecture) and has received representations from the vendors indicating that they are year 2000 compliant. The Company is in the process of evaluating the compliance of its general systems architecture. Despite the certifications from the software vendors the Company will test compliance on its principal Internal Systems during fiscal 1999.

The Company's principal External Systems include those of its subcontractors, significant raw material vendors, and general service providers such as telecommunications and power. The Company has substantially completed its evaluation of its significant subcontractors and raw material providers via inquiry. The Company has not performed its own tests on these systems, and no assurance can be given as to the compliance of these systems. Based on the information currently available, the company is not aware of any material non-compliance by its general service providers; however, the Company does not control these systems and cannot assure their compliance.

COSTS: As of March 31, 1999, less than $150,000 of outside consulting costs have been incurred related to the Company's Year 2000 initiatives. The Company will incur capital expenditures and internal staff costs as well as additional outside consulting expenditures related to this process. Based on currently available information, the Company does not expect the costs of these initiatives to exceed $500,000.

RISKS PRESENTED BY THE YEAR 2000 ISSUE: The failure by the Company to appropriately address a material Year 2000 issue within its Internal Systems, or the failure by any third party to address an External System could have a material adverse impact on the Company's financial condition, liquidity or results of operations. To date, however, the Company has not identified any material Internal or External System that presents a significant risk of not being year 2000 ready for which a suitable alternative does not exist. With continued evaluation, however, the Company may identify an Internal or External System that presents a risk for a Year 2000 disruption in operations. The homebuilding construction process by nature is a labor intensive and could operate for a limited time in a manual environment. At this time, the Company believes the most likely worst case scenario for the Company would result if there were a significant disruption in services provided by banking institutions, utility service providers, or certain government agencies which could inhibit the ability of the Company to deliver finished homes to its customers.

CONTINGENCY PLANS: The Company is in the process of identifying contingency plans that would allow for the construction and delivery of homes to customers should any of the Company's Internal or External Systems fail. These contingency plans will consist of construction and raw material scheduling arrangements and potential alternative financing options for homebuyers.

All statements relating to the Year 2000 issue made in Forms 10-K, 10-Q or Registration Statements filed by the Company with the Securities and Exchange Commission after January 1, 1996 are hereby incorporated by reference and designated as Year 2000 Readiness Disclosures.

CAUTIONARY STATEMENT PURSUANT TO SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

This quarterly report on form 10Q contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning the Company's outlook for future quarters, overall and market specific volume trends, pricing trends and forces in the industry, cost reduction strategies and their results, the Company's expectations as to funding its capital expenditures and operations during 1999, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. The forward-looking statements in this report are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. The most significant factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the following:

- Economic changes nationally or in one of the Company's local markets

- Volatility of mortgage interest rates

- Increased competition in some of the Company's local markets

- Shortages of skilled labor or raw materials used in the production of houses in one of the Company's local markets

- Increased prices for labor, land and raw materials used in the production of houses

- Increased land development cost on projects under development

- Any delays in reacting to changing consumer preference in home design

- Delays or difficulties in implementing the Company's initiatives to reduce its production and overhead cost structure

- Delays in land development or home construction resulting from adverse weather condition in one of the Company's local markets.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

On February 4, 1999, the Company held its annual meeting of shareholders. At the annual meeting, the shareholders (i) elected seven members to the Board of Directors to serve until the next annual meeting and (ii) approved the 1999 Value Created Incentive Plan. The results of the voting was as follows (based on 6,267,423 outstanding shares entitled to vote):

Election of Directors:

Name	For	Against	Withheld	Non-votes
Brian C. Beazer	5,121,684	0	26,300	0
Thomas B. Howard, Jr.	5,121,483	0	26,501	0
Ian J. McCarthy	5,121,684	0	26,300	0
George W. Mefferd	5,121,608	0	26,376	0
D. E. Mundell	5,121,684	0	26,300	0
Larry T. Solari	5,121,684	0	26,300	0
David S. Weiss	5,121,684	0	26,300	0

Approval of 1999 Value Created Incentive Plan:

For: 3,467,736 Against: 42,228 Abstain: 16,150 Non-votes: 1,621,870

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

27 Financial Data Schedule

(b) Reports on Form 8-K:

The Company filed a Current Report on Form 8-K/A (Amendment Number 2) on February 17, 1999. This report was filed to amend Item 7 (Financial Statements of Business Acquired) of the Form 8-K filed on November 10, 1998 reporting the Company's acquisition of the residential homebuilding operations of Trafalgar House Property, Inc.

SIGNATURES

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

Beazer Homes USA, Inc.

Date: May 15, 1999

By: /s/ David S. Weiss

Name: David S. Weiss
Executive Vice President and
Chief Financial Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 1999.

1,000

6-MOS
SEP-30-1999
OCT-01-1998
MAR-31-1999
1,558
0
18,429
0
553,015
0
12,093
0
608,419
0
215,000
0
4
117
209,166
608,419
569,455
569,455
484,483
548,601
92
0
0
20,762
7,993
12,769
0
0
0
12,769
1.57
1.43

The Company presents a condensed balance sheet.