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 December 31, 1996
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 incorporation or organization)	(I.R.S. employer identification no.)

5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342
(Address of principal executive offices) (Zip Code)

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

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 February 13, 1997
Common Stock, $0.01 par value	6,509,390 shares
Series A Cumulative Convertible Exchangeable Preferred Stock, $0.01 par value	2,000,000 shares

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BEAZER HOME USA, INC.
FORM 10-Q

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PART I. FINANCIAL INFORMATION

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

	DECEMBER 31, 1996 (UNAUDITED)	SEPTEMBER 30, 1996
ASSETS		
Cash and cash equivalents	$ 3,178	$ 12,942
Accounts receivable	3,494	6,473
Inventory	347,627	320,969
Property, plant and equipment, net	3,030	2,823
Goodwill, net	6,069	6,204
Other assets	9,481	7,232
Total assets	$ 372,879	$ 356,643
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	$ 20,917	$ 31,431
Other payables and accrued liabilities	20,303	31,511
Revolving credit facility	37,000	---
Senior notes	115,000	115,000
Total liabilities	193,220	177,942
Stockholders' equity:		
Preferred stock (par value $.01 per share, 5,000,000 shares authorized, 2,000,000 issued and outstanding; $50,000 aggregate liquidation preference)	20	20
Common stock (par value $.01 per share, 30,000,000 shares authorized, 9,297,117 issued, 6,509,390 and 6,530,933 outstanding)	93	93
Paid in capital	187,477	187,477
Retained earnings	39,290	37,613
Unearned restricted stock	(1,376)	(1,446)
Less treasury stock, at cost (2,830,567 and 2,774,267 shares)	(45,845)	(45,056)
Total stockholders' equity	179,659	178,701
Total liabilities and stockholders' equity	$ 372,879	$ 356,643

See Notes to Condensed Consolidated Financial Statements

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

	THREE MONTHS ENDED DECEMBER 31, 1996	THREE MONTHS ENDED DECEMBER 31, 1995
Total revenue	$ 161,083	$ 158,230
Costs and expenses:		
Home construction and land sales	135,371	133,337
Interest	2,740	3,131
Selling, general and administrative	18,773	16,929
Operating income	4,199	4,833
Other income	190	---
Income before income taxes	4,389	4,833
Provision for income taxes	1,712	1,933
Net income	$ 2,677	$ 2,900
Preferred dividends	$ 1,000	1,000
Net income applicable to common stockholders	$ 1,677	$ 1,900
Weighted average number of shares outstanding	6,457,686	6,524,618
Net income per common share	$ 0.26	$ 0.29

See Notes to Condensed Consolidated Financial Statements

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

	THREE MONTHS ENDED DECEMBER 31,	
	1996	1995
Cash flows from operating activities:		
Net income	$ 2,677	$ 2,900
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	408	410
Changes in operating assets and liabilities, net of effects of acquisitions	(47,670)	(48,340)
Net cash used by operating activities	(44,585)	(45,030)
Cash flows from investing activities:		
Capital expenditures	(390)	(508)
Net cash used by investing activities	(390)	(508)
Cash flows from financing activities:		
Proceeds from revolving credit facility, net	37,000	10,000
Treasury stock purchased	(789)	---
Dividend paid on preferred stock	(1,000)	(1,000)
Net cash provided by financing activities	35,211	9,000
(Decrease) in cash and cash equivalents	(9,764)	(36,538)
Cash and cash equivalents at beginning of period	12,942	40,407
Cash and cash equivalents at end of period	$ 3,178	$ 3,869

See Notes to Condensded Consolidated Financial Statements

NOTES TO 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, and 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 for the year ended September 30, 1996 incorporated by reference in the Company's Annual Report on Form 10-K.

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):

	DECEMBER 31, 1996 (unaudited)	SEPTEMBER 30, 1996
Finished homes	$ 63,682	$ 64,709
Development projects in progress	218,820	197,984
Unimproved land held for future development	35,410	34,040
Model homes	29,715	24,236
	$ 347,627	$ 320,969

Development projects in progress consist principally of land, land improvement costs and, if applicable, construction costs for houses which are in various stages of development but not ready for sale. Certain of the finished homes in inventory are reserved by a deposit or sales contract.

(3) INTEREST

The following table sets forth certain information regarding interest (dollars in thousands):

	THREE MONTHS ENDED DECEMBER 31, (unaudited)	
	1996	1995
During the period:		
Interest incurred	$ 3,181	$ 3,144
Previously capitalized interest amortized to costs and expenses	$ 2,740	$ 3,131
At the end of the period:		
Capitalized interest in ending inventory	$ 5,994	$ 6,483

(4) EARNINGS PER SHARE

The computation of primary earnings per common share is based upon the weighted average number of common shares outstanding during the period plus (in periods in which they have a dilutive effect) the effect of common stock equivalents, primarily from stock options. Common share equivalents are computed using the treasury stock method.

Fully diluted earnings per share, which further assumes the conversion of 2.0 million shares of Series A Cumulative Convertible Exchangeable Preferred Stock ($50.0 million aggregate liquidation preference) issued in August 1995 into 2.6 million shares of common stock at the conversion price of $19.05, is not presented in the accompanying condensed consolidated statements of operations for the three month periods ended December 31, 1996 and 1995 since the effect of such conversion is antidilutive for such periods.

(5) CREDIT AGREEMENT

In October 1996, the Company entered into a $150 million unsecured, revolving credit agreement (the "Credit Agreement") with a group of banks to replace the previous $80 million credit agreement. Borrowings under the Credit Agreement generally bear interest at a fluctuating rate equal to (i) the sum of a specified margin PLUS the higher of (a) the corporate base rate of interest announced by the lead bank (the "Agent") from time to time or (b) a specified spread above the Federal Funds Rate or (ii) the sum of a specified margin plus a rate of interest based on LIBOR determined by the Agent pursuant to a specified formula. All outstanding indebtedness under the Credit Agreement will be due in October 1999. The Credit Agreement contains various operating and financial covenants. Each of the Company's significant subsidiaries is a guarantor under the Credit Agreement.

(6) RECENT ACCOUNTING PRONOUNCEMENTS

In October 1995, the Financial Accounting Standards Board issued Statement No. 123, "Accounting for Stock-Based Compensation, ("SFAS 123"). SFAS 123 encourages, but does not require companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. The Company will disclose the pro-forma impact of full adoption of SFAS 123 in its financial statements for the fiscal year ending September 30, 1997.

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):

Operating and Financial Data

	THREE MONTHS ENDED DECEMBER 31, 1996	% CHANGE	THREE MONTHS ENDED DECEMBER 31, 1995
NUMBER OF NEW ORDERS, NET OF CANCELLATIONS (1):			
Southeast Region	369	(15.4)%	436
Southwest Region	545	(21.5)	694
Central Region	120	122.2	54
Total	1,034	(12.7)	1,184
NUMBER OF CLOSINGS:			
Southeast Region	378	(18.9)%	466
Southwest Region	600	0.8	595
Central Region	135	136.8	57
Other Markets		n/m	1
Total	1,113	(0.5)	1,119
TOTAL REVENUE:			
Southeast Region	$ 64,069	(2.9)%	$ 65,970
Southwest Region	76,144	(8.6)	83,319
Central Region	20,870	138.4	8,756
Other Markets		n/m	185
Total	$ 161,083	1.8	$ 158,230
AVERAGE SALES PRICE PER HOME CLOSED:			
Southeast Region	$ 169.5	19.7%	$ 141.6
Southwest Region	126.9	(9.4)	140.0
Central Region	154.6	0.7	153.6
Other Markets		n/m	185.0
Total	$ 144.7	2.3	$ 141.4
BACKLOG UNITS AT END OF PERIOD:			
Southeast Region	571	(15.8)%	678
Southwest Region	625	(34.2)	950
Central Region	151	202.0	50
Total	1,347	(19.7)	1,678
AGGREGATE SALES VALUE OF HOMES IN BACKLOG AT END OF PERIOD:	$ 198,265	(14.7)%	$ 232,367
NUMBER OF ACTIVE SUBDIVISIONS:			
Southeast Region	86	(5.5)%	91
Southwest Region	45	(22.4)	58
Central Region	31	121.4	14
Total	162	(0.6)	163

n/m Percentage change not meaningful

(1)   New orders for the three months ended December 31, 1995 do not include 129 homes in backlog acquired from Del Mar Development, Inc.

OVERVIEW:

Beazer Homes USA, Inc. (the "Company" or "Beazer") designs, builds and sells single family homes in the Southeast, Southwest and Central 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 and its Central Region includes Texas. 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.

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.

The Company began offering mortgage origination services for its local homebuilders through branch offices of Beazer Mortgage Corp. ("Beazer Mortgage") during 1996. Beazer Mortgage originates and processes mortgages on behalf of third-party investors, but does not retain or service the mortgages that it originates. Beazer Mortgage currently has branch offices in Georgia, North Carolina and Texas, and anticipates having branch offices open in nearly all of the Company's markets by the end of calendar year 1997. The results of operations for Beazer Mortgage were not significant for the quarter ended December 31, 1996.

NEW ORDERS AND BACKLOG: The Company believes the decreased volume of new orders for the three months ended December 31, 1996 compared to the same period in 1995 is the result of decreased active subdivision counts in several key markets, and comparisons against an unusually strong first quarter of fiscal 1996. In light of the volatility in certain economic factors during mid to late 1996, including unstable interest rates and escalating land prices in many of our markets, the Company did not aggressively expand into new subdivisions and worked to close out existing subdivisions in the later stages of their life cycles. As such, the Company's active subdivision counts decreased by 30 from the preceding quarter ended September 30, 1996 with the greatest decreases in Arizona (10 projects) and North Carolina (7 projects). In comparison, favorable economic indicators in 1995 stimulated the Company's expansion into new subdivisions resulting in a Company record for new order activity for the first quarter of fiscal 1996. The Company anticipates active subdivision levels to increase during the second fiscal quarter of 1997.

The decrease in backlog units at December 31, 1996 compared to December 31, 1995 is attributable to the decreased level of order growth experienced during the quarter and is consistent with such decreases in each of the Company's individual markets. Additionally, the higher unit backlog levels at December 31, 1995 include

129 units in backlog acquired during the quarter in connection with a bulk land acquisition in Arizona. The aggregate sales value of homes in backlog decreased significantly from the comparable period reflecting the decreased units in backlog, however the average price of homes in backlog increased reflecting the increase in backlog units in Texas and Florida, markets with average sales prices historically higher than the overall Company average.

RESULTS OF OPERATIONS:

The following table shows certain items in the Company's statements of income expressed as a percentage of total revenue.

	Three Months Ended December 31,	
	1996	1995
Total revenue	100.0%	100.0%
Costs of home construction and land sales	84.0	84.3
Interest	1.7	2.0
Selling, general and administrative	11.7	10.7
Operating income	2.6	3.1

REVENUES: The Company experienced decreased revenues for the three months ended December 31, 1996 compared to the same period in 1995 in the Southeast and Southwest region, which was more than offset by increased revenues for the same periods in the Central region. The total level of revenue growth is the result of a 0.5% decrease in the number of homes closed, and 2.4% increase in the average price per home closed for the comparative three month periods. The Southeast Region's average price per home closed increased for the three month period ended December 31, 1996 in comparison to the same period in 1995, reflecting primarily the increase in the percentage of total homes closed in the region from the Company's Florida operations, which have historically had higher average sales prices than the overall Company average. The average price per home closed has decreased from the comparable period in the Southwest Region, reflecting continued success in the first-time buyer market, especially in Arizona. The average sales price in the Company's Central Region for the first fiscal quarter of 1997 remained consistent with the same period in the prior year.

COST OF HOME CONSTRUCTION AND LAND SALES: Cost of home construction and land sales as a percentage of revenues decreased slightly for the three months ended December 31, 1996 compared to the same period in 1995. This decrease is largely attributable to decreases in the hard construction costs (material and labor) and early efficiencies gained as a result of various profitability initiatives implemented during fiscal 1996.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE: Selling, general and administrative expenses increased significantly as a percentage of total revenues for the three months ended December 31, 1996 compared to the prior year period. This increase can be attributed to the costs of initial implementation of the profitability initiatives discussed previously (such as initial set up of mortgage origination operations and design centers as well as certain systems development costs) as well as a higher overhead base in certain key markets that the Company anticipates will provide higher closing volumes in the subsequent quarters including the Arizona, Texas and Florida markets.

AMORTIZATION OF PREVIOUSLY CAPITALIZED INTEREST: Amortization of previously capitalized interest expense as a percentage of revenues for the three months ended December 31, 1996 is less than the comparable period in 1995 as a result of reduced interest incurred and capitalized during 1996.

INCOME TAXES: The decrease in the Company's effective income tax rate from 40% at December 31, 1995 to 39% at December 31, 1996 is principally the result of a reduction in the overall state effective income tax rate.

FINANCIAL CONDITION AND LIQUIDITY:

In October 1996, the Company entered into a $150 million unsecured, revolving credit agreement (the "Credit Agreement") with a group of banks to replace a similar $80 million unsecured, revolving credit agreement the Company has utilized since January 1995. The Credit Agreement is used primarily to fund seasonal working capital needs. The Company's debt to total capitalization ratio at December 31, 1996 was 45.8%.

At December 31, 1996, the Company had $37 million of borrowings outstanding under the Credit Agreement, and had available additional borrowings of $49 million. Available borrowings under the Credit Agreement are limited to a Borrowing Base, as defined in the Credit Agreement, based upon certain percentages of homes under contract, unsold homes, substantially improved lots and accounts receivable.

The Company has utilized, and will continue to utilize, land options as a method of controlling and subsequently acquiring land. At December 31, 1996, the Company had 9,370 lots under option. At December 31, 1996, the Company had commitments with respect to option contracts with specific performance obligations of approximately $57.4 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.

In August 1995, the Company sold 2,000,000 shares of its Series A Cumulative Convertible Exchangeable Preferred Stock. The Preferred Stock pays dividends quarterly at an annual rate of 8% (aggregating $4 million annually).

In June 1996, the Company's Board of Directors approved a stock repurchase plan authorizing the repurchase of up to 10% of the Company's currently outstanding common stock (the "Stock Repurchase Plan"). Such repurchases, if completed, would be effected at various prices from time to time in the open market. The timing of the purchase and the exact number of shares will depend on market conditions. Through December 31, 1996 the Company had purchased 81,300 shares for an aggregate purchase price of approximately $1,138,000.

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 these 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.

Management believes that the Company's current borrowing capacity, cash on hand at December 31, 1996, 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.

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

This quarterly report on Form 10-Q 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 1997, 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

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

- 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.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

11 Statement Regarding Computation of Per Share Earnings

27 Financial Data Schedule

(b) Reports on Form 8-K:

The Company did not file any reports on Form 8-K during the quarter ended December 31, 1996.

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:	February 13, 1997	By:	/s/ David S. Weiss
		Name:	David S. Weiss Executive Vice President and Chief Financial Officer

EXHIBIT 11

BEAZER HOMES USA, INC.

STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Quarter Ended December 31, 1996	Quarter Ended December 31, 1995
Primary:		
Earnings		
Net income	$2,677	$2,900
Less: Dividend on preferred shares	1,000	1,000
Net income applicable to common shares	$1,677	$1,900
Shares		
Weighted average number of unrestricted common shares outstanding	6,310,308	6,376,100
Weighted average number of restricted common shares outstanding, net	140,212	87,256
Dilutive effect of outstanding options as determined by the application of the treasury stock method	7,166	64,554
Weighted average number of shares outstanding, as adjusted	6,457,686	6,527,910
Primary net income per share	$0.26	$0.29

Note: Fully diluted earnings per share, which further assumes the conversion of 2.0 million shares of Series A Cumulative Convertible Exchangeable Preferred Stock issued in August 1995 into 2.6 million shares of common stock at the conversion price of $19.05, is not presented since the effect of such conversion is antidilutive.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED DECEMBER 31, 1996
AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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PROPERTY, PLANT AND EQUIPMENT IS PRESENTED NET OF ACCUMULATED DEPRECIATION
THE COMPANY PRESENTS CONDENSED FINANCIAL STATEMENTS.