

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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2000

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 (I.R.S. employer
incorporation or organization) 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)

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 5, 2000

Common Stock, \$0.01 par value 8,473,872 shares

BEAZER HOMES USA, INC.
FORM 10-Q

INDEX

	Page No.

PART I	
FINANCIAL INFORMATION	
Item 1	
Financial Statements	
Condensed Consolidated Balance Sheets, March 31, 2000 (unaudited) and September 30, 1999	3
Unaudited Condensed Consolidated Statements of Operations, Three and Six Months Ended March 31, 2000 and 1999	4
Unaudited Condensed Consolidated Statements of Cash Flows, Six Months Ended March 31, 2000 and 1999	5
Notes to Unaudited Condensed Consolidated Financial Statements	6
Item 2	
Management's Discussion and Analysis of Financial Condition and Results of Operations	9
PART II	
OTHER INFORMATION	16
Item 6	
Exhibits and Reports on Form 8-K	
SIGNATURES	17

PART I. FINANCIAL INFORMATION

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

	MARCH 31, 2000 ----- (UNAUDITED)	SEPTEMBER 30, 1999 -----
ASSETS		
Cash	\$ 6,305	\$ --
Accounts receivable	13,301	21,416
Inventory	611,604	532,559
Property, plant and equipment, net	12,995	13,102
Goodwill, net	7,651	8,051
Other assets	21,947	19,440
	-----	-----
Total assets	\$ 673,803 =====	\$ 594,568 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 46,647	\$ 45,984
Other payables and accrued liabilities	74,688	98,922
Revolving credit facility	95,000	--
Senior notes	215,000	215,000
	-----	-----
Total liabilities	431,335	359,906
Stockholders' equity:		
Preferred stock (par value \$.01 per share, 5,000,000 shares authorized, no shares issued and outstanding)	--	--
Common stock (par value \$.01 per share, 30,000,000 shares authorized, 12,216,242 issued, 8,424,215 and 8,924,465 outstanding)	123	123
Paid in capital	194,528	194,528
Retained earnings	113,831	97,488
Unearned restricted stock	(4,810)	(5,494)
Treasury stock (3,792,027 and 3,291,777 shares)	(61,204)	(51,983)
	-----	-----
Total stockholders' equity	242,468	234,662
	-----	-----
Total liabilities and stockholders' equity	\$ 673,803 =====	\$ 594,568 =====

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 MARCH 31,		SIX MONTHS ENDED MARCH 31,	
	2000	1999	2000	1999
	----	----	----	----
Total revenue	\$ 332,961	\$ 327,345	\$ 641,706	\$ 569,455
Costs and expenses:				
Home construction and land sales	275,723	272,021	531,471	473,186
Interest	6,072	6,262	11,595	11,297
Selling, general and administrative	36,187	35,871	70,460	64,118
	-----	-----	-----	-----
Operating income	14,979	13,191	28,180	20,854
Other expense	(510)	(45)	(1,388)	(92)
	-----	-----	-----	-----
Income before income taxes	14,469	13,146	26,792	20,762
Provision for income taxes	5,643	5,061	10,449	7,993
	-----	-----	-----	-----
Net income	\$ 8,826	\$ 8,085	\$ 16,343	\$ 12,769
	=====	=====	=====	=====
Dividends and other payments to preferred shareholders	\$ --	\$ 2,009	\$ --	\$ 3,009
Net income applicable to common stockholders:				
Basic	\$ 8,826	\$ 6,076	\$ 16,343	\$ 9,760
Diluted	\$ 8,826	\$ 6,290	\$ 16,343	\$ 10,187
Weighted average number of shares (in thousands):				
Basic	8,308	6,550	8,403	6,219
Diluted	8,619	7,471	8,710	7,139
Net income per common share:				
Basic	\$ 1.06	\$ 0.93	\$ 1.94	\$ 1.57
Diluted	\$ 1.02	\$ 0.84	\$ 1.88	\$ 1.43

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,	
	2000	1999
	-----	-----
Cash flows from operating activities:		
Net income	\$ 16,343	\$ 12,769
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	3,493	2,061
Changes in operating assets and liabilities, net of effects of acquisitions		
Increase in inventory	(79,045)	(43,585)
Increase (decrease) in trade accounts payable	663	(25,887)
Other changes	(18,384)	10,136
Net cash used by operating activities	----- (76,930)	----- (44,506)
Cash flows from investing activities:		
Acquisitions, net of cash acquired	--	(91,800)
Capital expenditures	(2,296)	(1,472)
Net cash used by investing activities	----- (2,296)	----- (93,272)
Cash flows from financing activities:		
Changes in revolving credit facilities, net	95,000	75,000
Dividends and other payments to preferred shareholders	--	(3,272)
Common stock repurchases	(9,221)	--
Debt issuance costs	(248)	--
Net cash provided by financing activities	----- 85,531	----- 71,728
Increase (decrease) in cash and cash equivalents	6,305	(66,050)
Cash and cash equivalents at beginning of period	--	67,608
Cash and cash equivalents at end of period	----- \$ 6,305 =====	----- \$ 1,558 =====

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") 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. Such financial statements do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation have been included in the accompanying condensed financial statements. For further information, refer to our audited consolidated financial statements incorporated by reference in our Annual Report on Form 10-K for the year ended September 30, 1999.

(2) INVENTORY

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

	MARCH 31, 2000 -----	SEPTEMBER 30, 1999 -----
Homes under construction.....	\$286,508	\$253,031
Development projects in progress.....	279,863	235,077
Unimproved land held for future development.....	6,660	4,539
Model homes.....	38,573	39,912
	-----	-----
	\$611,604	\$532,559
	=====	=====

Homes under construction includes homes finished and ready for delivery and homes in various stages of construction. We had 194 completed homes (\$31.7 million) and 162 completed homes (\$27.1 million) at March 31, 2000 and September 30, 1999, respectively, that were not subject to a sales contract, excluding 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.

(3) INTEREST

The following table sets forth certain information regarding interest:

	THREE MONTHS ENDED MARCH 31,		SIX MONTHS ENDED MARCH 31,	
	2000 ----	1999 ----	2000 ----	1999 ----
During the period:				
Interest incurred	\$ 7,659	\$ 7,080	\$14,290	\$13,019
Previously capitalized interest amortized to costs and expenses	\$ 6,072	\$ 6,262	\$11,595	\$11,297
At the end of the period:				
Capitalized interest in ending inventory	\$13,183	\$11,535	\$13,183	\$11,535

BEAZER HOMES USA, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(4) PREFERRED STOCK TRANSACTIONS

During 1999, we paid \$1.3 million in cash to holders of 1,732,460 shares of our Series A Cumulative Convertible Exchangeable Preferred Stock (the "Preferred Stock") to induce those holders to convert their preferred shares into 2,273,564 common shares. We also called the remaining outstanding Preferred Stock for redemption, of which 265,376 shares were voluntarily converted into 348,406 common shares and the remaining 2,164 shares of Preferred Stock were redeemed for cash (including accrued and unpaid dividends) at \$26.678 per preferred share. We currently have no shares of Preferred Stock outstanding.

(5) EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows (dollars in thousands, except per share amounts):

	QUARTER ENDED MARCH 31,		SIX MONTHS ENDED MARCH 31,	
	2000	1999	2000	1999
Earnings				
Net income	\$ 8,826	\$ 8,085	\$16,343	\$12,769
Less: Dividends and other payments to preferred shareholders	-	2,009	-	3,009
Net income applicable to common shareholders	\$ 8,826	\$ 6,076	\$16,343	\$ 9,760
BASIC:				
Net income applicable to common shareholders	\$ 8,826	\$ 6,076	\$16,343	\$ 9,760
Weighted average number of common shares outstanding	8,308	6,550	8,403	6,219
Basic earnings per share	\$ 1.06	\$ 0.93	\$ 1.94	\$ 1.57
DILUTED:				
Net income applicable to common shareholders	\$ 8,826	\$ 6,076	\$16,343	\$ 9,760
Add back: Certain payments to preferred shareholders	-	214	-	427
Adjusted net income applicable to common shareholders	\$ 8,826	\$ 6,290	\$16,343	\$10,187
Weighted average number of common shares outstanding	8,308	6,550	8,403	6,219
Effect of dilutive securities-				
Assumed conversion of Preferred Stock	-	561	-	561
Restricted stock	262	254	262	254
Options to acquire common stock	49	106	45	105
Diluted weighted common shares outstanding	8,619	7,471	8,710	7,139
Diluted earnings per share	\$ 1.02	\$ 0.84	\$ 1.88	\$ 1.43

BEAZER HOMES USA, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(6) CREDIT AGREEMENT

We maintain a revolving line of credit with a group of banks. During December 1999, we amended the credit facility and added two banks to the group, increasing the facility from \$200 million to \$250 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 are due in November 2002. The credit facility contains various operating and financial covenants. Each of our significant subsidiaries is a guarantor under the credit facility.

(7) ACQUISITIONS

In December 1998, we acquired the assets of the homebuilding operations of Trafalgar House Property, Inc. ("THPI") for approximately \$90 million in cash. We funded this acquisition with borrowings under the Credit Facility. We accounted for the acquisition as a purchase and allocated the purchase price 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.

(8) TREASURY STOCK REPURCHASE PROGRAM

In November 1999, our Board of Directors approved a stock repurchase plan authorizing the purchase of up to 500,000 shares of our outstanding common stock. During the six months ended March 31, 2000, we completed the plan and repurchased 500,000 shares for an aggregate purchase price of \$9.2 million.

(9) RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133 (as now amended) is effective for fiscal years beginning after June 15, 2000. We have not yet completed an analysis of the effect of this standard on our financial statements.

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

OVERVIEW:

GENERAL:

HOMEBUILDING: We design, build and sell single family homes in the following states:

SOUTHEAST	SOUTHWEST	CENTRAL	MID-ATLANTIC
Florida Georgia North Carolina South Carolina Tennessee	Arizona California Nevada	Texas	Maryland New Jersey Pennsylvania Virginia

We intend, subject to market conditions, to expand in our current markets and to consider entering new markets either through expansion from existing markets or through acquisitions of established regional homebuilders.

Most of our homes are designed to appeal to entry-level and first time move-up homebuyers, and are generally offered for sale in advance of their construction. Once a sales contract has been signed, the transaction is considered a "new order." Homes covered by these sales contracts are considered "backlog." We do not recognize revenue on homes in backlog until the sales are closed and the risk of ownership has been transferred to the buyer.

ANCILLARY BUSINESSES: We provide mortgage origination services for our homebuyers through Beazer Mortgage Corp. Beazer Mortgage originates, processes and sells mortgages to third party investors. Beazer Mortgage Company does not retain or service the mortgages that it originates. During fiscal 1999 we began providing title insurance services in certain markets through Homebuilders Title Services, Inc. We will continue to evaluate opportunities to provide other ancillary services to our homebuyers.

JOINT VENTURE IN AFFORDABLE HOUSING: We have a minority interest in a joint venture with Corporacion GEO S.A.CV, 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, focuses exclusively on the development, construction and sale of affordable housing throughout the U.S.

VALUE CREATED: We evaluate our financial performance using VALUE CREATED, a variation of economic profit or economic value added. VALUE CREATED measures the extent to which we beat our cost of capital. Most of our employees receive incentive compensation based upon a combination of VALUE CREATED and the change in VALUE CREATED. We believe that our VALUE CREATED system encourages managers to act like owners, rewards profitable growth and focuses attention on long-term loyalty and performance.

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

RESULTS OF OPERATIONS:

	THREE MONTHS ENDED MARCH 31,			SIX MONTHS ENDED MARCH 31,		
	2000		1999	2000		1999
	AMOUNT	% CHANGE	AMOUNT	AMOUNT	% CHANGE	AMOUNT
NUMBER OF NEW ORDERS, NET OF CANCELLATIONS: (a)						
Southeast region	990	3.3%	958	1,527	(1.8)%	1,555
Southwest region	981	13.3	866	1,601	8.5	1,476
Central region	200	53.8	130	288	38.5	208
Mid-Atlantic region	368	(8.9)	404	628	34.2	468
Total	2,539	7.7	2,358	4,044	9.1	3,707
NUMBER OF CLOSINGS:						
Southeast region	664	(6.2)%	708	1,215	(2.3)%	1,243
Southwest region	706	(2.6)	725	1,391	5.4	1,320
Central region	129	0.8	128	251	(4.9)	264
Mid-Atlantic region	250	4.2	240	503	35.9	370
Total	1,749	(2.9)	1,801	3,360	5.1	3,197
TOTAL HOMEBUILDING REVENUE:						
Southeast region	\$107,690	(9.5)%	\$118,933	\$202,943	(1.8)%	\$206,677
Southwest region	139,325	6.5	130,796	272,222	17.5	231,739
Central region	24,849	9.3	22,730	46,945	(1.5)	47,648
Mid-Atlantic region	53,748	1.8	52,785	107,086	35.6	78,977
Total	\$325,612	0.1	\$325,244	\$629,196	11.4	\$565,041
AVERAGE SALES PRICE PER HOME CLOSED:						
Southeast region	\$ 162.2	(3.5)%	\$ 168.0	\$ 167.0	0.5%	\$ 166.3
Southwest region	197.3	9.4	180.4	195.7	11.5	175.6
Central region	192.6	8.5	177.6	187.0	3.6	180.5
Mid-Atlantic region	215.0	(2.2)	219.9	212.9	(0.3)	213.5
Total	186.2	3.1	180.6	187.3	6.0	176.7

(a) New orders for the six months ended March 31, 1999 do not include 555 homes in backlog acquired in a business acquisition.

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

RESULTS OF OPERATIONS (Continued):

	MARCH 31,		
	2000		1999
	AMOUNT	%	AMOUNT
	-----	-----	-----
BACKLOG UNITS AT END OF PERIOD:			
Southeast region	1,311	(4.9)%	1,378
Southwest region	996	10.8	899
Central region	243	(7.3)	262
Mid-Atlantic region	692	18.7	583
	-----		-----
Total	3,242	3.8	3,122
	=====		=====
AGGREGATE SALES VALUE OF HOMES IN BACKLOG AT END OF PERIOD:	\$635,328	9.7%	\$579,332
	=====		=====
NUMBER OF ACTIVE SUBDIVISIONS AT END OF PERIOD:			
Southeast region	114	(6.6)%	122
Southwest region	68	4.6	65
Central region	25	(21.9)	32
Mid-Atlantic region	42	0.0	42
	-----		-----
Total	249	(4.6)	261
	-----		-----

NEW ORDERS AND BACKLOG: New orders increased by 8% and 9% during the three and six month periods ended March 31, 2000, respectively, despite a 5% decrease in the number of active subdivisions at March 31, 2000. The increase reflects order strength in our Central and Southwest Regions. In addition, the increase in our Mid-Atlantic region for the six months ended March 31, 2000 reflects the inclusion of that region for a full six months, compared to the inclusion of approximately four months of operations subsequent to the acquisition of Trafalgar House in December 1998. We believe that the increase in new orders in many of our markets reflects the positive impact of population and employment growth fueled by immigration, combined with an overall strong economic environment. New orders for the three and six months ended March 31, 2000 declined in most of our Southeast markets, where increased time to obtain building permits resulted in delays in opening new subdivisions.

The aggregate dollar value of homes in backlog at March 31, 2000 increased 10% from March 31, 1999, reflecting a 4% increase in the number of homes in backlog and a 6% increase in the average price of homes in backlog, from \$185,600 at March 31, 1999 to \$196,000 at March 31, 2000. The increased average price of homes in backlog reflects our continued ability to raise prices in most of our markets.

BEAZER HOMES USA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND 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,		SIX MONTHS ENDED MARCH 31,	
	2000	1999	2000	1999
	-----	-----	-----	-----
DETAILS OF REVENUES AND CERTAIN EXPENSES:				
REVENUES:				
Home sales	\$325,612	\$325,244	\$629,196	\$565,041
Land and lot sales	5,151	363	8,456	1,002
Mortgage operations	3,627	3,314	6,734	5,850
Intercompany elimination--mortgage	(1,429)	(1,576)	(2,680)	(2,438)
	-----	-----	-----	-----
Total revenue	\$332,961	\$327,345	\$641,706	\$569,455
	=====	=====	=====	=====
COST OF HOME CONSTRUCTION AND LAND SALES				
Home sales	\$273,336	\$273,260	\$526,074	\$474,835
Land and lot sales	3,816	337	8,077	791
Intercompany elimination--mortgage	(1,429)	(1,576)	(2,680)	(2,438)
	-----	-----	-----	-----
Total cost of home construction and land sales	\$275,723	\$272,021	\$531,471	\$473,188
	=====	=====	=====	=====
SELLING, GENERAL AND ADMINISTRATIVE:				
Homebuilding operations	\$ 33,767	\$ 33,778	\$ 66,176	\$ 60,291
Mortgage origination operations	2,420	2,093	4,285	3,827
	-----	-----	-----	-----
Total selling, general and administrative	\$ 36,187	\$ 35,871	\$ 70,461	\$ 64,118
	=====	=====	=====	=====
CERTAIN ITEMS AS A PERCENTAGE OF REVENUES:				
AS A PERCENTAGE OF TOTAL REVENUE:				
Costs of home construction and land sales	82.8%	83.1%	82.8%	83.1%
Amortization of previously capitalized interest	1.8%	1.9%	1.8%	2.0%
Selling, general and administrative				
Homebuilding operations	10.1%	10.3%	10.3%	10.6%
Mortgage operations	0.7%	0.6%	0.7%	0.7%
AS A PERCENTAGE OF HOME SALE REVENUE:				
Costs of home construction	83.9%	84.0%	83.6%	84.0%

REVENUES: Revenues increased by 2% for the three months ended March 31, 2000 compared to the same period in the prior year., reflecting a 3% increase in the average sales price of homes closed and an increase in revenues from land sales, offset by a 3% decrease in the number of homes closed. The decrease in home closings reflects the lower level of backlog at the beginning of the quarter. The 13% increase in revenues for the six months ended March 31, 2000 reflects a 5% increase in the number of homes closed and 6% increase in the average price.

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

COST OF HOME CONSTRUCTION: The cost of home construction as a percentage of home sales decreased for the three and six months ended March 31, 2000, compared to the same periods of the prior year, as a result of our ability to raise prices, which has more than offset cost increases.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE: Our selling, general and administrative ("SG&A") expense decreased as a percentage of total revenues for the three and six months ended March 31, 2000, compared to the same periods of the prior year, as a result of higher revenues, giving us greater leverage and operating efficiency on the fixed portion of such expense, and the completion of the integration of our Mid-Atlantic division, acquired in 1999.

MORTGAGE ORIGINATION OPERATIONS: Revenues increased for Beazer Mortgage during the three and six months ended March 31, 2000, compared to the same periods of the prior year, as a result of both the increase in homebuilding revenues and the completion of the rollout of Beazer Mortgage to all of our markets. Beazer Mortgage has just begun closing loans in our Mid-Atlantic region, which should contribute to increased mortgage revenues in the balance of fiscal 2000. The increase in SG&A expenses for Beazer Mortgage include the costs of starting up mortgage operations in the Mid-Atlantic region.

INCOME TAXES: Our effective income tax rate increased from 38.5% to 39.0% for both the three and six month periods ended March 31, 2000 as a result of a higher overall state tax rate.

FINANCIAL CONDITION AND LIQUIDITY:

We fulfill our short-term cash requirements with cash generated from operations and unused funds available from an unsecured revolving credit facility (the "Credit Facility") with a group of banks. In December 1999, we amended the Credit Facility, adding two banks (now eight banks) and increasing the facility from \$200 million to \$250 million. Available borrowings under the facility are limited to certain percentages of homes under contract, unsold homes, substantially improved lots and accounts receivable. At March 31, 2000, we had \$95 million outstanding and additional available borrowings of \$125 million under the Credit Facility.

We have \$215 million of outstanding senior debt, which is comprised of \$100 million of 8 7/8% Senior Notes due in April 2008 and \$115 million of Senior Notes due in March 2004 (collectively, the "Senior Notes"). All of our significant subsidiaries are guarantors of the Senior Notes and are jointly and severally liable for 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 consolidated amounts 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 on a consolidated basis. Neither the Credit Facility nor the Senior Notes restrict distributions to Beazer Homes USA, Inc. by its subsidiaries.

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

We have utilized, and will continue to utilize, land options as a method of controlling and subsequently acquiring land. At March 31, 2000, we had 15,007 lots under option. At March 31, 2000, we had commitments with respect to option contracts with specific performance obligations of approximately \$35.6 million. We expect to exercise all of our option contracts with specific performance obligations and, subject to market conditions, substantially all of our options contracts without specific performance obligations.

During 1999, we paid \$1.3 million in cash to holders of 1,732,460 shares of our Series A Cumulative Convertible Exchangeable Preferred Stock (the "Preferred Stock") to induce those holders to convert their preferred shares into 2,273,564 common shares. We also called the remaining outstanding Preferred Stock for redemption, of which 265,376 shares were voluntarily converted into 348,406 common shares and the remaining 2,164 shares of Preferred Stock were redeemed for cash (including accrued and unpaid dividends) of \$26.678 per preferred share. We currently have no shares of Preferred Stock outstanding.

In November 1999, our Board of Directors approved a stock repurchase plan authorizing the purchase of up to 500,000 shares of our outstanding common stock. During the six months ended March 31, 2000, we completed the plan and repurchased 500,000 shares for an aggregate purchase price of \$9.2 million.

In January 2000, we filed a \$300 million universal shelf registration statement on Form S-3 with the Securities and Exchange Commission. Pursuant to the filing, the Company may, from time to time over an extended period, offer new debt and/or equity securities. This shelf registration will allow the Company to expediently access capital markets periodically in the future. The timing and amount of offerings, if any, will depend on market and general business conditions.

We believe that our current borrowing capacity, together with anticipated cash flows from operations, is sufficient to meet liquidity needs for the foreseeable future. There can be no assurance, however, that amounts available in the future from our sources of liquidity will be sufficient to meet future capital needs. The amount and types of indebtedness that we may incur may be limited by the terms of the Indenture governing our Senior Notes and our Credit Agreement. We continually evaluate expansion opportunities through acquisition of established regional homebuilders and such opportunities may require us 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:

Our increased earnings for the six months ended March 31, 2000 and our current higher level of backlog make us optimistic about the prospect for increased earnings in fiscal 2000 compared to fiscal 1999. In addition, as a result of projected future increases in households and employment, we are optimistic about the long-term prospects for the US housing market. Further, we believe that a number of e-business initiatives that we are currently implementing will enhance our ability to take advantage of these prospects and will ultimately improve our profitability.

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 including projected earnings per share for fiscal 2000, 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 2000, 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 conditions in one of the Company's local markets.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

27 Financial Data Schedule

(b) Reports on Form 8-K:

We did not file any reports on Form 8-K during the quarter ended March 31, 2000.

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 8, 2000

By: /s/ David S. Weiss

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

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2000

0000915840
BEAZER
1,000
U.S. DOLLARS

	3-MOS	SEP-30-2000	JAN-01-2000	MAR-31-2000
				1.00
				6,305
			0	
		13,301		
			0	
		611,604		
			0	
				12,995
		0		
		673,803		
		0		
				215,000
		0		
				0
				123
				242,345
673,803				
				332,961
		332,961		
				275,723
		317,982		
		510		
			0	
		0		
		14,469		
				5,643
8,826				
				0
				0
				0
		8,826		
				\$1.06
				\$1.06

THE COMPANY PRESENTS A CONDENSED BALANCE SHEET
THE COMPANY PRESENTS A CONDENSED BALANCE SHEET