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 June 30, 1998
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 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 August 14, 1998
Common Stock, $0.01 par value	6,064,180 shares
Series A Cumulative Convertible Exchangeable Preferred Stock, $0.01 par value	2,000,000 shares

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BEAZER HOMES 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)

	June 30, 1998 (unaudited)	September 30, 1997
ASSETS		
Cash and cash equivalents	$ --	$ 1,267
Accounts receivable	8,825	7,114
Inventory	435,459	361,945
Property, plant and equipment, net	11,982	11,592
Goodwill, net	9,053	5,664
Other assets	16,466	12,013
Total assets	$ 481,785	$ 399,595
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	$ 48,667	$ 44,443
Other payables and accrued liabilities	25,564	30,866
Revolving credit facility	4,500	30,000
Senior notes	215,000	115,000
Total liabilities	293,731	220,309
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, 9,355,957 issued, 6,064,180 outstanding)	93	93
Paid in capital	187,798	187,798
Retained earnings	53,045	44,802
Unearned restricted stock	(919)	(1,444)
Treasury stock (3,291,777 shares)	(51,983)	(51,983)
Total stockholders' equity	188,054	179,286
Total liabilities and stockholders' equity	$ 481,785	$ 399,595

See Notes to Condensed Consolidated Financial Statements

BEAZER HOMES USA, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(dollars in thousands, except per share data)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1998	1997	1998	1997
Total revenue	$234,811	$195,608	$611,760	$534,453
Costs and expenses:				
Home construction and land sales	194,380	165,843	510,173	453,626
Interest	4,914	3,609	12,232	9,523
Selling, general and administrative	26,703	20,718	71,597	59,474
Write-down of inventory	--	--	--	6,326
Operating income	8,814	5,438	17,758	5,504
Other income	252	190	453	481
Income before income taxes	9,066	5,628	18,211	5,985
Provision for income taxes	3,445	2,194	6,965	2,334
Net income	$ 5,621	$ 3,434	$ 11,246	$ 3,651
Preferred dividends	$ 1,000	$ 1,000	$ 3,000	$ 3,000
Net income applicable to common stockholders	$ 4,621	$ 2,434	$ 8,246	$ 651
Weighted average number of shares (in thousands):				
Basic	5,886	5,917	5,857	6,174
Diluted	8,772	8,695	8,737	6,337
Net income per common share:				
Basic	$0.79	$ 0.41	$ 1.41	$ 0.11
Diluted	$0.64	$ 0.40	$ 1.29	$ 0.10

See Notes to Condensed Consolidated Financial Statements

BEAZER HOMES USA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)

	Nine Months Ended 1998	1997
Cash flows from operating activities:		
Net income	$ 11,246	$ 3,651
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	2,118	1,545
Write-down of inventory	--	6,326
Changes in operating assets and liabilities, net of effects of acquisition		
Increase in inventory	(56,584)	(73,485)
Increase in trade accounts payable	2,549	3,034
Other changes	(7,855)	(17,508)
Net cash used by operating activities	(48,526)	(76,437)
Cash flows from investing activities:		
Acquisition, net of cash acquired	(16,766)	
Capital expenditures	(4,408)	(1,578)
Net cash used by investing activities	(21,174)	(1,578)
Cash flows from financing activities:		
Proceeds from issuance of senior notes, net	96,933	
Changes in revolving credit facility, net	(25,500)	75,000
Treasury stock purchased		(6,927)
Dividends paid on preferred stock	(3,000)	(3,000)
Net cash provided by financing activities	68,433	65,073
Increase (decrease) in cash and cash equivalents	(1,267)	(12,942)
Cash and cash equivalents at beginning of period	1,267	12,942
Cash and cash equivalents at end of period	$ 0	$ 0

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, 1997.

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 (in thousands):

	June 30, 1998	September 30, 1997
Finished homes	$ 47,616	$ 69,609
Development projects in progress	338,897	231,692
Unimproved land held for future development	18,004	34,792
Model homes	30,942	25,852
	$435,459	$ 361,945

Development projects in progress consist principally of land, land improvement costs and, if applicable, construction costs for houses that are in various stages of development. 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 (in thousands):

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997	Nine Months Ended June 30, 1998	Nine Months Ended June 30, 1997
During the period:				
Interest incurred	$ 5,525	$4,414	$15,440	$11,352
Previously capitalized interest amortized to costs and expenses	$ 4,863	$3,609	$12,182	$ 9,523
At the end of the period:				
Capitalized interest in ending inventory	$10,113	$7,382	$10,113	$ 7,382

(4) Earnings Per Share

During the first quarter of fiscal 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share." As a result, all previously reported earnings per share data has been restated to conform with SFAS No. 128. Basic and diluted earnings per share are calculated as follows:

	Quarter Ended June 30, 1998	Quarter Ended June 30, 1997	Nine Months Ended June 30, 1998	Nine Months Ended June 30, 1997
Earnings				
Net income	$5,621	$3,434	$11,246	$3,651
Less: Dividends on preferred shares	1,000	1,000	3,000	3,000
Net income applicable tocommon shareholders	$4,621	$2,434	$ 8,246	$ 651
Basic:				
Net income applicable to common shareholders	$4,621	$2,434	$ 8,246	$ 651
Weighted average number of common shares outstanding	5,886	5,917	5,857	6,174
Basic earnings per share	$ 0.79	$ 0.41	$ 1.41	$ 0.11
Diluted:				
Net income applicable to common shareholders	$4,621	$2,434	$ 8,246	$ 651
Plus: Dividends on preferred shares	1,000	1,000	3,000	n/a
Net income applicable to common shareholders	$5,621	$3,434	$11,246	$ 651
Weighted average number of common shares outstanding	5,886	5,917	5,857	6,174
Effect of dilutive securities-				
Assumed conversion of Preferred Stock	2,625	2,625	2,625	n/a
Restricted stock	143	139	173	139
Options to acquire common stock	118	14	82	24
Diluted weighted common shares outstanding	8,772	8,695	8,737	6,337
Diluted earnings per share	$ 0.64	$ 0.40	$ 1.29	$ 0.10

The computation of diluted earnings per share for the nine months ended June 30, 1997 excludes the assumed 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 since the effect of such conversion is antidilutive for this period.

(5) SENIOR NOTES

In 1994 the Company issued $115 million of Senior Notes which mature in March 2004 (the "9% Senior Notes"). Interest on the 9% Senior Notes is payable semiannually. The Company may, at its option, redeem the 9% Senior Notes in whole or in part at any time after February 1999, initially at 102.571% of the principal amount, declining to 100% of the principal amount after February 2001.

On March 20, 1998 the Company completed a $100 million offering of 8 7/8% Senior Notes, due April 1, 2008 (the "8 7/8% Senior Notes") at a price to investors of 99.183% of the face amounts. The net proceeds of the Senior Note offering were used to repay short-term borrowings under the Company's revolving credit facility. Interest on the 8 7/8% Senior Notes is payable semiannually. The Company may, at its option, redeem the 8 7/8% Senior Notes in whole or in part at any time after April 1, 2003, initially at 104.438% of the principal amount, declining to 100% of the principal amount after April 1, 2006.

The 9% Senior Notes and the 8 7/8% Senior Notes are unsecured obligations of the Company ranking pari passu with all other existing and future senior indebtedness of the Company.

(6) ACQUISITION

On November 30, 1997 the Company acquired the assets of the Orlando, Florida homebuilding operations of Calton Homes of Florida, Inc. for approximately $16.8 million in cash. The allocation of the purchase price resulted in approximately $3.9 million of goodwill.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(7) WRITE-DOWN OF INVENTORY

In March 1997, the Company recorded a pretax charge of $6.3 million ($3.9 million after tax) to write down two properties located in Nevada to their fair market value (estimated based on the sales prices of comparable projects). The two Nevada properties, Craig Ranch in North Las Vegas and Promontory in Reno, had incurred significant development costs that were not anticipated at the beginning of the projects. As a result, the estimated future undiscounted cash flows of the projects were less than their respective current book values.

(8) RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the FASB issued Statement No. 130, "Reporting Comprehensive Income,"("SFAS 130"), and Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information,"("SFAS 131"). Both SFAS 130 and SFAS 131 become effective for fiscal periods beginning after December 15, 1997 with early adoption permitted. The Company is evaluating the effects these statements will have on its financial reporting and disclosures. The statements will not have an effect on the Company's results of operations, financial position, capital resources or liquidity.

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 June 30,			Nine Months Ended June 30,		
	1998		1997	1998		1997
	Amount	% Change	Amount	Amount	% Change	Amount
Number of new orders, net of cancellations(a):						
Southeast Region	767	38.2%	555	2,126	42.0%	1,497
Southwest Region	971	23.1	789	2,602	25.9	2,067
Central Region	245	(2.0)	250	619	3.5	598
Total	1,983	24.4	1,594	5,347	28.5	4,162
Number of closings:						
Southeast Region	608	23.3%	493	1,584	19.3%	1,328
Southwest Region	750	15.2	651	1,882	0.2	1,878
Central Region	139	(18.7)	171	442	(1.6)	449
Total	1,497	13.8	1,315	3,908	6.9	3,655
Total revenue:						
Southeast Region	$ 99,541	24.7%	$ 79,809	$256,807	18.7%	$216,342
Southwest Region	111,754	24.6	89,711	278,956	12.0	249,164
Central Region	23,516	(9.9)	26,088	75,997	10.2	68,947
Total	$234,811	20.0	$195,608	$611,760	14.5	$534,453
Average sales price per home closed:						
Southeast Region	$ 163.7	0.7%	$ 161.9	$ 162.1	(0.8)%	$ 162.9
Southwest Region	149.0	7.5	137.8	148.2	11.2	132.7
Central Region	169.2	10.4	152.6	171.9	11.6	153.6
Total	156.9	5.4	148.8	156.5	7.0	146.2
Backlog units at end of period:						
Southeast Region	1,142	52.5%	749			
Southwest Region	1,199	38.0	869			
Central Region	385	22.2	315			
Total	2,726	41.0	1,933			
Aggregate sales value of homes in backlog at end of period:	$438,996	50.2%	$292,267			
Number of active subdivisions:						
Southeast Region	119	6.3%	112			
Southwest Region	62	(3.1)	64			
Central Region	33	0.0	33			
Total	214	2.4	209			

(a) New orders for the nine months ended June 30, 1998 do not include 96 homes in backlog acquired from Calton Homes of Florida, Inc.

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

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. On November 30, 1997 the Company acquired the assets of the Orlando operations of Calton Homes Florida, Inc. ("Calton") for approximately $16.8 million.

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, and currently has branches in each of the Company's markets. Beazer Mortgage originates mortgages principally for homebuyers of Beazer homes. Beazer Mortgage does not hold or service the mortgages.

During the first quarter of 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 will focus exclusively on the development, construction and sale of affordable housing throughout the U.S., priced between $35,000 and $45,000. The joint venture is owned 60% by Corporacion GEO and 40% by Beazer. Development is scheduled to begin on the venture during fiscal 1998. The Company does not anticipate the venture to significantly impact operating results during fiscal 1998.

NEW ORDERS AND BACKLOG: New orders for the three and nine months ended June 30, 1998, were up 24.4% and 28.5%, respectively, relative to the comparable periods of the prior year. Each of the Company's Southeast and Southwest regions experienced growth in excess of 20% in new orders for the comparable periods. Excluding the impact of the Company's Orlando acquisition, which contributed 126 and 206 new orders for the three and nine month periods, respectively, the Southeast region recognized order growth of 15.5% and 28.3%. New orders for the three and nine month periods ended June 30, 1998 in the Company's Central region were consistent with those experienced in the comparable periods in fiscal 1997. The Company believes that the new order increases on stable active subdivision levels for the comparable periods reflect both strong general economic conditions and the success of many of the Company's newer subdivisions opened in the first half of fiscal 1998.

The strong order comparisons for the three and nine month periods ended June 30, 1998 exceeded the increase in unit closings for the same periods resulting in a Company record for unit backlog. This high unit backlog combined with sales price increases in several markets and increases in the revenue contributions from options sold in the Company's design centers, resulted in a significantly higher aggregate dollar value of homes in backlog at June 30, 1998 compared to the same period in 1997.

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 June 30,		Nine Months Ended June 30,	
	1998	1997	1998	1997
Total revenue	100.0%	100.0%	100.0%	100.0%
Costs of home construction and land sales	82.8	84.8	83.4	84.9
Interest	2.1	1.9	2.0	1.8
Selling, general and administrative	11.4	10.6	11.7	11.1
Write-down of inventory	--	--	--	1.2
Operating income	3.8	2.8	2.9	1.0

REVENUES: The percentage increase in revenues for the three and nine months ended June 30, 1998 compared to the same periods in 1997 is the result of both an increase in the average price per home closed and increases in the number of homes closed. The increase in average price is largely attributable to sales price increases during fiscal 1998 in several markets and higher revenue contributions from options sold through the Company's design centers than those recognized during the comparable periods of the prior year. Also contributing to the increase in average price is the increase in number of home closings in certain markets, such as Florida and California, where average home prices are greater than the Company average. In addition, the Company has recognized revenues on land sales during the three and nine months ended June 30, 1998 of $2.0 million and $10.5 million, respectively. The land sales are consistent with the Company's stated policy of reducing its investment in markets and projects that are not exceeding the Company's overall cost of capital. The Company did not realize any significant profit or loss on these land sales during the three and nine month periods.

COST OF HOME CONSTRUCTION AND LAND SALES: The cost of home construction and land sales as a percentage of revenues decreased for the three and nine months ended June 30, 1998 compared to the same periods in 1997. The decrease is largely attributable to continued savings and earnings from the Company's profitability initiatives, specifically design centers and mortgage origination operations. Additionally, substantially improved gross margins in the Company's California operations and price increases in most of the Company's markets contributed to the overall decrease in the cost of home construction and land sales as percentage of revenues for the three and nine month periods ended June 30, 1998 compared to the same periods in fiscal 1997.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE: Selling, general and administrative expenses ("SG&A") increased as a percentage of total revenues for the three and nine month periods ended June 30, 1998 compared to the same periods in the prior year. This increase is the result of incentive compensation accruals recorded during the June 1998 quarter, and increased general and administrative costs of operating Beazer Mortgage. Excluding these items, SG&A for the three and nine month periods ended June 30, 1998 is consistent with that recognized during the same periods in fiscal 1997.

WRITE-DOWN OF INVENTORY: During the quarter ended March 31, 1997, the Company recorded a pretax charge of $6.3 million ($3.9 million after tax) to write down two properties located in Nevada to their fair market value (estimated based on the sales prices of comparable projects). The two Nevada properties, Craig Ranch in North Las Vegas and Promontory in Reno, had incurred significant development costs that were not anticipated at the beginning of the project. As a result, the estimated future undiscounted cash flows of the projects were less than their respective current book values.

MORTGAGE ORIGINATION OPERATIONS: The Company recognizes revenues for premiums paid to Beazer Mortgage branch offices from third party lenders ($1.2 million and $2.5 million for the three and nine months ended June 30, 1998, respectively). Closing and discount points paid to Beazer Mortgage branch offices by the Company's homebuilding operation are eliminated against costs of home construction in consolidation ($1.0 million and $2.4 million for the three and nine months ended June 30, 1998, respectively). All general and administrative expenses of operating Beazer Mortgage are included in SG&A ($1.1 million and $2.7 million for the three and nine months ended June 30, 1998). Beazer Mortgage recognized net operating income prior to intercompany eliminations of $1.0 million and $2.2 million for the three and nine months ended June 30, 1998, respectively. The results of operations for Beazer Mortgage were not significant for the three and nine month periods ended June 30, 1997.

FINANCIAL CONDITION AND LIQUIDITY:

On March 20, 1998 the Company completed a $100 million offering of 8 7/8% Senior Notes, due April 1, 2008 (the "8 7/8% Senior Notes") at a price to investors of 99.183% of the face amount. The net proceeds of the Senior Note offering were used to repay short-term borrowings under the Company's revolving credit facility. Interest on the 8 7/8% Senior Notes is payable semiannually. The Company may, at its option, redeem the 8 7/8% Senior Notes in whole or in part at any time after April 1, 2003, initially at 104.438% of the principal amount, declining to 100% of the principal amount after April 1, 2006.

The Company also has outstanding $115 million of Senior Notes which mature in March 2004 (the "9% Senior Notes"). Interest on the 9% Senior Notes is payable semiannually. The Company may, at its option, redeem the 9% Senior Notes in whole or in part at any time after February 1999, initially at 102.571% of the principal amount, declining to 100% of the principal amount after February 2001.

The 9% Senior Notes and the 8 7/8% Senior Notes are unsecured obligations of the Company ranking pari passu with all other existing and future senior indebtedness of the Company.

At June 30, 1998 the Company had $4.5 million of outstanding borrowings under its $200 million unsecured revolving credit facility (the "Credit Facility"). The Company fulfills its short-term cash requirements with cash generated from its operations and unused funds available from the 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 June 30, 1998 the Company had available additional borrowings of $63.9 million under the Credit Facility. During the quarter ended December 31, 1997, the Company utilized borrowings under its credit agreement of approximately $16.8 million for the acquisition of the Orlando, Florida operations of Calton Homes of Florida, Inc.

All significant subsidiaries of Beazer Homes USA, Inc. are guarantors of the Notes and the Company's obligations under the Credit Facility and are jointly and severally liable for the Company's obligations under the Notes and the Credit Facility. 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 Facility nor the 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 June 30, 1998 the Company had 9,165 lots under option. At June 30, 1998, the Company had commitments with respect to option contracts with specific performance obligations of approximately $34.1 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.

Management believes that the Company's current borrowing capacity at June 30, 1998, and 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 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 the Notes and the Credit Facility. 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.

The Company is in the process of implementing a number of information systems which are intended to help improve the Company's profitability. Such systems include an executive information system, a new centralized accounting and purchasing system and a sales office automation system. Such initiatives were begun in fiscal 1997 and are expected to be substantially completed during fiscal 1999. Neither the costs incurred to date nor the expected future costs are material.

In conjunction with the information systems initiatives described above, the Company evaluated the ability of its computer systems to accurately process information which includes dates in the year 2000 and beyond ("Year 2000 Compliant"). The Company has determined that all new systems, as well as any of existing systems expected to be used beyond 1999, are Year 2000 Compliant. The Company has no significant control over whether its subcontractors, vendors and suppliers will be Year 2000 Compliant. The Company does believe, however, based upon its lack of reliance on any one significant or small group of entities, that the failure of any of its subcontractors, vendors or suppliers to be Year 2000 Compliant would not have a material, adverse effect upon the financial condition, results of operations or cash flows of the Company.

OUTLOOK:

The Company is optimistic about its prospects for the remainder of fiscal 1998 and into fiscal 1999. As a result of increased backlog at June 30, 1998, the Company expects home closings to be strong for the remainder of fiscal 1998 compared to fiscal 1997. The Company believes the current strong economic environment combined with its profitability initiatives will result in a continued reduction of its cost of home construction and land sales as a percentage of revenues. Additionally, increased home closings will contribute to a reduction in SG&A as a percentage of revenues.

The Company's Series A Convertible Preferred Stock (the "Preferred Stock") is convertible into common stock at an exchange rate of $19.05 per common share and becomes callable by the Company on September 1, 1998 at a 5% premium. The Company intends to call its Preferred Stock at the earliest date that it believes it is likely that the majority of holders would convert into common stock. Based upon the current price of the Company's common stock, the Company is evaluating the potential call of all or some portion of its Preferred Stock, but has made no definitive decision to proceed with such a call.

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

Certain of the statements contained in this report, including those under "Outlook" and "Financial Condition," constitute "forward-looking statements" within the meaning of the federal securities laws. While the Company believes that these statements are accurate, Beazer's business is dependent upon general economic conditions and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such 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
- 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.
- Decreased value of the Company's common stock deterring conversion of Preferred Stock
- 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:

The Company did not file any reports on Form 8-K during the quarter ended June 30, 1998.

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:	August 14, 1998	By:	/s/ David S. Weiss
		Name:	David S. Weiss Executive Vice President and Chief Financial Officer

5

This schedule contains summary financial information extracted from the Company's quarterly report on form 10-Q for the quarter ended June 30, 1998 and is qualified in its entirety by reference to such financial statements.

0000915840
BEAZER HOMES USA, INC.
1,000

9-MOS
SEP-30-1998
OCT-01-1997
JUN-30-1998
0
0
8,825
0
435,459
0
11,982
0
481785
0
219500
20
0
93
187941
481785
611760
611760
522405
594002
(453)
0
0
18211
6965
11246
0
0
0
11246
1.41
1.29

The Company presents a condensed balance sheet