FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999

/ / 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)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF SECURITIES	EXCHANGES ON WHICH REGISTERED
Common Stock, $.01 par value per share......................	New York Stock Exchange
Preferred Share Purchase Rights.............................	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. /X/

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant (8,324,145 shares) as of December 10, 1999, based on the closing sale price per share as reported by the New York Stock Exchange on such date, was $148,273,833. The number of shares outstanding of the registrant's Common Stock as of December 10, 1999 was 8,864,822.

DOCUMENTS INCORPORATED BY REFERENCE

	PART OF 10-K WHERE INCORPORATED
Portions of the registrant's 1999 Annual Report to Shareholders for the fiscal year ended September 30, 1999...	II
Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on February 3, 2000....	I, III

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ITEM 1. BUSINESS

Our principal executive offices are located at 5775 Peachtree Dunwoody Road, Suite B-200, Atlanta, Georgia 30342, telephone (404) 250-3420. We also provide information about our active communities and mortgage financing through our Internet web site located at www.beazer.com.

Beazer Homes USA, Inc. designs, builds and sells single family homes in the following locations within the United States:

REGION/STATE	MARKET(S)/YEAR ENTERED
SOUTHEAST REGION:	
Florida	Jacksonville (1993), Fort Myers/Naples (1996), Tampa/St. Petersburg (1996), Treasure Coast (1995), Orlando (1997)
Georgia	Atlanta (1985)
North Carolina	Charlotte (1987), Raleigh (1992), Greensboro (1999)
South Carolina	Charleston (1987), Columbia (1993), Myrtle Beach (1996), Greenville (1998)
Tennessee	Knoxville (1995), Nashville (1987)
SOUTHWEST REGION:	
Arizona	Phoenix (1993)
California	Los Angeles County (1993), Orange County (1993), Riverside & San Bernadino Counties (1993), San Diego County (1992), Ventura County (1993), Sacramento (1993)
Nevada	Las Vegas (1993)
CENTRAL REGION:	
Texas	Dallas (1995), Houston (1995)
MID-ATLANTIC REGION:	
Maryland	Baltimore (1998), Metro-Washington DC (1998)
New Jersey/ Pennsylvania	Central and Southern New Jersey (1998), Bucks County, PA (1998)
Virginia	Fairfax County (1998), Loudoun County (1998), Prince William County (1998)

We design our homes to appeal primarily to entry-level and first time move-up home buyers. Our objective is to provide our customers with homes that incorporate quality and value while seeking to maximize our return on invested capital. To achieve this objective, we have developed a business strategy which focuses on the following elements:

GEOGRAPHIC DIVERSITY AND GROWTH MARKETS. We compete in a large number of geographically diverse markets in an attempt to reduce our exposure to any particular regional economy. Virtually all of the markets in which we operate have experienced significant population growth in recent years. Within these markets, we build homes in a variety of projects, typically with fewer than 150 homesites.

QUALITY HOMES FOR ENTRY-LEVEL AND FIRST TIME MOVE-UP HOME BUYERS. We seek to maximize customer satisfaction by offering homes which incorporate quality materials, distinctive design features, convenient locations and competitive prices. We focus on entry-level and first time move-up home buyers because we believe they represent the largest segment of the homebuilding market. During fiscal year 1999, the average sales price of our homes sold was approximately $181,400.

ADDITIONAL PRODUCTS AND SERVICES FOR HOMEBUYERS. In order to maximize our profitability and provide our homebuyers with the additional products and services that they desire, we have incorporated design centers and mortgage origination operations into our business. Recognizing that homebuyers want to choose certain components of their new home, we began offering limited customization through the use of design centers in most of our markets. These design centers allow the homebuyer to select certain non-structural customizations for their homes such as cabinetry, flooring, fixtures, appliances and wallcoverings. Additionally, recognizing the homebuyer's desire to simplify the financing process, we began originating mortgages on behalf of our customers through Beazer Mortgage Corp.

DECENTRALIZED OPERATIONS WITH EXPERIENCED MANAGEMENT. We believe our in-depth knowledge of our local markets enables us to better serve our customers. Our local managers, who have significant experience in both the homebuilding industry and the markets they serve, are responsible for operating decisions regarding design, construction and marketing. We combine these decentralized operations with a centralized corporate-level management which controls decisions regarding overall strategy, land acquisitions and financial matters.

CONSERVATIVE LAND POLICIES. We seek to maximize our return on capital by limiting our investment in land and by focusing on inventory turnover. To implement this strategy and to reduce the risks associated with investments in land, we use options to control land whenever possible. In addition, we do not speculate in unentitled land.

VALUE CREATED. We measure 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.

COMPANY HISTORY

In March 1994, we completed a concurrent initial public offering of common stock and issuance of senior notes (the "IPO"). Prior to our IPO, we were an indirect wholly-owned subsidiary of Hanson PLC ("Hanson"), a company registered in the United Kingdom. As a result of the IPO, Hanson's ownership interest in the Company was reduced to approximately 30%. Hanson currently does not hold any investment or ongoing interest in us.

RECENT BUSINESS DEVELOPMENTS

COMMON 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. Such repurchases, if completed, would be affected at various prices from time to time in the open market.

INTERNET E-BUSINESS STRATEGY: During 1999 we upgraded and expanded our website at beazer.com, which is currently used principally as a tool for marketing our homes and services to our customers. We anticipate upgrading our website further during 2000 to provide additional ability to communicate with our customers, employees, suppliers and subcontractors. We are also actively evaluating means of using the internet to conduct transactions both between us and the consumer (B2C) and between us and other businesses (B2B).

MARKETS AND PRODUCT DESCRIPTION

We evaluate a number of factors in determining which geographic markets to enter or in which to concentrate our homebuilding activities. We attempt to anticipate swings in economic and real estate conditions by evaluating such statistical information as

(1) the historical and projected growth of the population;

(2) the number of new jobs created or projected to be created;

(3) the number of housing starts in previous periods;

(4) building lot availability and price;

(5) housing inventory;

(6) level of competition; and

(7) home sale absorption rates.

We generally seek to avoid direct competition in a particular market with respect to product type and maintain the flexibility to alter our product mix within a given market depending on market conditions. In determining our product mix we consider demographic trends, demand for a particular type of product, margins, timing and the economic strength of the market. While remaining responsive to market opportunities within the industry, in recent years we have focused, and intend to continue to focus, our business primarily on entry-level and first time move-up housing in the form of single family detached homes and townhouses. Entry-level homes generally are those homes priced at the lower end of the market and target first time home buyers, while first time move-up homes generally are priced in the mid-to-upper price range and target a wide variety of home buyers as they progress in income and family size. Although some of our move-up homes are priced at the upper end of the market and we offer a selection of amenities, we generally do not build "custom homes," and our prices of first time move-up homes generally are well below the prices of custom homes in most areas. We attempt to maximize efficiency by using standardized design plans whenever possible.

The following table summarizes certain operating information regarding our markets as of and for the year ended September 30, 1999 (DOLLARS IN THOUSANDS).

STATE	NUMBER OF ACTIVE SUBDIVISIONS	NUMBER OF HOMES CLOSED	AVERAGE CLOSING PRICE	UNITS IN BACKLOG AT YEAR END	DOLLAR VALUE OF BACKLOG AT YEAR END
Arizona	30	1,224	$139.1	462	$ 70,306
California	25	1,275	$231.7	205	52,114
Florida	42	986	$193.1	389	78,665
Georgia	7	227	$193.6	60	13,367
Maryland	12	306	$192.6	154	31,756
Nevada	8	358	$171.2	119	19,645
New Jersey	8	211	$275.2	108	32,310
North Carolina	23	900	$139.9	253	34,198
South Carolina	15	509	$121.5	177	22,686
Tennessee	24	486	$198.6	120	23,515
Texas	26	597	$178.8	206	38,195
Virginia	21	510	$210.3	305	64,757
Total Company	241	7,589	$181.4	2,558	$481,514

Our homebuilding and marketing activities are conducted under the name of Beazer Homes in each of our markets except as follows:

MARKET	DOING BUSINESS AS
Jacksonville	Panitz Homes
Tennessee	Phillips Builders
North Carolina	Squires Homes
South Carolina	Squires Homes

CORPORATE OPERATIONS

We perform the following functions at a centralized level:

(1) evaluate and select geographic markets;

(2) allocate capital resources to particular markets, including with respect to land acquisitions;

(3) maintain our relationship with lenders to regulate the flow of financial resources and develop consistent relationships with our lenders;

(4) maintain centralized information systems; and

(5) monitor the decentralized operations of the Company's subsidiaries and divisions.

We allocate capital resources necessary for new projects in a manner consistent with our overall operating strategy. We utilize VALUE CREATED, return on capital employed and profit margin as criteria for our allocation of capital resources. We will vary the capital allocation based on market conditions, results of operations and other factors. Capital commitments are determined through consultation among selected executive and operational personnel, who play an important role in ensuring that new projects are consistent with our strategy. Centralized financial controls are also maintained through the standardization of accounting and financial policies and procedures.

Structurally, we operate through separate divisions, which are generally located within the areas in which they operate. Each division is managed by executives with substantial experience in the division's market. In addition, each division is equipped with the skills to complete the functions of land acquisition, map processing, land development, construction, marketing, sales and product service.

LAND ACQUISITION AND DEVELOPMENT

Substantially all of the land we acquire is purchased only after necessary entitlements have been obtained so that we have the right to begin development or construction as market conditions dictate. In certain situations, we will purchase unentitled property where we perceive an opportunity to build on such property in a manner consistent with our strategy. The term "entitlements" refers to development agreements, tentative maps or recorded plats, depending on the jurisdiction within which the land is located. Entitlements generally give a developer the right to obtain building permits upon compliance with conditions that are usually within the developer's control. Although entitlements are ordinarily obtained prior to the purchase of land, we are still required to obtain a variety of other governmental approvals and permits during the development process.

We select our land for development based upon a variety of factors, including

(1) internal and external demographic and marketing studies;

(2) suitability for projects comprised of generally less than 150 homesites;

(3) suitability for development during the time period of one to five years from the beginning of the development process to the last closing;

(4) financial review as to the feasibility of the proposed project, including projected value created, profit margins and returns on capital employed;

(5) the ability to secure governmental approvals and entitlements;

(6) environmental and legal due diligence;

(7) competition;

(8) proximity to local traffic corridors and amenities; and

(9) management's judgment as to the real estate market, economic trends and the Company's experience in a particular market.

We generally purchase land or obtain an option to purchase land, which, in either case, requires certain site improvements prior to construction. Where required, we then undertake or, in the case of land under option, the grantor of the option then undertakes, the development activities (through contractual arrangements with local developers) that include site planning and engineering, as well as constructing road, sewer, water, utilities, drainage and recreational facilities and other amenities. When available in certain markets, we also buy finished lots that are ready for construction.

We strive to develop a design and marketing concept for each of our projects, which includes determination of size, style and price range of the homes, layout of streets, layout of individual lots and overall community design. The product line offered in a particular project depends upon many factors, including the housing generally available in the area, the needs of a particular market and our cost of lots in the project. We are, however, often able to use standardized design plans.

The development and construction of each project are managed by our operating divisions, each of which is led by a president who, in turn, reports to the our Chief Operating Officer and our Chief Executive Officer. At the development stage, a manager (who may be assigned to several projects and reports to the president of the division) supervises development of buildable lots. In addition, a field superintendent is located at each project site to supervise actual construction, and each division has one or more customer service and marketing representatives assigned to projects operated by that division.

The following table sets forth, by state, land controlled by us as of September 30, 1999:

	LOTS OWNED					LOTS UNDER CONTRACT			
	UNDEVEL-OPED LOTS (1)	LOTS UNDER DEVELOP-MENT	FINISHED LOTS	HOMES UNDER CON-STRUCTION (2)	TOTAL LOTS OWNED	FINISHED LOTS (3)	UNDEVEL-OPED LOTS (3)	TOTAL LOTS UNDER CONTRACT	TOTAL LOTS CONTROLLED
SOUTHEAST REGION:									
Georgia	--	--	36	86	122	323	--	323	445
North Carolina	--	309	386	304	999	1,754	1,345	3,099	4,098
South Carolina	25	360	108	340	833	1,602	786	2,388	3,221
Tennessee	--	6	32	157	195	1,658	--	1,658	1,853
Florida	--	356	325	253	934	1,231	531	1,762	2,696
SOUTHWEST REGION:									
Arizona	--	--	550	424	974	2,014	--	2,014	2,988
California	--	431	657	585	1,673	381	403	784	2,457
Nevada	--	--	285	150	435	172	--	172	607
CENTRAL REGION:									
Texas	--	696	444	290	1,430	372	--	372	1,802
MID-ATLANTIC REGION:									
Maryland	69	221	162	141	593	423	--	423	1,016
New Jersey	241	48	144	67	500	115	655	770	1,270
Virginia	--	127	110	175	412	596	--	596	1,008
TOTAL	335	2,554	3,239	2,972	9,100	10,641	3,720	14,361	23,461

(1) "Undeveloped Lots" consists of raw land that is expected to be developed into the respective number of lots reflected in this table.

(2) The category "Homes Under Construction" represents lots in which construction on a home has commenced.

(3) The classification within Lots Under Contract for this schedule is based upon level of completion at delivery as stated in the option contract.

OPTION CONTRACTS: We acquire certain lots by means of option contracts. Option contracts generally require the payment of a cash deposit or issuance of a letter of credit for the right to acquire lots during a specified period of time at a certain price. Our option contracts have expiration periods ranging from one to 60 months.

Under option contracts without specific performance obligations, our liability is limited to forfeiture of deposits, which aggregated approximately $21.7 million at September 30, 1999, and is included in inventory on our balance sheet. At September 30, 1999, committed amounts under option contracts without spectific performance obligations aggregated $363.1 million.

Under option contracts with specific performance obligations, we are generally required to purchase specific numbers of lots on fixed dates pursuant to a contractually established schedule. Under such option contracts with specific performance obligations, the party granting the option is required to maintain and/or develop the property pursuant to certain standards specified in the contract. They are required to deliver lots which are free of any liens and are appropriate for residential building pursuant to a specified schedule. If we fail to purchase the required number of lots on the date fixed for purchase pursuant to such option contracts and the party granting the option has fulfilled its obligations under the contract, the party granting the option to us generally has the right to either terminate the option granted pursuant to the option contract in its entirety or to require us to purchase the remaining lots. If the party granting the option fails to meet our obligations under such option contracts, we generally may, at our option, either not make the lot purchase or require the party granting the option to cure the deficiency. Under such option contracts, if we purchase a lot and subsequently discover that the lot did not meet all of the conditions specified by the option contract, we generally may require the party granting the option to repurchase the lot or cure the deficiency. At September 30, 1999, committed amounts under option contracts with specific performance obligations aggregated $47.7 million.

CONSTRUCTION

We act as the general contractor for the construction of our projects. Our project development operations are controlled by our subsidiaries and divisions, whose employees supervise the construction of each project, coordinate the activities of subcontractors and suppliers, subject their work to quality and cost controls and assure compliance with zoning and building codes. We specify that quality, durable materials be used in the construction of our homes. Our subcontractors follow design plans prepared by architects and engineers who are retained by us and whose designs are geared to the local market. Subcontractors typically are retained on a project-by-project basis to complete construction at a fixed price. Agreements with our subcontractors and materials' suppliers are generally entered into after competitive bidding, and we do not have any long-term contractual commitments with any of our subcontractors or suppliers. In connection with this competitive bid process, we obtain information from prospective subcontractors and vendors with respect to their financial condition and ability to perform their agreements with us. We do not maintain significant inventories of construction materials except for materials being utilized for homes under construction. We have numerous suppliers of raw materials and services used in our business, and such materials and services have been and continue to be available. Material prices may fluctuate, however, due to various factors, including demand or supply shortages, which may be beyond the control of the our vendors. From time to time we enter into regional and national supply contracts with certain of our vendors. We believe that our relationships with our suppliers and subcontractors are good. We are actively exploring ways in which we can use our internet presence to maximize business to business e-commerce applications with our suppliers and subcontractors.

Construction time for our homes depends on the availability of labor, materials and supplies, product type and location. Homes are designed to promote efficient use of space and materials, and to minimize construction costs and time. In all of our markets except California, construction of a home historically has been completed within three to four months following commencement of construction. In California, construction of a home historically has been completed within four to eight months following commencement of construction. At September 30, 1999, we had 385 finished homes, of which 223 were sold and included in backlog at such date.

WARRANTY PROGRAM

We have established a risk retention group, United Home Insurance Corp. ("UHIC"), to self-insure our structural warranty obligations and replace our warranty program with Home Buyers Warranty Corporation ("HBW"). UHIC began providing insurance to Beazer homebuyers during fiscal 1998. We believe this results in cost savings as well as increased control over the warranty process. The first year of our warranty covers defects in plumbing, electrical, heating, cooling and ventilation systems, and major structural defects; the second year of such warranty covers major structural defects and certain defects in plumbing, electrical, heating, cooling and ventilation systems of the home (exclusive of defects in appliances, fixtures and equipment); and the final eight years of protection cover only major structural defects. An allowance of approximately 0.5% to 1.0% of the sale price of a home is established to cover warranty expenses, although this allowance is subject to adjustment in special circumstances. Our historical experience is that such warranty expenses generally fall within the amount established for such allowance.

We provide a one-year limited warranty of workmanship and materials with each of our homes, which generally includes home inspection visits with the customer during the first year following the purchase of a home. We subcontract our homebuilding work to subcontractors who provide us with an indemnity and a certificate of insurance prior to receiving payments for their work and, therefore, claims relating to workmanship and materials are generally the primary responsibility of the our subcontractors.

For homes closed prior to September 30, 1997, we provided a 10-year homeowners' warranty through a single national agreement with HBW. The terms of the warranty are materially consistent with those currently provided through UHIC.

We do not currently have any material litigation or claims regarding warranties or latent defects with respect to the construction of our homes. We believe that our warranty accrual or insurance will substantially cover claims and litigation.

MARKETING AND SALES

We make extensive use of advertising and other promotional activities, including our website (beazer.com), newspaper advertisements, brochures, direct mail and the placement of strategically located signboards in the immediate areas of our developments.

We normally build, decorate, furnish and landscape between one and five model homes for each project and maintain on-site sales offices. At September 30, 1999, the Company maintained 298 model homes, of which were 211 owned and 87 were leased from third parties pursuant to sale and leaseback agreements. We believe that model homes play a particularly important role in our marketing efforts. Consequently, we expend a significant effort in creating an attractive atmosphere at our model homes. Interior decorations are undertaken by both in-house and local third-party design specialists, and vary within our models based upon the lifestyles of targeted homebuyers. The purchase of furniture, fixtures and fittings is coordinated to ensure that manufacturers' bulk discounts are utilized to the maximum extent. Structural changes in design from the model homes are not generally permitted, but homebuyers may select various optional amenities. We also use a cross-referral program that encourages our personnel to direct customers to other Beazer subdivisions based on the customers' needs.

We generally sell our homes through commissioned employees (who typically work from the sales offices located at the model homes used in the subdivision) as well as through independent brokers. Our personnel are available to assist prospective homebuyers by providing them with floor plans, price information and tours of model homes and in connection with the selection of options. The selection of interior features that we offer is a principal component of our marketing and sales efforts. Sales personnel are trained by us and attend periodic meetings to be updated on sales techniques, competitive products in the area, the availability of financing, construction schedules, marketing and advertising plans, which management believes result in a sales force with extensive knowledge of our operating policies and housing products. Our policy also provides that sales personnel be licensed real estate agents where required by law. We also build a number of homes for which no signed sales contract exists at the time of commencement of construction. The use of an inventory of such homes is necessary to satisfy the requirements of relocated personnel and of independent brokers, who often represent customers who require a completed home within 60 days. At September 30, 1999, excluding models, we had 1,056 homes either finished or at various stages of completion for which we had not received a sales contract.

We sometimes use various sales incentives (such as landscaping and certain interior home options and upgrades) in order to attract homebuyers. The use of incentives depends largely on local economic and competitive market conditions.

CUSTOMER FINANCING

We provide customer financing through Beazer Mortgage. Beazer Mortgage provides mortgage origination services only, and does not retain or service the mortgages that it originates. These mortgages are generally funded by one of a network of mortgage lenders arranged for us by Homebuilders Financial Network, an independent consultant. Beazer Mortgage can provide qualified home buyers numerous financing options, including a wide variety of conventional, FHA and VA financing programs. In certain situations we will seek to assist our home buyers in obtaining financing from outside mortgage lenders and in certain limited circumstances, we may attempt to minimize potential risks relating to the availability of customer financing by purchasing mortgage financing commitments that lock in the availability of funds and interest rates at specified levels for a certain period of time. Since substantially all home buyers utilize long-term mortgage financing to purchase a home, adverse economic conditions, increases in unemployment and high mortgage interest rates may deter and eliminate a substantial number of potential home buyers from our markets in the future.

COMPETITION AND MARKET FACTORS

The development and sale of residential properties is highly competitive and fragmented. We compete for residential sales on the basis of a number of interrelated factors, including location, reputation, amenities, design, quality and price, with numerous large and small homebuilders, including some homebuilders with nationwide operations and greater financial resources and/or lower costs than us. We also compete for residential sales with individual resales of existing homes, available rental housing and, to a lesser extent, resales of condominiums. We believe that we compare favorably to other builders in the markets in which we operate, due primarily to

(1) our experience within our geographic markets and breadth of product line, which allow us to vary our regional product offerings to reflect changing market conditions;

(2) our responsiveness to market conditions, enabling us to capitalize on the opportunities for advantageous land acquisitions in desirable locations; and

(3) our reputation for quality design, construction and service.

The housing industry is cyclical and is affected by consumer confidence levels, prevailing economic conditions generally, and interest rate levels in particular. A variety of other factors affect the housing industry and demand for new homes, including the availability of labor and materials and increases in the costs thereof, changes in costs associated with home ownership such as increases in property taxes and energy costs, changes in consumer preferences, demographic trends and the availability of and changes in mortgage financing programs.

GOVERNMENT REGULATION AND ENVIRONMENTAL MATTERS

Substantially all of our land is purchased with entitlements, giving us the right to obtain building permits upon compliance with specified conditions, which generally are within our control. Upon compliance with such conditions, we must obtain building permits. The length of time necessary to obtain such permits and approvals affects the carrying costs of unimproved property acquired for the purpose of development and construction. In addition, the continued effectiveness of permits already granted is subject to factors such as changes in policies, rules and regulations and their interpretation and application. Several governmental authorities have imposed impact fees as a means of defraying the cost of providing certain governmental services to developing areas. To date, the governmental approval processes discussed above have not had a material adverse effect on our development activities, and indeed all homebuilders in a given market face the same fees and restrictions. There can be no assurance, however, that these and other restrictions will not adversely affect us in the future.

We may also be subject to periodic delays or may be precluded entirely from developing communities due to building moratoriums or "slow-growth" or "no-growth" initiatives or building permit allocation ordinances which could be implemented in the future in the states and markets in which we operate. Substantially all of our land is entitled and, therefore, the moratoriums generally would only adversely affect us if they arose from health, safety and welfare issues such as insufficient water or sewage facilities. Local and state governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. These are normally established, however, when we receive recorded final maps and building permits. We are also subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. These laws may result in delays, cause us to incur substantial compliance and other costs, and prohibit or severely restrict development in certain environmentally sensitive regions or areas.

BONDS AND OTHER OBLIGATIONS

We are frequently required, in connection with the development of our projects, to obtain letters of credit and performance, maintenance and other bonds in support of our related obligations with respect to such developments. The amount of such obligations outstanding at any time varies in accordance with the our pending development activities. In the event any such bonds or letters of credit are drawn upon, we would be obligated to reimburse the issuer of such bonds or letters of credit. At September 30, 1999, there were approximately $39.4 million and $115.7 million of outstanding letters of credit and performance bonds, respectively, for such purposes. We do not believe that any such bonds or letters of credit are likely to be drawn upon.

EMPLOYEES AND SUBCONTRACTORS

At September 30, 1999, we employed 1,468 persons, of whom 322 were sales and marketing personnel, 473 were executive, management and administrative personnel, 618 were involved in construction and 55 were personnel of Beazer Mortgage. Although none of the our employees are covered by collective bargaining agreements, certain of the subcontractors engaged by us are represented by labor unions or are subject to collective bargaining arrangements. We believe that our relations with our employees and subcontractors are good.

ITEM 2. PROPERTIES

We lease approximately 12,000 square feet of office space in Atlanta, Georgia to house our corporate headquarters. We also lease an aggregate of approximately 201,000 square feet of office space for our subsidiaries' operations at various locations. We own approximately 18,500 square feet of manufacturing space and 6,800 square feet of office space in Nashville, Tennessee.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal proceedings, all of which have arisen in the ordinary course of business and some of which are covered by insurance. In our opinion, none of the claims relating to such proceedings will have a material adverse effect on our financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders through the solicitation of proxies or otherwise during the fourth quarter of the fiscal year covered by this report.

SEPARATE ITEM: EXECUTIVE OFFICERS OF THE REGISTRANT

Unless otherwise indicated, the following executive officers have served in their current capacity since 1994, the year of our initial public offering.

NAME	AGE	POSITION
DIRECTORS AND EXECUTIVE OFFICERS		
Ian J. McCarthy	47	President, Chief Executive Officer and Director
Michael H. Furlow (i)	49	Executive Vice President, Chief Operating Officer
David S. Weiss	39	Executive Vice President, Chief Financial Officer and Director
John Skelton	50	Senior Vice President, Financial Planning
Peter H. Simons	40	Senior Vice President, Corporate Development

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(i) Since October 1997

All officers are elected by the Board of Directors.

There are no family relationships nor arrangements or understandings pursuant to which any of the officers listed were elected. See pages 4 to 5 of our Proxy Statement for the Annual Meeting of Shareholders to be held on February 3, 2000 for a description of employment arrangements with certain executive officers.

BUSINESS EXPERIENCE

Refer to pages 4 and 5 of our Proxy Statement for the Annual Meeting of Shareholders to be held on February 3, 2000 for the business experience of Messrs. Ian J. McCarthy, and David S. Weiss.

MICHAEL H. FURLOW. Mr. Furlow joined us in October 1997 as the Executive Vice President for Operations. In this capacity the Division Presidents report to Mr. Furlow and he is responsible for the performance of those operating divisions. During the preceding 12 years Mr. Furlow was with Pulte Home Corporation in various field and corporate roles, most recently as a Regional President. Mr. Furlow received a Bachelor of Arts degree with honors in accounting from the University of West Florida and initially worked as a CPA for Arthur Young & Company.

JOHN SKELTON. Mr. Skelton has served as Senior Vice President, Operations since March 1994 and was appointed Senior Vice President, Financial Planning in fiscal 1999. Mr. Skelton served as Vice President and Chief Financial Officer of Beazer Homes, Inc. since 1985 and Vice President and Chief Financial Officer of Beazer Homes Holdings, Inc. since April 1993. During the period 1977 to 1985, Mr. Skelton served as Finance Director of Leech Homes, a subsidiary of Leech PLC which was acquired by Beazer PLC in 1985. After graduating with a Bachelor's degree from Durham University in the United Kingdom, he was employed by Deloitte & Touche and is a Fellow of the Institute of Chartered Accountants in England and Wales.

PETER H. SIMONS. Mr. Simons has served as Vice President of Corporate Development (since October 1998 SVP) since September 1994. The preceding year, he was Director of Operations for Lokelani Homes in Hawaii. From 1989 to 1993, Mr. Simons was a Senior Project Manager for Castle & Cooke Properties in Hawaii. Mr. Simons earned a Bachelor of Arts degree from Yale University and a Masters in Public and Private Management from the Yale School of Management.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

On December 10, 1999, Beazer Homes USA, Inc. had approximately 68 shareholders of record and 8,864,822 shares of common stock outstanding.

The remaining information required by this item is incorporated by reference to the information set forth under the captions "Trading Information" and "Quarterly Stock Price Information" located on Page 53 and 58, respectively, of our Annual Report to Shareholders for the year ended September 30, 1999.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item is incorporated by reference from page 23 of our Annual Report to Shareholders for the year ended September 30, 1999.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The information required by this item is incorporated by reference from pages 25 to 34 of our Annual Report to Shareholders for the year ended September 30, 1999.

ITEM 7(A). QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are not materially affected by any market risk sensitive instruments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is incorporated by reference from pages 36 to 53 of our Annual Report to Shareholders for the year ended September 30, 1999.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no disagreements between us and our accountants on accounting and financial disclosure matters during the fiscal years ended September 30, 1999 and 1998.

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Director information is incorporated by reference from page 4 to 5 of our Proxy Statement for the Annual Meeting of Shareholders to be held February 3, 2000. Information regarding our executive officers is set forth herein under Part I as a separate item.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from page 17 of our Proxy Statement for the Annual Meeting of Shareholders to be held February 3, 2000.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this is incorporated by reference from page 13 of our Proxy Statement for the Annual Meeting of Shareholders to be held February 3, 2000.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The Independent Auditors' Report and the following consolidated financial statements are incorporated by reference from our Annual Report to Shareholders for the fiscal year ended September 30, 1999 in Part II, Item 8 of this report:

Consolidated Statements of Operations for the years ended September 30, 1999, 1998 and 1997.

Consolidated Balance Sheets as of September 30, 1999 and 1998.

Consolidated Statement of Stockholders' Equity for the years ended September 30, 1999, 1998 and 1997.

Consolidated Statements of Cash Flows for the years ended September 30, 1999, 1998 and 1997.

Notes to Consolidated Financial Statements.

2. Financial Statement Schedules

None required

3. Exhibits

EXHIBIT NUMBER		EXHIBIT DESCRIPTION	PAGE HEREIN OR INCORPORATE BY REFERENCE FROM
3.1	--	Amended and Restated Certificate of Incorporation of Company.	(7)
3.2	--	Amended and Restated Bylaws of the Company	(7)
4.1	--	Indenture dated as of March 2, 1994 among the Company, its subsidiaries party thereto, and Continental Bank, National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (the "9% Notes").	(1)
4.2	--	First Supplemental Indenture (9% Notes) dated June 13, 1995	(13)
4.3	--	Second Supplemental Indenture (9% Notes) dated February 1, 1996	(13)
4.4	--	Third Supplemental Indenture (9% Notes) dated March 18, 1998	(13)
4.5	--	Fourth Supplemental Indenture (9% Notes) dated July 20, 1998	(14)
4.6	--	Form of 9% Senior Note due 2004.	(2)
		Indenture dated as of March 25, 1998 among the Company, its subsidiaries party thereto, and US Bank Trust National Association, as trustee, relating to the Company's 8 7/8% Senior Notes due 2008.	(13)
4.7	--	Form of 8 7/8% Senior Note due 2008	(13)
4.8	--	First Supplemental Indenture (8 7/8% Notes) dated July 20, 1998	(14)
4.9	--	Specimen of Common Stock Certificate	(6)
4.12	--	Form of Indenture between the Company and the First National Bank of Boston, as trustee, relating to the 8% Convertible Subordinated Debentures due 2005.	(4)
4.13	--	Form of 8% Convertible Subordinated Debenture due 2005	(4)
4.14	--	Retirement Savings and Investment Plan (the "RSIP").	(5)
4.15	--	RSIP Summary Plan Description.	(5)
4.16	--	Rights Agreement, dated as of June 21, 1996, between the Company and First Chicago Trust Company of New York, as Rights Agent.	(8)
10.1	--	Amended 1994 Stock Incentive Plan.	(3)
10.2	--	Non-Employee Director Stock Option Plan.	(3)
10.3	--	Asset Purchase Agreement dated as of October 26, 1998 between Beazer Homes Corp. and Trafalgar House Property, Inc.	(12)
10.4-7	--	Amended and Restated Employment Agreements dated as of March 31, 1995:	
10.4	--	Ian J. McCarthy.	(9)
10.5	--	David S. Weiss.	(9)
10.6	--	John Skelton.	(9)
10.7	--	Employment Agreement dated as of January 13, 1998--Michael H. Furlow	(13)

EXHIBIT NUMBER		EXHIBIT DESCRIPTION	PAGE HEREIN OR INCORPORATE BY REFERENCE FROM
10.8-11	--	Supplemental Employment Agreements dated as of July 17, 1996:	
10.8	--	Ian J. McCarthy.	(10)
10.9	--	David S. Weiss.	(10)
10.10	--	John Skelton.	(10)
10.11	--	Peter H. Simons.	(10)
10.12	--	Amended and Restated Credit Agreement dated as of November 3, 1998 between the Company and First National Bank of Chicago, as Agent, and Comerica Bank and Guaranty Federal Bank, F.S.B as Managing Agents	(14)
11	--	Earnings Per Share Calculations	Filed herewith
13	--	Annual Report to Shareholders for the year ended September 30, 1999	Filed herewith
21	--	Subsidiaries of the Company	Filed herewith
23	--	Consent of Deloitte & Touche LLP	Filed herewith
27	--	Financial Data Schedule	Filed herewith

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(1) Incorporated herein by reference to the exhibits to the Company's report on Form 10-Q for the quarterly period ended March 31, 1994.

(2) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S-1 (Registration No. 33-72982) initially filed on December 15, 1993.

(3) Incorporated herein by reference to the exhibits to the Company's report on Form 10-K for the year ended September 30, 1994.

(4) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S-3 (Registration No. 33-92892) initially filed on June 15, 1995.

(5) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S-8 (Registration No. 33-91904) filed on May 4, 1995.

(6) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S-1 (Registration No. 33-72576) initially filed on December 6, 1993.

(7) Incorporated herein by reference to the exhibits to the Company's report on Form 8-K filed on May 30, 1996.

(8) Incorporated herein by reference to the exhibits to the Company's report on Form 8-K filed on June 21, 1996

(9) Incorporated herein by reference to the exhibits to the Company's report on Form 10-Q for the quarterly period ended March 31, 1995.

(10) Incorporated herein by reference to the exhibits to the Company's report on Form 10-K for the year ended September 30, 1996.

(11) Incorporated herein by reference to the exhibits to the Company's report on Form 10-Q for the quarterly period ended June 30, 1997.

(12) Incorporated herein by reference to the exhibits to the Company's report on Form 8-K/A filed on December 18, 1998.

(13) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S-4 (Registration No. 333-51087) filed on April 27, 1998.

(14) Incorporated herein by reference to the exhibits to the Company's report on Form 10-K for the year ended September 30, 1998

(B) REPORTS ON FORM 8-K

The Company did not file any reports on Form 8-K during the fourth quarter of the fiscal year ended September 30, 1999.

(C) EXHIBITS

Reference is made to Item 14(a)3 above. The following is a list of exhibits, included in item 14(a)3 above, that are filed concurrently with this report.

11	--	Earnings Per Share Calculations
13	--	The Company's Annual Report to Shareholders for the fiscal year ended September 30, 1999. Except as expressly incorporated by reference in this report on Form 10-K, such Annual Report is furnished only for the information of the Securities and Exchange Commission and is not deemed "filed" as part of this report. The following portions of such Annual Report are incorporated by reference in the indicated items of this report.

PORTIONS OF THE ANNUAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999	ITEM OF THIS REPORT
"Trading Information" and "Quarterly Stock Price Information"......	5
Selected Financial Data...	6
Management's Discussion and Analysis of Financial Condition and Results of Operations...	7
Consolidated Financial Statements.................................	8

21	--	Subsidiaries of the Company
23.1	--	Consent of Deloitte & Touche LLP
27	--	Financial Data Schedule

(D) FINANCIAL STATEMENT SCHEDULES

Reference is made to Item 14(a)2 above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ IAN J. MCCARTHY

Name: Ian J. McCarthy
Title: President and Chief Executive Officer
Date: December 23, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ BRIAN C. BEAZER Brian C. Beazer, Director and Non-Executive Chairman of the Board	December 23, 1999 Date
By: /s/ IAN J. MCCARTHY Ian J. McCarthy, Director, President and Chief Executive Officer (Principal Executive Officer)	December 23, 1999 Date
By: /s/ DAVID S. WEISS David S. Weiss, Director, Executive Vice President and Chief Financial Officer (Principal Financial Officer)	December 23, 1999 Date
By: /s/ THOMAS B. HOWARD Thomas B. Howard, Director	December 23, 1999 Date
By: /s/ GEORGE W. MEFFERD George W. Mefferd, Director	December 23, 1999 Date
By: /s/ D.E. MUNDELL D.E. Mundell, Director	December 23, 1999 Date
By: /s/ LARRY T. SOLARI Larry T. Solari, Director	December 23, 1999 Date
By: /s/ MICHAEL T. RAND Michael T. Rand, Vice President and Controller (Principal Accounting Officer)	December 23, 1999 Date

EXHIBIT 11

BEAZER HOMES USA, INC.

STATEMENT RECOMPUTATION OF PER SHARE EARNINGS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED SEPTEMBER 30,		
	1999	1998	1997
Basic:			
Earnings--			
Net income	$36,934	$23,201	$11,189
Less: Dividends and other payments to preferred stockholders	3,343	4,000	4,000
Net income applicable to common shareholders	$33,591	$19,201	$ 7,189
Shares--			
Weighted average number of common shares outstanding	7,320	5,864	6,088
Basic net income per share	$ 4.59	$ 3.27	$ 1.18
Diluted:			
Earnings			
Net income applicable to common stockholders	$33,591	$19,201	$ 7,189
Plus: Dividends and other payments to preferred stockholders	$ 3,343	$ 4,000	n/a
Adjusted net income applicable to common shareholders	$36,934	$23,201	$ 7,189
Shares			
Weighted average number of common shares outstanding	7,320	5,864	6,088
Effect of dilutive securities:			
Assumed conversion of preferred shares	1,232	2,625	n/a
Restricted stock	254	163	142
Options to acquire common stock	89	79	44
Diluted weighted average number of common shares outstanding	8,895	8,731	6,274
Diluted earnings per share	$ 4.15	$ 2.66	$ 1.15

our future in
BLACK & WHITE

Beazer Homes USA, Inc.

1999 Annual Report to Shareholders

Business Description

Beazer Homes USA, Inc. is one of the ten largest homebuilders in the country. Its operations are geographically diversified in 12 states in the Southeast, Southwest, Mid-Atlantic and Texas. Our market strategy focuses on building quality homes targeted to entry-level and first-time move-up homebuyers. We measure our financial performance using "Value Created," a variation of economic profit that measures the extent to which we beat our cost of capital. Founded in 1985, Beazer is headquartered in Atlanta, Georgia. The Company has been listed on the New York Stock Exchange since 1994 under the symbol "BZH."

[graphic]
Earnings per Share

$1.15	$2.66	$4.15
1997	1998	1999

Top line growth and improved profitability have driven dramatic earnings increases.
[graphic]

Contents

Americans' No.1 Dream
continues to be:
"Own my
own home"

[GRAPHIC]

Year	Population (in millions)	Housing Units (U.S.Households in millions)
1965	194,303	36,230
1966	196,580	37,109
1967	198,712	37,842
1968	200,706	38,918
1969	202,677	40,049
1970	205,052	40,834
1971	207,681	41,816
1972	209,896	43,096
1973	211,909	44,424
1974	213,854	45,615
1975	215,973	46,463
1976	218,035	47,518
1977	220,239	48,461
1978	222,585	49,739
1979	225,055	50,972
1980	227,225	52,223
1981	229,466	54,084
1982	231,654	54,237
1983	233,792	54,671
1984	235,825	55,671
1985	237,924	56,152
1986	240,133	56,844
1987	242,289	57,915
1988	244,499	58,700
1989	246,819	59,755
1990	249,439	60,248
1991	252,127	61,010
1992	254,995	61,823
1993	257,746	62,533
1994	260,289	63,136
1995	262,765	64,739
1996	265,190	66,041
1997	267,744	67,143
1998	270,289	68,638

Population and U.S. Households have increased
dramatically over the last 30 years.

Source: U.S. Census Bureau

[GRAPHIC]

"Over the next decade, the number of U.S. households should continue to increase by an average of 1.1 to 1.2 million annually."*

Beazer, as one of America's top-ten homebuilders, is well positioned to make the homeowning dream of these million come true.

* Source: The State of the Nation's Housing: 1999 Joint Center for Housing Studies of Harvard University

[GRAPHIC]

Share of the
U.S. population
in the West
and South

1940	1950	1960	1970	1980	1990	2000	2010
42.4%	44.5%	46.3%	48.0%	52.3%	55.6%	58.1%	60.1%

The West and South continue to be the nation's strongest population magnets.

Over 90% of Beazer's business is in the fast growing West and South and we will continue to expand in these prime areas.

[GRAPHIC]

Ms. Maria Lousia Corie
Premier's first homeowner

[GRAPHIC]

Premier Communities
Oasis Ranch Grand Opening August 7, 1999

[GRAPHIC]

New Americans coming to the U.S. - over 800,000 annually - are purchasing homes at a record rate.

Beazer directly targets the country's growing immigrant population through its Premier Communities brand, a revolutionary new idea in affordable housing.

[GRAPHIC]

78% of new homes sell for less than $200,000.

Percentage of new homes sold for less than $200,000.

[GRAPHIC]

78% of new homes sell for less than $200,000.

Entry-level and affordable first-time move-up homes under $200,000 are the core of Beazer's business.

Source: Forrester Research

[GRAPHIC]

U.S. Internet Usage
(in millions)

10	23	39	52	65	84	107
1995	1996	1997	1998	1999	2000	2001

[GRAPHIC]

With Internet usage rocketing upward, millions of homebuyers will be finding their dream online.

Beazer has established an industry-pioneering position with its award-winning Internet site, beazer.com.

[GRAPHIC]

Financial Highlights
Beazer Homes USA, Inc.

(dollars in thousands, except per share data)

Year ended September 30,	1999	1998	1997
Statement of Operations Data			
Homes closed	7,589	6,113	5,785
Total revenue	$ 1,394,074	$ 977,409	$ 852,110
Net income	$ 36,934	$ 23,201	$ 11,189
Diluted earnings per share	$ 4.15	$ 2.66	$ 1.15
Balance Sheet at Year End			
Total assets	$ 594,568	$ 525,591	$ 399,595
Total debt	$ 215,000	$ 215,000	$ 145,000
Shareholders' equity	$ 234,662	$ 199,224	$ 179,286
Return on Data (1)			
Return on average capital	19.9%	15.3%	10.7%
Return on average equity	17.0%	12.3%	6.3%

(1) See definitions on page 23.

Letter to Shareholders

[GRAPHIC]

Dear Shareholders,

The facts presented here in black and white illustrate the dramatic demographic and geographic trends that will fuel Beazer's growth in the coming years. Every decision we make, every action we take is targeted to seize advantage of future market developments and stay well ahead of industry competitors. Simply put, we have a clear vision of the future and we know the bold strokes needed to get us there.

Indeed, our record results in fiscal 1999 demonstrate our ability to turn market opportunity into financial achievement. Revenues advanced 43 percent in 1999 and earnings per share increased 56 percent. Further, our record year-end backlog was up 39 percent in dollar value, giving us a very strong outlook for growth in 2000.

This strong growth combined with a continuing commitment to operating efficiency and VALUE CREATED resulted in a record level of profitability in 1999. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) rose to $92 million, a 53 percent increase from 1998, while net income reached $37 million, up 59 percent. Most importantly, this performance translated into earnings of $4.15 per share, up 56 percent from $2.66 last year.

We are particularly proud to note that, in our first five years as a public company, we have nearly doubled the number of homes closed and MORE THAN DOUBLED EARNINGS per share. Our goal is to repeat that performance over the next five years. To that end, one of our strategies will continue to be opportunistic acquisitions, the most recent of which was Trafalgar House, a deal that closed in December 1998. The dynamics of this purchase illustrate our acquisition criteria. The $90 million purchase price was substantially less than 50 percent of Trafalgar's annual revenue, represented a significant discount to book value, and was immediately accretive to earnings.

A leading homebuilder in the Mid-Atlantic region, Trafalgar provides a solid base for future growth in the rebounding markets of Virginia, Maryland and New Jersey, as well as a leading market position in the Washington, D.C. metropolitan area. With the strong footing Trafalgar now gives us in the Mid-Atlantic region, our goal is to more

[GRAPHIC]

than double closings in these markets to 2,500 annually within three years. The addition of a Mid-Atlantic regional presence also further enhances the geographic balance of our operations, a significant factor in moderating the impact of regional economic cycles.

Although we are pleased to report exemplary financial results, positive operating trends, and the successful integration of yet another timely acquisition, the market has failed to reward these developments with a higher stock price. While frustrated, we are not alone. In a market driven by technology and "hyper" growth stocks, many quality companies - including homebuilders - have been overlooked.

In such an environment, our best course is to concentrate on delivering consistent performance and to focus on long-term market potential.

[GRAPHIC]

Beazer continually takes an innovative approach to improving its home design including energy efficiency. This year the company built prototype homes in Simi Valley, California, and Houston, Texas, that produced energy savings of over 40% for our customers.

[GRAPHIC]

It is worth remembering that the very nature of our business is long-term. The communities we develop, the homes we build, the mortgages we originate - these are not overnight events. Similarly, the demographic and geographic trends that shape our industry span many years. When viewed in the proper long-term context, as opposed to a quarterly or even annual basis, a compelling picture of the homebuilding industry and Beazer's position within it emerges. This is the vision that illustrates true opportunity.

MAKING AMERICANS' DREAMS COME TRUE

The nearly universal desire to own a home is deeply ingrained in the American culture. That consistent and growing aspiration for a home to call their own - for young families, new Americans and those climbing the economic ladder underlies Beazer's success today. And, coupled with strong population and employment growth, it will be the primary engine driving our growth in the future.

STRONG GROWTH OVER THE NEXT DECADE

The last 50 years have seen dramatic growth in homeownership. Just 44 percent of Americans owned a residence in 1940, while today more than two-thirds have achieved homeownership.

Growth in the number of households is the largest source of residential construction demand, accounting for over 70 percent of homebuilding activity during the last decade. As the new millennium unfolds, household growth should match or even exceed the 1.1-1.2 million annual rate of the 1990's, according to projections from the Joint Center for Housing Studies at Harvard's John F. Kennedy School of Government. Meanwhile, the entrance into the market of the children of the baby boomers, the so-called "echo boomers," will provide an additional boost to new homebuying levels. And, an overall aging population favors rising homeownership rates and strong homebuilding activity well into the next decade.

[GRAPHIC]
Growth of Households

Beazer ranks among the top-ten homebuilders nationwide, which puts us in an excellent position to capitalize on these growth trends. In our industry, size and scope do matter - from making land purchases on the most attractive terms to realizing economies of scale in the construction process to building brand recognition on the sales front. With more than 7,500 homes closed last year, Beazer has the necessary operational infrastructure, geographic reach and capital resources to realize continued rapid and profitable growth.

LOCATION, LOCATION, LOCATION

Growth is often the result of being in the right place at the right time. The American population is making an historic shift to the west and south. These two regions now represent over 60 percent of the population, with the population of western states now exceeding that of the northeast. In the coming decade the west and south will continue to be the nation's biggest population magnets, with their drawing power based primarily on job growth.

[GRAPHIC]

No marketing program better demonstrates Beazer's commitment to first-time buyers than our "Rent with Equity" program. This innovative partnership between Beazer and Equity Residential Partners, the largest owner of apartments in the U.S., allows residents to apply 25% of their accrued rent towards the purchase of a new home. Equity Residential wins increased revenue and resident satisfaction, Beazer wins a streamlined sales process and residents win the American Dream.

[GRAPHIC]

Six states - Arizona, California, Florida, Georgia, North Carolina and Texas - - account for over a third of total housing production. Beazer is a major player in every one of those markets. In fact, today we operate in 11 of the 16 highest growth states. As these markets thrive, so does Beazer. During the last six years, our closings in Arizona more than doubled, sales in California were up five-fold and Texas operations grew by over 800 percent.

As we grow our operations and evaluate potential acquisitions, we believe our presence in markets with the most favorable demographic trends will put us on track to meet our five-year goal of 15,000 homes closed - a level double this year's total.

NEW HOMES FOR THE NEWEST AMERICANS

Increasing immigration is the single most critical factor stimulating increased demand for entry-level homes. The number of immigrants arriving in this country has been rising steadily since 1940, and is now projected by the U.S. Census Bureau to exceed 800,000 a year during the next decade.

Americans of Hispanic origin are on the verge of becoming our nation's largest ethnic group. Hispanic household growth is three times the national average; and, with more than a third of the Hispanic population still under the age of 18, the boom is just beginning.

At the forefront in our industry, Beazer has recognized this important market and has placed special emphasis on meeting the housing needs of our newest Americans. That's why last year we formed Premier Communities, a unique joint venture with Corporacion GEO, S.A. de C.V., the largest builder of affordable homes in Mexico.

This summer we closed our first home at Oasis Ranch in El Paso - Premier Communities' inaugural development. Following the model set for all Premier developments, Oasis Ranch offers two- and three-bedroom single-family homes priced below $60,000. With Premier Communities, we are providing quality, affordable housing to an underserved market segment. Our plans call for expanding the Premier initiative to additional markets in Texas, Arizona, California and Florida.

THE FIRST CHOICE OF FIRST-TIME BUYERS

The Premier initiative is an innovative extension of Beazer's long-time leadership in the first-time buyer segment of the market. Our core market is the first-time and affordable move-up homebuyer. These two groups account for the majority of Beazer homes purchased, mirroring the overall market where 78 percent of all new homes sold are priced under $200,000.

According to Fannie Mae's National Housing Survey, America is made up of two kinds of adults: those who own a home and those who want to. Fully two-thirds of renters do so not by preference, but as a result of current career, family or financial circumstances. And among renters, nearly six in ten rate "buying a home" as a top priority. These aspirations explain why first-time buyers account for nearly one-third of all home purchases. Our ability to attract these buyers is not based on sales price alone. We have been a leader in efforts to break down barriers to homeownership. Initiatives such as our unique "rent to own" program with Equity Residential Partners is designed to make the process of becoming a homeowner more attainable.

[GRAPHIC]

REACHING NEW CUSTOMERS ONLINE 24/7

Accessibility is the central focus of one of our most important initiatives to date and one that will have a dramatic impact on how we connect with future buyers. The Internet has revolutionized how companies serve customers and grow their business, and the homebuilding industry is no exception. Internet usage and e-commerce is exploding. More than 50 million Americans were online within the last 30 days.

We are proud that Beazer staked out an early leadership position with our award-winning Internet site, beazer.com. This year we significantly expanded our web presence when we became the first national homebuilder to form an alliance with NewHomeNetwork.com, a portal that receives more than 2 million page views per month and has been ranked as the most visited site of its kind by Media Metrics. Importantly, NewHomeNetwork.com has cross-promotional relationships with 134 newspapers (including USA TODAY and THE NEW YORK TIMES) reaching more than 50 million readers every week.

[GRAPHIC]

Research has shown that the demographics of new homebuyers mirrors the profile of those who are going online. Online home research, for instance, is critical to relocators, and we have operations in each of the four biggest relocation markets - Atlanta, Dallas, Phoenix and Las Vegas. In fact, 65 percent of purchasers do their buying research online.

Moreover, web-enabling the homebuying experience improves service and speeds decision making. Beazer's online visitors can examine alternative floor plans, learn about locations and amenities and even take a virtual tour of their potential purchase. These resources help prospects target their search and finalize a buying decision. Homebuyers who search online typically visit a third as many homes before buying, and their search takes just one month compared to 3.5 months for conventional buyers. In a recent survey, 90 percent of prospective homebuyers said they would use the Internet in their next homebuying process. We intend beazer.com to be the destination of choice for those homebuyers.

[GRAPHIC]

Achieved further geographic diversity and a major market position with the successful acquisition and integration of Trafalgar House, the fifth largest builder in metropolitan Washington, D.C.

[GRAPHIC]

These consumer-focused uses of the Internet, business-to-consumer (B2C), are only one aspect of our commitment to the use of the Internet. We are currently exploring numerous business-to-business (B2B) applications that we believe will transform the way we undertake business with our key suppliers and subcontractors. Imagine that after a homebuyer selects their appliances online, an integrated scheduling system immediately orders the products directly from the manufacturer and schedules just-in-time delivery to the home. The result: no paperwork to process and greater construction efficiency. Beazer is committed to being at the forefront of both B2C and B2B commerce on the Internet.

E-commerce in homebuilding will further increase consolidation in the industry, strengthen the importance of branding and facilitate the customization of product. With the initiatives already underway and a strong commitment to use the best new cyber resources as they come onstream, Beazer is well positioned to thrive in this new electronic economy.

FINDING A BETTER WAY

The way our company embraced the Internet and explored its potential illustrates one of our greatest strengths: we're innovators. We thrive on finding a better way. We pride ourselves on being the first to seize opportunities. And, that attribute is not limited to the ranks of senior management; it permeates every level of our company - from the boardroom to the construction site. Whether it's experimenting with new energy efficient construction methods, adopting new information systems or creating marketing initiatives to reach new homebuyers, we encourage, nurture and applaud innovation. And, when it works, we share it with each other through extensive company-wide training programs.

Professional training is a never-ending process at Beazer. After all, our company's growth and profitability relies foremost on the skill, expertise, willingness to innovate and commitment to quality of all Beazer employees. That's why Beazer launched an intense training regimen called "Boot Camps," where new construction superintendents can gain hands-on familiarity with the demands of project supervision.

Extending that success, this year we broadened our training program with the creation of Beazer University. The goal: deliver quality training to Beazer employees in every specialty, both to enhance performance in their current jobs and to prepare them for greater responsibility in the future. Employees at all levels are encouraged to share best practices wisdom born of experience in the field.

[GRAPHIC]

- Surpassed $1 billion in revenues - a company first. o Earned $4.15 per share, more than double EPS in 1994, our first year as a public company. o First home closings for Premier Communities, a brand specifically targeted to America's growing immigrant population.

[GRAPHIC]

For example:

- DON'T BELIEVE YOU CAN COMPLETE A QUALITY, 2,500-SQUARE-FOOT HOME IN JUST 22 DAYS? David Robinson, a Beazer construction manager in Tampa did it, and shares his insights with colleagues.

- A ROOKIE AT NEW HOME SALES AND OVERWHELMED BY THE CHALLENGE? Jeanie Ng, our top Texas sales producer, who just joined the industry last fall and had sales of over $5 million in her first eight months, offers tips for achieving rapid success.

Through both formal training sessions and constant information exchange we are committed to strengthening every link in the human resources chain to achieve industry-leading performance. We thank our employees for getting us where we are today, and we are confident our team has what it takes to excel in the future.

TURNING POTENTIAL INTO VALUE CREATED

As we complete this, our sixth annual report to you, we take pride in the successes of the past year, but we are even more focused on the ambitious goals we have set for the future. Beazer is well positioned to capitalize on the many positive demographic and geographic market trends. Even more importantly, our ability to execute on this potential is proven, as demonstrated by our strong financial performance to date and our industry-leading operations. We have the right people and talent, the right business plan and balance sheet, the right incentives and attitude to get the job done. In doing so, we will continue to meet our first and foremost goal - to further build profitability and realize VALUE CREATED for you, our shareholders.

You might say that, in black and white, our future looks bright.

Very truly yours,

/s/ Brian C. Beazer	/s/ Ian J. McCarthy
Brian C. Beazer	Ian J. McCarthy
Chairman of the Board	President and Chief Executive Officer

December 10, 1999

[GRAPHIC]

BEAZER PERFORMANCE
IN
BLACK
&
WHITE
RECORD GROWTH
AND PROFITABILITY
UNDERSCORE BEAZER'S STRATEGIC EFFORTS TO BUILD
THE COMPANY INTO A FORMIDABLE COMPETITOR
AND DESIRABLE INVESTMENT.

Homes Closed
[GRAPHIC]

97	98	99
5,785	6,113	7,589

In 1999 positive demographics and market expansion helped drive Beazer's top line growth.

Revenues
(in millions)
[GRAPHIC]

97	98	99
$852.1	$977.4	$1,394.1

Record homes closed has helped post a 62% increase in revenue in just two years.

EBITDA
(in thousands)
[GRAPHIC]

97	98	99
$35.3	$59.8	$91.5

A focus on VALUE CREATED has resulted in EBITDA nearly tripling since 1997.

Net Income
(in millions)
[GRAPHIC]

97	98	99
$11.2	$23.2	$36.9

Net income has soared due to record revenues and a continued focus on efficiency.

Capital Turnover
[GRAPHIC]

97	98	99
2.75	2.65	3.23

A conservative approach to land holdings contributed to an all-time high capital turnover rate in 1999.

EBIT Margin
[GRAPHIC]

97	98	99
3.9%	5.8%	6.2%

Beazer's growing operational scale has resulted in increased profitability.

Return on Average Capital
[GRAPHIC]

97	98	99
10.7%	15.3%	19.9%

Beazer's record of performance for this key benchmark is one of the industry's best.

Return on Average Equity
[GRAPHIC]

97	98	99
6.3%	12.3%	17.0%

Record levels of profitability have allowed Beazer to double return on equity.

Note: See definitions on page 23.

20 Beazer Homes
www.beazer.com

DEAR SHAREHOLDERS:

Beazer's financial strength is best viewed against the context of the homebuilding industry and the radical changes it has experienced over the past decade:

- significantly improved financial management of operations,

- decidedly more conservative balance sheets, and

- extensive industry consolidation.

Beazer has been at the forefront of each of these changes.

BEAZER'S FINANCIAL MANAGEMENT TOOL:

VALUE CREATED

The top U.S. homebuilders have increasingly focused on generating returns in excess of their cost of capital. Beazer has been the most aggressive by designing a financial measurement and compensation system that focuses exclusively on capital return, called VALUE CREATED. For the past three years, this tool has allowed us to measure the extent to which we exceed our cost of invested capital. Today, compensation for all employees is based on Value Created.

Although the measurement tools and methodology varies, other homebuilders have also concentrated on improving capital returns. Ten years ago, the return on average capital for the top-ten homebuilders was 10 percent. In 1999 to date, it has increased to 16 percent. Through the implementation of Value Created, Beazer has performed even better, generating a 20 percent return on capital employed in 1999.

CONSERVATIVE BALANCE SHEET MANAGEMENT:

A LOWER RISK PROFILE

At Beazer, a strong balance sheet has always been a financial goal and a key component of our growth strategy. We have long understood that a conservative financial position provides stability as well as the flexibility to be opportunistic in a cyclical industry. Our acquisition of Trafalgar House in fiscal 1999 demonstrates this ability.

Again, Beazer policy has become industry practice. The homebuilding industry as a whole has lowered its leverage to reduce risk. In 1989, the top-ten homebuilders had an average debt to total capitalization ratio of over 60 percent. Today, that industry ratio stands at 49 percent. Beazer's ratio is even lower - 48 percent.

Homebuilders also have decreased their reliance on short-term debt, reducing vulnerability to short-term capital market fluctuations and providing a more long-term strategic

[Graphic]

Return on Average Capital Top-ten Homebuilders		Beazer		Debt to Total Capitalization Top-ten Homebuilders		Beazer	
1989	10%			1989	60%		
1999	16%	1999	20%	1999	49%	1999	48%

focus. Over the past ten years, top-ten builders have lowered the amount of short-term debt as a percentage of total debt from 57 to 16 percent. At Beazer, we have used short-term borrowings under our revolving credit facility only during the fiscal year and have paid it off entirely by year-end.

Another significant improvement in the risk profile of our industry has been better land management. Beazer's goal has been to control a three-year supply of land - half or more controlled through options. The benefit of our land policy is evident in our capital turnover rate, which reached a company high of 3.2 times in 1999. Similarly, capital turnover for top-ten homebuilders has progressed from 1.5 times in 1989 to 2.5 times in 1999.

INDUSTRY CONSOLIDATION: BUILDING EFFICIENCIES

Over the past decade, larger public homebuilders, such as Beazer, have gained significant market share largely through consolidation. In 1999, the top-ten homebuilders closed 139 percent more homes than they did in 1989, even though the number of U.S. housing starts had increased only 29 percent. The acquisition of medium-sized, private builders has generally driven these market share gains. Beazer has certainly been a force behind this trend.

Consolidation in our industry is producing many positive results. A more concentrated industry has translated into a more professional level of management. Bigger companies, also, can leverage their size to produce more efficient operations. More efficiency allows us to better serve the needs of homebuyers and build better brand recognition. We believe that consolidation is likely to continue.

[Graphic]

% Increase in
Home Closings
(1989-1999)

/ / U.S. Housing Starts	29%
/ / Top-ten Homebuilders	139%
/X/ Beazer	620%

A STRONG BEAZER; A STRONG INDUSTRY

The statistics that we have shared with you underscore the significant strides that Beazer and our industry have made over the past decade. Today, we are better-managed businesses that boast large-scale operations with solid capital structures. At Beazer, we are proud of the role that we have played in driving these initiatives forward. Economic cycles have and will continue to be a fact of life. But one thing is certain, Beazer's geographic diversity, strong balance sheet and operational efficiency put us in the best position possible to take advantage of opportunities presented by changes in the economic environment.

This year's report began by outlining our future in black and white.There is nothing more black and white than the actual numbers. So, we will let the highlights on the next page and in the following financial statements speak for themselves. We expect the trends reflected in these results - profitable growth and conservative financial management - to continue for Beazer investors in the coming years. Thank you to our shareholders, bondholders and bankers for your continued support.

/s/ David S. Weiss

David S. Weiss
Executive Vice President and Chief Financial Officer

December 10, 1999

SELECTED FINANCIAL DATA

(dollars in thousands, except per share data) Year ended September 30:	1999	1998	1997	1996	1995
STATEMENT OF OPERATIONS DATA:					
Total revenue	$ 1,394,074	$ 977,409	$ 852,110	$ 866,627	$ 647,828
Operating income	61,800	36,916	17,656(1)	30,122	18,629
Net income	36,934	23,201	11,189(1)	18,266	11,352
Net income per common share:					
Basic	4.59	3.27	1.18(1)	2.24	1.26
Diluted	4.15	2.66	1.15(1)	2.01	1.23
BALANCE SHEET DATA:					
Cash	$ -	$ 67,608	$ 1,267	$ 12,942	$ 40,407
Inventory	532,559	405,095	361,945	320,969	285,268
Total assets	594,568	525,591	399,595	356,643	345,240
Total debt	215,000	215,000	145,000	115,000	115,000
Stockholders' equity	234,662	199,224	179,286	178,701	164,544
SUPPLEMENTAL FINANCIAL DATA:					
EBIT (2)	$ 86,013	$ 56,525	$ 33,051(1)	$ 45,327	$ 32,188
EBITDA (2)	91,521	59,794	35,272(1)	46,855	33,542
Interest incurred	26,874	21,259	16,159	14,176	14,737
EBIT/interest incurred	3.20x	2.66x	2.05x	3.20x	2.18x
EBITDA/interest incurred	3.41x	2.81x	2.18x	3.31x	2.28x
FINANCIAL STATISTICS (3):					
Total debt as a percentage of total debt and stockholders' equity	47.8%	51.9%	44.7%	39.2%	41.1%
Asset turnover	2.49x	2.11x	2.25x	2.47x	1.96x
EBITmargin	6.2%	5.8%	3.9%	5.2%	5.0%
Return on average assets	15.4%	12.2%	8.7%	12.9%	9.8%
Return on average capital	19.9%	15.3%	10.7%	15.8%	11.8%
Return on average equity	17.0%	12.3%	6.3%	10.6%	7.2%

(1) Fiscal 1997 results include the effect of a $6,326 writedown to inventory in Nevada. Excluding the effect of the writedown, operating income, net income and diluted net income per share for fiscal 1997 are $23,982, $15,079 and $1.70, respectively. Excluding the effect of the writedown, EBIT and EBITDA for fiscal 1997 are $39,377 and $41,598, respectively. Excluding the effect of the writedown, EBIT margin, return on assets, return on capital and return on equity for fiscal 1997 are 4.6%, 10.4%, 12.7% and 8.4%.

(2) EBIT and EBITDA: EBIT (earnings before interest and taxes) equals net income before (a) previously capitalized interest amortized to costs and expenses; (b) income taxes; and cumulative effect of change in accounting principle. EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated by adding depreciation and amortization for the period to EBIT. EBITDA is commonly used to analyze companies on the basis of operating performance, leverage and liquidity. EBIT and EBITDA are not intended to represent cash flows for the period nor have they been presented as an alternative to net income as an indicator of operating performance.

(3) Asset turnover = (total revenue divided by average total assets); EBIT margin = (EBIT divided by total revenues); Return on average assets = (EBIT divided by average total assets); Return on average capital = (EBIT divided by average total debt plus stockholders' equity); Return on average equity = (net income divided by average stockholders' equity).

MANAGEMENT'S RESPONSIBILITY

FOR FINANCIAL REPORTING AND SYSTEM OF INTERNAL CONTROLS

FINANCIAL STATEMENTS

The accompanying consolidated financial statements are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and, as such, include amounts based on management's best estimates and judgments.

The Company's consolidated financial statements have been audited by Deloitte & Touche LLP, independent auditors, who were given unrestricted access to all financial records and related data. The Company believes that all representations made to the independent auditors during their audit were valid and appropriate. Deloitte & Touche LLP's audit report included on page 52 provides an independent opinion as to the fairness of presentation of the consolidated financial statements.

SYSTEM OF INTERNAL CONTROLS

The Company maintains a system of internal controls over financial recording and reporting which is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded in accordance with the Company's policies and procedures and which ultimately will result in the preparation of reliable financial statements. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective internal control system has inherent limitations - including the possibility of the overriding of controls - and therefore can provide only reasonable, not absolute, assurance with respect to financial statement preparation.

The Company assessed its internal control system as of September 30, 1999 in relation to criteria for effective internal control over preparation of its published annual (and interim) financial statements described in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commissions. Based on this assessment, the Company believes that, as of September 30, 1999, its system of internal controls over the preparation of its published annual (and interim) financial statements met these criteria. Deloitte & Touche LLP also reviews and tests the effectiveness of these systems to the extent they deem necessary to determine the extent of audit procedures needed in connection with their audit of the consolidated financial statements.

The Audit Committee of the Board of Directors, which is composed of Directors who are not officers or employees of the Company, provides oversight to the financial reporting process. The independent auditors have unrestricted access to the Audit Committee.

/s/ Ian J. McCarthy

Ian J. McCarthy
President and Chief Executive Officer

/s/ David S. Weiss

David S. Weiss
Executive Vice President and Chief Financial Officer

/s/ Michael Rand

Michael Rand
Vice President and Controller

OPERATIONS REVIEW/MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL:

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

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

We intend, subject to market conditions, to expand in these markets and to consider entering new markets either through expansion from existing markets or through acquisitions of established regional homebuilders. We seek to be one of the five largest builders in each of the markets that we serve.

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, we classify 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 these sales contracts are considered "backlog." We do not recognize revenue on homes in backlog. Revenue is recognized when the sale is closed and the risk of ownership has been transferred to the buyer.

ANCILLARY BUSINESSES: We have established several businesses to support our core homebuilding operations. We operate design centers in the majority of our markets. Through design centers, homebuyers can choose non-structural upgrades and options for their new home. We also provide mortgage origination services for our homebuyers through Beazer Mortgage Company. Beazer Mortgage originates, processes and sells mortgages to third-party investors. Beazer Mortgage does not retain or service the mortgages that it originates. During fiscal 1999, we began providing title insurance services in certain Florida markets through our subsidiary, Homebuilders Title. We anticipate expanding our title services to additional markets during fiscal 2000. We will continue to evaluate opportunities to provide other ancillary services to our homebuyers.

JOINT VENTURE IN AFFORDABLE HOUSING: During fiscal 1998, the Company entered into a joint venture with Corporacion GEO, S.A. de C.V., 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., initially priced between $35,000 and $60,000. 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. Additional sites have been acquired in El Paso and new sites are under review in Houston.

VALUE CREATED: We evaluate our financial performance and the financial performance of our operations 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. It is calculated as earnings before interest and taxes (EBIT) less a charge for all of the capital employed multiplied by our estimate of our weighted average cost of capital (currently 14%). Most of our employees receive incentive compensation based upon a combination of Value Created and the change in Value Created during the year. For key managers a portion of the incentive is put in a bank. The bank is always at risk, may be paid out over three years, and can be reduced by future negative performance. 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.

Results of Operations:

Year ended September 30,	1999		1998		1997
(dollars in thousands)	Amount	% Change	Amount	% Change	Amount
Number of new orders, net of cancellations (1):					
Southeast Region:					
Georgia	195	(9.3)%	215	30.3%	165
North Carolina	927	11.6	831	36.7	608
South Carolina	504	(2.7)	518	31.8	393
Tennessee	452	(9.8)	501	21.3	413
Florida	963	17.0	823	111.0	390
Total Southeast	3,041	5.3	2,888	46.7	1,969
Southwest Region:					
Arizona	1,208	(22.2)	1,552	22.8	1,264
California	1,298	3.2	1,258	23.7	1,017
Nevada	394	(9.4)	435	(18.8)	536
Total Southwest	2,900	(10.6)	3,245	15.2	2,817
Central Region:					
Texas	485	(35.2)	749	(2.1)	765
Mid-Atlantic Region:					
Maryland	303	n/a			
New Jersey	191	n/a			
Virginia	615	n/a			
Total Mid-Atlantic	1,109	n/a			
Total	7,535	9.5	6,882	24.0%	5,551
Backlog at end of year:					
Southeast Region:					
Georgia	60	(34.8)%	92	114.0%	43
North Carolina	253	11.9	226	31.4	172
South Carolina	177	(2.7)	182	67.0	109
Tennessee	120	(22.1)	154	90.1	81
Florida	389	13.7	342	242.0	100
Total Southeast	999	0.3	996	97.2	505
Southwest Region:					
Arizona	462	(3.3)	478	82.4	262
California	205	12.6	182	133.3	78
Nevada	119	43.4	83	(40.3)	139
Total Southwest	786	5.8	743	55.1	479
Central Region:					
Texas	206	(35.2)	318	52.9	208
Mid-Atlantic Region:					
Maryland	154	n/a			
New Jersey	108	n/a			
Virginia	305	n/a			
Total Mid-Atlantic	567	n/a			
Total	2,558	24.4	2,057	72.6	1,192

Year ended September 30, (dollars in thousands)	1999 Amount	% Change	1998 Amount	% Change	1997 Amount
Number of closings:					
Southeast Region:					
Georgia	227	36.7%	166	(4.6)%	174
North Carolina	900	15.8	777	23.7	628
South Carolina	509	14.4	445	13.8	391
Tennessee	486	13.6	428	(6.3)	457
Florida	986	45.6	677	71.8	394
Total Southeast	3,108	24.7	2,493	22.0	2,044
Southwest Region:					
Arizona	1,224	(8.4)	1,336	(5.6)	1,416
California	1,275	10.5	1,154	11.5	1,035
Nevada	358	(27.1)	491	(13.4)	567
Total Southwest	2,857	(4.2)	2,981	(1.2)	3,018
Central Region:					
Texas	597	(6.6)	639	(11.6)	723
Mid-Atlantic Region:					
Maryland	306	n/a			
New Jersey	211	n/a			
Virginia	510	n/a			
Total Mid-Atlantic	1,027	n/a			
Total	7,589	24.1%	6,113	5.7%	5,785
Homebuilding revenues:					
Southeast Region	$ 518,589	30.6%	$396,954	19.2%	$333,138
Southwest Region	526,931	17.2	449,766	11.4	403,864
Central Region	106,767	(2.3)	109,298	(2.9)	112,518
Mid-Atlantic Region	224,270	n/a			
Total	$1,376,557	44.0%	$956,018	12.5%	$849,520
Average sales price per home closed:					
Southeast Region	$ 166.9	4.8%	$ 159.2	(2.3)%	$ 163.0
Southwest Region	184.4	22.2	150.9	12.8	133.8
Central Region	178.8	4.6	171.0	9.9	155.6
Mid-Atlantic Region	218.4	n/a			
Total	$ 181.4	16.0%	$ 156.4	6.5%	$ 146.8
Number of active subdivisions at year end:					
Southeast Region	111	(1.8)%	113	8.7%	104
Southwest Region	63	6.8	59	(1.7)	60
Central Region	26	(16.1)	31	(6.1)	33
Mid-Atlantic Region	41	n/a			
Total	241	18.7%	203	3.0%	197

n/a Percentage change is not applicable. We entered the Mid-Atlantic region in December 1998 by acquiring the assets of the homebuilding operations of Trafalgar House Property, Inc.

(1) New orders for 1999 and 1998 do not include 555 and 96 homes in backlog, respectively, from acquired operations.

NEW ORDERS:

New orders increased in both of the last two years. These increases resulted from Beazer taking advantage of strong economic conditions in most of the markets where we operate by increasing our investment in those markets. The overall increase in 1999 compared to 1998 is also attributable to the growth of the Mid-Atlantic region, entered via acquisition in December 1998. We have actively raised prices during 1999 to increase margins (despite rising labor and materials costs) in most of our markets. In certain markets this has resulted in declines in new order levels, especially in Arizona and Texas. The average sales price in backlog for the Arizona and Texas markets is up 9% and 6%, respectively.

[Graphic]

New Orders

97	5,551
98	6,882
99	7,535

Southeast		Southwest		Central		Mid-Atlantic	
1997	1,969	1997	2,817	1997	765		
1998	2,888	1998	3,245	1998	749		
1999	3,041	1999	2,900	1999	485	1999	1,109

The fundamentals that drive sales activity are numerous and varied. On a macro level, job creation, household formation, low unemployment, high consumer confidence and stable mortgage interest rates each contribute to a positive general homebuilding environment in a market. Local new order trends are affected by:

- Our ability to stay ahead of changing customer preferences,
- Local demographic trends,
- Desirable product mix in the right locations, and
- Adequate product supply (as measured by the number of active subdivisions).

BACKLOG:

The increases in unit backlog in each of the past two years reflect the favorable homebuilding environment driving new order activity. The increases in aggregate dollar value also reflect our ability to raise prices in most markets, and the additional revenues realized through use of design centers.

[Graphic]

Aggregate Sales Value
of Homes in Backlog
(in thousands)

97	$190,439
98	$347,304
99	$481,514

Southeast		Southwest		Central		Mid-Atlantic	
1997	$ 81,720	1997	$ 73,346	1997	$35,373		
1998	169,261	1998	122,345	1998	55,698		
1999	172,431	1999	142,065	1999	38,195	1999	$128,823

	1999	1998	1997
Average sales price of homes in backlog	$188.2	$168.8	$159.8

SEASONALITY AND QUARTERLY VARIABILITY:

Our homebuilding operating cycle generally reflects escalating new order activity in our second and third fiscal quarters and higher closings in the third and fourth fiscal quarters. We believe that this seasonality reflects the preference of homebuyers to shop for a new home in the spring, as well as the scheduling of construction to accommodate seasonal weather conditions.

The following chart presents certain unaudited quarterly operating data for our last twelve fiscal quarters and is indicative of this seasonality.

[Graphic]

New Orders

	Q1	Q2	Q3	Q4
/ / 1997	1,034	1,534	1,594	1,389
/ / 1998	1,086	2,277	1,983	1,536
/X/ 1999	1,349	2,358	2,134	1,694

[Graphic]

Closings

	Q1	Q2	Q3	Q4
/ / 1997	1,113	1,227	1,315	2,130
/ / 1998	1,038	1,373	1,497	2,205
/X/ 1999	1,396	1,801	1,961	2,431

FINANCIAL RESULTS:

The following table provides additional details of revenues and certain expenses included in our consolidated statements of operations (in thousands).

Year ended September 30,	1999	1998	1997
Revenues:			
Homebuilding	$1,376,557	$956,018	$849,520
Land and lot sales	10,553	16,834	1,581
Mortgage originations	13,059	8,295	1,767
Intercompany elimination - mortgage	(6,095)	(3,738)	(758)
Total revenue	$1,394,074	$977,409	$852,110
Cost of home construction and land sales:			
Homebuilding	$1,151,460	$799,425	$720,390
Land and lot sales	8,077	15,516	1,552
Intercompany elimination - mortgage	(6,095)	(3,738)	(758)
Total cost of home construction and land sales	$1,153,442	$811,203	$721,184
Selling, general and administrative:			
Homebuilding operations	$ 145,201	$105,946	$ 90,860
Mortgage origination operations	8,162	4,313	1,227
Total selling, general and administrative	$ 153,363	$110,259	$ 92,087

REVENUES:

In 1999, revenues increased in our Southeast and Southwest regions. Revenues in the Southeast increased consistently with the increase in home closings. The increase in the Southwest is the result of increases in average sales price with fewer home closings. Our Mid-Atlantic region contributed $224 million in revenue in the 10 months following completion of the acquisition of Trafalgar House in December 1998.

[Graphic]

Homebuilding Revenues by Region
(in thousands)

	Southeast	Southwest	Central	Mid-Atlantic
/ / 1997	$333.1	$403.9	$112.5	
/ / 1998	397.0	449.8	109.3	
/X/ 1999	518.6	526.9	106.8	$224.3

[Graphic]

Average Sales Price by Region
(in thousands)

	Southeast	Southwest	Central	Mid-Atlantic
/ / 1997	$163.0	$133.8	$155.6	
/ / 1998	159.2	150.9	171.0	
/X/ 1999	166.9	184.4	178.8	$218.4

The increase in homebuilding revenues for the year ended September 30, 1998, compared to the year ended September 30, 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 upgrades sold through our design centers.

Consistent with our stated policy of reducing our investment in markets and projects that are not meeting or exceeding our overall cost of capital, we executed several land sales during fiscal 1999 and 1998. We did not realize significant profit or loss on these land sales. We did not have any significant land and lot sales during fiscal year 1997.

COST OF HOME CONSTRUCTION AND LAND SALES:

The increase in gross margins in each of the last two fiscal years is the result of continued improvements from our profitability initiatives, specifically design centers and mortgage origination operations. The gross margin on items sold through our design centers are approximately double that of our base homes. Mortgage origination

[Graphic]

	97	98	99
/ / Revenues	$852,110	$977,409	$1,394,074
/X/ Cost of home construction	721,184	811,203	1,153,442
Gross Margin	15.4%	17.0%	17.3%

operations contribute to gross margin improvements by directing payment of certain closing costs and discounts to Beazer Mortgage rather than a third-party lender. These payments are eliminated against the corresponding revenue recognized by the mortgage origination operations, thus reducing total cost of sales. In addition, a strong general economic environment during the two years allowed us to raise sales prices in most of our markets, thereby reducing the impact of rising labor and materials costs.

[Graphic]

SG&A

1997	1998	1999
10.8%	11.3%	11.0%

During the year ended September 30, 1997, we 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).

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE:

During 1998, we made significant investments in improving our information systems and opening mortgage origination operations and design centers. Many of these up front costs were expensed, resulting in an increase in SG&A as a percentage of revenues. The efficiencies and savings associated with these initiatives contributed to the reduction of SG&A as a percentage of revenues in 1999. In addition, in 1999, a higher level of revenues allowed us to achieve more leverage off the fixed portion of SG&A.

EQUITY LOSS OF UNCONSOLIDATED JOINT VENTURE:

Our unconsolidated joint venture in affordable housing, Premier Communities, began operations in its first community, Oasis Ranch, in El Paso, Texas, during fiscal 1999. We have recognized our share of the joint venture's losses of approximately $2.1 million during the year ended September 30, 1999 and have included these losses in other income (expense). These losses include the expensing of start-up costs in El Paso and much of the up front investment in establishing and expanding this venture. After opening our first community in El Paso, we recently expanded the venture to Houston.

MORTGAGE ORIGINATION OPERATIONS:

During fiscal 1999, Beazer Mortgage established branches in the Mid-Atlantic region and now has operations serving each of the 12 states where Beazer does business. During fiscal 1998, we completed rolling out Beazer Mortgage into the nine states where Beazer then did business. Beazer Mortgage served only five states in 1997.

[Graphic]

Number of Mortgages Originated	97	98	99
Total Closings	5,785	6,113	7,589
BMC Originations	960	3,100	3,896
Capture Rate	17%	51%	51%

INCOME TAXES:

Income taxes for fiscal 1999, 1998 and 1997, were provided at effective rates of 39.0%, 38.1% and 38.5%, respectively. Slight fluctuations in our effective tax rate are the result of variations in state income tax rates.

FINANCIAL CONDITION AND LIQUIDITY:

At September 30, 1999, Beazer had no outstanding borrowings under our $200 million unsecured revolving credit facility. We fulfill our short-term cash requirements with cash generated from our operations and funds available from our 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 and were $163 million at September 30, 1999. The credit facility currently expires in November 2002.

During the year ended September 30, 1999, we utilized borrowings under the credit facility of approximately $90.0 million for the acquisition of the residential homebuilding operations of Trafalgar House Property, Inc. During the year ended September 30, 1998, we used borrowings under the credit facility of approximately $16.8 million for the acquisition of the Orlando, Florida, operations of Calton Homes of Florida, Inc. All such borrowings for these acquisitions were repaid as of September 30, 1999 and 1998, respectively.

At September 30, 1999, we had the following long-term debt (in thousands):

Debt	Interest Rate	Due	Amount
1998 Senior Notes	8 7/8%	April 2008	$100,000
1994 Senior Notes	9%	March 2004	115,000
			$215,000

All significant subsidiaries of Beazer Homes USA, Inc. are guarantors of the Notes and our obligations under the credit facility, and are jointly and severally liable for our 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.

[Graphic]

Land Bank	Optioned	Owned
	14,361	9,100

We attempt to maintain a 3-year supply of land, with half or more controlled through options. At September 30, 1999, we controlled 23,461 lots (a 3.1-year supply, based on fiscal 1999 closings), with 9,100 lots owned and 14,361 lots under option. At September 30, 1999, we had commitments with respect to option contracts with specific performance obligations of approximately $47.7 million. We expect to exercise all of our option contracts with specific perfor-mance obligations and, subject to market conditions, substantially all of our options contracts without specific performance obligations.

During fiscal 1999, we induced the conversion of 1,997,836 shares of our then outstanding preferred stock into common stock. We paid an aggregate of $1.3 million in cash as a part of the inducement transactions. The 2,164 shares of preferred stock not converted into common 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. By inducing conversion of the preferred stock, we were able to simplify our capital structure and eliminate our annual $4 million cash dividend.

We believe that our current borrowing capacity at September 30, 1999, and anticipated cash flows from operations are sufficient to meet liquidity needs for the foreseeable future.

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 years beginning after June 15, 2000. The Company has not yet completed an analysis of the effect of this standard on its financial statements.

YEAR 2000 COMPLIANCE AND READINESS DISCLOSURES:

GENERAL: We believe that we have adequately prepared for the Year 2000 issue and that it should not have a direct material impact on our financial condition or results of operations. We recognize the importance of the Year 2000 issue and we have taken a proactive approach intended to facilitate an appropriate transition into the Year 2000. This proactive approach included 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: We have implemented a series of profitability initiatives during fiscal 1998 and 1999, including a streamlining of all Internal Systems. These efforts included updating the hardware and software being used by a majority of our employees. All such purchases contemplated future Year 2000 issues and are considered compliant. As such, our Year 2000 initiative has not required substantial investments as of September 30, 1999, and we do not believe it will require a substantial future investment.

Our principal Internal Systems include our general systems architecture (local and wide area networks), common financial system, executive information system, payroll services system and cash management system. We are currently operating on the latest version of each of the listed systems (excluding architecture) and have received representations from the vendors indicating that they are Year 2000 compliant. We have evaluated the compliance of our general systems architecture. Despite the certifications from the software vendors, we have tested the compliance of our principal Internal Systems during fiscal 1999.

Our principal External Systems include those of our subcontractors, significant raw material vendors, and general service providers such as telecommunications and power. We have substantially completed our evaluation of significant subcontractors and raw material providers via inquiry. We have not performed our own tests on these systems, and no assurance can be given as to the compliance of these systems. Based on the information currently available, we are not aware of any material non-compliance by our general service providers; however, we do not control these systems and cannot assure their compliance.

COSTS: As of September 30, 1999, less than $250,000 of outside consulting costs have been incurred related to our Year 2000 initiatives. We may incur additional capital expenditure and internal staff costs, as well as additional outside consulting expenditures related to this process. However, based on currently available information, we do not expect the total costs of these initiatives to exceed $500,000.

RISKS PRESENTED BY THE YEAR 2000 ISSUE: Our failure to appropriately address a material Year 2000 issue within our Internal Systems, or the failure by any third party to address an External System could have a material adverse impact on our financial condition, liquidity or results of operations. To date, however, we have 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, we 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 labor intensive and could operate for a limited time in a manual environment. At this time, we believe the most likely worst-case scenario for us would result if there were a significant disruption in services provided by banking institutions, utility service providers, or certain government agencies which could inhibit our ability to deliver finished homes to our customers.

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

OUTLOOK:

We are optimistic about our prospects for fiscal 2000 and confident about our long-term prospects. As a result of increased backlog at September 30, 1999, we expect home closings to be strong for the first six months of fiscal 2000. Over the long-term, projected population growth and, subsequently, household formation will drive demand for housing, especially in the growth states in which we operate. We continue to refine and improve the construction process with technology, invest in our people through education and explore new ways to market our product via the Internet. All the while, we are maintaining financial discipline through the framework of our Value Created incentive plan. In the event of a short-term decline in housing demand, we believe we will be able to grow market share via acquisition. Our five-year goal is to deliver 15,000 home closings and earn over $9.00 per diluted common share by 2004.

SAFE HARBOR STATEMENT

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. Any statements herein regarding our growth over the next five years, including statements regarding number of home closings and earnings, are expressions of goals only, do not constitute estimates, projections, or predictions and may not come true. While the Company believes that our discussions of our goals for future performance and other forward-looking statements are reasonable, Beazer's business is dependent upon general economic conditions and is subject to risks and uncertainties that could cause actual results to differ materially in amount or timing from those expressed in, or implied by, such statements. The most significant factors that could cause actual results including our earnings to differ materially from those expressed in our 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,

- Our inability to effect growth through acquisition at a favorable price, particularly at a time of a short-term decline in housing demand, and

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

BEAZER HOMES USA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except per share amounts) Year ended September 30,	1999	1998	1997
Total revenue	$1,394,074	$977,409	$852,110
Costs and expenses:			
Home construction and land sales	1,153,442	811,203	721,184
Writedown of inventory			6,326
Amortization of previously capitalized interest	25,469	19,031	14,857
Selling, general and administrative	153,363	110,259	92,087
Operating income	61,800	36,916	17,656
Other income (expense)	(1,256)	578	538
Income before income taxes	60,544	37,494	18,194
Provision for income taxes	23,610	14,293	7,005
Net income	$ 36,934	$ 23,201	$ 11,189
Dividends and other payments to			
preferred stockholders	$ 3,343	$ 4,000	$ 4,000
Net income applicable to common stockholders:			
Basic	$ 33,591	$ 19,201	$ 7,189
Diluted	36,934	23,021	11,189
Weighted average number of shares (in thousands):			
Basic	7,320	5,864	6,088
Diluted	8,895	8,731	6,274
Net income per common share:			
Basic	$ 4.59	$ 3.27	$ 1.18
Diluted	4.15	2.66	1.15

BEAZER HOMES USA, INC.

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share amounts) September 30,	1999	1998
ASSETS:		
Cash and cash equivalents		$ 67,608
Accounts receivable	$ 21,416	16,949
Inventory	532,559	405,095
Deferred tax asset	5,714	3,283
Property, plant and equipment, net	13,102	12,332
Goodwill, net	8,051	8,853
Other assets	13,726	11,471
Total Assets	$594,568	$525,591
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Trade accounts payable	$ 45,984	$ 50,165
Other liabilities	98,922	61,202
Revolving credit facility	-	-
Senior Notes	215,000	215,000
Total Liabilities	$359,906	$326,367
Stockholders' Equity:		
Preferred stock (par value $.01 per share, 5,000,000 shares authorized, no shares issued at September 30, 1999, 2,000,000 issued and outstanding with a $50,000 aggregate liquidation preference at September 30, 1998)		20
Common stock (par value $.01 per share, 30,000,000 shares authorized, 12,265,899 and 9,559,200 issued, 8,974,122 and 6,267,423 outstanding)	123	93
Paid in capital	194,528	192,729
Retained earnings	97,488	64,003
Unearned restricted stock	(5,494)	(5,638)
Treasury stock, at cost (3,291,777 shares)	(51,983)	(51,983)
Total Stockholders' Equity	234,662	199,224
Total Liabilities and Stockholders' Equity	$594,568	$525,591

See Notes to Consolidated Financial Statements

BEAZER HOMES USA, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(dollars in thousands)	Preferred Stock	Common Stock	Paid in Capital	Retained Earnings	Unearned Restricted Stock	Treasury Stock	Total
Balance, September 30, 1996	$ 20	$ 93	$187,477	$37,613	$(1,446)	$(45,056)	$178,701
Purchase of treasury stock (517,510 shares)						(6,927)	(6,927)
Issuance of restricted stock (50,757 shares)			321		(321)		
Amortization of unearned restricted stock					323		323
Preferred stock dividends paid				(4,000)			(4,000)
Net Income				11,189			11,189
Balance, September 30, 1997	20	93	187,798	44,802	(1,444)	(51,983)	179,286
Issuance of restricted stock (238,000 shares)			4,805		(4,805)		
Amortization of unearned restricted stock					611		611
Preferred stock dividends paid				(4,000)			(4,000)
Vesting of restricted stock			126				126
Net Income				23,201			23,201
Balance, September 30, 1998	20	93	192,729	64,003	(5,638)	(51,983)	199,224
Issuance of restricted stock (137,604 shares)			789		(789)		
Amortization of unearned restricted stock					933		933
Stock options exercised		1	202				203
Vesting of restricted stock		2	815				817
Dividends and other payments to preferred stockholders				(3,449)			(3,449)
Conversion and redemption of preferred stock	(20)	27	(7)				
Net Income				36,934			36,934
Balance, September 30, 1999	$ -	$123	$194,528	$97,488	$(5,494)	$(51,983)	$234,662

See Notes to Consolidated Financial Statements

BEAZER HOMES USA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

Year ended September 30,	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	$ 36,934	$ 23,201	$ 11,189
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation and amortization	5,508	3,269	2,221
Provision for deferred income taxes	(2,431)	340	(1,280)
Writedown of inventory			6,326
Changes in operating assets and liabilities, net of effects from acquisitions			
Increase in inventory	(23,129)	(26,220)	(47,302)
Increase (decrease) in trade accounts payable	(26,134)	15,824	13,012
Increase (decrease) in other accrued liabilities	43,316	18,344	(645)
Other	219	(7,609)	(3,988)
Net cash provided (used) by operating activities	34,283	27,149	(20,467)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(4,104)	(5,775)	(9,445)
Investment in unconsolidated joint venture	(2,100)	(1,200)	
Acquisitions, net of cash acquired	(91,800)	(16,766)	
Net cash used by investing activities	(98,004)	(23,741)	(9,445)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of 8 7/8% Senior Notes		100,000	
Net borrowings under revolving credit facility		(30,000)	30,000
Debt issuance costs	(438)	(3,067)	(836)
Dividends and other payments to preferred stockholders	(3,449)	(4,000)	(4,000)
Common share repurchases			(6,927)
Net cash provided (used) by financing activities	(3,887)	62,933	18,237
Increase (decrease) in cash and cash equivalents	(67,608)	66,341	(11,675)
Cash and cash equivalents at beginning of year	67,608	1,267	12,942
Cash and cash equivalents at end of year	$ --	$ 67,608	$ 1,267
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 25,356	$ 20,379	$ 15,659
Income taxes paid	25,909	14,533	5,399

NOTES TO CONSOLIDATED

FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

ORGANIZATION - Beazer Homes USA, Inc. is one of the largest single-family homebuilders in the United States. We design, build and sell single-family homes in 32 markets located in Arizona, California, Florida, Georgia, Maryland, Nevada, New Jersey, North Carolina, South Carolina, Tennessee, Texas and Virginia. Beazer Mortgage Corp. ("Beazer Mortgage") and Homebuilders Title (formed in 1999) provide mortgage origination and title services to our homebuyers.

BASIS OF PRESENTATION - The accompanying consolidated financial statements include the accounts of Beazer Homes USA, Inc., and our wholly owned subsidiaries. Intercompany balances have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS - We consider cash investments with maturities of three months or less when purchased to be cash equivalents.

INVENTORY - Inventory consists solely of residential real estate developments. Interest, real estate taxes and development costs are capitalized in inventory during the development and construction period.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are recorded at cost. Depreciation is computed on a straight line basis at rates based on estimated useful lives as follows:

Building	15 years
Machinery and equipment	3-12 years
Information systems	3-5 years
Furniture and fixtures	3-5 years

INCOME TAXES - Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

REVENUE RECOGNITION AND CLASSIFICATION OF COSTS - Revenue from the sale of residential units or land parcels is recognized when closings have occurred and the risk of ownership is transferred to the buyer. Sales commissions are included in selling, general and administrative expense.

Fees paid to Beazer Mortgage from third-party lenders are recognized as revenue concurrent with the closing on the sale of the residential unit. All expenses of operating Beazer Mortgage are included in selling, general and administrative expense in the period incurred.

GOODWILL - Goodwill represents the excess of the purchase price over the fair value of assets acquired and is being amortized over a 15-year period. Amortization expense was $801,000, $736,000 and $541,000, for the years ended September 30, 1999, 1998 and 1997, respectively. Accumulated amortization was $3,986,000 and $3,185,000 at September 30, 1999 and 1998, respectively. In the event that facts and circumstances indicate that the carrying value of goodwill may be impaired, an evaluation of recoverability is performed. The evaluation compares the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required.

WARRANTY COSTS - Estimated future warranty costs are charged to cost of sales in the period when the revenues from home closings are recognized. Such estimated warranty costs generally range from 0.5% to 1.0% of total revenue and, based upon experience, have been sufficient to cover costs incurred.

OTHER LIABILITIES - Other liabilities includes homebuyer deposits, land purchase obligations, accrued compensation and various other accrued expenses.

FAIR VALUE OF FINANCIAL INSTRUMENTS - The historical carrying amount of short-term financial instruments is a reasonable estimate of fair value. The fair value of our publicly held debt is estimated based on the quoted bid prices for these debt instruments. The fair values of our publicly held debt approximate their book values at September 30, 1999 and 1998.

EARNINGS PER SHARE - The computation of basic earnings per common share is determined by dividing net income applicable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share additionally gives effect (when dilutive), to stock options, stock awards, and the assumed conversion of convertible preferred stock.

SEGMENT REPORTING - We have determined that our operating activities consist of one reportable segment, the homebuilding segment, which specializes in the design, construction and sale of residential housing.

STOCK-BASED COMPENSATION - As described in Note 12, we follow the intrinsic value method to account for compensation expense related to the award of stock options and to furnish the pro forma disclosures required under SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). Since our stock option awards are granted at prices no less than the fair-market value of the shares at the date of grant, no compensation expense is recognized. Compensation expense related to restricted stock awards is determined at the date of grant, recorded as unearned compensation expense and amortized over the vesting period of the awarded shares. The unearned compensation expense related to such awards is reflected as a reduction of stockholders' equity.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INVESTMENT IN UNCONSOLIDATED JOINT VENTURE - We use the equity method of accounting for our investment in Premier Communities, a joint venture in affordable housing (see Note 14). Our investment in the venture is classified as other assets and our share of operating losses is included in other income (expense).

RECLASSIFICATIONS - Certain items in prior period financial statements have been reclassified to conform to the current presentation.

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

NOTE 2 ACQUISITIONS

In December 1998, we acquired the assets and certain liabilities (approximately $22 million) of the homebuilding operations of Trafalgar House Property, Inc. ("THPI") for approximately $90 million in cash. The acquisition has been accounted for as a purchase; accordingly, the purchase price has been allocated to reflect the fair value of assets and liabilities acquired. This resulted in no goodwill.

The following unaudited pro forma financial data give effect to our 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.

	Year ended September 30, 1999	1998
Total revenues	$1,429,016	$1,169,501
Net income	37,650	29,053
Net income per share:		
Basic	$ 4.69	$ 4.27
Diluted	4.23	3.33

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

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

NOTE 3 INVENTORY

Inventory at September 30 includes (in thousands):

	1999	1998
Homes under construction	$253,031	$194,566
Development projects in progress	235,077	165,218
Unimproved land held for future development	4,539	18,605
Model homes	39,912	26,706
Total inventory	$532,559	$405,095

Homes under construction include homes finished and ready for delivery and homes in various stages of construction. We had 162 completed homes ($27.1 million) and 208 completed homes ($30.7 million) that were not subject to a sales contract, excluding model homes, at September 30, 1999 and 1998, respectively.

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.

Inventory located in California, the state with our largest concentration of inventory, was $136.5 million and $97.7 million at September 30, 1999 and 1998, respectively.

In March 1997, we recorded a pre-tax charge of $6.3 million to write down two properties located in Nevada to their estimated fair-market value (based on the sales prices of comparable projects). The two Nevada properties 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 at that time were less than their respective book values.

We acquire certain lots by means of option contracts. Option contracts generally require the payment of cash for the right to acquire lots during a specified period of time at a certain price. Under option contracts without specific performance obligations, our risk of loss is generally limited to forfeiture of deposits, which aggregated approximately $21.7 million and $12.5 million at September 30, 1999 and 1998, respectively, and are included in development projects in process. Under option contracts, both with and without specific performance, purchase of the properties is contingent upon satisfaction of certain requirements by us and the sellers. Below is a summary of amounts (in thousands) committed under all options:

	Aggregate Purchase Price as of September 30, 1999
Options with specific performance	$ 47,695
Options without specific performance	363,091
Total options	$410,786

NOTE 4 INTEREST

Information regarding interest (in thousands) is as follows:

	Year ended September 30, 1999	1998	1997
Capitalized interest in inventory,			
beginning of year:	$ 9,083	$ 6,855	$ 5,553
Interest incurred and capitalized	26,874	21,259	16,159
Capitalized interest amortized to cost of sales	(25,469)	(19,031)	(14,857)
Capitalized interest in inventory, end of year:	$ 10,488	$ 9,083	$ 6,855

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of (in thousands):

	September 30, 1999	1998
Land and buildings	$ 1,372	$ 935
Leasehold improvements	1,358	883
Machinery and equipment	4,979	3,467
Information systems	11,567	9,354
Furniture and fixtures	3,845	5,103
	23,121	19,742
Less accumulated depreciation and amortization	10,019	7,410
Property, plant and equipment, net	$13,102	$12,332

NOTE 6 REVOLVING CREDIT FACILITY

We maintain a revolving line of credit with a group of banks. 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 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.

Available borrowings under the credit facilty are limited to certain percentages of homes under contract, unsold homes, substantially improved lots and accounts receivable. At September 30, 1999, we had no borrowings outstanding and had available borrowings of $163 million under the credit facility.

NOTE 7 SENIOR NOTES

In March 1998, we issued $100 million of 8 7/8% Senior Notes due in April 2008 (the "8 7/8% Senior Notes") at a price of 99.183% of their face amount (before underwriting discount and other issuance costs). Interest on the 8 7/8% Senior Notes is payable semiannually. We may, at our option, redeem the 8 7/8% Senior Notes in whole or in part at any time after March 2003, initially at 104.438% of the principal amount, declining to 100% of the principal amount after March 2006. A portion of such notes may also be redeemed prior to April 2001 under certain conditions.

We also have outstanding $115 million of Senior Notes which mature in March 2004 (the "9% Senior Notes"). Interest on the 9% Senior Notes is payable semiannually. We may, at our 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 8 7/8% Senior Notes and the 9% Senior Notes are unsecured obligations ranking pari passu with all other existing and future senior indebtedness.

The indentures under which the 8 7/8% Senior Notes and the 9% Senior Notes were issued contain certain restrictive covenants, including limitations on payment of dividends. At September 30, 1999, under the most restrictive covenants of each indenture, approximately $48.8 million of our retained earnings was available for cash dividends and for share repurchases. Each indenture provides that, in the event of defined changes in control or if our consolidated tangible net worth falls below a specified level or in certain circumstances upon sale of assets, we are required to offer to repurchase certain specified amounts of outstanding Senior Notes.

NOTE 8 INCOME TAXES

The provision for income taxes consists of (in thousands):

	Year ended September 30,		
	1999	1998	1997
Current:			
Federal	$23,013	$12,297	$ 7,507
State	3,440	1,656	778
Deferred	(2,843)	340	(1,280)
Total	$23,610	$14,293	$ 7,005

The provision for income taxes differs from the amount computed by applying the federal income tax statutory rate as follows (in thousands): Year ended

	September 30,		
	1999	1998	1997
Income tax computed at statutory rate	$21,189	$13,123	$6,368
State income taxes, net of federal benefit	2,236	1,077	506
Goodwill amortization	189	189	189
Other, net	(4)	(96)	(58)
Total	$23,610	$14,293	$7,005

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets relate principally to differences between book and tax bases of inventory (as a result of the various acquisitions), and the timing of deductions for deferred compensation and accrued warranty costs. We believe that based upon our history of profitable operations, it is more likely than not that our net deferred tax assets of $5,714,000 will be realized.

NOTE 9 LEASES

We are obligated under various noncancelable operating leases for office facilities and equipment. Rental expense under these agreements amounted to approximately $5,381,000, $4,400,000 and $2,258,000, for the years ended September 30, 1999, 1998 and 1997, respectively. As of September 30, 1999, future minimum lease payments under noncancelable operating lease agreements are as follows (in thousands):

Year Ending September 30,	
2000	$ 4,029
2001	2,609
2002	2,143
2003	1,506
2004	1,065
Thereafter	846
Total	$12,198

NOTE 10 STOCKHOLDERS' EQUITY

PREFERRED STOCK - In 1995, we issued 2,000,000 shares of our preferred stock (liquidation preference of $25.00 per share). The preferred stock paid dividends quarterly at an annual rate of 8%, was convertible at the holders' option into our common stock at a conversion price of $19.05 per common share and was exchangeable at our option into 8% Convertible Subordinated Debentures due 2005. During fiscal 1999, we induced the conversion of 1,997,836 shares of this preferred stock into common stock. We paid an aggregate of $1.3 million in cash as a part of the inducement transactions. The 2,164 shares of preferred stock not converted into common stock were redeemed for cash (including accrued and unpaid dividends) at $26.678 per preferred share.

COMMON STOCK REPURCHASE PLAN - In June 1996, our Board of Directors approved a stock repurchase plan authorizing the purchase of up to 10% of our then outstanding common stock. As of September 30, 1999, we had purchased 542,510 shares for an aggregate purchase price of approximately $7.3 million under this repurchase plan.

In November 1999, our Board of Directors approved a new stock repurchase plan authorizing the purchase of up to 500,000 shares of our outstanding common stock. Such repurchases, if completed, would be affected at various prices from time to time in the open market.

STOCKHOLDER RIGHTS PLAN - In June 1996, our Board of Directors adopted a Shareholder Rights Plan and distributed a dividend of one preferred share purchase right (a "Right") to purchase one one-hundredth of a share of our Series B Junior Participating Preferred Stock, par value $0.01 per share (the "Junior Preferred Shares"). The Rights become exercisable in certain limited circumstances involving principally the acquisition of over 20% of our outstanding common stock by any one individual or group. The Rights are initially exercisable at a price of $80 per one-hundredth of a Junior Preferred Share subject to adjustment. Following certain other events after the Rights have become exercisable, each Right entitles its holder to purchase at the Right's then-current exercise price, a number of shares of our common stock having a market value of twice such price, or, in certain circumstances, securities of the acquirer, having a then-current market value of two times the exercise price of the Right.

NOTE 11 EARNINGS PER SHARE

The Rights are redeemable and may be amended at our option before they become exercisable. Until a Right is exercised, the holder of a Right has no rights as a stockholder of the Company. The Rights expire in June 2006.

Basic and diluted earnings per share are calculated as follows (in thousands, except per share data):

	Year ended September 30, 1999	1998	1997
EARNINGS:			
Net income	$36,934	$23,201	$11,189
Less: Dividends and other payments to preferred stockholders	3,343	4,000	4,000
Net income applicable to common stockholders	$33,591	$19,201	$7,189
BASIC:			
Net income applicable to common stockholders	$33,591	$19,201	$7,189
Weighted average number of common shares outstanding	7,320	5,864	6,088
Basic earnings per share	$ 4.59	$ 3.27	$ 1.18
DILUTED:			
Net income applicable to common stockholders	$33,591	$19,201	$ 7,189
Add back: Payments to preferred stockholders	3,343	4,000	n/a
Adjusted net income applicable to common stockholders	$36,934	$23,201	$ 7,189
Weighted average number of common shares outstanding	7,320	5,864	6,088
Effect of dilutive securities -			
Assumed conversion of Preferred Stock	1,232	2,625	n/a
Restricted stock	254	163	142
Options to acquire common stock	89	79	44
Diluted weighted common shares outstanding	8,895	8,731	6,274
Diluted earnings per share	$ 4.15	$ 2.66	$ 1.15

The computation of diluted earnings per share for the year ended September 30, 1997, excludes the assumed conversion of 2.0 million shares of our then outstanding convertible preferred stock into 2.6 million shares of common stock at the conversion price of $19.05 per share since the effect of such conversion is antidilutive. Options to purchase 18,000 and 228,500 shares of common stock were not included in the computation of diluted earnings per share for the years ended September 30, 1999 and 1997, respectively, because the options' exercise prices were greater than the average market price of our common shares during those years.

NOTE 12 RETIREMENT PLAN AND INCENTIVE AWARDS

401(K) RETIREMENT PLAN - We sponsor a 401(k) Retirement Savings and Investment Plan (the "Plan"). Substantially all employees are eligible for participation in the Plan after completing one year of service with us. Participants may defer and contribute to the Plan from 1% to 17% of their salary with certain limitations on highly compensated individuals. We match 50% of the first 6% of the participant's contributions. The participant's contributions vest 100% immediately, while our contributions vest after five years. Our total contributions for the years ended September 30, 1999, 1998 and 1997 were approximately $1,496,000, $876,000 and $620,000, respectively.

STOCK OPTION AWARDS - We have issued several stock option awards to officers and key employees under the 1994 Stock Incentive Plan and to non-employee directors pursuant to our Non-Employee Director Stock Option Plan. Stock options are generally exercisable at the fair-market value on the grant date and may be exercised between 3 to 10 years from the date such options are granted.

Information regarding activity under our stock option plans is summarized as follows:

	Year ended September 30, 1999		1998		1997	
	Shares	Average Exercise Price	Shares	Average Exercise Price	Shares	Average Exercise Price
Options outstanding at beginning of year	808,500	$18.39	560,500	$17.57	346,000	$16.07
Granted	18,000	23.13	248,000	20.19	214,500	20.06
Exercised	(20,500)	17.51				
Options outstanding at end of year	806,000	$18.50	808,500	$18.39	560,500	$17.57
Options exercisable at end of year	325,500	$15.93	312,000	$15.90	165,000	$17.50

The following table summarizes information about stock options outstanding and exercisable at September 30, 1999:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Contractual Remaining Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$13-$16	155,000	6	$14.11	155,000	$14.11
$16-$19	165,000	5	17.50	165,000	17.50
$19-$21	486,000	9	20.24	5,500	19.75

We apply Accounting Principle Board Opinion No. 25 in accounting for our stock option plans and, accordingly, no compensation cost has been recognized for stock options in the accompanying financial statements. SFAS 123 requires disclosure of pro forma net earnings and pro forma net earnings per share as if the fair value based method had been applied in measuring compensation expense for awards granted since 1996. Reported and such pro forma net earnings (in thousands) and net income per share amounts are as follows:

	Year ended September 30, 1999	1998	1997
Reported:			
Net income	$36,934	$23,201	$11,189
Basic net income per share	4.59	3.27	1.18
Diluted net income per share	4.15	2.66	1.15
Pro forma:			
Net income	$35,992	$22,733	$11,137
Basic net income per share	4.46	3.19	1.17
Diluted net income per share	4.04	2.60	1.14

The weighted average fair value of each option granted was $11.61, $8.53 and $10.17 during the years ended 1999, 1998 and 1997, respectively. The fair values of options granted were estimated on the date of their grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

	Year ended September 30, 1999	1998	1997
Expected volatility	37.6%	29.7%	39.3%
Expected dividend yield	none	none	none
Risk-free interest rate	5.5%	5.3%	6.1%
Expected life (in years)	7.0	6.5	6.5

Other Stock Awards - We have made several restricted stock awards to officers and key employees under the 1994 Stock Incentive Plan (the "Stock Plan"). All restricted stock is awarded subject to restrictions and forfeiture provisions which eventually lapse. Accordingly, all restricted stock awards are considered outstanding shares. Compensation expense recognized for such awards total $933,000, $611,000 and $323,000, for the years ended September 30, 1999, 1998 and 1997, respectively.

Activity relating to restricted stock awards is summarized as follows:

	Year ended September 30, 1999	1998	1997
Restricted shares, beginning of period	371,624	186,500	170,500
Shares awarded	18,000	238,000	16,000
Shares forfeited	(4,226)		
Shares vested	(3,774)	(52,876)	
Restricted shares, end of period	381,624	371,624	186,500

During 1998 we extended our incentive compensation plan (called the Value Created Incentive Plan), modeled under the concepts of economic profit or economic value added, to all key operating managers within the organization. Participants may receive a portion of their earned incentive compensation under the plan in shares of our common stock (the "Bonus Restricted Stock"). Such shares are issued after a three-year vesting period at a discount to the stock's market value at the time the bonus is earned. Should the participant's employment terminate for any reason during the vesting period, this portion of the incentive compensation is settled in cash. We had 191,578, 118,408 and 69,689 shares of Bonus Restricted Stock issuable as of September 30, 1999, 1998 and 1997, respectively.

At September 30, 1999, we had reserved 1,443,203 shares of common stock for issuance under our various stock incentive plans and have 31,797 shares available for future grants.

NOTE 13 CONTINGENCIES

We had outstanding letters of credit and performance bonds of approximately $39.4 million and $115.7 million, respectively, at September 30, 1999, related principally to our obligations to local governments to construct roads and other improvements in various developments. We do not believe that any such letters of credit or bonds are likely to be drawn upon.

We are a defendant or plaintiff in various legal actions which have arisen in the normal course of business. In our opinion, the ultimate resolution of these matters will not have a material adverse effect on our financial position or results of operations.

NOTE 14 INVESTMENT IN UNCONSOLIDATED JOINT VENTURE

During fiscal 1998 we entered into a joint venture agreement with Corporacion GEO, S.A. de C.V., a Mexican homebuilder, to build homes in the United States. We have a non-controlling 40% ownership interest in the joint venture. Development of the joint venture's first project began during fiscal 1999. We have cumulatively funded approximately $3.3 million to the joint venture through September 30, 1999 and have a remaining contractual commitment for $1.5 million of additional funding. Our share of operating losses of this joint venture was $2.1 million and $269,000 during the years ended September 30, 1999 and 1998 respectively.

Independent Auditors' Report

To the Board of Directors and Stockholders of
Beazer Homes USA, Inc.

We have audited the accompanying consolidated balance sheets of Beazer Homes USA, Inc. as of September 30, 1999 and 1998 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended September 30, 1999. These consolidated financial statements are the responsibility of the management of Beazer Homes USA, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Beazer Homes USA, Inc. at September 30, 1999 and 1998 and the consolidated results of its operations and its cash flows for each of the years in the three-year period ended September 30, 1999 in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

/s/ Deloitte & Touche LLP

Atlanta, Georgia
November 3, 1999

QUARTERLY DATA

SUMMARIZED QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

(dollars in thousands, except per share data)	Quarter ended September 30	June 30	March 31	December 31
FISCAL 1999:				
Total revenue	$454,189	$370,431	$327,345	$242,110
Operating income	24,005	16,964	13,191	7,662
Net income	13,911	10,252	8,085	4,683
NET INCOME PER COMMON SHARE:				
Basic	$ 1.63	$ 1.23	$ 0.93	$ 0.62
Diluted	1.57	1.15	0.84	0.53
FISCAL 1998:				
Total revenue	$365,649	$234,811	$221,323	$155,626
Operating income	19,158	8,814	6,135	2,808
Net income	11,956	5,621	3,805	1,819
NET INCOME PER COMMON SHARE:				
Basic	$ 1.86	$ 0.79	$ 0.48	$ 0.14
Diluted	1.37	0.67	0.44	0.14
FISCAL 1997:				
Total revenue	$317,273	$195,991	$177,762	$161,083
Operating income (loss)	12,147	5,438	(4,133)	4,199
Net income (loss)	7,537	3,434	(2,460)	2,677
NET INCOME (LOSS) PER COMMON SHARE:				
Basic	$ 1.12	$ 0.41	$ (0.55)	$ 0.27
Diluted	0.87	0.40	(0.55)	$ 0.26

QUARTERLY STOCK PRICE INFORMATION:

1999 PERIOD:				
High	$26.3750	$23.5000	$27.3750	$25.0000
Low	17.7500	21.8750	20.5000	17.0625
1998 PERIOD:				
High	$26.8750	$27.1250	$26.0000	$20.0000
Low	20.1250	21.0000	19.8750	17.6875

BEAZER HOMES USA, INC.
SELECTED FINANCIAL AND
OPERATING DATA: 1993-1999

	Year ended	
(dollars in thousands, except per share data)	1999	1998
FINANCIAL HIGHLIGHTS:		
Statement of Operations Data -		
Total revenue	$1,394,074	$997,409
Earnings before interest and taxes (EBIT)	$ 86,013	$ 56,525
Net income	$ 36,934	$ 23,201
Net income per common share:		
Basic	$ 4.59	$ 3.27
Diluted	$ 4.15	$ 2.66
Balance Sheet Data at Year End -		
Total assets	$ 594,568	$525,591
Total debt	$ 215,000	$215,000
Stockholders' equity	$ 234,662	$199,224
Return Data -		
Return on average assets	15.4%	12.2%
Return on average capital	19.9%	15.3%
Return on average equity	17.0%	12.3%
Book value per share(2)	$ 26.38	$ 22.82
OPERATING DATA:		
Number of new orders, net of cancellations(3)-		
Southeast region	3,041	2,888
Southwest region	2,900	3,245
Central region	485	749
Mid-Atlantic region	1,109	-
Total	7,535	6,882
Backlog at end of period:		
Southeast region	999	996
Southwest region	786	743
Central region	206	318
Mid-Atlantic region	567	-
Total	2,558	2,057
Number of closings:		
Southeast region	3,108	2,493
Southwest region	2,857	2,981
Central region	597	639
Mid-Atlantic region	1,027	-
Total	7,589	6,113
Average sales price per home closed	$ 181.4	$ 156.4

N/M - EARNINGS AND BOOK VALUE PER SHARE FIGURES FOR PERIODS PRIOR TO AND INCLUDING THE COMPANY'S INITIAL PUBLIC OFFERING ARE NOT MEANINGFUL.

(1) PRO FORMA TO GIVE EFFECT TO THE INITIAL PUBLIC OFFERING AND RELATED TRANSACTIONS, AS IF SUCH TRANSACTIONS WERE EFFECTED AS OF OCTOBER 1, 1993.

September 30,	1997	1996	1995	1994	1993
FINANCIAL HIGHLIGHTS:					
Statement of Operations Data -					
Total revenue	$852,110	$866,627	$647,828	$536,526	$275,054
Earnings before interest and taxes (EBIT)	$ 33,051	$ 45,327	$ 32,188	$ 37,169	$ 22,713
Net income	$ 11,189	$ 18,266	$ 11,352	$ 16,468	$ 16,046
Net income per common share:					
Basic	$ 1.18	$ 2.24	$ 1.26	$ 1.78(1)	n/m
Diluted	$ 1.15	$ 2.01	$ 1.23	$ 1.76(1)	n/m
Balance Sheet Data at Year End -					
Total assets	$399,595	$356,643	$345,240	$314,941	$245,349
Total debt	$145,000	$115,000	$115,000	$115,000	$119,925
Stockholders' equity	$179,286	$178,701	$164,544	$150,406	$ 95,959
Return Data -					
Return on average assets	8.7%	12.9%	9.8%	13.3%	14.6%
Return on average capital	10.7%	15.8%	11.8%	15.5%	20.8%
Return on average equity	6.3%	10.6%	7.2%	13.4%	16.6%
Book value per share(2)	$ 20.14	$ 19.64	$ 18.88	$ 16.31	n/m
OPERATING DATA:					
Number of new orders, net of cancellations(3)-					
Southeast region	1,969	2,048	2,083	1,726	1,392
Southwest region	2,817	3,172	2,660	1,902	1,071
Central region	765	401	98	-	-
Mid-Atlantic region	-	-	-	48	80
Total	5,551	5,621	4,841	3,676	2,543
Backlog at end of period:					
Southeast region	505	580	708	478	437
Southwest region	479	680	722	506	677
Central region	208	166	53	-	-
Mid-Atlantic region	-	-	1	3	74
Total	1,192	1,426	1,484	987	1,188
Number of closings:					
Southeast region	2,044	2,212	1,853	1,734	1,312
Southwest region	3,018	3,343	2,444	2,073	775
Central region	723	379	64	-	-
Mid-Atlantic region	-	1	2	119	6
Total	5,785	5,935	4,363	3,926	2,093
Average sales price per home closed	$ 146.8	$ 145.8	$ 148.5	$ 136.7	$ 131.4

(2) BOOK VALUE PER SHARE IS CALCULATED AS STOCKHOLDERS' EQUITY DIVIDED BY DILUTED WEIGHTED SHARES OUTSTANDING.

(3) NEW ORDERS DO NOT INCLUDE HOMES IN BACKLOG FROM ACQUIRED OPERATIONS.

BOARD OF DIRECTORS

BRIAN C. BEAZER, 64, is the Non-Executive Chairman of the Company's Board of Directors and has served as a Director of the Company since its inception in November 1993. Mr. Beazer began work in the construction industry in the late 1950's. He served as Chief Executive Officer of Beazer TLC, a company organized under the laws of the United Kingdom, or its predecessors, from 1988 to 1991, and Chairman of that company from 1983 to the date of its acquisition by an indirect, wholly owned subsidiary of Hanson PLC (effective December 1, 1991). During that time, Beazer PLC expanded its activities to include home-building, quarrying, contracting and real estate, and became an international group with annual revenue of approximately $3.4 billion, employing 28,000 people at December 1991. Mr. Beazer was educated at Cathedral School, Wells, Somerset, England. Mr. Beazer is also a Director of Beazer Japan, Ltd., Seal Mine, Ltd., Jade Holdings Pte., Ltd., Jade Technologies Singapore Pte, Ltd., FSM Europe B.V., United Pacific Industrial Limited and U.S. Industries, Inc., and is a private investor.

Compensation Committee

THOMAS B. HOWARD, JR. 71, was appointed a Director of the Company on November 2, 1995. Mr. Howard held various positions with Gifford-Hill & Company, a construction and aggregates company, from 1969 to 1986 and served as its Chairman and Chief Executive Officer from 1986 to 1989. Gifford-Hill & Company was acquired by Beazer PLC in 1989 and Mr. Howard served as Chairman and Chief Executive Officer of the successor company until 1992. During the period from 1957 to 1969, Mr. Howard held various positions with Vulcan Materials Company. Mr. Howard holds a degree in Industrial Engineering from Georgia Institute of Technology. Mr. Howard currently serves on the Board of Trustees of the Methodist Hospitals Foundation and previously served as a Director of Lennox International, Inc., Director of the Dallas Chamber of Commerce and as a member of the Dallas Citizens Council.

Compensation Committee
Audit Committee
Stock Option and Incentive Committee

IAN J. MCCARTHY, 46, is the President and Chief Executive Officer of the Company. Mr. McCarthy has served as President of predecessors of the Company since January 1991 responsible for all United States residential home-building operations in that capacity. During the period May 1981 to January 1991. Mr. McCarthy was employed in Hong Kong and Thailand becoming a Director of Beazer Far East and from January 1980 to May 1981 was employed by Kier, Ltd., a company engaged in the United Kingdom construction industry which became an indirect, wholly owned subsidiary of Beazer PLC. Mr. McCarthy is a Chartered Civil Engineer with a Bachelor of Science degree from The City University, London. Mr. McCarthy currently serves as a Directory of LADD Furniture, Inc. and a Director of HomeAid's National Advisory Board.

GEORGE W. MEFFERD, 71, has served as a Director of the Company since the Company's initial public offering of common stock (the "IPO") in March 1994. Mr. Mefferd had previously been retired since 1986. During the period 1974 to 1986, Mr. Mefferd held various positions with Fluor Corporation, an engineering and construction company, including Senior Vice President - Finance, Treasurer, Group Vice President and Chief Financial Officer. Additionally, Mr. Mefferd served on Fluor Corporation's Executive Committee and Board of Directors. Mr. Mefferd earned a Bachelor of Science degree in Business Administration from the University of California, Los Angeles.

Compensation Committee
Audit Committee
Stock Option and Incentive Committee

D.E. MUNDELL, 67, has served as a Director of the Company since the consummation of the IPO in March 1994. Mr. Mundell has served as Chairman of ORIX USA Corporation, a financial services company, since January 1991. During the period from 1959-1990, Mr. Mundell held various positions within United States Leasing International, Inc., retiring as Chairman in 1990. Mr. Mundell attended the Royal Military College of Canada, McGill University and Harvard Business School. Mr. Mundell is also Chairman of Varian, Inc. and a Director of Stockton Holdings LTD and ORIX USA Corporation.

Compensation Committee
Audit Committee
Stock Option and Incentive Committee

LARRY T. SOLARI, 57, has served as a Director of the Company since the consummation of the IPO in Mach 1994. Mr. Solari is the Chairman and CEO of BSI Holdings, Inc., Carmel, California. Mr. Solari was the Chairman and CEO of Sequential, Inc. from 1996 to 1997. Mr. Solari was the President of the Building Materials Group of Domtar, Inc. from 1994 to 1996. Mr. Solari was the President of the Construction Products Group of Owens-Corning Fiberglass from 1986 to 1994. In that capacity he had been the Chief Operating Officer responsible for key company lines, such as building insulation and roofing materials. Mr. Solari held various other positions with Owens-Corning Fiberglass since 1966. Mr. Solari earned a Bachelor of Science degree in Industrial Management and a Master of Business Administration degree from San Jose State University. Mr. Solari is a Director of BSI Holdings, Inc., Pacific Coast Building Products, Inc., Therma-Tru, Inc., and the Maxim Group and has been a Director of the Policy Advisory Board of the Harvard Joint Center for Housing Studies and an Advisory Board Member of the National Home Builders Association.

Compensation Committee
Audit Committee
Stock Option and Incentive Committee

DAVID S. WEISS, 39, is the Executive Vice President and Chief Financial Officer of the Company. Mr. Weiss served as the Assistant Corporate Controller of Hanson Industries, the United States arm of Hanson PLC, for the period from February 1993 to March 1994. Mr. Weiss was Manager of Financial Reporting for Colgate-Palmolive Company from November 1991 to February 1993 and was with the firm of Deloitte & Touche from 1982 to November 1991, at which time he served as a Senior Audit Manager. Mr. Weiss holds a Master of Business Administration degree form the Wharton School and undergraduate degrees in Accounting and English from the University of Pennsylvania. Mr. Weiss is a licensed Certified Public Accountant.

OPERATING AND CORPORATE MANAGEMENT

OPERATING MANAGEMENT

SOUTHEAST REGION			Years in Homebuilding	Years In Market
Florida	LEON J. PANITZ, JR.	Division President, Panitz Homes	24	21
	CHRISTIN CUPP	Division President, Mid-Florida Division	17	17
	DAVID G. BYRNES	Division President, Orlando Division	20	20
Georgia	J. MARTY SHAFFER	Division President, Georgia Division	27	1
North & South Carolina	GARY N. BAUCOM	Regional Manager, Squires Homes	26	28
North Carolina	SCOTT K. THORSON	Senior Division President, Squires Homes-Charlotte	18	5
	ROBERT J. POLANCO	Division President, Squires Homes-Raleigh	22	7
South Carolina	FRANK L. FINLAW	Division President, Squires Homes-Coastal Carolina	22	7
	WILLIAM H. BONDURANT	City Manager, Squires Homes-Columbia	28	20
Tennessee	N. EDDIE PHILLIPS	Regional Manager, Phillips Builders	32	32
	CURT W. HATHAWAY	Division President, Phillips Builders-Knoxville	17	1
SOUTHWEST REGION				
Arizona	JOSEPH C. THOMPSON	Regional Manager, Arizona Division	28	28
California	ANTHONY R. TONSO	Senior Division President, Northern California Division	31	10
	GERALD A. GATES	Senior Division President, Southern California Division	27	22
Nevada	KENT A. LAY	Division President, Nevada Division	17	7
CENTRAL REGION				
Texas	KURT S. WATZAK	Division President, Houston Division	22	22
	G. MICHAEL HENRY	Division President, Dallas Division	23	19
MID-ATLANTIC REGION				
Maryland	DAVID L. CARNEY	Division President, Maryland Division	21	21
New Jersey	MICHAEL J. NEILL	Division President, New Jersey Division	22	13
Virginia	DONALD W. KNUTSON	Senior Division President, Virginia Division	13	8
		Average	23	15

CORPORATE MANAGEMENT

IAN J. MCCARTHY
President & Chief Executive Officer

DAVID S. WEISS
Executive Vice President & Chief Operating Officer

MICHAEL H. FURLOW
Executive Vice President & Chief Operating Officer

JOHN SKELTON
Senior Vice President, Financial Planning

PETER H. SIMONS
Senior Vice President, Corporate Development

CORY J. BOYDSTON
Vice President, Administration & Treasurer

MICHAEL T. RAND
Vice President, Cororate Controller

JENNIFER P. JONES
Vice President, Human Resources

J. WILLIAM MONTGOMERY
Vice President, Internal Audit

RON J. KUHN
Beazer Mortgage Corp.
Executive Vice President & Chief Operating Officer

EDMOND G. SNIDER, JR.
Vice President, Training & Safety

CARLA J. COLLINGE
Director, Management Information Systems

SCOTT M. MCKELVEY
Director, External Reporting & Investor Relations

SHAREHOLDER AND CORPORATE INFORMATION

CORPORATE HEADQUARTERS

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road
Suite B 200
Atlanta, Georgia 30342
Telephone: (404) 250-3420
www.beazer.com

GENERAL COUNSEL

Paul, Hastings, Janofsky & Walker LLP

INDEPENDENT AUDITORS

Deloitte & Touche LLP

INQUIRIES

Individuals seeking financial data should contact David S. Weiss, Executive Vice President and Chief Financial Officer or Scott M. McKelvey, Director External Reporting & Investor Relations.

Others seeking information about the Company and its operations should contact Ian J. McCarthy, President and Chief Executive Officer.

FORM 10-K

Copies of Beazer Homes USA, Inc.'s Annual Report on Form 10-K as filed with the United States Securities and Exchange Commission will be furnished upon written request to David S. Weiss, Executive Vice President and Chief Financial Officer, or can be accessed @beazer.com

ANNUAL MEETING

The Annual Stockholders' meeting will be held at 10:00 am EST on February 3, 2000 at our offices at 5775 Peachtree Dunwoody Road, Suite B 200, Atlanta, Georgia 30342.

TRANSFER AGENT

First Chicago Trust Company of New York
525 Washington Boulevard
Jersey City, New Jersey 07303-2536
(201) 324-1225

TRADING INFORMATION

Beazer Homes USA, Inc. lists its common shares on the New York Stock Exchange, under the symbol BZH. On December 10, 1999, the last reported sales price of the Company's Common Stock on the New York Stock Exchange was $17.8125.

DUPLICATE MAILINGS

If you are receiving duplicate or unwanted copies of our publications, please contact the First Chicago Trust Company of New York at the numbers listed or contact Scott M. McKelvey, Director of External Reporting and Investor Relations, at Beazer Homes.

[logo]

Beazer Homes is proud to be the first National Builder Sponsor of HomeAid America, an organization that provides housing for people made temporarily homeless through sudden job loss, catastrophic illness, spousal desertion and domestic violence. As a "Builder Captain" we are responsible for coordinating donations of expertise, services, labor and materials that lead to the building or remodeling of shelters in the communities we serve. Our commitment to this organization is underscored by the fact that Beazer's President and Chief Executive Officer, Ian McCarthy, was named the first member of HomeAid's National Advisory Board of Directors in the Spring of 1999. Currently HomeAid is the largest provider of shelter beds for the temporarily homeless in this country.

KEY TRENDS AND INITIATIVES BY REGION	STATE	BACKLOG AT SEPTEMBER 30, 1999	FISCAL 1999 CLOSINGS	NUMBER OF ACTIVE SUBDIVISIONS AT YEAR END
SOUTHEAST				
We are extremely optimistic about our opportunities to gain additional market share in Florida, where we have already grown nearly 500% since 1997. Job growth and household formation remains strong in each of our Jacksonville, Orlando, Tampa and Fort Myers markets. We have developed dominant positions in Tennessee and the Carolinas. We anticipate maintaining our positions in these still-growing markets and leveraging off the strong operations into satellite markets to expand volume opportunities. We have reduced our investment in Atlanta to improve our return on capital and are now optimistic about our prospects for future profitable growth.	Georgia	60	227	7
	Tennessee	120	486	24
	North Carolina	253	900	23
	South Carolina	177	509	15
	Florida	389	906	42
SOUTHWEST				
Each of our Southwest markets remains strong. The overall California housing market continues to outperform and we are well positioned with a strong land bank in both Northern and Southern California to take advantage of opportunities. Our Arizona operations have been consistent performers in a strong Phoenix market. We anticipate that the market will remain robust and we have the land bank to continue our profitable performance. We reduced our investment in our Nevada operations several years ago but Las Vegas remains a vibrant market and we continue to look for opportunities for expansion.	Arizona	462	1,224	30
	California	205	1,275	25
	Nevada	119	358	8
CENTRAL				
During 1999 our Texas operations were severely impacted by labor and material shortage issues, slowing delivery of homes and development of new communities. We took this opportunity to reposition ourselves in these markets and with the addition of several new communities in early 2000 anticipate expansion of market share.	Texas	206	597	26
MID-ATLANTIC				
We are extremely pleased with the performance of our Mid-Atlantic region entered in fiscal 1999 by acquisition. This region of the country, and the metropolitan Washington, D.C. market in particular, continues to outpace the nation in housing growth. We entered this region as a top 5 builder and acquired a solid land bank. We have continued to allocate more capital to the expansion of this region and anticipate continued growth during the next several years.	Virginia	305	510	21
	Maryland	154	306	12
	New Jersey	108	211	8
	Total	2,558	7,589	241

AVERAGE PRICE OF HOMES CLOSED IN FISCAL 1999	HOMEBUILDERS		
$193,600 198,600 139,900 121,500 193,100	Beazer Homes Florida - Ft. Myers 11934 Fairway Lakes Drive Fort Myers, FL 33919 Beazer Homes Florida - Tampa 1211 N. Westshore Blvd., Suite 505 Tampa, FL 33607 Beazer Homes Florida - Orlando 360 S. North Lake Blvd., Suite 1012 Altamonte Springs, FL 32701-5260 Panitz Homes - Jacksonville 12854 Kenan Drive, Suite 100 Jacksonville, FL 32258	Beazer Homes Georgia 3975 Johns Creek Court, Suite 400 Suwanee, GA 30024 Phillips Builders - Nashville 2910 Kraft Drive Nashville, TN 37204 Phillips Builders - Knoxville 211B Sherway Road Knoxville, TN 37922 Squires Homes - Charlotte 5501 Executive Center Drive, Suite 120 Charlotte, NC 28212	Squires Homes Coastal Carolina - Charleston 7410 Northside Drive, Suite 107 N. Charleston, SC 29420-4259 Squires Homes - Columbia 2001 Assembly Street, Suite 202 Columbia, SC 29201 Squires Homes - Raleigh 3701 National Drive, Suite 101 Raleigh, NC 27612
139,100 231,700 171,200	Beazer Homes California - Southern California 1100 Town and Country Road, Suite 100 Orange, CA 92868 Beazer Homes California - Northern California 3009 Douglas Boulevard, Suite 150 Roseville, CA 95661	Beazer Homes Arizona 2005 W. 14th Street, Suite 100 Tempe, AZ 85281 Beazer Homes Nevada - Las Vegas 770 E. Warm Springs Road, Suite 240 Las Vegas, NV 89119	
178,800	Beazer Homes Texas - Dallas/Fort Worth 5900 West Plano Parkway, Suite 700 Plano, TX 75093	Beazer Homes Texas - Houston 10235 West Little York, Suite 240 Houston, TX 77040	
210,300 192,600 275,200	Beazer Homes Maryland 8965 Guilford Road, Suite 290 Columbia, MD 21048	Beazer Homes New Jersey 250 Phillips Boulevard, Suite 260 Trenton, NJ 08618	Beazer Homes Virginia 8300 Greensboro Drive, Suite 200 McLean, VA 22102
$181,400			

[PICTURE]

THE ASHLEY
TASORO, CALIFORNIA
4 BD/2.5 BA, dining, living room, breakfast nook, optional library, 2-3 car garage, 2408-2808 sq. ft., $262,000

[PICTURE]

THE TREVOR
ASHBURN, VIRGINIA
4 BD/2.5 BA, dining, living, breakfast, family room, foyer, open kitchen, optional sun room, 2 car garage, 2274 sq. ft., $202,900

[PICTURE]

THE GLENCOE
CHARLESTON, SOUTH CAROLINA
3 BD/2 BA, living, dining, kitchen, breakfast area, 1 car garage, high ceilings, 1371-1526 sq. ft. $110,990

[PICTURE]

THE BRIARWOOD
DALLAS, TEXAS
4 BD/2.5 BA, 2 story, family, game, dining, breakfast room, foyer, loft and master suite, $183,990

BEAZER GALLERY OF HOMES

[PICTURE]

THE ANDOVER
FT. MYERS, FLORIDA
4 BD/3 BA, dining, living, family room, master suite, breakfast nook, foyer, walk-in closets, 3 car garage, 2869 sq. ft., $213,990

[PICTURE]

SAVE $250
ON YOUR NEW BEAZER HOME
WHEN YOU VISIT
WWW.BEAZER.COM

[PICTURE]

THE SUMMIT
LAS VEGAS, NEVADA
3-4 BD/2.5-3.5 BA, living, dining, family room, breakfast nook, open kitchen, a master bath, room retreat, and 3 car garage, 3007 sq. ft., $238,499

[PICTURE]

THE CREEKSIDE
SACRAMENTO, CALIFORNIA
4 BD/2 BA, dining, living, and family room, 2 car garage with tandem bay, 2010-2140 sq. ft., $227,990

[PICTURE]

THE DORAL BONUS
JACKSONVILLE, FLORIDA
4 BD/3 BA, dining, living, family, and breakfast room, study, and master suite, 2 car garage, 2568 sq. ft., $211,400

[PICTURE]

THE SUTTON II
MILESTONE, MARYLAND
3 BD/2.5 BA, living, dining room, breakfast nook, master bedroom with cathedral ceilings, 1895 sq. ft., $154,990

[PICTURE]

THE CAMBRIDGE
MERCOR, NEW JERSEY
4 BD/2.5 BA, dining, living, family room, study, breakfast nook, 2 car garage, 3181 sq. ft., $328,900

[PICTURE]

THE BRANDYWINE
NASHVILLE, TENNESSEE
3 BD/2.5 BA, dining, living, loft, bonus room, deck, 2 car garage, 1961-2172 sq. ft., $148,900

[PICTURE]

THE NEWCASTLE
ATLANTA, GEORGIA
4 BD/3.5 BA, 2 story, living, family, foyer, gourmet kitchen, 2 car garage, 3227 sq. ft., $275,000

[PICTURE]

THE HOMESTEAD
CHARLOTTE, NORTH CAROLINA
4 BD/3 BA, dining, living, breakfast area, study, covered patio, 2 car garage, 2444 sq. ft., $127,990

[PICTURE]

THE SHEFFIELD
HOUSTON, TEXAS
3 BD/2 BA, family, breakfast, dining, living room, and optional study, open kitchen, 2 car garage, 2200 sq. ft., $148,990

[PICTURE]

THE WESTWIND
ORLANDO, FLORIDA
5 BD/3 BA, dining, family, sitting area, breakfast room, covered patio, 2 car garage, 3107-3644 sq. ft., $204,990

[PICTURE]

THE CAPRI
PHOENIX, ARIZONA
3 BD/2 BA, living, breakfast, kitchen and family room, 2 car garage, 1681 sq. ft., $111,000

[PICTURE]

THE RICHMOND
GREENVILLE, SOUTH CAROLINA
3 BD/2.5 BA, dining, living room, kitchen, foyer and laundry room, 1403 sq. ft., $97,890

[PICTURE]

THE OAKLEIGH
RALEIGH, NORTH CAROLINA
3 BD/2 BA, living, dining, kitchen, laundry, 2 car garage, 1529 sq. ft., $116,990

EXHIBIT 21

BEAZER HOMES USA, INC.

SUBSIDIARIES OF THE COMPANY

NAME	JURISDICTION OF INCORPORATION
Beazer Homes Corp.	Tennessee
Beazer Realty, Inc.	North Carolina
Beazer Homes Sales Arizona Inc.	Delaware
Beazer Realty Corp.	Georgia
Panitz Homes Realty, Inc.	Florida
Beazer Homes Holdings Corp.	Delaware
Beazer Homes Texas Holdings Corp.	Delaware
Beazer Homes Texas LP	Texas
Beazer Mortgage Corp	Delaware
Homebuilders Title Services, Inc.	Delaware
Texas Lone Star Title, L.P.	Texas
United Home Insurance Corp.	Vermont
Security Title Insurance Corp., Inc.	Vermont

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 33-91904 and No. 333-24765 of Beazer Homes USA, Inc. ("Beazer Homes") on Form S-8 of our report dated November 3, 1999 appearing in Beazer Homes' 1999 Annual Report to Shareholders and incorporated by reference in this Annual Report on Form 10-K of Beazer Homes for the year ended September 30, 1999.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia
December 23, 1999

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR
SEP-30-1999
OCT-01-1998
SEP-30-1999
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60544
23610
36934
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36934
4.59
4.15

THE COMPANY PRESENTS A CONDENSED BALANCE SHEET