UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10Q

[X] Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For quarterly period ended APRIL 30, 2000 or

[ ] Transition report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Commission file number 1-8551

Hovnanian Enterprises, Inc.
(Exact name of registrant as specified in its charter)

Delaware	22-1851059
(State or other jurisdiction or incorporation or organization)	(I.R.S. Employer Identification No.)

l0 Highway 35, P.O. Box 500, Red Bank, N. J. 07701
(Address of principal executive offices)

732-747-7800
(Registrant's telephone number, including area code)
Same
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (l) has filed all reports required to be filed by Sections l3 or l5(d) of the Securities Exchange Act of l934 during the preceding l2 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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 14,041,117 Class A Common Shares and 7,638,622 Class B Common Shares were outstanding as of May 26, 2000.

HOVNANIAN ENTERPRISES, INC.

FORM 10Q

INDEX

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands)

ASSETS	April 30, 2000 (unaudited)	October 31, 1999
Homebuilding:		
Cash and cash equivalents	$ 6,896	$ 17,163
Inventories - At the lower of cost or fair value:		
Sold and unsold homes and lots under development	524,175	475,196
Land and land options held for future development or sale	65,795	52,034
Total Inventories	589,970	527,230
Receivables, deposits, and notes	39,981	30,675
Property, plant, and equipment - net	34,360	26,500
Senior residential rental properties - net	10,469	10,650
Prepaid expenses and other assets	63,556	56,753
Total Homebuilding	745,232	668,971
Financial Services:		
Cash and cash equivalents	1,379	2,202
Mortgage loans held for sale	30,994	33,158
Other assets	1,707	1,563
Total Financial Services	34,080	36,923
Collateralized Mortgage Financing:		
Collateral for bonds payable	4,521	5,006
Other assets	268	238
Total Collateralized Mortgage Financing	4,789	5,244
Income Taxes Receivable - Including deferred tax benefits	6,130	1,723
Total Assets	$790,231	$712,861

See notes to consolidated financial statements.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	April 30, 2000 (unaudited)	October 31, 1999
Homebuilding:		
Nonrecourse land mortgages	$ 17,250	$ 6,407
Accounts payable and other liabilities	67,879	73,989

Customers' deposits	34,804	25,647
Nonrecourse mortgages secured by operating properties	3,607	3,662
Total Homebuilding	123,540	109,705
Financial Services:		
Accounts payable and other liabilities	1,476	1,218
Mortgage warehouse line of credit	26,870	30,034
Total Financial Services	28,346	31,252
Collateralized Mortgage Financing:		
Bonds collateralized by mortgages receivable	3,316	3,699
Total Collateralized Mortgage Financing	3,316	3,699
Notes Payable:		
Revolving credit agreement	132,150	70,125
Senior notes	150,000	150,000
Subordinated notes	100,000	100,000
Accrued interest	12,120	11,654
Total Notes Payable	394,270	331,779
Total Liabilities	549,472	476,435
Stockholders' Equity:		
Preferred Stock,$.01 par value-authorized 100,000 shares; none issued		
Common Stock,Class A,$.01 par value-authorized 87,000,000 shares; issued 17,254,987 shares (including 3,110,645 shares in April 2000 and 2,710,274 shares in October 1999 held in Treasury)	172	172
Common Stock,Class B,$.01 par value-authorized 13,000,000 shares; issued 7,984,771 (both years include 345,874 shares held in Treasury)	79	79
Paid in Capital	45,709	45,856
Retained Earnings	220,167	213,257
Treasury Stock - at cost	(25,368)	(22,938)
Total Stockholders' Equity	240,759	236,426
Total Liabilities and Stockholders' Equity	$790,231	$712,861

See notes to consolidated financial statements.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Data)
(unaudited)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
Revenues:				
Homebuilding:				
Sale of homes	$235,055	$199,138	$485,173	$394,023
Land sales and other revenues	3,378	5,454	5,443	7,895
Total Homebuilding	238,433	204,592	490,616	401,918
Financial Services	3,344	4,154	8,195	9,812
Collateralized Mortgage Financing	111	139	226	275
Total Revenues	241,888	208,885	499,037	412,005
Expenses:				
Homebuilding:				
Cost of sales	188,424	159,037	393,927	314,624
Selling, general and administrative	25,764	18,588	50,692	35,918
Inventory impairment loss		401		401
Total Homebuilding	214,188	178,026	444,619	350,943
Financial Services	4,139	3,859	9,444	9,101

Collateralized Mortgage Financing....	93	142	191	273
Corporate General and Administration.	7,487	6,418	14,361	12,853
Interest............................	7,780	7,346	15,648	14,388
Other Operations....................	2,749	625	4,546	1,800
Total Expenses..................	236,436	196,416	488,809	389,358
Income Before Income Taxes............	5,452	12,469	10,228	22,647
State and Federal Income Taxes:				
State...............................	304	1,340	459	2,828
Federal.............................	1,690	3,677	2,859	6,239
Total Taxes.......................	1,994	5,017	3,318	9,067
Net Income............................	$ 3,458	$ 7,452	$ 6,910	$ 13,580
Per Share Data:				
Basic:				
Income per common share.............	$ 0.16	$ 0.35	$ 0.31	$ 0.63
Weighted average number of common shares outstanding................	22,054	21,266	22,192	21,391
Assuming dilution:				
Income per common share.............	0.16	0.35	0.31	0.63
Weighted average number of common shares outstanding................	22,111	21,488	22,271	21,611

See notes to consolidated financial statements.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars In Thousands)

	A Common Stock		B Common Stock					
	Shares Issued and Outstanding	Amount	Shares Issued and Outstanding	Amount	Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance, October 31, 1999	14,508,168	$ 172	7,651,209	$ 79	$45,856	$213,257	$(22,938)	$236,426
Acquisitions.............					(147)			(147)
Stock bonus plan..........	24,233							
Conversion of Class B to Class A Common Stock....	12,312		(12,312)					
Treasury stock purchases..	(400,371)						(2,430)	(2,430)
Net Income................						6,910		6,910
Balance, April 30, 2000 (unaudited)..............	14,144,342	$ 172	7,638,897	$ 79	$45,709	$220,167	$(25,368)	$240,759

See notes to consolidated financial statements.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(unaudited)

	Six Months Ended April 30,	
	2000	1999
Cash Flows From Operating Activities:		
Net Income..	$ 6,910	$ 13,580
Adjustments to reconcile net income to net cash Provided by (used in) operating activities:		
Depreciation..................................	3,151	2,428

(Gain) loss on sale and retirement of property and assets	(154)	520
Deferred income taxes	668	2,493
Impairment losses		401
Decrease (increase) in assets:		
Mortgage notes receivable	2,763	26,472
Receivables, prepaids and other assets	(16,567)	(10,967)
Inventories	(62,740)	(21,250)
Increase (decrease) in liabilities:		
State and Federal income taxes	(5,075)	137
Customers' deposits	9,512	(1,065)
Interest and other accrued liabilities	(1,807)	(3,268)
Post development completion costs	(1,256)	(807)
Accounts payable	(2,679)	(8,892)
Net cash (used in) operating activities	(67,274)	(218)
Cash Flows From Investing Activities:		
Net proceeds from sale of property and assets	256	18,083
Purchase of property, equipment and other fixed assets	(10,762)	(6,013)
Acquisition of homebuilding companies	(147)	
Investment in and advances to unconsolidated affiliates		(4)
Net cash (used in) provided by investing activities	(10,653)	12,066
Cash Flows From Financing Activities:		
Proceeds from mortgages and notes	604,654	323,253
Principal payments on mortgages and notes	(535,387)	(335,812)
Purchase of treasury stock	(2,430)	(3,838)
Proceeds from sale of stock		29
Net cash provided by (used in) financing activities	66,837	(16,368)
Net (Decrease) In Cash and Cash Equivalents	(11,090)	(4,520)
Cash and Cash Equivalents Balance, Beginning Of Period	19,365	15,554
Cash and Cash Equivalents Balance, End Of Period	$ 8,275	$ 11,034

See notes to consolidated financial statements.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

1. The consolidated financial statements, except for the October 31, 1999 consolidated balance sheets, have been prepared without audit and should be read in conjunction with the financial statements and notes thereto included in our 1999 Annual Report on Form 10-K. In the opinion of management, all adjustments for interim periods presented have been made, which include only normal recurring accruals and deferrals necessary for a fair presentation of consolidated financial position, results of operations, and changes in cash flows. 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 and these differences could have a significant impact on the financial statements. Results for the interim periods are not necessarily indicative of the results which might be expected for a full year.

2. Interest costs incurred, expensed and capitalized were:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
	(Dollars in Thousands)			
Interest Capitalized at Beginning of Period	$22,121	$ 22,089	$21,966	$25,545
Plus Interest Incurred(1)(3)	9,291	6,274	17,314	11,329
Less Interest Expensed(3)	7,780	7,346	15,648	14,388
Less Sale of Assets				1,469

Interest Capitalized at End of Period (2) (3).....	$ 23,632	$ 21,017	$ 23,632	$ 21,017
	========	========	========	========

(1) Data does not include interest incurred by our mortgage and finance subsidiaries.
(2) Data does not include a reduction for depreciation.
(3) Represents acquisition interest for construction, land and development costs which is charged to interest expense when homes are delivered and when land is not under active development, and interest incurred and expensed on operating properties and senior residential rental properties.

3. Homebuilding accumulated depreciation at April 30, 2000 and October 31, 1999 amounted to $19,685,000 and $19,550,000, respectively. Senior residential rental property accumulated depreciation at April 30, 2000 and October 31, 1999 amounted to $2,095,000 and $2,211,000, respectively.

4. During the three months ended April 30, 1999 we recorded a $401,000 impairment loss associated with an option in Florida including approval, engineering and capitalized interest. Residential inventory FAS 121 impairment losses and option write-offs are reported on the Consolidated Statements of Income as "Homebuilding - Inventory Impairment Loss."

5. We are involved from time to time in litigation arising in the ordinary course of business, none of which is expected to have a material adverse effect on us. As of April 30, 2000 and October 31, 1999, we are obligated under various performance letters of credit amounting to $4,324,000 and $4,091,000, respectively.

6. Our credit facility has been amended as of February 22, 2000. Pursuant to the Amendment, our credit line increased to $375,000,000 and is extended through July 2003. Interest is payable monthly and at various rates of either the prime rate plus .25% or Libor plus 1.70%.

7. Hovnanian Enterprises, Inc., the parent company (the "Parent" or "Company") is the issuer of publicly traded common stock. One of its wholly owned subsidiaries, K. Hovnanian Enterprises, Inc., (the "Subsidiary Issuer") was the issuer of certain Senior Notes on May 4, 1999.

The Subsidiary Issuer acts as a finance and management entity that as of April 30, 2000 had issued and outstanding approximately $100,000,000 of subordinated notes, $150,000,000 senior notes and a revolving credit agreement with an outstanding balance of $132,150,000. The subordinated notes, senior notes and the revolving credit agreement are fully and unconditionally guaranteed by the Parent.

Each of the wholly owned subsidiaries of the Parent (collectively the "Guarantor Subsidiaries"), with the exception of four subsidiaries formerly engaged in the issuance of collateralized mortgage obligations, a mortgage lending subsidiary, a subsidiary holding and licensing the "K. Hovnanian" trade name and a subsidiary engaged in homebuilding activity in Poland (collectively the "Non-guarantor Subsidiaries"), have guaranteed fully and unconditionally, on a joint and several basis, the obligation to pay principal and interest under the senior notes and the revolving credit agreement of the Subsidiary Issuer.

In lieu of providing separate audited financial statements for the Guarantor Subsidiaries we have included the accompanying consolidated condensed financial statements based on our understanding of the Securities and Exchange Commission's interpretation and application of Rule 3-10 of the Securities and Exchange Commission's Regulations S-X and Staff Accounting Bulletin 53. Management does not believe that separate financial statements of the Guarantor Subsidiaries are material to investors. Therefore, separate financial statements and other disclosures concerning the Guarantor Subsidiaries are not presented.

The following consolidating condensed financial information present the results of operations, financial position and cash flows of (i) the Parent (ii) the Subsidiary Issuer (iii) the Guarantor Subsidiaries of the Parent (iv) the Non-Guarantor Subsidiaries of the Parent and (v) the eliminations to arrive at the information for Hovnanian Enterprises, Inc. on a consolidated basis.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED BALANCE SHEET
APRIL 30, 2000
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsidiaries	Elimin-ations	Consol-idated

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
Homebuilding	$ 362	$ 45,385	$ 693,811	$ 5,674	$	$ 745,232
Financial Services and CMO			825	38,044		38,869
Income Taxes (Payables)Receivables	496	(564)	9,709	(3,511)		6,130
Investments in and amounts due to and from consolidated subsidiaries	239,901	355,192	(401,715)	10,417	(203,795)	
Total Assets	$240,759	$ 400,013	$ 302,630	$ 50,624	$(203,795)	$ 790,231
LIABILITIES AND STOCKHOLDERS' EQUITY						
Homebuilding	$	$ 6,952	$ 115,924	$ 664	$	$ 123,540
Financial Services and CMO			361	31,301		31,662
Notes Payable		393,949	321			394,270
Stockholders' Equity	240,759	(888)	186,024	18,659	(203,795)	240,759
Total Liabilities and Stockholders' Equity	$240,759	$ 400,013	$ 302,630	$ 50,624	$(203,795)	$ 790,231

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED BALANCE SHEET
OCTOBER 31, 1999
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsid- iaries	Non- Guarantor Subsidiaries	Elimin- ations	Consol- idated
ASSETS						
Homebuilding	$ 53	$ 34,735	$ 630,074	$ 4,109	$	$ 668,971
Financial Services and CMO			(4,807)	46,974		42,167
Income Taxes (Payables)Receivables	(4,303)	(374)	8,562	(2,162)		1,723
Investments in and amounts due to and from consolidated subsidiaries	240,676	304,811	(305,942)	2,252	(241,797)	
Total Assets	$236,426	$339,172	$ 327,887	$ 51,173	$ (241,797)	$712,861
LIABILITIES AND STOCKHOLDERS' EQUITY						
Homebuilding	$	$ 7,060	$ 102,282	$ 363	$	$ 109,705
Financial Services and CMO			495	34,456		34,951
Notes Payable		331,491	288		331,779	
Stockholders' Equity	236,426	621	224,822	16,354	(241,797)	236,426
Total Liabilities and Stockholders' Equity	$236,426	$339,172	$ 327,887	$ 51,173	$ (241,797)	$ 712,861

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
THREE MONTHS ENDED APRIL 30, 2000
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsid- iaries	Non- Guarantor Subsidiaries	Elimin- ations	Consol- idated
Revenues:						
Homebuilding	$	$ 69	$ 237,666	$ 4,350	$ (3,652)	$ 238,433
Financial Services and CMO			1,001	2,454		3,455
Intercompany Charges		24,860	1,550		(26,410)	
Equity In Pretax Income of Consolidated Subsidiaries	5,452				(5,452)	
Total Revenues	5,452	24,929	240,217	6,804	(35,514)	241,888
Expenses:						
Homebuilding		24,502	228,884	219	(21,401)	232,204
Financial Services and CMO			936	3,356	(60)	4,232

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total Expenses................		24,502	229,820	3,575	(21,461)	236,436
Income Before Income Taxes.........	5,452	427	10,397	3,229	(14,053)	5,452
State and Federal Income Taxes.....	1,994	204	3,667	1,136	(5,007)	1,994
Net Income	$ 3,458	$ 223	$ 6,730	$ 2,093	$ (9,046)	$ 3,458

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
THREE MONTHS ENDED APRIL 30, 1999
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsidiaries	Elimin-ations	Consol-idated
Revenues:						
Homebuilding....................	$	$ (57)	$ 204,635	$ 5,273	$ (5,259)	$ 204,592
Financial Services and CMO.......			791	3,502		4,293
Intercompany Charges.............		20,944	1,335		(22,279)	
Equity In Pretax Income of Consolidated Subsidiaries......	12,469				(12,469)	
Total Revenues................	12,469	20,887	206,761	8,775	(40,007)	208,885
Expenses:						
Homebuilding....................		21,175	190,632	345	(19,737)	192,415
Financial Services and CMO.......			682	3,543	(224)	4,001
Total Expenses................		21,175	191,314	3,888	(19,961)	196,416
Income Before Income Taxes.........	12,469	(288)	15,447	4,887	(20,046)	12,469
State and Federal Income Taxes.....	5,017		5,631	2,065	(7,696)	5,017
Net Income.......................	$ 7,452	$ (288)	$ 9,816	$ 2,822	$ (12,350)	$ 7,452

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
SIX MONTHS ENDED APRIL 30, 2000
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsidiaries	Elimin-ations	Consol-idated
Revenues:						
Homebuilding....................	$	$ 223	$ 489,072	$ 6,442	$ (5,121)	$ 490,616
Financial Services and CMO.......			2,751	5,670		8,421
Intercompany Charges.............		47,906	3,998		(51,904)	
Equity In Pretax Income of Consolidated Subsidiaries......	10,228				(10,228)	
Total Revenues................	$10,228	$ 48,129	$ 495,821	$ 12,112	$ (67,253)	$ 499,037
Expenses:						
Homebuilding....................		47,560	470,259	673	(39,318)	479,174
Financial Services and CMO.......			2,310	7,544	(219)	9,635
Total Expenses................		47,560	472,569	8,217	(39,537)	488,809
Income Before Income Taxes.........	10,228	569	23,252	3,895	(27,716)	10,228
State and Federal Income Taxes.....	3,318	239	7,833	1,366	(9,438)	3,318
Net Income.......................	$ 6,910	$ 330	$ 15,419	$ 2,529	$ (18,278)	$ 6,910

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
SIX MONTHS ENDED APRIL 30, 1999
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Homebuilding	$	$ 29	$ 400,919	$ 9,534	$ (8,564)	$ 401,918
Financial Services and CMO			1,611	8,476		10,087
Intercompany Charges		41,840	1,984		(43,824)	
Equity In Pretax Income of Consolidated Subsidiaries	22,647				(22,647)	
Total Revenues	22,647	41,869	404,514	18,010	(75,035)	412,005
Expenses:						
Homebuilding		42,140	373,709	1,367	(37,232)	379,984
Financial Services and CMO			1,172	8,423	(221)	9,374
Total Expenses		42,140	374,881	9,790	(37,453)	389,358
Income Before Income Taxes	22,647	(271)	29,633	8,220	(37,582)	22,647
State and Federal Income Taxes	9,067		11,252	3,510	(14,762)	9,067
Net Income	$13,580	$ (271)	$ 18,381	$ 4,710	$ (22,820)	$ 13,580

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED APRIL 30, 2000
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash Flows From Operating Activities:						
Net Income	$ 6,910	$ 330	$ 15,419	$ 2,529	$ (18,278)	$ 6,910
Adjustments to reconcile net income to net cash provided by (used in) operating activities	(4,792)	44,407	(142,308)	10,231	18,278	(74,184)
Net Cash Provided By (Used In) Operating Activities	2,118	44,737	(126,889)	12,760		(67,274)
Net Cash Provided By (Used In) Investing Activities	(147)	(9,762)	(742)	(2)		(10,653)
Net Cash (Used In) Provided By Financing Activities	(2,430)	62,025	10,790	(3,548)		66,837
Intercompany Investing and Financing Activities - Net	775	(98,287)	105,677	(8,165)		
Net Increase (Decrease) In Cash and Cash Equivalents	316	(1,287)	(11,164)	1,045		(11,090)
Cash and Cash Equivalents Balance, Beginning of Period	46	(5,395)	24,608	106		19,365
Cash and Cash Equivalents Balance, End of Period	$ 362	$ (6,682)	$ 13,444	1,151	$	$ 8,275

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED APRIL 30, 1999
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated

Cash Flows From Operating Activities:						
Net Income	$ 13,580	$ (271)	$ 18,381	$ 4,710	$ (22,820)	$ 13,580
Adjustments to reconcile net income to net cash provided by (used in) operating activities	865	(3,931)	(58,970)	25,418	22,820	(13,798)
Net Cash Provided By (Used In) Operating Activities	14,445	(4,202)	(40,589)	30,128		(218)
Net Cash Provided By (Used In) Investing Activities		(436)	12,587	(85)		12,066
Net Cash Provided By (Used In) Financing Activities	(3,809)	16,675	(5,367)	(23,867)		(16,368)
Intercompany Investing and Financing Activities - Net	(10,604)	(2,613)	18,824	(5,607)		
Net Increase (Decrease) In Cash and Cash Equivalents	32	9,424	(14,545)	569		(4,520)
Cash and Cash Equivalents Balance, Beginning of Period	14	(9,660)	23,023	2,177		15,554
Cash and Cash Equivalents Balance, End of Period	$ 46	$ (236)	$ 8,478	$ 2,746	$	$ 11,034

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

CAPITAL RESOURCES AND LIQUIDITY

Our uses for cash during the six months ended April 30, 2000 were for operating expenses, seasonal increases in housing inventories, construction, income taxes, interest, and the repurchase of common stock. We provided for our cash requirements from the revolving credit facility, housing and land sales, financial service fees and other revenues. We believe that these sources of cash are sufficient to finance our working capital requirements and other needs.

In March 2000 the Board of Directors authorized a stock repurchase program to purchase up to 4 million shares of Class A Common Stock. This authorization expires on December 31, 2000. As of April 30, 2000, 2,764,771 shares were repurchased under this program of which 400,371 shares were purchased during the six months ended April 30, 2000.

Our bank borrowings are made pursuant to a revolving credit agreement (the "Agreement") that provides a revolving credit line of up to $375,000,000 (the "Revolving Credit Facility") through July 2003. Interest is payable monthly and at various rates of either prime plus .25% or Libor plus 1.70%. We believe that we will be able either to extend the Agreement beyond July 2003 or negotiate a replacement facility, but there can be no assurance of such extension or replacement facility. We currently are in compliance and intend to maintain compliance with our covenants under the Agreement. As of April 30, 2000, borrowings under the Agreement were $132,150,000.

The subordinated indebtedness issued by us and outstanding as of April 30, 2000 was $100,000,000 9 3/4% Subordinated Notes due June 2005. The senior indebtedness issued by us and outstanding as of April 30, 2000 was $150,000,000 9 1/8% Senior Notes due May 2009.

Our mortgage banking subsidiary borrows under a bank warehousing arrangement. Other finance subsidiaries formerly borrowed from a multi-builder owned financial corporation and a builder owned financial corporation to finance mortgage backed securities, but in fiscal 1988 decided to cease further borrowing from multi-builder and builder owned financial corporations. These non-recourse borrowings have been generally secured by mortgage loans originated by one of our subsidiaries. As of April 30, 2000, the aggregate principal amount of all such borrowings was $30,186,000.

Total inventory increased $62,740,000 during the six months ended April 30, 2000. The increase was primarily due to significant anticipated openings of a number of communities in the Northeast Region and California and our expansion in Maryland. Substantially all homes under construction or completed and included in inventory at April 30, 2000 are expected to be closed during the next twelve months. Most inventory completed or under development is financed through our line of credit and subordinated indebtedness.

The following table summarizes housing lots in our active selling communities under development (including Poland):

	Communities	Approved Lots	Homes Delivered	(1) Contracted Not Delivered	(2) Remaining Home Sites Available
April 30, 2000........	125	19,554	6,549	2,203	10,802
October 31, 1999......	110	19,963	6,899	1,844	11,220

(1) Includes 129 and 96 lots under option at April 30, 2000 and October 31, 1999, respectively.

(2) Of the total home lots available, 661 and 599 were under construction or complete (including 69 and 76 models and sales offices), 5,821 and 7,057 were under option, and 253 and 216 were financed through purchase money mortgages at April 30, 2000 and October 31, 1999, respectively.

In addition, at April 30, 2000 and October 31, 1999, respectively, in substantially completed or suspended communities, we owned or had under option 68 and 94 home lots. We also control a supply of land primarily through options for future development. This land is consistent with anticipated home building requirements in its housing markets. At April 30, 2000 we controlled such land to build 13,175 proposed homes, compared to 13,573 homes at October 31, 1999.

The following table summarizes our started or completed unsold homes in active, substantially complete and suspended communities:

	April 30, 2000			October 31, 1999		
	Unsold Homes	Models	Total	Unsold Homes	Models	Total
Northeast Region....	118	46	164	114	31	145
North Carolina......	78	--	78	129	--	129
Florida.............	5	--	5	5	--	5
Metro D. C..........	9	6	15	13	9	22
California..........	114	12	126	53	10	63
Texas..............	220	5	225	225	28	253
Poland..............	60	--	60	14	--	14
Total	604	69	673	553	78	631

Financial Services - Mortgage loans held for sale consist of residential mortgages receivable of which $30,682,000 and $32,844,000 at April 30, 2000 and October 31, 1999, respectively, are being temporarily warehoused and awaiting sale in the secondary mortgage market. The balance of such mortgages is being held as an investment by us. We may incur risk with respect to mortgages that are delinquent, but only to the extent the losses are not covered by mortgage insurance or resale value of the house. Historically, we have incurred minimal credit losses. Collateral Mortgage Financing - Collateral for bonds payable consist of collateralized mortgages receivable which are pledged against non-recourse collateralized mortgage obligations.

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2000 COMPARED TO THE THREE AND SIX MONTHS ENDED APRIL 30, 1999

Our operations consist primarily of residential housing development and sales in its Northeast Region (comprising of New Jersey, southern New York State and eastern Pennsylvania), North Carolina, southeastern Florida, Metro D. C. (northern Virginia and Maryland), southern California, Texas and Poland. Our Texas operations are the result of the acquisition of a Texas homebuilder on October 1, 1999. In addition, we provide financial services to our homebuilding customers as well as third parties.

Important indicators of the future results are recently signed contracts and home contract backlog for future deliveries. Our sales contracts and homes in contract (using base sales prices) by market area are set forth below:

Sales Contracts for the Six Months Ended April 30,		Contract Backlog as of April 30,	
2000	1999	2000	1999

	(Dollars in Thousands)			
Northeast Region(1):				
Dollars	$283,166	$205,087	$358,531	$256,033
Homes	1,073	886	1,327	1,058
North Carolina:				
Dollars	$ 60,872	$ 81,784	$ 47,229	$ 71,044
Homes	320	416	229	348
Florida:				
Dollars	$ 13,691	$ 20,580	$ 13,711	$ 19,262
Homes	55	92	55	87
Metro D. C.:				
Dollars	$ 38,593	$ 27,278	$ 39,924	$ 34,815
Homes	146	122	164	156
California:				
Dollars	$ 75,953	$ 41,952	$ 56,280	$ 20,001
Homes	244	217	162	105
Texas:				
Dollars	$ 86,501	$ --	$ 52,618	$ --
Homes	438	--	259	--
Poland:				
Dollars	$ 1,187	$ 482	$ 1,753	$ 428
Homes	37	5	47	3
Totals:				
Dollars	$559,963	$377,163	$570,046	$401,583
Homes	2,313	1,738	2,243	1,757

(1) Six months ended April 30, 2000 includes $34,803,000 total sales and 102 homes and $46,326,000 total contract backlog and 136 homes from a New Jersey homebuilder acquired on August 7, 1999.

Total Revenues:

Revenues for the three months ended April 30, 2000 increased $33.0 million or 15.8%, compared to the same period last year. This was the result of a $35.9 million increase in revenues from the sale of homes. This increase was partially offset by a $2.1 million decrease in land sales and other homebuilding revenues and a $0.8 million decrease in financial services revenues.

Revenues for the six months ended April 30, 2000 increased $87.0 million or 21.1%, compared to the same period last year. This was the result of a $91.1 million increase in revenues from the sale of homes. This increase was partially offset by a $2.5 million decrease in land sales and other homebuilding revenues and a $1.6 million decrease in financial services revenues.

Homebuilding:

Revenues from the sale of homes increased $35.9 million or 18.0% during the three months ended April 30, 2000, and increased $91.1 million or 23.1% during the six months ended April 30, 2000, compared to the same period last year. Revenues from sales of homes are recorded at the time each home is delivered and title and possession have been transferred to the buyer.

Information on homes delivered by market area is set forth below:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
	(Dollars in Thousands)			
Northeast Region(1):				
Housing Revenues	$113,732	$126,501	$240,984	$253,184
Homes Delivered	409	482	871	960
North Carolina:				
Housing Revenues	$ 30,891	$ 30,553	$ 58,261	$ 59,633
Homes Delivered	160	149	298	303
Florida:				
Housing Revenues	$ 5,087	$ 9,531	$ 9,586	$ 17,864
Homes Delivered	17	40	37	78

Metro D.C.:				
Housing Revenues.....	$ 17,459	$ 6,005	$ 33,304	$ 18,552
Homes Delivered......	66	27	131	81
California:				
Housing Revenues.....	$ 30,313	$ 26,548	$ 55,949	$ 43,859
Homes Delivered......	117	128	211	231
Texas:				
Housing Revenues.....	$ 37,573	$ --	$ 86,788	$ --
Homes Delivered......	181	--	440	--
Poland:				
Housing Revenues.....	$ --	$ --	$ 301	$ 931
Homes Delivered......	--	--	3	9
Totals:				
Housing Revenues.....	$235,055	$199,138	$485,173	$394,023
Homes Delivered......	950	826	1,991	1,662

(1) Three and six months ended April 30, 2000 includes $12,776,000 and $30,916,000 housing revenues and 39 and 89 homes from a New Jersey homebuilder acquired on August 7, 1999.

The increase in the number of homes delivered and housing revenues compared to the prior year was primarily due to the acquisition of a Texas homebuilding company and an increase of three communities in the Metro DC market. The housing revenue increase was also the result of average home prices increasing slightly to $243,683 compared to $237,078 during the six months ended April 30, 2000 and 1999, respectively. These increases were partially offset by decreases in the Northeast Region and Florida. The decrease in home sales and related revenue in the Northeast Region is due to fewer selling communities in the third and fourth quarters of fiscal 1999, resulting in fewer deliveries during the first six months of fiscal 2000. In Florida the decrease is due to the closing of our Florida operations.

Cost of sales includes expenses for housing and land and lot sales. A breakout of such expenses for housing sales and housing gross margin is set forth below:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
	(Dollars in Thousands)			
Sale of Homes................	$235,055	$199,138	$485,173	$394,023
Cost of Sales................	187,615	155,085	392,325	309,334
Housing Gross Margin.........	$ 47,440	$ 44,053	$ 92,848	$ 84,689
Gross Margin Percentage......	20.2%	22.1%	19.1%	21.5%

Cost of Sales expenses as a percentage of home sales revenues are presented below:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
Sale of Homes................	100.0%	100.0%	100.0%	100.0%
Cost of Sales:				
Housing, land & development costs....	71.4%	69.9%	72.4%	70.4%
Commissions...........	2.3%	1.9%	2.3%	1.9%
Financing concessions..	0.9%	0.7%	0.9%	0.8%
Overheads.............	5.2%	5.4%	5.3%	5.4%
Total Cost of Sales.........	79.8%	77.9%	80.9%	78.5%
Gross Margin................	20.2%	22.1%	19.1%	21.5%

We sell a variety of home types in various local communities, each yielding a different gross margin. As a result, depending on the mix of both communities and of home types delivered, consolidated quarterly gross margin will fluctuate up or down and may not be representative of the consolidated gross margin for the year. For the three and six months ended April 30, 2000 our gross margin percentage decreased 1.9% and 2.4%, respectively, compared to the same periods last year. This can be attributed to a less rich community mix from the Northeast Region and more deliveries in our new Texas market where they report lower margins.

Selling, general, and administrative expenses as a percentage of total homebuilding revenues increased to 10.8% for the three months ended April 30, 2000 from 9.0% for the prior year's three months and increased to 10.3% for the six months ended April 30, 2000 from 9.0% for the prior year's six months. Such expenses increased during the three and six months ended April 30, 2000 $7.2 million and $14.8 million, respectively, compared to the same periods last year. The overall percentage and dollar increases in selling, general and administrative is due to increased deliveries, community openings, and increases in administrative costs primarily in our Northeast Region and California, and the addition of Texas.

Land Sales and Other Revenues:

Land sales and other revenues consist primarily of land and lot sales. A breakout of land and lot sales is set forth below:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
Land and Lot Sales................	$ 882	$ 4,207	$ 1,816	$ 5,534
Cost of Sales.....................	810	3,952	1,602	5,290
Land and Lot Sales Gross Margin...	72	255	214	244
Interest Expense..................	48	609	239	742
Land and Lot Sales Profit (Loss) Before Tax......................	$ 24	$ (354)	$ (25)	$ (498)

Land and lot sales are incidental to our residential housing operations and are expected to continue in the future but may significantly fluctuate up or down.

Financial Services

Financial services consist primarily of originating mortgages from our homebuyers, as well as from third parties, selling such mortgages in the secondary market and title insurance activities. For the three and six months ended April 30, 2000 financial services recorded a $0.8 million and $1.2 million loss before income taxes compared to a profit of $0.3 million and $0.7 million for the same periods in 1999. Our mortgage banking goals are to improve profitability by increasing the capture rate of our homebuyers and expanding our business to include originations from unrelated third parties.

Collateralized Mortgage Financing

In the years prior to February 29, 1988 we pledged mortgage loans originated by our mortgage banking subsidiaries against collateralized mortgage obligations ("CMO's"). Subsequently we discontinued our CMO program. As a result, CMO operations are diminishing as pledged loans are decreasing through principal amortization and loan payoffs, and related bonds are reduced. In recent years, as a result of bonds becoming callable, we have also sold a portion of our CMO pledged mortgages.

Corporate General and Administrative

Corporate general and administration expenses include the operations at our headquarters in Red Bank, New Jersey. Such expenses include our executive offices, information services, human resources, corporate accounting, training, treasury, process redesign, internal audit, and administration of insurance, quality, and safety. As a percentage of total revenues such expenses for the three months ended April 30, 2000 compared to the same period last year were unchanged. For the six months ended April 30, 2000 such expenses decreased to 2.9% from 3.1% for the prior year six months due to increased housing revenues. Corporate general and administration expenses increased $1.1 million and $1.5 million during the three and six months ended April 30, 2000 compared to the same periods last year. These increases are primarily attributed to increased process redesign costs associated with the design and development of streamlined business processes associated with the implementation of SAP, our new enterprise wide fully integrated software package and increased depreciation of capitalized process redesign costs in prior years.

Interest

Interest expense includes housing and land and lot interest. Interest expense is broken down as follows:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2000	1999	2000	1999
Sale of Homes..............	$ 7,732	$ 6,737	$ 15,409	$ 13,646
Land and Lot Sales.........	48	609	239	742
Total......................	$ 7,780	$ 7,346	$ 15,648	$ 14,388

Housing interest as a percentage of sale of homes revenues amounted to 3.3% and 3.2% for the three and six months ended April 30, 2000, respectively, compared to 3.2% and 3.3% for the three and six months ended April 30, 1999, respectively.

Other Operations

Other operations consist primarily of miscellaneous residential housing operations expenses, amortization of senior and subordinated note issuance expenses, amortization of goodwill from homebuilding company acquisitions, earnout payments from homebuilding company acquisitions and corporate owned life insurance loan interest.

Total Taxes

Total taxes as a percentage of income before taxes amounted to approximately 32.4% and 40.0% for the six months ended April 30, 2000 and 1999, respectively. The decrease in this percentage from 1999 to 2000 is primarily attributed to lower state income taxes and senior rental tax credits. Although the credits are the same in 1999 and 2000, they reduce our effective tax rate more significantly when pretax profits decline. Deferred federal and state income tax assets primarily represent the deferred tax benefits arising from temporary differences between book and tax income which will be recognized in future years as an offset against future taxable income. If for some reason the combination of future years income (or loss) combined with the reversal of the timing differences results in a loss, such losses can be carried back to prior years to recover the deferred tax assets. As a result, management is confident such deferred tax assets are recoverable regardless of future income.

Year 2000 Issues

We completed all Year 2000 readiness work and experienced no problem with regard to this matter.

Inflation

Inflation has a long-term effect on us because increasing costs of land, materials and labor result in increasing sale prices of our homes. In general, these price increases have been commensurate with the general rate of inflation in our housing markets and have not had a significant adverse effect on the sale of our homes. A significant risk faced by the housing industry generally is that rising house costs, including land and interest costs, will substantially outpace increases in the income of potential purchasers. In recent years, in the price ranges in which we sell our homes, we have not found this risk to be a significant problem.

Inflation has a lesser short-term effect on us because we generally negotiate fixed price contracts with our subcontractors and material suppliers for the construction of our homes. These prices usually are applicable for a specified number of residential buildings or for a time period of between four to twelve months. Construction costs for residential buildings represent approximately 57% of our total costs and expenses.

Forward Looking Statements

All statements in this Form 10-Q that are not historical facts should be considered "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, changes in general economic conditions, fluctuations in interest rates, increases in raw materials and labor costs, levels of competition and other factors described in detail in our Form 10-K for the year ended October 31, 1999.

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

We held our annual stockholders meeting on March 16, 2000 at 10:30 a.m. in the Board Room of the American Stock Exchange, 13th floor, 86 Trinity Place, New York, New York. The following matters were voted at the meeting:

. Election of all Directors to hold office until the next Annual Meeting of Stockholders. The elected Directors were:

.. Kevork S. Hovnanian
.. Ara K. Hovnanian
.. Paul W. Buchanan
.. Arthur Greenbaum
.. Desmond P. McDonald
.. Peter S. Reinhart
.. J. Larry Sorsby
.. Stephen D. Weinroth

. Ratification of selection of Ernst & Young, LLP as certified independent accountants for fiscal year ending October 31, 2000.

.. Votes For	72,666,140
.. Votes Against	14,220
.. Abstain	9,330

. Approval of amendments to the Company's Stock Option Plan.

.. Votes For	72,476,240
.. Votes Against	196,800
.. Abstain	16,650

. Approval of the Company's Senior Executive Short Term Incentive Plan.

.. Votes For	72,371,950
.. Votes Against	287,850
.. Abstain	29,890

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of l934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOVNANIAN ENTERPRISES, INC.
(Registrant)

DATE: June 7, 2000

/S/J. LARRY SORSBY
J. Larry Sorsby,
Senior Vice President,
Treasurer and
Chief Financial Officer

DATE: June 7, 2000

/S/PAUL W. BUCHANAN
Paul W. Buchanan,
Senior Vice President
Corporate Controller

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