UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10Q

(Mark One)
[X] Quarterly report under Section 13 or 15 (d) of the Securities Exchange Act of 1934

For quarterly period ended APRIL 30, 2003 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 of 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 Section 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 by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). 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. 22,509,277 Class A Common Shares and 7,434,844 Class B Common Shares were outstanding as of May 30, 2003.

HOVNANIAN ENTERPRISES, INC.

FORM 10Q

INDEX

(a)

Exhibit 3(a) Certificate of Incorporation of the Registrant. (1)

Exhibit 3(b) Certificate of Amendment of Incorporation of the Registrant. (2)

Exhibit 3(c) Bylaws of the Registrant. (2)

Exhibit 10(a) Amended and Restated Credit Agreement dated February 20, 2003. (3)

Exhibit 10(b) Restated $142 million K. Hovnanian Mortgage, Inc. Revolving Credit Agreement dated March 7, 2003. (3)

Exhibit 99(a) Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99(b) Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to Exhibits to Registration Statement (No. 2-85198) on Form S-1 of the Registrant.

(2) Incorporated by reference to Exhibits to Annual Report on Form 10-K for the year ended February 28, 1994 of the Registrant.

(3) Incorporated by reference to Exhibits to Quarterly Report on Form 10-Q for the quarter Ended January 31, 2003 of the Registrant.

(b) No reports on Form 8-K have been filed during The quarter for which this report is filed.

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

ASSETS	April 30, 2003 (unaudited)	October 31, 2002
Homebuilding:		
Cash and cash equivalents	$ 18,565	$ 262,675
Inventories - At the lower of cost or fair value:		
Sold and unsold homes and lots under development	1,013,294	803,829
Land and land options held for future development or sale	240,268	171,081
Consolidated Inventory Not Owned:		
Specific performance options	59,523	67,183
Variable interest entities	40,923	
Other options	61,110	39,489
Total Inventories	1,415,118	1,081,582
Receivables, deposits, and notes	37,577	26,276
Property, plant, and equipment - net	26,191	19,242
Senior residential rental properties - net	9,311	9,504

Prepaid expenses and other assets	83,340	86,582
Goodwill and indefinite life intangibles	82,275	82,275
Definite life intangibles	63,503	
Total Homebuilding	1,735,880	1,568,136
Financial Services:		
Cash and cash equivalents	4,961	7,315
Mortgage loans held for sale	82,916	91,451
Other assets	3,708	11,226
Total Financial Services	91,585	109,992
Income Taxes Receivable - Including deferred tax benefits	34,800	
Total Assets	$1,862,265	$1,678,128

See notes to consolidated financial statements (unaudited).

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands Except Per Share Data)

LIABILITIES AND STOCKHOLDERS' EQUITY	April 30, 2003 (unaudited)	October 31, 2002
Homebuilding:		
Nonrecourse land mortgages	$ 29,506	$ 11,593
Accounts payable and other liabilities	189,391	198,290
Customers' deposits	52,868	40,422
Nonrecourse mortgages secured by operating properties	3,210	3,274
Liabilities from inventory not owned	108,471	97,983
Total Homebuilding	383,446	351,562
Financial Services:		
Accounts payable and other liabilities	4,835	4,857
Mortgage warehouse line of credit	78,823	85,498
Total Financial Services	83,658	90,355
Notes Payable:		
Revolving and term credit agreements	144,800	115,000
Senior notes	396,647	396,390
Senior subordinated notes	150,000	150,000
Accrued interest	10,127	9,555
Total Notes Payable	701,574	670,945
Income Taxes Payable - Net of deferred tax benefits		777
Total Liabilities	1,168,678	1,113,639
Minority interest	37,799	1,940
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 27,797,055 shares at April 30, 2003 and 27,453,994 shares at October 31, 2002 (including 5,342,599 shares at April 30, 2003 and 4,343,240 shares at October 31, 2002 held in Treasury)	278	275
Common Stock,Class B,$.01 par value (convertible to Class A at time of sale) authorized 13,000,000 shares; issued 7,781,018 shares at April 30, 2003 and 7,788,061 shares at October 31, 2002 (including 345,874 shares at April 30, 2003 and October 31, 2002 held in Treasury)	78	78
Paid in Capital	156,124	152,977
Retained Earnings	545,131	447,802

Deferred Compensation		(21)
Treasury Stock - at cost	(45,823)	(38,562)
Total Stockholders' Equity	655,788	562,549
Total Liabilities and Stockholders' Equity	$1,862,265	$1,678,128

See notes to consolidated financial statements (unaudited).

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,	
	2003	2002	2003	2002
Revenues:				
Homebuilding:				
Sale of homes	$666,553	$532,386	$1,274,054	$ 975,484
Land sales and other revenues	2,365	19,936	12,004	21,913
Total Homebuilding	668,918	552,322	1,286,058	997,397
Financial Services	10,899	8,676	21,394	17,663
Total Revenues	679,817	560,998	1,307,452	1,015,060
Expenses:				
Homebuilding:				
Cost of sales	497,219	436,526	960,397	788,009
Selling, general and administrative	59,598	47,646	113,899	85,295
Inventory impairment loss	1,326	1,424	1,484	2,329
Total Homebuilding	558,143	485,596	1,075,780	875,633
Financial Services	6,173	5,103	11,994	10,462
Corporate General and Administration	13,464	10,629	28,048	21,505
Interest	13,425	12,802	27,104	26,504
Other Operations	4,184	5,295	8,962	9,586
Total Expenses	595,389	519,425	1,151,888	943,690
Income Before Income Taxes	84,428	41,573	155,564	71,370
State and Federal Income Taxes:				
State	3,335	1,534	6,435	3,407
Federal	28,525	14,129	51,800	23,892
Total Taxes	31,860	15,663	58,235	27,299
Net Income	$ 52,568	$ 25,910	$ 97,329	$ 44,071
Per Share Data:				
Basic:				
Income per common share	$ 1.69	$ 0.84	$ 3.11	$ 1.48
Weighted average number of common shares outstanding	31,143	30,736	31,256	29,836
Assuming dilution:				
Income per common share	$ 1.60	$ 0.80	$ 2.95	$ 1.40
Weighted average number of common shares outstanding	32,761	32,570	32,944	31,511

See notes to consolidated financial statements (unaudited).

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	Deferred Comp	Treasury Stock	Total
Balance, October 31, 2002	23,110,802	$275	7,442,187	$78	$152,977	$447,802	$ (21)	$(38,562)	$ 562,549

Shares returned in connection with prior year acquisition	(749,359)								
Sale of common stock under employee stock option plan....................	249,361	2			3,067				3,069
Stock bonus plan..........	86,609	1			80				81
Conversion of Class B to Class A Common Stock....	7,043		(7,043)						
Deferred compensation.....							21		21
Treasury stock purchase...	(250,000)							(7,261)	(7,261)
Net Income................						97,329			97,329
Balance, April 30, 2003 (unaudited)..............	22,454,456	$278	7,435,144	$78	$156,124	$545,131	$ --	$(45,823)	$ 655,788

See notes to consolidated financial statements (unaudited).

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

	Six Months Ended April 30, 2003	Six Months Ended April 30, 2002
Cash Flows From Operating Activities:		
Net Income..	$ 97,329	$ 44,071
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation..................................	3,225	3,342
Amortization of indefinite life intangibles.....	2,296	
(Gain) on sale and retirement of property and assets.................................	(28)	(7)
Deferred income taxes..........................	(2,727)	(745)
Impairment losses..............................	1,484	2,329
Decrease (increase) in assets:		
Mortgage notes receivable....................	9,516	47,023
Receivables, prepaids and other assets........	(3,190)	14,188
Inventories.................................	(214,148)	(69,318)
(Decrease) increase in liabilities:		
State and Federal income taxes................	(30,020)	(3,761)
Tax effect from exercise of stock options.....	(2,830)	(152)
Customers' deposits.........................	12,551	1,684
Interest and other accrued liabilities........	(8,485)	(7,265)
Post development completion costs............	2,676	(811)
Accounts payable............................	(19,547)	4,455
Net cash (used in) provided by operating activities..............................	(151,898)	35,033
Cash Flows From Investing Activities:		
Net proceeds from sale of property and assets.......	180	335
Purchase of property, equipment and other fixed assets and acquisitions of homebuilding companies.......................................	(138,836)	(142,186)
Distributions from (investment in and advances to) unconsolidated affiliates........................	7,431	(1,095)
Net cash (used in) investing activities.......	(131,225)	(142,946)
Cash Flows From Financing Activities:		
Proceeds from mortgages and notes...................	583,835	1,045,306
Proceeds from senior debt..........................		99,152
Proceeds from senior subordinated debt.............		150,000
Principal payments on mortgages and notes..........	(543,062)	(1,066,455)
Principal payments on subordinated debt............		(99,747)
Purchase of treasury stock.........................	(7,261)	(1,089)
Proceeds from sale of stock and employee stock plan.	3,147	2,256
Net cash provided by financing activities....	36,659	129,423
Net (Decrease) Increase In Cash and Cash Equivalents..	(246,464)	21,510
Cash and Cash Equivalents Balance, Beginning Of Period...	269,990	16,149
Cash and Cash Equivalents Balance, End Of Period......	$ 23,526	$ 37,659

Supplemental Disclosures of Cash Flow		
Cash paid during the year for:		
Interest	$ 26,436	$ 27,148
Income taxes	$ 90,981	$ 31,805
Supplemental disclosures of noncash operating activities:		
Consolidated Inventory Not Owned:		
Specific performance options	$ 51,155	$ 58,494
Variable interest entities	35,811	
Other options	57,316	39,489
Total Inventory Not Owned	$ 144,282	$ 97,983

See notes to consolidated financial statements (unaudited).

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

1. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to form 10-Q and Article 10 of Regulation S-X. 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 accounting principles generally accepted in the United States 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. The balance sheet at October 31, 2002 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

2. Stock Option Plan - We adopted Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ("APB No. 25") and related Interpretations in Accounting for our employee stock options. Under APB No. 25, no compensation expense is recognized because the exercise price of our Company's employee stock options equals the market price of the underlying stock on the date of the grant.

Pro forma information regarding net income and earnings per share is to be calculated as if we had accounted for our stock options under the fair value method of Financial Accounting Standards (SFAS) No. 123 "Accounting for Stock-Based Compensation". The fair value for those options is established at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 2003 and 2002 respectively: risk-free interest rate of 4.3% and 4.3%, respectively; dividend yield of zero; volatility factor of the expected market price of our common stock of 0.43 and 0.43, respectively; and a weighted-average expected life of the option of 5.1 and 5.5 years, respectively.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because our employee stock options have characteristics significantly different from those of our traded options, and changes in the subjective input assumptions can materially affect the fair value estimate, management believes the existing models do not necessarily provide a reliable measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. Our pro forma information follows (dollars in thousands except for earnings per share information):

	Six Months Ended	
	April 30, 2003	April 30, 2002
Net income to common shareholders;		

as reported	97,329	44,071
Deduct: total stock-based employee compensation expense determined under fair value based method for all awards, net of minority interest	976	280
Pro forma net income	$ 96,353	$ 43,791
Pro forma basic earnings per share	$ 3.08	$ 1.47
Basic earnings per share as reported	$ 3.11	$ 1.48
Pro forma diluted earnings per share	$ 2.92	$ 1.39
Diluted earnings per share as reported	$ 2.95	$ 1.40

3. Interest costs incurred, expensed and capitalized were:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2003	2002	2003	2002
	(Dollars in Thousands)			
Interest Capitalized at Beginning of Period	$23,600	$22,899	$22,159	$ 25,124
Plus Interest Incurred(1)(2)	15,305	14,779	30,425	26,256
Less Interest Expensed(2)	13,425	12,802	27,104	26,504
Interest Capitalized at End of Period (2)	$25,480	$24,876	$ 25,480	$ 24,876

(1) Data does not include interest incurred by our mortgage and finance subsidiaries.
(2) Represents interest on borrowings for construction, land and development costs which are charged to interest expense when homes are delivered or when land is not under active development.

4. Homebuilding accumulated depreciation at April 30, 2003 and October 31, 2002 amounted to $20.5 million and $18.5 million, respectively. Senior residential rental property accumulated depreciation at April 30, 2003 and October 31, 2002 amounted to $3.3 million and $3.1 million, respectively.

5. In accordance with Financial Accounting Standards No. 144 ("SFAS 144") "Accounting for the Impairment of or Disposal of Long Lived Assets", we record impairment losses on inventories related to communities under development when events and circumstances indicate that they may be impaired and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. In addition, from time to time, we will write off certain residential land options including approval, engineering and capitalized interest costs for land management decided not to purchase. We wrote off such costs in the amount of $1.3 million and $0.2 million primarily in the Northeast Region during the three months ended April 30, 2003 and January 31, 2003, respectively. During the three months ended April 30, 2002 we wrote off such costs in the amount of $1.4 million primarily in Poland and $0.9 million during the three months ended January 31, 2002, primarily due to the exit of our Mid-South operations. Residential inventory impairment losses and option write-offs are reported in the Consolidated Statements of Income as "Homebuilding-Inventory Impairment Loss."

6. We are involved 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, 2003 and October 31, 2002, we are obligated under various performance letters of credit amounting to $125.9 million and $100.0 million, respectively.

7. We have an unsecured Revolving Credit Agreement ("Agreement") with a group of banks which was amended February 20, 2003. Pursuant to the amendment, our credit line increased to $513.0 million and we have the ability to seek additional lenders to increase the total facility amount to $590.0 million. The Agreement bears an expiration date of July 2005 and interest is payable monthly and at various rates of either the prime rate plus 0.275% or LIBOR plus 1.75%. In addition, we pay a fee equal to 0.350% per annum on the weighted average unused portion of the line. As of April 30, 2003 and October 31, 2002, borrowings were $29.8 million and zero, respectively.

Our mortgage warehouse line of credit was modified on March 7, 2003. Pursuant to the agreement, our credit line matures in July 2003 and we have the option to borrow up to $142.0 million. Interest is payable monthly at the Federal Funds Rate plus 1.375%. As of April 30, 2003 and October 31, 2002 borrowings were $78.8 million and $85.5 million, respectively. As is customary with mortgage warehouse lines, the maturity of the facility is set at 364 days and is renewable annually at the discretion of the lenders. We have requested such extention through July 2004 and expect to receive a commitment for such an extension from our lenders prior to June 30, but there can be no assurance of such extension

8. At April 30, 2003, our long term debt consisted of $150 million 10 1/2% Senior Notes due 2007, $150 million 9 1/8% Senior Notes due 2009, $100 million 8% Senior Notes due 2012, $150 million 8 7/8% Senior Subordinated Notes due 2012, and a $165 million Term Loan due 2007 which bears interest at either the prime rate plus 1.25% or LIBOR plus 2.5%. As of April 30, 2003 borrowings under the Term Loan were $115 million.

On May 9, 2003, we issued $150 million 7 3/4% Senior Subordinated Notes due 2013. The net proceeds of the issuance will be used to repay the current outstanding indebtedness under our Revolving Credit Facility and the remainder for general corporate purposes.

9. Per Share Calculations - Statement of Financial Accounting Standards (SFAS) No. 128 "Earnings Per Share" requires the presentation of basic earnings per share and diluted earnings per share. Basic earnings per share is computed using the weighted average number of shares outstanding. Diluted earnings per common share is computed using the basic weighted average number of shares outstanding adjusted for the incremental shares attributed to outstanding options to purchase common stock.

10. Recent Accounting Pronouncements - In April 2002, the Financial Accounting Standards Board issued (SFAS) No. 145, "Reporting Gains and Losses from Extinguishment of Debt", which rescinded SFAS No. 4, No. 44, and No. 64 and amended SFAS No. 13. The new standard addresses the income statement classification of gains or losses from the extinguishment of debt and criteria for classification as extraordinary items. We adopted SFAS No. 145 on November 1, 2002. We reclassified $0.9 million extraordinary loss from extinguishment of debt to other operations and ($0.3) million to State and Federal Income Taxes on our Consolidated Statements of Income to conform to the new presentation.

In June 2002, the Financial Accounting Standards Board issued (SFAS) No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including certain costs incurred in a restructuring)". SFAS No. 146 requires recognition of a liability for a cost associated with an exit or disposal activity when the liability is incurred as opposed to when the entity commits to an exit plan as prescribed under EITF No. 94-3. SFAS No. 146 is effective for exit or disposal activities initiated after December 31, 2002. We adopted SFAS No. 146 January 1, 2003. The initial adoption of SFAS No. 146 did not have an effect on the financial position or results of operations of our Company. However, SFAS No. 146 could impact the amount or timing of liabilities to be recognized in the event that we engage in exit or disposal activities in the future.

In November 2002, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under the guarantee and must disclose that information in its interim and annual financial statements. The provisions related to recognizing a liability at inception of the guarantee for the fair value of the guarantor's obligations does not apply to product warranties. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The adoption of the initial recognition and initial measurement provisions of FIN 45 did not have a material effect on our financial position or results of operations. Our disclosure of guarantees is included in Note 13 to the financial statements.

In December 2002, the Financial Accounting Standards Board issued (SFAS) No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure", which amends (SFAS) No. 123. The new standard provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. It also requires prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the affect of the method used on reported results. We have not elected to change to the fair value based method of accounting for stock-based employee compensation. We adopted the disclosure provisions of SFAS No. 148 in our second fiscal quarter ending April 30, 2003. Our disclosure of accounting for stock-based compensation is included in Note 2 to the financial statements.

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 "Consolidation of Variable Interest Entities" an interpretation of ARB No. 51 ("FIN 46"). A Variable Interest Entity ("VIE") is created when (i) the equity investment at risk is not sufficient to permit the entity from financing its activities without additional subordinated financial support from other parties or (ii) equity holders either (a) lack direct or indirect ability to make decisions about the entity, (b) are not obligated to absorb expected losses of the entity or (c) do not have the right to receive expected residual returns of the entity if they occur. If an entity is deemed to be a VIE, pursuant to FIN 46, an enterprise that absorbs a majority of the expected losses of the VIE is considered the primary beneficiary and must consolidate the VIE. FIN 46 is effective immediately for VIE's created after January 31, 2003. For VIE's created before January 31, 2003, FIN 46 must be applied at the beginning of the first interim or annual reporting period beginning after June 15, 2003.

Based on the provisions of FIN 46, we have concluded that whenever we option land or lots from an entity and pay a non-refundable deposit, a VIE is created under condition (ii) (b) of the previous paragraph. We have been deemed to have provided subordinated financial support, which refers to variable interests that will absorb some or all of an entity's expected theoretical losses if they occur. For each VIE created we will compute expected losses and residual returns based on the probability of future cash flows as outlined in FIN 46. If we are deemed to be the primary beneficiary of the VIE we will consolidate it on our balance sheet. The fair value of the VIE's inventory will be reported as "Consolidated Inventory Not Owned - Variable Interest Entities".

Management believes FIN 46 was not clearly thought out for application in the homebuilding industry for land and lot options. Under FIN 46, we can have an option and put down a small deposit as a percentage of the purchase price and still have to consolidate the entity. Our exposure to loss as a result of our involvement with the VIE is only the deposit, not it's total assets consolidated on the balance sheet. In certain cases we will have to place inventory on our balance sheet the VIE has optioned to other developers. In addition, if the VIE has creditors, it's debt will be placed on our balance sheet even though the creditors have no recourse against our Company. Based on these observations we believe consolidating VIE's based on land and lot option deposits does not reflect the economic realities or risks of owning and developing land.

At April 30, 2003 we consolidated three VIE's created from February 1, 2003 to April 30, 2003 as a result of our option to purchase land or lots from the selling entities. We paid cash or issued letters of credit deposits to these three VIE's totaling $6.7 million. Our option deposits represent our maximum exposure to loss. The fair value of the property owned by the VIE's was $40.9 million of which $6.2 million was not optioned to our Company. Since we could not get the selling entities to provide us with any financial information, the fair value of the optioned property less our cash deposits, which totaled $35.8 million, was reported on the balance sheet as Minority Interest. Creditors, if any, of these VIE's have no recourse against our Company.

We will continue to secure land and lots using options. Including the deposits with the three VIE's above, at April 30, 2003 we have total cash and letters of credit deposits amounting to approximately $175.7 million to purchase land and lots with a total purchase price of $2.2 billion. Not all our deposits are with VIE's. The maximum exposure to loss is limited to the deposits although some deposits are refundable at our request or refundable if certain conditions are not met. We are in the process of evaluating all option purchase agreements in effect as of January 31, 2003. Options with VIE's where we are the primary beneficiary will be consolidated by our fiscal year end October 31, 2003.

11. On November 1, 2002 and December 31, 2002 we acquired Parkside Homes and Brighton Homes, two Houston homebuilding companies for an approximate aggregate purchase price of $100 million. On April 9, 2003 we acquired Summit Homes, a build-on-your-own-lot homebuilder based in Canton, Ohio. All three of these acquisitions were accounted for as a purchase, with the results of operations of these entities included in our consolidated financial statements as of the date of acquisition. The purchase price will be allocated based on estimated fair value at the date of acquisition. As a result, estimated definite life intangible assets of $63.5 million were recorded on the consolidated balance sheet. We expect to amortize the definite life intangibles over their estimated lives. We are in the process of completing appraisals of the intangible assets and do not expect to record any goodwill. Therefore, the purchase price allocation is preliminary and subject to change. (See Note 12).

12. Intangible Assets - As reported on the balance sheet we have goodwill and indefinite life intangibles amounting to $82.3 million and definite life intangibles amounting to $63.5 million. Our intangible assets consist of goodwill, tradenames, architectural designs, and contractual agreements. In accordance with the Financial Accounting Standards No. 142 ("SFAS No. 142") "Goodwill and Other Intangible Assets"; we no longer amortize goodwill or indefinite life intangibles, but instead assess them periodically for impairment. We are amortizing the definite life intangibles over their expected useful life. The amortization expense of $1.8 million and $2.3 million is reported in other operations on our

Consolidated Statement of Income for the three and six months ended April 30, 2003, respectively.

13. Hovnanian Enterprises, Inc., the parent company (the "Parent"), is the issuer of publicly traded common stock. One of its wholly owned subsidiaries, K. Hovnanian Enterprises, Inc. (the "Subsidiary Issuer"), acts as a finance and management entity that as of April 30, 2003 had issued and outstanding approximately $150 million senior subordinated notes, $400 million face value senior notes, a term loan with an outstanding balance of $115 million, and a revolving credit agreement with an outstanding balance of $29.8 million. The senior subordinated notes, senior notes, the revolving credit agreement, and term loan are fully and unconditionally guaranteed by the Parent.

In addition to the parent, each of the wholly owned subsidiaries of the Parent other than the Subsidiary Issuer (collectively, the "Guarantor Subsidiaries"), with the exception of various subsidiaries formerly engaged in the issuance of collateralized mortgage obligations, a mortgage lending subsidiary, a subsidiary engaged in homebuilding activity in Poland, our title subsidiaries, and joint ventures (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, senior subordinated notes, the term loan 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 consolidating condensed financial statements. 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, (iv) the Non-guarantor Subsidiaries, and (v) the eliminations to arrive at the information for the Parent on a consolidated basis.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED BALANCE SHEET
APRIL 30, 2003
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
Homebuilding	$30	$13,564	$1,705,146	$17,140	$	$1,735,880
Financial Services			110	91,475		91,585
Income Taxes Receivables(Payables)	5,898	9,926	19,301	(325)		34,800
Investments in and amounts due to and from consolidated subsidiaries	649,860	720,707	(913,460)	(12,304)	(444,803)	
Total Assets	$655,788	$744,197	$811,097	$95,986	$(444,803)	$1,862,265
LIABILITIES AND STOCKHOLDERS' EQUITY						
Homebuilding	$	$32,194	$351,188	$64	$	$383,446
Financial Services				83,658		83,658
Notes Payable		701,436	138			701,574
Minority Interest			35,811	1,988		37,799
Stockholders' Equity	655,788	10,567	423,960	10,276	(444,803)	655,788
Total Liabilities and Stockholders' Equity	$655,788	$744,197	$811,097	$95,986	$(444,803)	$1,862,265

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING CONDENSED BALANCE SHEET
OCTOBER 31, 2002
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Homebuilding	$1,501	$261,107	$1,269,514	$36,014	$	$1,568,136
Financial Services			111	109,881		109,992

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Investments in and amounts due to and from consolidated subsidiaries	584,103	432,130	(630,186)	(32,376)	(353,671)	
Total Assets	$585,604	$ 693,237	$ 639,439	$ 113,519	$ (353,671)	$1,678,128
Liabilities						
Homebuilding	$	$ 35,736	$ 312,231	$ 3,595	$	$ 351,562
Financial Services				90,355		90,355
Notes Payable		661,390	2,345	7,210		670,945
Income Taxes Payable (Receivables)	23,055	(3,147)	(18,184)	(947)		777
Minority Interest				1,940		1,940
Stockholders' Equity	562,549	(742)	343,047	11,366	(353,671)	562,549
Total Liabilities and Stockholders' Equity	$585,604	$ 693,237	$ 639,439	$ 113,519	$ (353,671)	$1,678,128

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
THREE MONTHS ENDED APRIL 30, 2003
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Homebuilding	$	$ 166	$ 668,756	$ 1	$ (5)	$ 668,918
Financial Services			1,853	9,046		10,899
Intercompany Charges		41,833	8,083		(49,916)	
Equity In Pretax Income of Consolidated Subsidiaries	84,428				(84,428)	
Total Revenues	84,428	41,999	678,692	9,047	(134,349)	679,817
Expenses:						
Homebuilding		41,999	590,202	144	(43,129)	589,216
Financial Services			593	5,937	(357)	6,173
Total Expenses		41,999	590,795	6,081	(43,486)	595,389
Income Before Income Taxes	84,428		87,897	2,966	(90,863)	84,428
State and Federal Income Taxes	31,860	(424)	33,236	1,299	(34,111)	31,860
Net Income	$52,568	$ 424	$ 54,661	$ 1,667	$ (56,752)	$ 52,568

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
THREE MONTHS ENDED APRIL 30, 2002
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Homebuilding	$	$ 125	$ 551,454	$ 7,135	$ (6,392)	$ 552,322
Financial Services			1,324	7,352		8,676
Intercompany Charges		34,147	4,180		(38,327)	
Equity In Pretax Income of Consolidated Subsidiaries	41,573				(41,573)	
Total Revenues	41,573	34,272	556,958	14,487	(86,292)	560,998
Expenses:						
Homebuilding		34,272	520,297	1,084	(41,331)	514,322
Financial Services			527	4,925	(349)	5,103
Total Expenses		34,272	520,824	6,009	(41,680)	519,425
Income Before Income Taxes	41,573		36,134	8,478	(44,612)	41,573
State and Federal Income Taxes	15,663	(181)	13,662	3,355	(16,836)	15,663
Net Income	$25,910	$ 181	$ 22,472	$ 5,123	$ (27,776)	$ 25,910

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
SIX MONTHS ENDED APRIL 30, 2003
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Homebuilding	$	$ 638	$1,285,420	$ 10	$ (10)	$1,286,058
Financial Services			3,463	17,931		21,394
Intercompany Charges		85,371	11,459		(96,830)	
Equity In Pretax Income of Consolidated Subsidiaries	155,564				(155,564)	
Total Revenues	155,564	86,009	1,300,342	17,941	(252,404)	1,307,452
Expenses:						
Homebuilding		86,009	1,141,027	219	(87,361)	1,139,894
Financial Services			1,135	11,717	(858)	11,994
Total Expenses		86,009	1,142,162	11,936	(88,219)	1,151,888
Income Before Income Taxes	155,564		158,180	6,005	(164,185)	155,564
State and Federal Income Taxes	58,235	(629)	59,431	2,449	(61,251)	58,235
Net Income	$97,329	$ 629	$ 98,749	$ 3,556	$ (102,934)	$ 97,329

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF OPERATIONS
SIX MONTHS ENDED APRIL 30, 2002
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Homebuilding	$	$ 270	$ 995,900	$ 12,668	$ (11,441)	$ 997,397
Financial Services			2,686	14,977		17,663
Intercompany Charges		64,406	6,663		(71,069)	
Equity In Pretax Income of Consolidated Subsidiaries	71,370				(71,370)	
Total Revenues	71,370	64,676	1,005,249	27,645	(153,880)	1,015,060
Expenses:						
Homebuilding		64,676	944,041	1,659	(77,148)	933,228
Financial Services			1,085	10,171	(794)	10,462
Total Expenses		64,676	945,126	11,830	(77,942)	943,690
Income Before Income Taxes	71,370		60,123	15,815	(75,938)	71,370
State and Federal Income Taxes	27,299	(154)	23,011	6,150	(29,007)	27,299
Net Income	$44,071	$ 154	$ 37,112	$ 9,665	$ (46,931)	$ 44,071

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED APRIL 30, 2003
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash Flows From Operating Activities:						
Net Income	$ 97,329	629	98,749	3,556	(102,934)	97,329
Adjustments to reconcile net income to net cash provided by (used in) operating activities	(29,463)	3,420	(347,348)	21,230	102,934	(249,227)

	Parent	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash Provided By (Used In) Operating Activities..........	67,866	4,049	(248,599)	24,786	-	(151,898)
Net Cash Provided By (Used In) Investing Activities..............	(3,233)	2,866	(130,704)	(154)		(131,225)
Net Cash Provided By (Used In) Financing Activities..............	(7,261)	30,057	20,937	(7,074)		36,659
Intercompany Investing and Financing Activities - Net..................	(57,367)	(288,577)	365,968	(20,024)		-
Net Increase (Decrease) In Cash and Cash Equivalents..............	5	(251,605)	7,602	(2,466)	-	(246,464)
Cash and Cash Equivalents Balance, Beginning of Period................	10	218,844	43,689	7,447		269,990
Cash and Cash Equivalents Balance, End of Period.....................	$ 15	(32,761)	51,291	4,981	-	23,526

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
CONSOLIDATING CONDENSED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED APRIL 30, 2002
(Thousands of Dollars)

	Parent	Subsidiary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsidiaries	Elimin-ations	Consol-idated
Cash Flows From Operating Activities:						
Net Income..........................	$ 44,071	$ (428)	$ 38,007	$ 9,665	$ (47,244)	$ 44,071
Adjustments to reconcile net income to net cash provided by (used in) operating activities...	87,095	52,923	(236,818)	40,518	47,244	(9,038)
Net Cash Provided By (Used In) Operating Activities..........	131,166	52,495	(198,811)	50,183		35,033
Net Cash Provided By (Used In) Investing Activities..............	(44,323)	(1,445)	(97,332)	154		(142,946)
Net Cash Provided By (Used In) Financing Activities..............	(1,089)	264,608	(88,267)	(45,829)		129,423
Intercompany Investing and Financing Activities - Net..................	(85,754)	(295,948)	389,016	(7,314)		
Net Increase (Decrease) In Cash and Cash Equivalents..............		19,710	4,606	(2,806)		21,510
Cash and Cash Equivalents Balance, Beginning of Period................	10	(5,840)	15,616	6,363		16,149
Cash and Cash Equivalents Balance, End of Period.....................	$ 10	$ 13,870	$ 20,222	$ 3,557	$	$ 37,659

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING POLICIES

Management believes that the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements:

Business Combinations - When we make an acquisition of another company, we use the purchase method of accounting in accordance with the Statement of Financial Accounting Standards (SFAS) No. 141 "Business Combinations". Under SFAS No. 141 (for acquisitions subsequent to June 30, 2001) and APB 16 (for acquisitions prior to June 30, 2001) we record as our cost the estimated fair value of the acquired assets less liabilities assumed. Any difference between the cost of an acquired company and the sum of the fair values of tangible and identified intangible assets less liabilities is recorded as goodwill, indefinite or definite life intangibles. The reported income of an acquired company includes the operations of the acquired company from the date of acquisition.

Income Recognition from Home and Land Sales - Income from home and land sales are recorded when title is conveyed to the buyer, adequate cash payment has been received and there is no continued involvement.

Income Recognition from Mortgage Loans - Profits and losses relating to the sale of mortgage loans are recognized when legal control passes to the buyer and the sales price is collected.

Inventories - For inventories of communities under development, a loss is recorded when events and circumstances indicate impairment and the undiscounted future cash flows generated are less than the related carrying amounts. The impairment loss is based on discounted future cash flows generated from expected revenue, cost to complete including interest, and selling costs. Inventories and long-lived assets held for sale are recorded at the lower of cost or fair value less selling costs. Fair value is defined in the Statement of Financial Accounting Standards (SFAS) No. 144 "Accounting for the Impairment of or Disposal of Long-Lived Assets" as the amount at which an asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Construction costs are accumulated during the period of construction and charged to cost of sales under specific identification methods. Land, land development, and common facility costs are allocated based on buildable acres to product types within each community, then amortized equally based upon the number of homes to be constructed in the community.

Insurance Deductible Reserves - Our deductible is $150,000 per occurrence for our worker's compensation and general liability insurance. Reserves have been established based upon actuarial analysis of estimated future losses.

Interest - Costs related to properties under development are capitalized during the land development and home construction period and expensed along with the associated cost of sales as the related inventories are sold.

Land Options - Costs are capitalized when incurred and either included as part of the purchase price when the land is acquired or charged to operations when we determine we will not exercise the option. In accordance with FIN 46, SFAS 49, SFAS 98, and EITF 97-10 we record specific performance options, options with variable interest entities and other options under Consolidated Inventory Not Owned with the offset to Liabilities from inventory not owned and Minority interest on our Consolidated Balance Sheets.

Intangible Assets - The intangible assets recorded on our balance sheet consist of goodwill, tradenames, architectural designs and contractual agreements with both definite and indefinite lives resulting from company acquisitions. In accordance with the Financial Accounting Standards No. 142 ("SFAS No. 142") " Goodwill and Other Intangible Assets", we no longer amortize goodwill or indefinite life intangibles, but instead assess them periodically for impairment. We are amortizing the definite life intangibles over their expected useful life.

Post Development Completion Costs - In those instances where a development is substantially completed and sold and we have additional construction work to be incurred, an estimated liability is provided to cover the cost of such work and is recorded in accounts payable and other liabilities in the consolidated balance sheets.

CAPITAL RESOURCES AND LIQUIDITY

Our cash uses during the six months ended April 30, 2003 were for operating expenses, increases in housing inventories, construction, income taxes, interest, the repurchase of common stock, and the acquisition of three homebuilders. We provided for our cash requirements from housing and land sales, the revolving credit facility, financial service revenues, and other revenues. We believe that these sources of cash are sufficient to finance our working capital requirements and other needs.

On December 31, 2000, our stock repurchase program to purchase up to 4 million shares of Class A Common Stock expired. As of December 31, 2000, 3,391,047 shares had been purchased under this program. On July 3, 2001, our Board of Directors authorized a revision to our stock repurchase program to purchase up to 2 million shares of Class A Common Stock. As of April 30,2003, 856,319 have been purchased under this program of which 250,000 were repurchased during the six months ended April 30, 2003.

Our homebuilding bank borrowings are made pursuant to an amended and restated revolving credit agreement (the "Agreement") that provides a revolving credit line and letter of credit line of up to $590 million through July 2005. As of April 30, 2003 our lenders have committed $513.0 million. Interest is payable monthly and at various rates of either the prime rate plus 0.275% or Libor plus 1.75%. We believe that we will be able either to extend the Agreement beyond July 2005 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 the covenants under the Agreement. Each of our significant subsidiaries is a guarantor under the revolving credit agreement. As of April 30, 2003, borrowings under the Agreement were $29.8 million.

At April 30, 2003 we had $400 million of outstanding senior debt ($396.6 million, net of discount), comprised of $150 million 10 1/2% Senior Notes due 2007, $150 million 9 1/8% Senior Notes due 2009, and $100 million 8% Senior Notes due 2012. At April 30, 2003, we had outstanding senior subordinated debt comprised of $150 million 8 7/8% Senior Subordinated Notes due 2012. On May 9, 2003, we issued $150 million 7 3/4% Senior Subordinated Notes due 2013. Each of our significant subsidiaries is a guarantor under the Senior Notes and Senior Subordinated Notes.

On January 22, 2002 we issued a $165 million five-year Term Loan. The term loan matures in January 2007, and bears interest at either the prime rate plus 1.25% or Libor plus 2.5%. Each of our significant subsidiaries is a guarantor under the Term Loan. At April 30, 2003 borrowings under the Term Loan were $115 million.

Our mortgage banking subsidiary's warehousing agreement was modified on March 7, 2003. Pursuant to the modification, we may borrow up to $142 million. The agreement bears an expiration date of July 2003 and interest is payable monthly at the Federal Funds Rate plus 1.375%. We believe that we will be able either to extend this agreement beyond July 2003 or negotiate a replacement facility, but there can be no assurance of such extension or replacement facility. As of April 30, 2003, the aggregate principal amount of all such borrowings was $78.8 million.

Total inventory increased $278.7 million during the six months ended April 30, 2003. This increase excluded the change in Consolidated Inventory Not Owned of $54.9 million consisting of specific performance options and other options that were added to our balance sheet in accordance with SFAS 49, SFAS 98, and EITF 97-10 and Variable Interest entities in accordance with FIN 46. The $278.7 million increase in inventory was due to increases in inventory levels in all of our housing markets as well as our acquisitions. Excluding the impact of acquisitions, this was the result of seasonality factors and planned future organic growth in our existing markets. Substantially all homes under construction or completed and included in inventory at April 30, 2003 are expected to be closed during the next twelve months. Most inventory completed or under development is financed through our line of credit, term loan, and senior and subordinated indebtedness.

We usually option property for development prior to acquisition. By optioning property, we are only subject to the loss of a small option fee and predevelopment costs if we choose not to exercise the option. As a result, our commitment for major land acquisitions is reduced.

The following table summarizes housing lots included in our total residential real estate. The April 30, 2003 numbers excluded lots owned and options in locations where we have ceased development.

	Active Communities	Active Selling Lots	Proposed Developable Lots	Grand Total Lots
April 30, 2003:				
Northeast Region..	27	6,979	13,740	20,719
North Carolina....	69	6,858	739	7,597
Metro D.C.........	33	4,035	9,320	13,355
California........	40	5,624	5,253	10,877
Texas.............	75	5,589	3,234	8,823
	244	29,085	32,286	61,371
Owned..........		12,359	3,273	15,632
Optioned.......		16,726	29,013	45,739
Total........		29,085	32,286	61,371

	Active Communities	Active Selling Lots	Proposed Developable Lots	Grand Total Lots
October 31, 2002:				
Northeast Region..	28	5,699	15,700	21,399
North Carolina....	64	5,186	2,283	7,469
Metro D.C.........	27	3,182	7,394	10,576
California........	42	5,974	4,457	10,431
Texas.............	35	2,566	1,518	4,084
Other.............	--	29	--	29

	196	22,636	31,352	53,988
Owned..........		11,088	2,274	13,362
Optioned.......		11,548	29,078	40,626
Total........		22,636	31,352	53,988

The following table summarizes our started or completed unsold homes and models:

	April 30, 2003			October 31, 2002		
	Unsold Homes	Models	Total	Unsold Homes	Models	Total
Northeast Region....	59	51	110	73	46	119
North Carolina......	150	18	168	191	32	223
Metro D. C..........	21	21	42	34	31	65
California..........	217	82	299	193	65	258
Texas..............	539	65	604	261	31	292
Other...............				2	--	2
Total	986	237	1,223	754	205	959

Financial Services - Mortgage loans held for sale consist of residential mortgages receivable of which $82.8 million and $91.3 million at April 30, 2003 and October 31, 2002, 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.

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2003 COMPARED TO THE THREE AND SIX MONTHS ENDED APRIL 30, 2002

Our operations consist primarily of residential housing development and sales in our Northeast Region (New Jersey, southern New York State, eastern Pennsylvania, and Ohio), North Carolina, Metro D. C. (northern Virginia, eastern West Virginia, and Maryland), California, and Texas. In addition, we provide financial services to our homebuilding customers.

Total Revenues:

Compared to the same prior period, revenues increased (decreased) as follows:

	Three Months Ended			
	April 30, 2003	April 30, 2002	Dollar Change	Percentage Change
	(Dollars In Thousands)			
Homebuilding:				
Sale of homes........	$ 666,553	$ 532,386	$ 134,167	25.2%
Land sales and other revenues...........	2,365	19,936	(17,571)	(88.1%)
Financial Services...	10,899	8,676	2,223	25.6%
Total Revenues...	$ 679,817	$ 560,998	$ 118,819	21.2%

	Six Months Ended			
	April 30, 2003	April 30, 2002	Dollar Change	Percentage Change
	(Dollars In Thousands)			
Homebuilding:				
Sale of homes........	$1,274,054	$ 975,484	$298,570	30.6%
Land sales and other revenues...........	12,004	21,913	(9,909)	(45.2%)
Financial Services...	21,394	17,663	3,731	21.2%
Total Revenues...	$1,307,452	$1,015,060	$292,392	28.8%

Homebuilding:

Revenues from the sale of homes increased $134.2 million or 25.2% during the three months ended April 30, 2003, and increased $298.6 million or 30.6% during the six months ended April 30, 2003, compared to the same period last year. Revenues from the 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, 2003	Three Months Ended April 30, 2002	Six Months Ended April 30, 2003	Six Months Ended April 30, 2002
	(Dollars in Thousands)			
Northeast Region: (1)				
Housing Revenues.....	$148,155	$145,249	$ 284,918	$278,018
Homes Delivered......	462	478	893	899
North Carolina:				
Housing Revenues.....	$ 54,070	$ 64,784	$ 108,539	$121,465
Homes Delivered......	301	353	600	651
Metro D.C.:				
Housing Revenues.....	$102,092	$ 78,333	$ 205,743	$148,725
Homes Delivered......	320	295	644	558
California:(2)				
Housing Revenues.....	$255,469	$178,688	$ 494,164	$293,330
Homes Delivered......	893	728	1,756	1,168
Texas: (1)				
Housing Revenues.....	$106,767	$ 52,820	$ 179,429	$107,346
Homes Delivered......	520	223	879	460
Other:				
Housing Revenues.....	$ --	$ 12,512	$ 1,261	$ 26,600
Homes Delivered......	--	81	9	172
Totals:				
Housing Revenues.....	$666,553	$532,386	$1,274,054	$975,484
Homes Delivered......	2,496	2,158	4,781	3,908

(1) April 30, 2003 includes Parkside Homes (Texas), Brighton Homes (Texas) and Summit Homes (Ohio) deliveries beginning on November 1, 2002, January 1, 2003, and April 1, 2003, respectively.
(2) April 30, 2002 includes Forecast Homes (California) deliveries beginning on January 10, 2002.

The increase in housing revenues was primarily due to the acquisition of Parkside Homes and Brighton Homes in Houston, Texas for the second quarter 2003 and the acquisition of Parkside Homes and Brighton Homes and a full six months of deliveries from Forecast Homes in California for the six months ended April 30, 2003. In addition, these increases were the result of organic growth in Metro D. C. and California (excluding Forecast) and increased average sales prices in most of our markets.

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, 2003	Sales Contracts for the Six Months Ended April 30, 2002	Contract Backlog as of April 30, 2003	Contract Backlog as of April 30, 2002
	(Dollars in Thousands)			
Northeast Region:(2)(4)				
Dollars.............	$ 320,391	$ 274,837	$ 538,742	$ 452,910
Homes...............	1,007	944	2,024	1,614
North Carolina:				
Dollars.............	$ 142,379	$ 143,188	$ 122,091	$ 125,292
Homes...............	775	778	641	661
Metro D. C.:(4)				
Dollars.............	$ 254,981	$ 243,091	$ 301,523	$ 303,252
Homes...............	760	781	890	1,002
California:(3)				
Dollars.............	$ 546,086	$ 345,124	$ 336,741	$ 231,803

Homes...............	1,901	1,273	1,100	812
Texas:(1)(4)				
Dollars.............	$ 212,905	$ 116,972	$ 128,786	$ 78,334
Homes...............	1,085	521	645	324
Other:				
Dollars.............	$ 313	$ 20,418	$ --	$ 13,660
Homes...............	2	135	--	88
Totals:				
Dollars.............	$1,477,055	$1,143,630	$1,427,883	$1,205,251
Homes...............	5,530	4,432	5,300	4,501

(1) April 30, 2003 includes Parkside Homes and Brighton Homes sales contracts signed from November 1, 2002 and January 1, 2003, respectively.
(2) April 30, 2003 includes Summit Homes contracts signed from April 1, 2003.
(3) April 30, 2002 includes Forecast sales contracts signed from January 10, 2002.
(4) We acquired contract backlog during the six months ended April 30, 2003 of 694 homes valued at $93.8 million.

During May 2003 we signed an additional 1,215 contracts compared to 764 in the same month last year.

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,	
	2003	2002	2003	2002
	(Dollars in Thousands)			
Sale of Homes................	$666,553	$532,386	$1,274,054	$975,484
Cost of Sales................	496,130	422,256	953,656	773,457
Housing Gross Margin.........	$170,423	$110,130	$ 320,398	$202,027
Gross Margin Percentage......	25.6%	20.7%	25.1%	20.7%

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

	Three Months Ended April 30,		Six Months Ended April 30,	
	2003	2002	2003	2002
Sale of Homes................	100.0%	100.0%	100.0%	100.0%
Cost of Sales:				
Housing, land & development costs....	66.7%	71.2%	67.2%	71.2%
Commissions............	2.1%	2.2%	2.1%	2.3%
Financing concessions..	1.0%	1.0%	1.0%	1.0%
Overheads..............	4.6%	4.9%	4.6%	4.8%
Total Cost of Sales..........	74.4%	79.3%	74.9%	79.3%
Gross Margin.................	25.6%	20.7%	25.1%	20.7%

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. We achieved higher gross margins during the three and six months ended April 30, 2003 compared to the same period last year. The consolidated gross margin increased 4.9% and 4.4% for the three and six months ended April 30, 2003, respectively. Ignoring the effect of our acquisitions, we achieved higher gross margins on a market-by-market basis during the three and six months ended April 30, 2003. These increased margins are the result of higher sales prices and increased national contract rebates, which slightly lowered our housing costs.

Selling, general, and administrative expenses as a percentage of total homebuilding revenues increased to 8.9% for the three and six months ended April 30, 2003 from 8.6% for the prior year's three and six months ended April 30, 2002. Such expenses increased during the three and six months ended April 30, 2003 by $12.0 million and $28.6 million, respectively, compared to the same periods last year. The percentage increase for the three months ended April 30, 2003 was due to a full quarter of selling, general and administrative costs from our Houston acquisitions and an increase in administrative costs in North Carolina and the Northeast Region associated with opening additional communities. The percentage increase for the six months ended April 30, 2003 was due to selling, general, and administrative costs from our Houston acquisitions, a full six months of costs from Forecast Homes and increased administrataive costs in North Carolina and the Northeast Region associated with opening additional communities and the implementation of a new compensation program for their sales associates. The dollar increase in selling, general, and administrative is primarily due to a full six months of expenses from Forecast and the addition of Parkside Homes and Brighton Homes.

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,	
	2003	2002	2003	2002
Land and Lot Sales................	$ 1,298	$18,118	$ 9,750	$18,539
Cost of Sales.....................	1,089	14,270	6,741	14,552
Land and Lot Sales Gross Margin...	209	3,848	3,009	3,987
Interest Expense..................	11	584	355	648
Land and Lot Sales Profit Before Tax......................	$ 198	$ 3,264	$ 2,654	$ 3,339

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, selling such mortgages in the secondary market, and title insurance activities. For the three and six months ended April 30, 2003 financial services provided a $4.7 million and $9.4 million profit before income taxes compared to a profit of $3.6 million and $7.2 million for the same periods in 2002. These increases are primarily due to reduced costs, increased mortgage loan amounts, and the addition of a mortgage joint venture from the acquisition of Forecast for a full six months.

Corporate General and Administrative

Corporate general and administrative 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, construction services, and administration of insurance, quality, and safety. As a percentage of total revenues such expenses increased to 2.0% for the three months ended April 30, 2003 from 1.9% for the prior year's three months but remained flat for the six months ended April 30, 2003. Corporate general and administrative expenses increased $2.8 million and $6.5 million during the three and six months ended April 30, 2003 compared to the same periods last year. Increases in corporate general and administrative dollar expenses are primarily attributed to higher employee incentives due to higher return on equity.

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,	
	2003	2002	2003	2002
Sale of Homes.............	$ 13,414	$ 12,218	26,749	$ 25,856
Land and Lot Sales.........	11	584	355	648
Total......................	$ 13,425	$ 12,802	$ 27,104	$ 26,504

Housing interest as a percentage of sale of homes revenues decreased to 2.0% and 2.1% for the three and six months ended April 30, 2003, respectively, compared to 2.3% and 2.7% for the three and six months ended April 30, 2002, respectively. These percentage declines are primarily attributed to a decrease in debt leverage of our Company, and lower interest rates on our debt.

Other Operations

Other operations consist primarily of miscellaneous residential housing operations expenses, senior residential property operations, amortization of senior and senior subordinated note issuance expenses, earnout payments from homebuilding company acquisitions, amortization of the Forecast consultant's agreement and the right of first refusal agreement, amortization of a definite life intangibles for our acquisitions, minority interest relating to joint ventures, and corporate owned life insurance loan interest.

Recent Accounting Pronouncements

In April 2002, the Financial Accounting Standards Board issued (SFAS) No. 145, "Reporting Gains and Losses from Extinguishment of Debt", which rescinded SFAS No. 4, No. 44, and No. 64 and amended SFAS No. 13. The new standard addresses the income statement classification of gains or losses from the extinguishment of debt and criteria for classification as extraordinary items. We adopted SFAS No. 145 on November 1, 2002. We reclassified $0.9 million extraordinary loss from extinguishment of debt to other operations and ($0.3) million to state and Federal Income Taxes on our Consolidated Statements of Income to conform to the new presentation.

In June 2002, the Financial Accounting Standards Board issued (SFAS) No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including certain costs incurred in a restructuring)". SFAS No. 146 requires recognition of a liability for a cost associated with an exit or disposal activity when the liability is incurred as opposed to when the entity commits to an exit plan as prescribed under EITF No. 94-3. SFAS No. 146 is effective for exit or disposal activities initiated after December 31, 2002. We adopted SFAS No. 146 January 1, 2003. The initial adoption of SFAS No. 146 did not have an effect on the financial position or results of operations of our Company. However, SFAS No. 146 could impact the amount or timing of liabilities to be recognized in the event that we engage in exit or disposal activities in the future.

In November 2002, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under the guarantee and must disclose that information in its interim and annual financial statements. The provisions related to recognizing a liability at inception of the guarantee for the fair value of the guarantor's obligations does not apply to product warranties. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The adoption of the initial recognition and initial measurement provisions of FIN 45 did not have a material effect on our financial position or results of operations. Our disclosure of guarantees is included in Note 13 to the financial statements.

In December 2002, the Financial Accounting Standards Board issued (SFAS) No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure", which amends (SFAS) No. 123. The new standard provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. It also requires prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the affect of the method used on reported results. We have not elected to change to the fair value based method of accounting for stock-based employee compensation. We adopted the disclosure provisions of SFAS No. 148 in our second fiscal quarter ending April 30, 2003. Our disclosure of accounting for stock-based compensation is included in Note 2 to the financial statements.

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 "Consolidation of Variable Interest Entities" an interpretation of ARB No. 51 ("FIN 46"). A Variable Interest Entity ("VIE") is created when (i) the equity investment at risk is not sufficient to permit the entity from financing its activities without additional subordinated financial support from other parties or (ii) equity holders either (a) lack direct or indirect ability to make decisions about the entity, (b) are not obligated to absorb expected losses of the entity or (c) do not have the right to receive expected residual returns of the entity if they occur. If an entity is deemed to be a VIE, pursuant to FIN 46, an enterprise that absorbs a majority of the expected losses of the VIE is considered the primary beneficiary and must consolidate the VIE. FIN 46 is effective immediately for VIE's created after January 31, 2003. For VIE's created before January 31, 2003, FIN 46 must be applied at the beginning of the first interim or annual reporting period beginning after June 15, 2003.

Based on the provisions of FIN 46, we have concluded that whenever we option land or lots from an entity and pay a non-refundable deposit, a VIE is created under condition (ii) (b) of the previous paragraph. We have been deemed to have provided subordinated financial support, which refers to variable interests that will absorb some or all of an entity's expected theoretical losses if they occur. For each VIE created we will compute expected losses and residual returns based on the probability of future cash flows as outlined in FIN 46. If we are deemed to be the primary beneficiary of the VIE we will consolidate it on our balance sheet. The fair value of the VIE's inventory will be reported as "Consolidated Inventory Not Owned - Variable Interest Entities".

Management believes FIN 46 was not clearly thought out for application in the homebuilding industry for land and lot options. Under FIN 46, we can have an option and put down a small deposit as a percentage of the purchase price and still have to consolidate the entity. Our exposure to loss as a result of our involvement with the VIE is only the deposit, not it's total assets consolidated on the balance sheet. In certain cases we will have to place inventory on our balance sheet the VIE has optioned to other developers. In addition, if the VIE has creditors, it's debt will be placed on our balance sheet even though the creditors have no recourse against our Company. Based on these observations we believe consolidating VIE's based on land and lot option deposits does not reflect the economic realities or risks of owning and developing land.

At April 30, 2003 we consolidated three VIE's created from February 1, 2003 to April 30, 2003 as a result of our option to purchase land or lots from the selling entities. We paid cash or issued letters of credit deposits to these three VIE's totaling $6.7 million. Our option deposits represent our maximum exposure to loss. The fair value of the property owned by the VIE's was $40.9 million of which $6.2 million was not optioned to our Company. Since we could not get the selling entities to provide us with any financial information, the fair value of the optioned property less our cash deposits, which totaled $35.8 million, was reported on the balance sheet as Minority interest. Creditors of these VIE's have no recourse against our company.

We will continue to secure land and lots using options. Including the deposits with the three VIE's above, at April 30, 2003 we have total cash and letters of credit deposits amounting to approximately $175.7 million to purchase land and lots with a total purchase price of $2.2 billion. Not all our deposits are with VIE's. The maximum exposure to loss is limited to the deposits although some deposits are refundable at our request or refundable if certain conditions are not met. We are in the process of evaluating all option purchase agreements in effect as of January 31, 2003. Options with VIE's where we are the primary beneficiary will be consolidated by our fiscal year end October 31, 2003.

Total Taxes

Total taxes as a percentage of income before taxes amounted to approximately 37.4% and 38.3% for the six months ended April 30, 2003 and 2002, respectively. The decrease in this percentage from 2002 to 2003 is primarily attributed to a reduction in state income taxes. 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.

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 our homes sell, 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 homebuilding cost of sales.

Mergers and Acquisitions

On January 10, 2002 we acquired The Forecast Group, L.P. for a total purchase price of $196.5 million, of which $151.6 million was paid in cash and 2,208,738 shares of our Class A Common Stock were issued. At the date of acquisition we also paid off approximately $88.0 million of Forecast's third party debt. During the second quarter ended April 30, 2003 we exercised the right to retire at no cost 750,000 Class A Common Stock shares that were held by the selling principal of Forecast Homes, under the terms of the acquisition. On November 1, 2002 and December 31, 2002 we acquired two Houston homebuilding companies for an approximate aggregate purchase price of $100.0 million. On April 9, 2003 we acquired a build-on-your-own lot homebuilder in Ohio.

Safe Harbor Statement

All statements in this Form 10-Q that are not historical facts should be considered as "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, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to:

- Changes in general and local economic and business conditions
- Weather conditions
- Changes in market conditions
- Changes in home prices and sales activity in the markets where the Company builds homes
- Government regulation, including regulations concerning development of land, the homebuilding process, and the environment
- Fluctuations in interest rates and the availability of mortgage financing
- Increases in raw materials and labor costs
- The availability and cost of suitable land and improved lots
- Levels of competition
- Availability of financing to the Company
- Terrorist acts and other acts of war

These risks, uncertainties, and other factors are described in detail in Item 1 and 2 Business and Properties in our Form 10-K for the year ended October 31, 2002.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOUSRES ABOUT MARKET RISK.

The primary market risk facing us is interest rate risk on our long-term debt. In connection with our mortgage operations, mortgage loans held for sale and the associated mortgage warehouse line of credit are subject to interest rate risk; however, such obligations reprice frequently and are short-term in duration. In addition, we hedge the interest rate risk on mortgage loans by obtaining forward commitments from private investors. Accordingly, the risk from mortgage loans is not material. We do not hedge interest rate risk other than on mortgage loans using financial instruments. We are also subject to foreign currency risk but this risk is not material. The following table sets forth as of April 30, 2003, our long term debt obligations, principal cash flows by scheduled maturity, weighted average interest rates and estimated fair market value ("FMV").

Six Months Ended April 30,

Expected Maturity Rate

(Dollars in Thousands)

	2003	2004	2005	2006	2007	2008	Thereafter	Total	FMV @ 4/30/03
Long Term Debt(1):									
Fixed Rate......	$29,575	$ 75	$ 81	$ 88	$150,096	$ 104	$ 400,217	$580,236	$629,216
Average interest rate..........	6.69%	8.38%	8.38%	8.38%	10.50%	8.38%	8.75%	9.00%	--
Variable rate...	--	--	--	--	--	$115,000	--	$115,000	$115,000
Average interest rate..........	--	--	--	--	--	(2)	--	--	--

(1) Does not include bonds collateralized by mortgages receivable.
(2) LIBOR plus 2.5%

Item 4. CONTROLS AND PROCEDURES

Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) within 90 days of the filing date of this report (the "Evaluation Date") and, based on that evaluation, concluded that, as of the Evaluation Date, we had sufficient controls and procedures for recording, processing, summarizing and reporting information that is required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, within the time periods specified in the SEC's rules and forms.

Since the Evaulation Date, there have not been any significant changes to our internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date, including any corrective actions with regard to significant deficiencies and material weaknesses.

Part II. Other Information
Item 4. Submission of Matters to a Vote of Security Holders

We held our annual stockholders meeting on March 7, 2003 at 10:30 a.m. at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, 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. There wre no broker non-votes. The elected Directors were:

	Class A		Class B	
	Votes For	Votes Withheld	Votes For	Votes Withheld
Kevork S. Hovnanian	12,501,054	2,642,043	70,425,570	1,337,750
Ara K. Hovnanian	12,508,464	2,634,633	70,424,070	1,339,250
Geaton A. DeCesaris,Jr.	12,576,244	2,566,853	70,424,570	1,338,750
Arthur M. Greenbaum	14,555,941	587,156	70,436,070	1,327,250
Edward A. Kangas	14,559,611	583,486	70,436,070	1,327,250
Desmond P. McDonald	14,543,968	599,129	70,436,070	1,327,250
John J. Robbins	14,559,581	583,516	70,436,070	1,327,250
J. Larry Sorsby	12,561,544	2,581,553	70,424,570	1,338,750
Stephen D. Weinroth	14,558,381	584,716	70,436,070	1,327,250

. Ratification of selection of Ernst & Young, LLP as certified independent accountants for fiscal year ending October 31, 2003. There were no broker non-votes.

	Class A	Class B
.. Votes For	14,608,940	71,151,350
.. Votes Against	521,691	10,750
.. Abstain	12,466	1,220

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

	Class A	Class B
.. Votes For	9,204,288	70,200,940
.. Votes Against	2,740,902	1,402,350
.. Abstain	79,745	3,940
.. Broker Non-Votes	3,118,162	156,090

.. Approval of the Company's amended 1999 Stock Incentive Plan.

	Class A	Class B
.. Votes For	9,008,337	70,204,040
.. Votes Against	2,941,789	1,396,550
.. Abstain	75,029	3,940
.. Broker Non-Votes	3,117,942	158,790

Item 6. Exhibits and Reports on Form 8-K.
(a)

Exhibit 3(a) Certificate of Incorporation of the Registrant. (1)

Exhibit 3(b) Certificate of Amendment of Incorporation of the Registrant. (2)

Exhibit 3(c) Bylaws of the Registrant. (2)

Exhibit 10(a) Amended and Restated Credit Agreement dated February 20, 2003. (3)

Exhibit 10(b) Restated $142 million K. Hovnanian Mortgage, Inc. Revolving Credit Agreement dated March 7, 2003. (3)

Exhibit 99(a) Certification of Chief Executive Officer, defined in the Exchange Act Rules 13a-14(a) and 15d-14(a)as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 99(b) Certification of Chief Financial Officer, defined in the Exchange Act Rules 13a-14(a) and 15d-14(a)as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to Exhibits to Registration Statement (No. 2-85198) on Form S-1 of the Registrant.

(2) Incorporated by reference to Exhibits to Annual Report on Form 10-K for the year ended February 28, 1994 of the Registrant.

(3) Incorporated by reference to Exhibits to Quarterly Report on Form 10-Q for the quarter ended January 31, 2003 of the Registrant.

(b) No reports on Form 8-K have been filed during the quarter for which this report is filed.

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 12, 2003

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

DATE: June 12, 2003

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

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mr. Ara K. Hovnanian, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hovnanian Enterprises, Inc.;

2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined

in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6) The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By,

/S/ARA K. HOVNANIAN
Ara K. Hovnanian
Chief Executive Officer
Date: June 9, 2003

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mr. J. Larry Sorsby, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hovnanian Enterprises, Inc.;

2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit

committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6) The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By,

/S/J. LARRY SORSBY
J. Larry Sorsby
Chief Financial Officer
Date: June 9, 2003

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hovnanian Enterprises, Inc. (the "Company") on Form 10-Q for the quarter ending April 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ara K. Hovnanian, Chief Executive Officer of the Company, and I, J. Larry Sorsby, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By,

/S/ARA K. HOVNANIAN
Ara K. Hovnanian
Chief Executive Officer
Date: June 9, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Hovnanian Enterprises, Inc. and will be retained by Hovnanian Enterprises, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hovnanian Enterprises, Inc. (the "Company") on Form 10-Q for the quarter ending April 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ara K. Hovnanian, Chief Executive Officer of the Company, and I, J. Larry Sorsby, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By,

/S/J.LARRY SORSBY
J. Larry Sorsby
Chief Financial Officer
Date: June 9, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Hovnanian Enterprises, Inc. and will be retained by Hovnanian Enterprises, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.