

News Release



HOVNANIAN ENTERPRISES, INC.

GTIS Partners

45 Rockefeller Plaza -31st Floor
New York, NY 10111

Contact: J. Larry Sorsby
Hovnanian Enterprises, Inc.
Executive Vice President and CFO
732-747-7800

Robert Vahradian
Senior Managing Director
GTIS Partners
212-220-5210

Jeffrey T. O'Keefe
Hovnanian Enterprises, Inc.
Vice President, Investor Relations
732-747-7800

HOVNANIAN ENTERPRISES AND GTIS PARTNERS ANNOUNCE FORMATION OF HOMEBUILDING JOINT VENTURE

RED BANK, NJ AND NEW YORK, May 5, 2011 – Hovnanian Enterprises, Inc. (NYSE: HOV) and GTIS Partners announced today that they have expanded their December 2010 joint venture to acquire five additional homebuilding communities. The venture intends to design, sell, and deliver homes in the communities, which contain 745 lots across three communities in Northern Virginia, one community in Maryland, and one community in Pennsylvania. Inclusive of the three properties acquired in December, two in California and one in Virginia, the joint venture now owns 1,168 lots in eight communities, and expects its gross home sellout to exceed \$500 million.

Approximately \$123 million of capital has been invested in the overall joint venture, with Hovnanian contributing 25% and GTIS Partners providing 75%. Hovnanian will manage the day-to-day operations of the venture. If certain financial targets are met, Hovnanian will receive a promoted share of the cash returns from the venture. Additional details related to the joint venture are not being disclosed.

“Expanding our partnership with GTIS Partners is an important step forward in an already successful relationship with two organizations that share a demand for excellence,” stated Ara Hovnanian, Chairman of the Board of Directors, President and Chief Executive Officer of Hovnanian Enterprises, Inc. “Within the joint venture, and our earlier partnership with GTIS, we now expect to deliver over 2,700 homes in 19 communities. Our efforts to execute additional joint ventures with GTIS or with others do not end here, as we continue to seek opportunities to leverage our homebuilding expertise with financial partners’ desires to invest in for-sale residential communities.”

Tom Shapiro, President of GTIS Partners said, "We are pleased to upsize our investment with Hovnanian. They are a first class partner and homebuilder. All of these communities are located in specific submarkets in the U.S. where our underwriting validates a continued and sustained demand for new homes."

Added Robert Vahradian, Senior Managing Director and Head of US Investments for GTIS Partners, "The portfolio is now geographically represented in both Northern and Southern California, and in the greater Washington D.C. and Philadelphia areas. It is further weighted toward finished and partially finished lots. This investment provides our investors with an attractive risk-reward profile, with a concentration in markets that have consistently outperformed the overall country in terms of employment, home pricing, and absorption."

About Hovnanian Enterprises, Inc.

Hovnanian Enterprises, Inc., founded in 1959 by Kevork S. Hovnanian, is headquartered in Red Bank, New Jersey. The Company is one of the nation's largest homebuilders with operations in Arizona, California, Delaware, Florida, Georgia, Illinois, Kentucky, Maryland, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia and West Virginia. The Company's homes are marketed and sold under the trade names K. Hovnanian Homes, Matzel & Mumford, Brighton Homes, Parkwood Builders, Town & Country Homes and Oster Homes. As the developer of K. Hovnanian's Four Seasons communities, the Company is also one of the nation's largest builders of active adult homes. Additional information on Hovnanian Enterprises, Inc., including a summary investment profile and the Company's 2010 annual report, can be accessed through the "Investor Relations" section of the Hovnanian Enterprises' website at <http://www.khov.com>. To be added to Hovnanian's investor e-mail or fax lists, please send an e-mail to IR@khov.com or sign up at <http://www.khov.com>.

About GTIS Partners

GTIS Partners is a global real estate investment firm headquartered in New York with an office in Sao Paulo, Brazil. GTIS Partners was founded in 2005 and is managed by President Tom Shapiro and Senior Managing Directors Rob Vahradian, Josh Pristaw, Bill Cisneros and Joao Teixeira. The firm has 41 employees and currently manages approximately \$1.5 billion of committed equity. The firm pursues value-added real estate opportunities through direct equity investments and non-traditional lending activities. Since inception, the firm has committed capital to residential, retail, industrial, office, hotel and mixed-use projects in the U.S. and Brazil, and is among the largest real estate private equity companies in Brazil. The firm's principals have over 90 years of investment, management and operations experience, which spans all major property types and geographies. By combining hands-on real estate expertise with a disciplined investment approach, GTIS Partners creates value for its investors and partners. For further information regarding GTIS Partners please visit their website at www.gtispartners.com.

Note: All statements in this Press Release that are not historical facts should be considered as "forward-looking statements" within the meaning of the "Safe Harbor" Provisions of the Private Securities Litigation Reform 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, (1) changes in general and local economic and industry and business conditions and impacts of the sustained homebuilding downturn, (2) adverse weather and other environmental conditions and natural disasters, (3) changes in market conditions and seasonality of the Company's business, (4) changes in home prices and sales activity in the markets where the Company builds homes, (5) government regulation, including regulations concerning development of land, the home building, sales and customer financing processes, tax laws, and the environment, (6) fluctuations in interest rates and the availability of mortgage

financing, (7) shortages in, and price fluctuations of, raw materials and labor, (8) the availability and cost of suitable land and improved lots, (9) levels of competition, (10) availability of financing to the Company, (11) utility shortages and outages or rate fluctuations, (12) levels of indebtedness and restrictions on the Company's operations and activities imposed by the agreements governing the Company's outstanding indebtedness, (13) operations through joint ventures with third parties, (14) product liability litigation and warranty claims, (15) successful identification and integration of acquisitions, (16) significant influence of the Company's controlling stockholders, (17) geopolitical risks, terrorist acts and other acts of war, (18) the Company's sources of liquidity, (19) changes in credit ratings, (20) availability of net operating loss carryforwards and (21) other factors described in detail in the Company's Annual Report on Form 10-K/A for the year ended October 31, 2010.

#