

News Release



HOVNANIAN ENTERPRISES, INC.

GTIS Partners

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HOVNANIAN ENTERPRISES AND GTIS PARTNERS ANNOUNCE FORMATION OF HOMEBUILDING JOINT VENTURE

RED BANK, NJ AND NEW YORK, December 22, 2010 – Hovnanian Enterprises, Inc. (NYSE: HOV) and GTIS Partners announced today that they have entered into a joint venture agreement to acquire a portfolio of homebuilding projects. The venture intends to design, sell, and deliver homes on the properties, which are located on approximately 400 lots across two communities in California and one community in Virginia.

Approximately \$75 million of capital will be invested in the joint venture, with Hovnanian contributing 26% and GTIS Partners providing 74%. 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.

“We are extremely pleased to announce our second partnership with GTIS Partners,” commented Ara Hovnanian, Chairman of the Board of Directors, President and Chief Executive Officer of Hovnanian Enterprises, Inc. “This joint venture further solidifies our relationship and is a great example of what fruit can come to bear when combining the respective strengths of both of our organizations. We are optimistic that we will be able to successfully execute additional partnerships in the future for similar large bulk purchases, which will allow us to better leverage our capital base.”

Tom Shapiro, President of GTIS Partners said, “We are thrilled to do a follow on investment with Hovnanian. They have an outstanding team and have been great partners. Our first investment which

consisted of 154 finished homes and 1,422 lots in 11 communities has greatly exceeded our projections.” Added Robert Vahradian, Senior Managing Director and Head of US Investments for GTIS Partners, “The portfolio consists of communities in some of the healthiest residential sub-markets in the country, and in premier locations within those sub-markets. This investment underscores our belief that, despite a more challenging national housing market, there continues to be residential demand for the most desirable sub-markets and the opportunity to make strong opportunistic returns in the sector. We expect the gross home sellout for the joint venture to exceed \$250 million.”

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 2009 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 \$1.2 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 Hovnanian Enterprises, Inc. (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, (2) adverse weather 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, 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 and (18) other factors described in detail in the Company's Form 10-K for the year ended October 31, 2009 and in the Company's Form 10-Q for the quarter ended July 31, 2010.

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