

News Release

HOVNANIAN ENTERPRISES, INC.



GoldenTree InSite Partners

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HOVNANIAN ENTERPRISES AND GOLDENTREE INSITE PARTNERS ANNOUNCE FORMATION OF HOMEBUILDING JOINT VENTURE

RED BANK, NJ AND NEW YORK, November 09, 2009 – Hovnanian Enterprises, Inc. (NYSE: HOV) and GoldenTree InSite 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 across 11 communities in the greater Chicago market and Palm Beach County, Florida. Since this venture is purchasing lots that were previously owned by an unconsolidated Hovnanian joint venture, there will be no change in the reported number of lots owned by unconsolidated joint ventures in Hovnanian's SEC filings.

Hovnanian invested 20% of the equity capital in the new venture, with GoldenTree InSite providing the balance. 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. The venture was capitalized 100% with equity, but if in the future financing becomes available, the venture may obtain a modest amount of non-recourse debt on the properties. Additional details related to the joint venture are not being disclosed.

"We are extremely pleased to announce our partnership with GoldenTree InSite Partners," commented Ara Hovnanian, Chairman of the Board of Directors, President and Chief Executive Officer of Hovnanian Enterprises, Inc. "This joint venture combines the financial power and residential investment experience of GoldenTree InSite with the homebuilding and operating strength of Hovnanian, creating an exciting investment opportunity for both organizations. More importantly, the venture allows us to take advantage of attractive land opportunities with limited capital investment, thereby preserving our cash position, and, at the same time, afford the

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potential for enhanced returns. We look forward to closing additional joint ventures with GoldenTree InSite in the future.”

Tom Shapiro, President of GoldenTree InSite Partners said, “We have avoided making any US real estate investments for over two years given our view of the markets and the lack of interesting opportunities. We looked to re-enter US real estate investments in the residential for-sale category and it was imperative to team up with a first-class partner. Hovnanian’s integrity and 50-year track record of creating value through solid operations made it a natural choice. The transaction provides us with a unique platform to take advantage of an industry with tremendous long-term potential, and we look forward to closing on additional transactions and generating solid returns through our relationship with Hovnanian.” Added Robert Vahradian, Managing Director of GoldenTree InSite, “This investment is highly indicative of the tremendous opportunities we see in the residential space, as many housing markets have sold off by as much as 50% and are showing strong signs of cyclically being at or very near the bottom.”

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, Oster Homes and CraftBuilt 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 2008 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 GoldenTree InSite Partners

GoldenTree InSite Partners, an affiliate of GoldenTree Asset Management, is a global real estate investment firm headquartered in New York with offices in London and São Paulo. The firm was formed in February 2005 in partnership with GoldenTree Asset Management. GoldenTree InSite has 36 employees and manages over \$1.1 billion of committed equity. The firm pursues value-added real estate opportunities through direct equity investment and non-traditional lending activities. To date, the firm has committed capital to residential, retail, industrial, office, hotel, and mixed-use projects in the U.S. and Brazil. The firm’s principals have over 80 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, GoldenTree InSite creates value for its investors and partners. For further information please visit our website at www.goldentreeinsite.com.

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About GoldenTree Asset Management

GoldenTree Asset Management, an investment advisor with offices in New York, London, and Luxembourg, invests in bank debt, high yield bonds, distressed debt, real estate and equities. GoldenTree manages over \$11 billion as of October 1, 2009, and the firm has approximately 170 employees. For further information regarding GoldenTree, please visit their Web site at <http://www.goldentree.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, 2008 and in the Company's Form 10-Q for the quarter ended July 31, 2009.

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