BEAZER HOMES USA INC
Form S-4/A
March 12, 2002

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As filed with the Securities and Exchange Commission on March 12, 2002

Registration No. 333-83304

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to
FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BEAZER HOMES USA, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**1521**	**58-2086934**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

5775 Peachtree Dunwoody Road, Suite B-200
Atlanta, Georgia 30342
(404) 250-3420
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

David S. Weiss
Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road, Suite B-200
Atlanta, Georgia 30342
(404) 250-3420

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Elizabeth H. Noe, Esq.
Paul, Hastings, Janofsky & Walker LLP
600 Peachtree Street, Suite 2400
Atlanta, Georgia 30308
(404) 815-2400

Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

March 14, 2002

Dear Beazer Homes USA, Inc. Stockholder:

You are cordially invited to attend the 2002 annual meeting of the stockholders of Beazer Homes USA, Inc. to be held at the offices of Beazer Homes USA, Inc., 5775 Peachtree Dunwoody Road, Suite B-200, Atlanta, Georgia 30342, on Tuesday, April 16, 2002, at 10:00 a.m. local time.

Beazer has entered into a merger agreement with Crossmann Communities, Inc. providing for the merger of Crossmann into a wholly-owned subsidiary of Beazer, with the surviving corporation being a wholly-owned subsidiary of Beazer. At the annual meeting, we will ask you to consider and vote on the issuance of Beazer common stock to the stockholders of Crossmann in connection with the merger.

Your board of directors believes that the merger offers significant strategic benefits for Beazer and its stockholders.

Your board of directors has determined that the merger is in the best interests of Beazer and its stockholders, has approved the merger and the issuance of Beazer common stock in connection with the merger, and recommends that you vote **FOR** this proposal.

In addition to voting on the issuance of Beazer common stock under the merger agreement, at the annual meeting we will ask you to:

- elect seven members to the Board of Directors;
- consider and act on a proposal to amend Beazer's Amended and Restated 1999 Stock Incentive Plan; and
- consider and act on a proposal to amend Beazer's Value Created Incentive Plan.

Your board of directors recommends that you vote **FOR** these proposals.

The accompanying Joint Proxy Statement/Prospectus provides detailed information about the proposed merger and the other matters to be voted on at the annual meeting. We encourage you to read carefully the entire document, including the annexes.

Very truly yours,

Brian C. Beazer
Non-executive Chairman of the Board

Whether or not you plan to attend the annual meeting, please take the time to vote by completing and mailing your proxy card in the enclosed envelope as promptly as possible so that your shares will be voted at the annual meeting. This will not limit your right to vote in person or to attend the annual meeting.

March 14, 2002

Dear Crossmann Communities, Inc. Stockholder:

You are cordially invited to attend a special meeting of stockholders of Crossmann Communities, Inc. to be held at the offices of Ice Miller, One American Square, Indianapolis, Indiana 46282, on Tuesday, April 16, 2002, at 10:00 a.m. local time.

At the special meeting, you will be asked to vote on the merger of Crossmann into a wholly-owned subsidiary of Beazer Homes USA, Inc. At the effective time of the merger, the separate corporate existence of Crossmann will cease, and the corporation surviving the merger will be a wholly-owned subsidiary of Beazer.

Your board of directors believes that the merger offers significant potential by combining the strengths and attributes of two premier companies. It is expected to create the sixth largest U.S. homebuilder based on units closed. We believe the merger allows you to participate in a more diversified company and will provide you with greater liquidity as a result of the larger market capitalization of the combined entity.

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/Prospectus, if the merger is completed, each share of your Crossmann common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. Subject to adjustment as described in the accompanying Joint Proxy Statement/Prospectus, the merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock.

Your board of directors has unanimously determined that the merger agreement is fair to and in the best interests of Crossmann and its stockholders and recommends that you vote **FOR** approval of the merger agreement and the transactions contemplated by the merger agreement.

The accompanying Joint Proxy Statement/Prospectus provides detailed information about the proposed merger. We encourage you to read carefully the entire document, including the annexes.

Very truly yours,

John B. Scheumann
Chairman of the Board and

Chief Executive Officer

Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing your proxy card in the enclosed envelope as promptly as possible so that your shares will be voted at the special meeting. This will not limit your right to vote in person or to attend the special meeting.

BEAZER HOMES USA, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on April 16, 2002

To Our Stockholders:

Notice is hereby given that Beazer Homes USA, Inc. is holding its 2002 annual meeting of stockholders at 10:00 a.m. local time, on Tuesday, April 16, 2002, at the offices of Beazer Homes USA, Inc. 5775 Peachtree Dunwoody Road, Suite B-200, Atlanta, Georgia 30342 for the following purposes:

(1) To consider and vote on a proposal to approve the issuance of the common stock of Beazer Homes USA, Inc. to the stockholders of Crossmann Communities, Inc. pursuant to the Agreement and Plan of Merger dated as of January 29, 2002, among Beazer Homes USA, Inc., Beazer Homes Investment Corp. and Crossmann Communities, Inc.;

(2) To elect seven members to our Board of Directors;

(3) To consider and vote on a proposal to amend our Amended and Restated 1999 Stock Incentive Plan;

(4) To consider and vote on a proposal to amend our Value Created Incentive Plan; and

(5) To transact any other business that properly comes before the meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on March 14, 2002, will be entitled to notice of or to vote at the meeting or any adjournment or postponement of the meeting.

By Order of the Board of Directors

Brian C. Beazer
Non-Executive Chairman of the Board

March 14, 2002

Important: To ensure that your shares are represented at the annual meeting, please fill in, date and sign the enclosed proxy and return it promptly in the enclosed return envelope, which requires no postage if mailed in the United States.

CROSSMANN COMMUNITIES, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be held on April 16, 2002

To Our Stockholders:

Notice is hereby given that Crossmann Communities, Inc. is holding a special meeting of its stockholders at 10:00 a.m. local time, on Tuesday April 16, 2002, at the offices of Ice Miller, One American Square, Indianapolis, Indiana 46282 for the following purposes:

(1) To consider and vote on a proposal to approve the Agreement and Plan of Merger dated as of January 29, 2002, among Beazer Homes USA, Inc., Beazer Homes Investment Corp. and Crossmann Communities, Inc., and the transactions contemplated by that agreement.

(2) To transact any other business that properly comes before the meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on March 14, 2002, will be entitled to notice of or to vote at the meeting or any adjournment or postponement of that meeting.

By Order of the Board of Directors

John B. Scheumann
Chairman of the Board and Chief Executive Officer

March 14, 2002

Important: To ensure that your shares are represented at the special meeting, please fill in, date and sign the enclosed proxy and return it promptly in the enclosed return envelope, which requires no postage if mailed in the United States.

BEAZER HOMES USA, INC. CROSSMANN COMMUNITIES, INC.
JOINT PROXY STATEMENT/ PROSPECTUS

Merger Proposed Your Vote Is Important

The boards of directors of Beazer Homes USA, Inc. and Crossmann Communities, Inc. have each approved the merger of Crossmann into a wholly-owned subsidiary of Beazer pursuant to the terms of a merger agreement entered into on January 29, 2002. The surviving corporation will be a wholly-owned subsidiary of Beazer and stockholders of Crossmann will become stockholders of Beazer to the extent that they receive Beazer common stock as a portion of the merger consideration. In order to complete the merger under the terms of the merger agreement, both Crossmann and Beazer must obtain the approval of their stockholders. Meetings of the stockholders of Crossmann and Beazer will be held on April 16, 2002 to vote on the merger and the related issuance of Beazer common stock.

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/Prospectus, if the merger is completed, each share of Crossmann common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock determined as set forth in the table below, based on a stock value calculated by taking the average closing price of Beazer common stock as reported for New York Stock Exchange composite transactions for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting:

Average Closing Price of Beazer Common Stock	Beazer Common Stock Issued for Each Crossmann Share	Value of Total Merger Consideration for Each Share of Crossmann Common Stock Consisting of $17.60 in Cash and a Fraction of a Share of Beazer Common Stock
$93.13 or greater	0.3061 shares	$46.11 or greater
$80.46 to $93.12	quotient obtained by dividing $28.51 by the stock value	$46.11
$68.54 to $80.45	0.3544 shares	$41.89 to $46.11
$61.47 to $68.53	quotient obtained by dividing $24.29 by the stock value	$41.89
$61.46 or less	0.3952 shares	$41.89 or less

If the average closing price of Beazer common stock determined as set forth above is less than $52.15, the total amount of the base merger consideration would be less than $38.21. In that event, Crossmann can terminate the merger agreement, unless Beazer makes an election to increase the cash portion of the merger consideration or the stock portion of the merger consideration, or both, so that the amount of the base merger consideration of cash and Beazer common stock for each share of Crossmann common stock equals at least $38.21.

A Crossmann stockholder may elect to receive the amount of the base merger consideration either in the proportions shown above, in all cash or in all Beazer common stock. Because both the total cash portion of the merger consideration and the total number of shares of Beazer common stock to be issued as merger consideration will be fixed, all-cash or all-stock elections may be subject to proration.

Assuming the average closing price for the merger equals the per share closing price of Beazer common stock on March 8, 2002, which was $89.20, the base merger consideration would consist of $17.60 and .3196 shares of Beazer common stock for each outstanding share of Crossmann common stock, for a total consideration of $46.11 per share. Promptly after determination of the base merger consideration, Crossmann and Beazer will issue a joint press release advising their respective stockholders of the fraction of a share of Beazer common stock included in the base merger consideration.

This Joint Proxy Statement/Prospectus provides Crossmann stockholders and Beazer stockholders with detailed information about the proposed merger. It also constitutes the prospectus of Beazer with respect to the shares of its common stock to be issued to the stockholders of Crossmann in connection with the merger. In addition, this Joint Proxy Statement/Prospectus constitutes the proxy statement for the 2002 annual meeting of Beazer stockholders as well as the proxy statement for the special meeting of Crossmann stockholders. We encourage you to read this entire document carefully.

On January 29, 2002, the day before the merger was announced, the closing price of Beazer common stock, which is traded on the New York Stock Exchange under the symbol "BZH," was $81.50. On the same day, the last sale price of Crossmann common stock, which is traded on the Nasdaq National Market under the symbol "CROS," was $30.23. On March 11, 2002, the closing price of Beazer common stock reported on the New York Stock Exchange composite tape was $87.85 per share, and the last sale price of Crossmann common stock reported on the Nasdaq National Market was $46.15 per share.

All information contained in this Joint Proxy Statement/Prospectus with respect to Beazer has been provided by Beazer. All information contained in this Joint Proxy Statement/Prospectus with respect to Crossmann has been provided by Crossmann.

For risk factors involved in the transaction that you may want to consider, including risks involved in an investment in Beazer common stock, see the section of this Joint Proxy Statement/Prospectus captioned "Risk Factors" beginning on page 18.

The Beazer common stock to be issued pursuant to this Joint Proxy Statement/Prospectus has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Joint Proxy Statement/Prospectus. Any representation to the contrary is a criminal offense.

This Joint Proxy Statement/Prospectus is dated March 14, 2002, and is first being mailed to holders of Crossmann common stock and Beazer common stock on or about March 15, 2002.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE MERGER	1
SUMMARY	5
BEAZER SELECTED HISTORICAL FINANCIAL DATA	12
CROSSMANN SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA	13
SUMMARY SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA	14
COMPARATIVE PER SHARE DATA	16
MARKET PRICE AND DIVIDEND DATA	17
RISK FACTORS	18
Risk Factors Relating to the Merger	18
Risk Factors Relating to Beazer	19
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION	23
THE STOCKHOLDER MEETINGS	24
The Crossmann Special Meeting	24
The Beazer Annual Meeting	25
PROXIES	26
Proxy Cards	26
Solicitation of Proxies	27
How to Revoke Your Proxy	27
THE MERGER	28
Background of the Merger	28
Recommendation of the Crossmann Board of Directors; Crossmann's Reasons for the Merger	32
Recommendations of the Beazer Board of Directors; Beazer's Reasons for the Merger	34
Opinion of Crossmann's Financial Advisor	36
Opinion of Beazer's Financial Advisor	42
Regulatory Matters Relating to the Merger	47
Accounting Treatment	47
Interests of Certain Persons related to Crossmann in the Merger	47
Dissenters' Appraisal Rights	48
New York Stock Exchange and Nasdaq National Market Listing	49
Financing	49

THE MERGER AGREEMENT	50
General	50
Effective Time	50
Treatment of Crossmann Common Stock	50
Merger Consideration	50
Election Procedure	53
Crossmann Stock Options	53
Representations and Warranties	54
Actions of Crossmann and Beazer Prior to the Merger	55
Conditions to the Completion of the Merger	60
Termination of the Merger Agreement	62
Termination Fees and Expenses	63
Effect of Termination	64
Amendments	64
Crossmann Directors' and Officers' Insurance and Indemnification	64
VOTING AGREEMENTS	65
AFFILIATE AGREEMENTS	65

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION	66
COMPARATIVE RIGHTS OF STOCKHOLDERS	73
MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER	78
ADDITIONAL PROPOSALS FOR THE BEAZER ANNUAL MEETING	83
Election of Directors	83
Amendment of Beazer's 1999 Stock Incentive Plan	87
ADDITIONAL INFORMATION ABOUT BEAZER	98
Principal Stockholders	98
Report of the Audit Committee	99
Independent Auditors	100

Security Ownership of Management	101
Section 16(a) Beneficial Ownership Reporting Compliance	102
Executive Compensation	102
LEGAL MATTERS	109
EXPERTS	109
STOCKHOLDER PROPOSALS	109
WHERE YOU CAN FIND MORE INFORMATION	110

Annex I	Agreement and Plan of Merger
Annex II	Opinion of McDonald Investments Inc.
Annex III	Opinion of UBS Warburg LLC
Annex IV	Beazer Amended and Restated 1999 Stock Incentive Plan
Annex V	Beazer Value Created Incentive Plan

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: ***What will happen in the proposed transaction?***

A: Beazer and Crossmann have entered into a merger agreement under which Crossmann will merge into a wholly-owned subsidiary of Beazer, Beazer Homes Investment Corp. As a result of the merger, the separate corporate existence of Crossmann will cease, and Beazer Homes Investment Corp. will be the surviving corporation. If the merger is completed, each share of Crossmann common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock. Alternatively, a Crossmann stockholder may elect to receive merger consideration in the form of all cash or all Beazer common stock, but that election may be subject to proration.

Q: ***When are the stockholders' meetings?***

A: Each company's meeting will take place on April 16, 2002.

Q: ***When do you expect to complete the merger?***

A: We are working to complete the merger as quickly as possible. Currently, we expect to hold the stockholders' meetings on April 16, 2002 and complete the merger within two business days after the meetings.

Q: ***Assuming a Crossmann stockholder receives shares of Beazer common stock in the merger, will the rights of the stockholder as a Beazer stockholder be different from what they were as a Crossmann stockholder?***

A: Yes. Crossmann and Beazer each have different charter documents and by-laws. In addition, the rights of Crossmann's stockholders are governed by Indiana law whereas the rights of the Beazer stockholders are governed by Delaware law. For a summary of material differences between the rights of Crossmann stockholders and the rights of Beazer stockholders, please refer to "Comparative Rights of Stockholders" beginning on page 73.

Q: ***What do I do to vote?***

A: After reading this Joint Proxy Statement/Prospectus, you should fill out and sign your proxy card, and then mail it in the enclosed return envelope as soon as possible so that your shares will be represented at the meeting.

Q: ***What happens if I don't return a proxy card or vote at the meeting?***

A: In the case of a Crossmann stockholder, failure to return your proxy card or vote in person at the meeting will have the same effect as voting against approval of the merger. In the case of a Beazer stockholder, a failure to return your proxy card will have the effect of a vote against approval of the issuance of Beazer common stock to Crossmann stockholders in connection with the proposed merger and will have no effect on the proposals to elect directors, amend the Beazer Amended and Restated 1999 Stock Incentive Plan and amend the Beazer Value Created Incentive Plan. Furthermore, as a Beazer stockholder, if you attend the meeting but do not vote, this action will have the same effect as voting against all of the proposals scheduled to be voted on at the meeting, except for the proposal to elect directors.

For Crossmann, the affirmative vote of the holders of a majority of its outstanding common stock is required to approve the merger, and in Beazer's case the affirmative vote of the holders of a majority of its outstanding common stock is required to approve the issuance of Beazer common stock to the stockholders of Crossmann. In addition, the vote of a plurality of the shares of Beazer common stock present and entitled to vote at the Beazer annual meeting is required for the election of directors, and the vote of a majority of the shares of Beazer common stock present and entitled to vote at the Beazer annual meeting is required to approve the amendments to the Beazer Amended and Restated 1999 Stock Incentive Plan and the Beazer Value Created Incentive Plan. Therefore, it is important that you return your proxy card.

Q: ***May I vote in person?***

A: Yes. You may attend the meeting and vote your shares in person, whether or not you have sent in a proxy card.

Q: ***Can I revoke my proxy after I have mailed my signed proxy card?***

A: Yes. You can revoke your proxy at any time before your proxy is voted at the applicable stockholder meeting. You can do that by:

attending the applicable stockholder meeting and voting in person;

completing, signing and mailing in a new proxy card (so long as the new proxy card is received prior to the applicable stockholder meeting); or

sending a written notice to the address specified below stating that you are revoking your proxy (so long as the notice is received prior to the applicable stockholder meeting):

Beazer Stockholders:

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road
Suite B-200
Atlanta, Georgia 30342
Attn: Secretary

Crossmann Stockholders:

Crossmann Communities, Inc.
9210 North Meridian Street
Indianapolis, Indiana 46260
Attn: Secretary

Q: ***If my shares are held in "street name," will my broker vote them for me?***

A: Your broker will vote your shares with respect to the merger only if you provide instructions on how to vote. Your broker will provide a method of delivering your instructions to the broker. For Crossmann stockholders, if you fail to provide your broker with instructions, your shares will not be voted with respect to the merger, and the failure to vote will have the same effect as a vote against approval of the merger. For Beazer stockholders, if you fail to provide your broker with instructions, your shares will not be voted with respect to the issuance of shares of Beazer common stock to Crossmann stockholders in connection with the merger and will have the same effect as a vote against the proposal to issue shares of Beazer common stock in connection with the merger. You cannot vote your shares held in "street name" by returning a proxy card to us. In addition, if you are a Beazer stockholder, your broker cannot vote your shares for the amendments to the Beazer Amended and Restated 1999 Stock Incentive Plan and the Value Created Plan without instructions, but can vote your shares for the election of Beazer directors without instructions.

You should follow the directions provided by your broker to vote your shares.

Q: ***What does it mean if I get more than one proxy card?***

A: You may own both Crossmann and Beazer common stock, or your shares may be registered in different names or at different addresses or may be in more than one account. Sign and return all proxy cards to be sure that all of your shares of Crossmann and Beazer common stock are voted.

Q: ***What will Crossmann stockholders receive in the merger?***

A: Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/Prospectus, if the merger is completed, each share of Crossmann common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration.

The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock calculated by taking the average closing price of Beazer common stock for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting. Crossmann stockholders may receive the merger consideration in one of three forms: first, the base merger consideration as described herein; second, all cash, subject to adjustment based upon the number of Crossmann stockholders electing to receive only Beazer common stock; or third, all stock, subject to adjustment based upon the number of Crossmann stockholders electing to receive only cash. If a Crossmann stockholder does not make an election with respect to the form of merger consideration, that stockholder will receive the base merger consideration. Even if a Crossmann stockholder decides to vote against approval of the merger agreement, or abstains from voting, the stockholder must complete an election form in order to receive merger consideration in any form other than the base merger consideration in the event the merger is subsequently approved. Making an election with respect to the merger consideration does not constitute a vote in favor of the merger nor does it in any way obligate you to vote in favor of the merger.

Since calculation of the number of shares of Beazer common stock that a Crossmann stockholder will receive in the merger is based on an average closing price determined prior to the effective time of the merger, the market value of the shares of Beazer common stock that a Crossmann stockholder receives upon completion of the merger may be greater or less than the market value of the shares of Beazer common stock at the time the merger is completed.

Q: ***Does a Crossmann stockholder have to make an election to receive the base merger consideration?***

A: No. No election is necessary to receive the base merger consideration. A Crossmann stockholder must make an election only to receive merger consideration in the form of all cash or all Beazer common stock.

Q: ***How does a Crossmann stockholder make an election to receive the merger consideration as all cash or all Beazer common stock?***

A: If a Crossmann stockholder desires to elect the form of merger consideration he or she will receive for shares of Crossmann common stock, the Crossmann stockholder must complete, date and sign the election form and letter of transmittal and send it to the exchange agent, American Stock Transfer & Trust Company, at one of the addresses provided on the election form and letter of transmittal. The election form and letter of transmittal must be returned by 5:00 p.m., New York City Time, on April 15, 2002. Crossmann stockholders who do not return the election form and letter of transmittal will receive the base merger consideration of cash and Beazer common stock. To make a valid election, Crossmann stockholders must send in their stock certificates with their election form and letter of transmittal. Stockholders that do not send in an election form and letter of transmittal will receive the base merger consideration, and will receive written instructions after the merger is completed for exchanging stock certificates for the base merger consideration.

Q: ***What should Crossmann stockholders do if their stock certificates are lost, stolen or destroyed?***

A: If a Crossmann stockholder wishes to tender shares of Crossmann common stock represented by a lost, stolen or destroyed certificate, the Crossmann stockholder should notify Crossmann's transfer agent, American Stock Transfer & Trust Company at (800) 937-5449 to obtain a replacement certificate in accordance with applicable procedures.

Q: ***Should Crossmann stockholders send in their stock certificates now?***

A: Crossmann stockholders need only send in their stock certificates now if they wish to make an election to receive the merger consideration as all cash or as all shares of Beazer common stock. If the merger is completed Crossmann stockholders will be sent written instructions for exchanging their share certificates.

Q: ***Will I have dissenters' appraisal rights?***

A: No. Neither Beazer nor Crossmann stockholders will be entitled to dissenters' appraisal rights in connection with the merger.

Q: ***As a Crossmann stockholder, will I be taxed as a result of the merger?***

A: Tax consequences to a particular Crossmann stockholder will depend upon whether that Crossmann stockholder receives a combination of Beazer common stock and cash, all cash, or all Beazer common stock in the merger, and may also depend upon the stockholder's basis in the Crossmann stock. Beazer and Crossmann have structured the merger so that their legal counsel will deliver opinions that the merger will qualify as a reorganization under the Internal Revenue Code, generally with the result that:

neither Beazer nor Crossmann will recognize gain as a result of the merger, and

Crossmann stockholders may recognize income for U.S. federal income tax purposes, but only to the extent that they receive cash in the merger.

We describe the material U.S. federal income tax consequences of the merger in more detail beginning on page 78. The tax consequences of the merger to each Crossmann stockholder will depend upon the facts of each stockholder's particular situation. Crossmann stockholders should consult their own tax advisors for a full understanding of the tax consequences of the merger.

Q: ***What will happen to Beazer stockholders as a result of the merger?***

A: For Beazer stockholders, each outstanding share of Beazer common stock and each option to purchase Beazer common stock will remain outstanding and unchanged. Beazer stockholders will not need to do anything with their stock certificates.

Q: ***Has anyone considered the fairness of the proposed transaction from a financial point of view to the stockholders of Beazer and Crossmann?***

A: Yes. Both the Beazer board of directors and the Crossmann board of directors retained a financial advisor in connection with the merger. The Beazer board of directors received an opinion from UBS Warburg LLC concerning the fairness of the merger consideration as of the date of UBS Warburg LLC's opinion. The Crossmann board of directors has received a written opinion from McDonald Investments Inc. stating that, as of the date of McDonald Investments' opinion, the merger consideration to be received by the holders of Crossmann common stock in the merger is fair from a financial point of view.

Q: ***Who can answer any other questions I may have?***

A: If you have questions about the merger or the stockholders meetings you may contact either of the following:

For Beazer stockholders:

David S. Weiss
Executive Vice President and Chief Financial Officer
Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road
Suite B-200
Atlanta, Georgia 30342
(404) 250-3420

For Crossmann stockholders:

Jennifer A. Holihen
Chief Financial Officer and Secretary
Crossmann Communities, Inc.
9210 N. Meridian Street
Indianapolis, IN 16260
(317) 843-9514

Q: ***Where can I find more information about Crossmann and Beazer?***

A: The discussion under the section captioned "Where You Can Find More Information" on page 110 explains how you can obtain further information.

SUMMARY

The following is a brief summary of the information contained in this Joint Proxy Statement/Prospectus. It may not contain all of the information that is important to you. To understand the transaction more fully, and for a more complete description of the terms of the transaction, you should read this entire document and the documents to which we refer you. See the section captioned "Where You Can Find

More Information" (page 110) for sources of additional information and how to get copies of documents to which we refer you.

The Companies

Crossmann Communities, Inc.
9210 North Meridian Street
Indianapolis, Indiana 46260
(317) 843-9514

Crossmann has provided homes to families in central Indiana since 1973. Crossmann's homes are targeted primarily to entry-level and first move-up buyers. They range in price from approximately $81,900 to approximately $800,000. Homes at the high end of the range relate to a small division that was sold in January 2002. The average size of one of Crossmann's new homes is 1,400 square feet, and the average selling price in 2001 was approximately $134,800. Today Crossmann operates in 11 markets in Indiana, Kentucky, Ohio, North Carolina, South Carolina and Tennessee.

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road, Suite B-200
Atlanta, Georgia 30342
(404) 250-3420

Beazer designs, builds and sells single family homes in the Southeastern, Mid-Atlantic, Central and Western regions of the United States. Beazer designs its homes to appeal primarily to entry-level and first move-up home buyers. Beazer's objective is to provide its customers with homes that incorporate quality and value while seeking to maximize its return on invested capital. The average size of one of Beazer's new homes is 2,000 square feet and the average selling price in 2001 was approximately $195,300.

The Merger Consideration (see page 50)

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/Prospectus, if the merger is completed, each share of Crossmann common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock as set forth in the table below, based on the average closing price of Beazer common stock as reported for New York Stock Exchange composite transactions for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting:

Average Closing Price of Beazer Common Stock	Beazer Common Stock Issued for Each Crossmann Share	Value of Total Merger Consideration for Each Share of Crossmann Common Stock Consisting of $17.60 in Cash and a Fraction of a Share of Beazer Common Stock
$93.13 or greater	0.3061 shares	$46.11 or greater
$80.46 to $93.12	quotient obtained by dividing $28.51 by the stock value	$46.11
$68.54 to $80.45	0.3544 shares	$41.89 to $46.11
$61.47 to $68.53	quotient obtained by dividing $24.29 by the stock value	$41.89
$61.46 or less	0.3952 shares	$41.89 or less

If the average closing price of Beazer common stock determined as set forth above is less than $52.15, the total amount of the merger consideration would be less than $38.21. In that event, Crossmann can terminate the merger agreement, unless Beazer increases the cash portion or the stock portion of the merger consideration, or both, so that the value of the base merger consideration for each share of Crossmann common stock equals at least $38.21. Crossmann is unable to determine currently whether it would exercise its right to terminate the merger agreement in that event, but Crossmann would likely exercise that right if Beazer did not elect to increase the merger consideration as described above. Crossmann believes that any decision to terminate the merger agreement should be based on the facts and circumstances existing at the time the decision is required, including then current market conditions in the homebuilding industry in general, and with respect to Beazer and Crossmann in particular. Any decision regarding termination would likely require additional meetings of Crossmann's board of directors and consultation with Crossmann's financial advisor. If the merger agreement is terminated under these circumstances, the Crossmann stockholder meeting will not be held. If the total amount of the merger consideration falls below $38.21, Crossmann currently intends to announce whether it will exercise its right to terminate the merger agreement in the press release announcing the determination of the merger consideration. Crossmann is not currently able to determine whether it would resolicit proxies if it does not exercise its right to terminate. However, because the announcement will be made not later than the opening of business on the second trading day prior to the Crossmann stockholder meeting, Crossmann stockholders may then submit or revoke their proxies in accordance with the procedures described in the section entitled "Proxies," including transmission by facsimile.

A Crossmann stockholder may elect to receive merger consideration in the form of all cash or all Beazer common stock. A Crossmann stockholder cannot make an election for less than all of his or her shares. Both the total cash portion of the merger consideration and the total number of shares of Beazer common stock to be issued as merger consideration will be fixed. The total amount of cash that Beazer will pay as part of the merger consideration is equal to the product of $17.60 multiplied by the number of shares of Crossmann common stock outstanding immediately prior to the effective time of the merger, unless Beazer elects to increase the cash portion of the merger consideration if the average closing price of Beazer common stock were to fall below $52.15. The total number of shares of Beazer common stock issued as merger consideration will be determined in the manner set forth above as if each stockholder had elected to receive the base merger consideration.

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if a Crossmann stockholder makes an election to receive all cash, each share of Crossmann common stock held by the stockholder will be converted into the right to receive cash in an amount equal to the per share value of the base merger consideration. Subject to the same adjustments, elections and limitations, if a Crossmann stockholder makes an election to receive all Beazer common stock, each share of the stockholder's Crossmann common stock will be converted into the right to receive the number of shares of Beazer common stock, valued using the average closing price described above, equal to the per share value of the base merger consideration.

Elections to receive all cash or all Beazer common stock will be subject to proration, because both the total amount of cash and the total number of shares of Beazer common stock will be fixed, based on the number of shares of Crossmann common stock outstanding immediately prior to the merger. For example, if a Crossmann stockholder elects to receive the merger consideration as all cash, and there have not been enough elections by other stockholders for all Beazer common stock, the Crossmann stockholder will receive a prorated combination of cash and Beazer common stock. The cash portion will consist of an amount of cash per share equal to the total cash portion of the merger consideration less the cash paid to stockholders receiving the base merger consideration, divided by the number of shares of Crossmann common stock for which an all cash election has been made. In that example, the remaining portion of the merger consideration would be paid in shares of Beazer common stock valued using the average closing price described above, so that the total prorated combination of cash and Beazer common stock equals the value of the base merger

consideration. Notwithstanding the proration procedure, the amount of cash that a Crossmann stockholder electing all cash will receive will not be less than $17.60 per share of Crossmann common stock.

In another example, if a Crossmann stockholder elects to receive all stock, and not enough Crossmann stockholders have elected to receive all cash, the stockholder electing to receive all stock will receive for each share of Crossmann common stock cash equal to the total cash portion of the merger consideration minus the aggregate amount of cash payable with respect to the shares for which an all cash election has been made and the shares receiving the base merger consideration, divided by the number of shares for which an all stock election has been made, and the remaining portion of the merger consideration would be paid in shares of Beazer common stock valued using the average closing price described above so that the total amount of cash and prorated stock would equal the amount of the base merger consideration.

John Scheumann, Chief Executive Officer and Chairman of the Board of Crossmann, and Richard Crosser, Vice Chairman of the Board of Crossmann, who together own approximately 29.0% of the outstanding Crossmann shares, have agreed to elect to receive the base merger consideration.

If a Crossmann stockholder does not make an election, or does not make an election properly or otherwise loses the election, that stockholder will receive the base merger consideration of cash and Beazer common stock. The base merger consideration is not subject to proration due to the number of all cash or all stock elections.

Election Procedure (see page 53)

Each Crossmann stockholder may receive merger consideration as the base merger consideration of a combination of Beazer common stock and cash, or may elect to receive the merger consideration as all cash or all Beazer common stock, subject to proration. If a Crossmann stockholder wants to receive the base merger consideration, no election is necessary. No Crossmann stockholder may make an election for less than all of his or her shares. An election form, including a letter of transmittal, was sent to each Crossmann stockholder at the same time as this Joint Proxy Statement/ Prospectus. If shares are held in "street name" through a broker, the broker will mail the election form to the beneficial owner under separate cover, together with a letter of instructions for making an election. Beneficial owners should read the election form together with this Joint Proxy Statement/ Prospectus.

Crossmann stockholders who become stockholders following the record date of the Crossmann special meeting may contact American Stock Transfer & Trust Company by calling (800) 937-5449, to receive an election form.

For an election to be effective, the election form must be properly completed, and the electing Crossmann stockholder must send the form, together with all of the stockholder's certificates, duly endorsed in blank or otherwise in a form which is acceptable for transfer on the books of Crossmann or by appropriate guarantee of delivery as described in the form of election, to American Stock Transfer & Trust Company, the exchange agent, at one of the addresses provided in the election form. The exchange agent must receive the completed form of election and stock certificates by 5:00 p.m., New York City Time, on April 15, 2002. We recommend that you keep a copy of your election form for your records and future reference.

Crossmann stockholders can revoke their election prior to 5:00 p.m., New York City Time, on April 15, 2002, by sending written notice executed by the Crossmann stockholder to the exchange agent, American Stock Transfer & Trust Company, in accordance with the instructions on the election form. If a Crossmann stockholder properly revokes an election, the exchange agent will treat the subject shares as shares for which no election has been made, unless the Crossmann stockholder thereafter submits another properly completed election form prior to the deadline for submission. Stock certificates submitted with

an election form will be automatically returned if the merger agreement is terminated.

To facilitate the election process, Crossmann stockholders will be able to revoke their elections by facsimile prior to the deadline set forth above at the following telephone number: (718) 234-5001.

Beazer will determine, or delegate to the exchange agent to determine, whether election forms have been properly completed, signed and submitted or revoked and may disregard immaterial defects in election forms. If Beazer or the exchange agent determines that an election was not properly made, the election will have no force and effect and the exchange agent will treat the subject shares as shares for which no election has been made. The decision of Beazer or the exchange agent in all these matters will be conclusive and binding. Neither Beazer nor the exchange agent will be under any obligation to notify any Crossmann stockholder of any defect in his or her election form submitted to the exchange agent. The exchange agent will make all computations regarding merger consideration to be received by holders of shares of Crossmann common stock and all of the exchange agent's computations will be conclusive and binding on the holders of shares of Crossmann common stock.

Terms and Conditions of the Merger Agreement (see page 50)

The merger agreement contains representations, warranties, covenants and conditions that Crossmann and Beazer believe are customary for transactions of this type. The merger agreement contains several conditions to both parties' obligation to close the merger, including:

- approval of the merger by the Crossmann stockholders and approval of the issuance of Beazer common stock by the Beazer stockholders; and

- the expiration or termination of any applicable waiting periods under federal antitrust laws.

Beazer's obligation to close the merger is subject to additional conditions, including:

- the accuracy of the representations and warranties of Crossmann contained in the merger agreement as of the date of closing;

- the receipt of legal opinions regarding certain tax matters and Crossmann corporate matters;
- the execution of agreements by certain "affiliates" of Crossmann relating to the resale of Beazer common stock which they will receive in exchange for their Crossmann common stock in the merger;
- continued compliance with the terms of a settlement agreement entered into by Crossmann and the Indiana attorney general with respect to consumer complaints filed with the Indiana attorney general and continued progress toward resolution of consumer complaints which are the subject of the settlement agreement;
- the maintenance by Crossmann of certain types and levels of insurance; and
- the satisfaction or waiver of conditions to the receipt by Beazer of financing proceeds to be used to fund the cash portion of the merger consideration and the closing of such financing.

Crossmann's obligation to close the merger is also subject to further conditions, including:

- accuracy of the representations and warranties made by Beazer in the merger agreement as of the date of closing;
- the receipt of legal opinions regarding certain tax matters and Beazer corporate matters; and
- deposit by Beazer with the exchange agent of sufficient cash and certificates representing shares of Beazer common stock to pay the merger consideration.

The full text of the merger agreement is attached to this Joint Proxy Statement/Prospectus as Annex I.

Recommendation of the Crossmann Board of Directors (see page 32)

The Crossmann board of directors has unanimously determined that the merger agreement is fair to and in the best interests of Crossmann and its stockholders and recommends that Crossmann stockholders vote **FOR** approval of the merger agreement and the transactions contemplated by the merger agreement.

Recommendation of the Beazer Board of Directors (see page 34)

The members of the Beazer board of directors present at a meeting held on January 25, 2002, unanimously approved the merger and the issuance of Beazer common stock in connection with the merger, determined that the merger is in the best interests of Beazer and its stockholders, and the Beazer board of directors recommends that the holders of Beazer common stock vote **FOR** the issuance of Beazer common stock to the stockholders of Crossmann.

In addition, the Beazer board of directors recommends that the holders of Beazer common stock vote **FOR** the election of the seven director nominees, the proposed amendments to Beazer's Amended and Restated 1999 Stock Incentive Plan and the proposed amendments to the Beazer Value Created Incentive Plan.

Crossmann's Reasons for the Merger (see page 32)

The Crossmann board of directors considered, with the assistance of management and its financial and legal advisors, a number of factors, both positive and negative, in determining that the merger of Crossmann with Beazer is fair to Crossmann stockholders and approving the merger agreement and the transactions contemplated by the merger agreement.

Beazer's Reasons for the Merger (see page 34)

The Beazer board of directors considered, with the assistance of management and its financial and legal advisors, a number of factors, both positive and negative, in approving the merger agreement and the transactions contemplated by the merger agreement, including the issuance of Beazer common stock as part of the merger consideration.

Required Vote (see pages 24 and 26)

Crossmann. The affirmative vote, in person or by proxy, of the holders as of the Crossmann record date of a majority of the outstanding shares of Crossmann common stock is required for the approval of the merger agreement and the transactions contemplated by the merger agreement.

John B. Scheumann and Richard H. Crosser have entered into voting agreements with Beazer pursuant to which they have agreed to vote approximately 29.0% of the voting power of the outstanding shares of Crossmann common stock in favor of the approval of the merger agreement and have agreed to elect the base merger consideration.

On the Crossmann record date, Crossmann's directors, executive officers and their affiliates beneficially owned and were entitled to vote 3,331,130 shares of Crossmann common stock, which represented approximately 30.7% of the voting power of the Crossmann common stock outstanding and entitled to vote on that date. There is no agreement or arrangement regarding voting by Crossmann's directors or executive officers other than as described with respect to the voting agreement.

Beazer. The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Beazer common stock is required for the approval of the issuance of Beazer common stock in connection with the merger. The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Beazer common stock present at the meeting is required for the approval of the amendments to Beazer's Amended and Restated 1999 Stock Incentive Plan and Beazer's Value Created Incentive Plan. For election of Beazer's directors, nominees receiving a plurality of the votes cast at the meeting will be elected to serve as directors.

On the Beazer record date, Beazer's directors, executive officers and their affiliates

beneficially owned and were entitled to vote 259,969 shares of Beazer common stock, which represented approximately 3.0% of the total amount of Beazer common stock outstanding and entitled to vote on that date. There is no agreement or arrangement regarding voting by Beazer's directors or executive officers.

Opinion of Crossmann's Financial Advisor (see page 36)

In connection with the merger, the Crossmann board of directors received an opinion from McDonald Investments Inc., Crossmann's financial advisor, concerning the fairness of the merger consideration from a financial point of view as of the date of the opinion, as described in more detail on page 36. We encourage you to read the opinion carefully in its entirety for a description of the matters covered, procedures followed, assumptions made, matters considered and limitations on the review undertaken. The full text of McDonald Investments' written opinion, dated January 29, 2002, is attached to this Joint Proxy Statement/Prospectus as Annex II. McDonald Investments' opinion is addressed to the Crossmann board of directors and does not constitute a recommendation to any stockholder with respect to any matter relating to the merger.

Opinion of Beazer's Financial Advisor (see page 42)

In connection with the merger, the Beazer board of directors received an opinion from UBS Warburg LLC, Beazer's financial advisor, concerning the fairness of the merger consideration as of the date of the opinion, as described in more detail on page 42. We encourage you to read the opinion carefully in its entirety for a description of the matters covered, procedures followed, assumptions made, matters considered and limitations on the review undertaken. The full text of UBS Warburg LLC's written opinion, dated January 25, 2002, is attached to this Joint Proxy Statement/Prospectus as Annex III. UBS Warburg LLC's opinion is addressed to the Beazer board of directors and does not constitute a recommendation to any stockholder with respect to any matter relating to the merger or the issuance of Beazer common stock to the stockholders of Crossmann.

Ownership of Beazer Common Stock After the Merger

Beazer currently estimates that the number of shares of Beazer common stock issued to Crossmann stockholders in the merger will constitute between 28% and 33% of the outstanding common stock of Beazer after the merger.

Dissenters' Appraisal Rights (see page 48)

Neither holders of Crossmann common stock nor Beazer common stock are entitled to dissenters' appraisal rights in connection with the merger.

Comparative Rights of Stockholders (see page 73)

If the merger is completed, the stockholders of Crossmann will become stockholders of Beazer. The certificate of incorporation and bylaws of Beazer as well as the Delaware General Corporation Law will govern the rights of all of Beazer's stockholders, including the former Crossmann stockholders.

Regulatory Matters Relating to the Merger (see page 47)

The merger and receipt of Beazer common stock by certain Crossmann stockholders are subject to compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. However, the transactions qualify for an exemption from the filing and waiting period requirements of that act. The parties are not required to complete the merger unless all required governmental approvals are obtained.

Material United States Federal Income Tax Consequences of the Merger to Crossmann Stockholders (see page 78)

Beazer will receive an opinion from Paul, Hastings, Janofsky & Walker LLP and Crossmann will receive an opinion from Ice Miller at the closing of the merger that the merger will constitute a "reorganization" within

the meaning of the Internal Revenue Code. However, the U.S. federal income tax consequences of the merger to Crossmann stockholders will depend upon the form of consideration received in the merger.

If a Crossmann stockholder receives a combination of Beazer common stock and cash (other than cash in lieu of a fractional share) in exchange for Crossmann common stock, the stockholder will generally recognize gain in an amount equal to the lesser of the total amount of cash received or the amount of gain realized on the exchange, but will not be permitted to recognize a loss. Any gain recognized will be treated either as a capital gain or as a dividend, depending on the stockholder's individual circumstances.

If a Crossmann stockholder receives solely Beazer common stock (and possibly cash in lieu of a fractional share) in exchange for the Crossmann common stock, then the stockholder will not recognize gain or loss, except with respect to the fractional share. If a Crossmann stockholder receives solely cash, then the stockholder will generally recognize gain (or, alternatively, will likely be permitted to recognize loss) equal to the difference between the amount of cash received and the stockholder's basis in the Crossmann stock. The tax treatment of any gain recognized will depend upon each stockholder's individual circumstances.

The tax treatment described above may not apply to every Crossmann stockholder. Determining the actual tax consequences of the merger to Crossmann stockholders may be complicated and will depend on the specific situation of each stockholder and on variables not within Beazer's or Crossmann's control. Crossmann stockholders should consult their own tax advisors for a full understanding of the tax consequences of the merger.

Interests of Certain Persons Related to Crossmann in the Merger (see page 47)

In considering the recommendation of the Crossmann board of directors that Crossmann stockholders vote in favor of the merger agreement and the transactions contemplated by the merger agreement, Crossmann stockholders should be aware that some Crossmann directors and executive officers have interests in the merger that are in addition to the interests of Crossmann stockholders generally. Mr. Scheumann, Chief

Executive Officer and Chairman of the Board of Crossmann, and Mr. Crosser, Vice Chairman of the Board of Crossmann, have each executed consulting and noncompete agreements with Beazer. The president of Crossmann, the chief financial officer of Crossmann, who is also a director, the controller of Crossmann and Crossmann's vice president for land development have each executed one year employment agreements with Crossmann which will be assumed by Beazer. In addition, each of the president, controller and vice president for land development of Crossmann will receive substantial bonuses upon the closing of the merger, and the chief financial officer and the controller of Crossmann will each receive substantial payments under change of control severance benefit agreements previously executed by each of them and Crossmann. The Crossmann board of directors was aware of, and considered, these interests in approving the merger agreement and the transactions contemplated by the merger agreement.

11

BEAZER SELECTED HISTORICAL FINANCIAL DATA

The selected consolidated financial data of Beazer set forth below as of and for each of the five years ended September 30, 2001 is derived from the audited consolidated financial statements of Beazer. The selected historical consolidated financial data of Beazer set forth below as of and for the three months ended December 31, 2000 and 2001 is derived from the unaudited consolidated financial statements of Beazer. These historical results are not necessarily indicative of the results to be expected in the future. You should also read the Beazer historical financial statements and related notes in Beazer's annual report on Form 10-K for the year ended September 30, 2001 and in its quarterly report on Form 10-Q for the three months ended December 31, 2001 as well as the section of these reports entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," incorporated by reference into this Joint Proxy Statement/Prospectus.

	Fiscal Year Ended September 30,					Three Months Ended December 31,	
	1997	**1998**	**1999**	**2000**	**2001**	**2000**	**2001**
	($ in thousands, except per share amounts)						
Statement of Operations Data:							
Total revenue	$ 852,110	$ 977,409	$ 1,394,074	$ 1,527,865	$ 1,805,177	$ 365,050	$ 489,717
Net income	11,189	23,201	36,934	43,606	74,876	14,332	23,150
Net income per common share							
Basic	$ 1.18	$ 3.27	$ 4.59	$ 5.28	$ 9.19	$ 1.77	$ 2.76
Diluted	1.15	2.66	4.15	5.05	8.18	1.61	2.47
Operating Data:							
Number of new orders, net of cancellations(1)	5,551	6,882	7,535	8,228	10,039	1,798	2,510
Backlog at end of period(2)	1,192	2,057	2,558	2,929	3,977	2,885	4,122
Number of closings(2)	5,785	6,113	7,589	7,857	9,059	1,842	2,365
Average sales price per home closed	$ 146.8	$ 156.4	$ 181.4	$ 190.7	$ 195.3	$ 196.0	$ 203.8
Balance Sheet Data:							
Total assets	$ 399,595	$ 525,591	$ 594,568	$ 696,228	$ 995,289	$ 729,692	$ 1,005,338
Total debt	145,000	215,000	215,000	252,349	395,238	310,383	429,379
Stockholders' equity	179,286	199,224	234,662	270,538	351,195	285,250	375,361

(1) New orders do not include homes in backlog from acquired operations.

(2) A home is included in "closings" when title is transferred to the buyer. Sales and cost of sales for a house are recognized at the date of closing. A home is included in the "backlog" after a sales contract is executed and prior to the transfer of title to the purchaser.

Because the closings of pending sales contracts are subject to contingencies, no assurances can be given that homes in backlog will result in closings.

CROSSMANN SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

The selected historical consolidated financial data of Crossmann set forth below as of and for each of the five years ended December 31, 2001 is derived from the audited consolidated financial statements of Crossmann. The historical results presented below are not necessarily indicative of the results to be expected in the future. You should also read the Crossmann audited financial statements and related notes in Crossmann's annual report on Form 10-K for the year ended December 31, 2001 as well as the section of the report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are incorporated by reference into this Joint Proxy Statement/Prospectus.

	Fiscal Year Ended December 31,				
	1997	1998	1999	2000	2001
	($ in thousands, except per share amounts)				
Statement of Operations Data:					
Sales	$ 316,435	$ 421,926	$ 609,319	$ 621,038	$ 798,356
Net income	20,006	29,872	39,737	35,779	53,682
Net income per common share					
Basic	$ 2.05	$ 2.63	$ 3.44	$ 3.33	$ 5.09
Diluted	2.02	2.57	3.40	3.28	5.01
Operating Data:					
Number of new orders, net of cancellations	2,848	4,378	4,852	5,318	5,897
Number of closings(1)	2,774	3,714	5,100	4,804	5,924
Homes in backlog at end of period(1)	1,080	1,744	1,496	2,010	1,983
Average home sales price	$ 114.1	$ 113.6	$ 119.5	$ 129.3	$ 134.8
Balance Sheet Data:					
Total assets	$ 185,276	$ 283,794	$ 339,875	$ 373,903	$ 429,618
Notes payable	51,122	101,223	119,959	141,287	118,333
Total shareholders' equity	110,803	150,281	188,479	207,710	264,407

(1) A home is included in "closings" when title is transferred to the buyer. Sales and cost of sales for a house are recognized at the date of closing. A home is included in the "backlog" after a sales contract is executed and prior to the transfer of title to the purchaser. Because the closings of pending sales contracts are subject to contingencies, no assurances can be given that homes in backlog will result in closings.

SUMMARY SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following selected unaudited pro forma combined financial data is presented to reflect the acquisition of Crossmann by Beazer, as if the two companies had been combined on October 1, 2000 for income statement and operating data purposes and on December 31, 2001 for balance sheet data purposes. This pro forma combined information is derived from the historical financial statements of Beazer and Crossmann.

The companies may have performed differently if they had actually been combined during the periods presented. You should not rely on the pro forma information as being indicative of the combined results that Beazer would have experienced during the period presented or of the results that Beazer will experience following the merger. For further detail, you should read the section entitled "Unaudited Pro Forma Combined Condensed Financial Statements" beginning on page 66 of this Joint Proxy Statement/Prospectus. You should also read the audited and unaudited financial statements and related notes for Beazer and Crossmann, as well as the section of the Beazer and Crossmann annual report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are all incorporated into this Joint Proxy Statement/Prospectus by reference.

The total purchase price for Crossmann's common stock is currently estimated to be $504 million, which includes the value of the cash and equity consideration to be paid by Beazer and estimated merger costs. This estimated purchase price assumes that the merger consideration for shares of Crossmann common stock will include $17.60 in cash and 3.4 million shares of Beazer common stock valued at $89.20 per share but does not include assumed or repaid debt. Under accounting principles generally accepted in the United States, the merger will be accounted for under the purchase method. Accordingly, the purchase price will be allocated to the Crossmann tangible and intangible assets acquired and liabilities assumed based on their respective fair values, with the excess to be allocated to goodwill. The valuations and other studies required to determine the fair value of the Crossmann assets acquired and liabilities assumed have not been performed. As a result, the related adjustments reflected in the unaudited pro forma combined financial information are preliminary and subject to further revisions and estimates.

On August 1, 2001, Beazer acquired the residential homebuilding operations of Sanford Homes of Colorado LLLP ("SHOC") and April Corporation ("April"). The assets, liabilities and operating results of SHOC and April (collectively referred to as "Sanford") have been included in Beazer's historical financial statements since the acquisition date. However, the accompanying pro forma combined statement of operations data for the year ended September 30, 2001 also assumes that the acquisitions of SHOC and April had been completed on October 1, 2000.

14

		Year Ended September 30, 2001
Pro Forma Statement of Operations Data:		
Revenues (in millions)	$	2,709
Net income before extraordinary item per share:		
Basic	$	11.36
Diluted		10.45
Weighted average number of shares outstanding (in thousands):		
Basic		11,556
Diluted		12,567
Pro Forma Combined Selected Operating Data:		
Number of homes closed		14,983
New sales orders, net(1)		15,936

		As of December 31, 2001 (In millions, except per share amount)
Pro Forma Combined Balance Sheet Data:		
Inventories	$	1,258
Total assets		1,660
Notes payable		699
Stockholders' equity		680
Book value per share(2)	$	53.20

(1) Represents pro forma combined homes placed under contract during the period, net of cancellations.

(2)

Pro forma combined book value per share is computed by dividing pro forma stockholders' equity at period end by the pro forma diluted weighted average shares outstanding for the period.

COMPARATIVE PER SHARE DATA

The following table sets forth (i) certain historical per share data of Beazer and Crossmann and (ii) pro forma combined per share data as if Beazer's acquisition of Crossmann had occurred on October 1, 2000. This data should be read in conjunction with the selected historical financial data and the historical financial statements of Beazer and Crossmann and the notes thereto that are incorporated herein by reference and the unaudited pro forma combined condensed financial statements and notes thereto appearing beginning on page 66 of this Joint Proxy Statement/Prospectus. The unaudited pro forma information is presented for illustrative purposes only and is not necessarily indicative of the combined financial position or results of operations for future periods or the results that actually would have been realized had Beazer and Crossmann been a single entity during the periods presented.

	Historical Beazer		Historical Crossmann	
	Year Ended September 30, 2001	**Three Months Ended December 31, 2001**	**Year Ended December 31, 2001**	**Three Months Ended December 31, 2001**
Net income before extraordinary item per common share:				
Basic	$ 9.28	$ 2.76	$ 5.09	$ 1.81
Diluted	8.26	2.47	5.01	1.79
Dividends per share			.15	0.05
Book value per share(l)	38.36	40.09	24.69	24.66
	Beazer Pro Forma Combined		**Crossmann Equivalent Pro Forma Combined(2)**	
	Year Ended September 30, 2001	**Three Months Ended December 31, 2001**	**Year Ended December 31, 2001**	**Three Months Ended December 31, 2001**
Net income before extraordinary item per common share:				
Basic	$ 11.36	$ 3.52	$ 3.63	$ 1.12
Diluted	10.45	3.25	3.34	1.04
Dividends per share	0.09	0.04	0.03	0.01
Book value per share(l)	52.16	53.20	16.67	17.00

(1) Book value per share is computed by dividing pro forma stockholders' equity at period end by the pro forma diluted weighted average shares outstanding for the period.

(2) Calculated by multiplying the Beazer pro forma combined data by the exchange ratio for each share of Crossmann common stock. The exchange ratio used herein of .3196 is the ratio based on Beazer's closing stock price of $89.20 on March 8, 2002. This ratio will likely change as the final merger consideration will be based on the closing price for Beazer's common stock as reported for New York Stock Exchange composite transactions for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting. Each Crossmann stockholder will also receive $17.60 in cash for each share of Crossmann common stock exchanged.

MARKET PRICE AND DIVIDEND DATA

Beazer common stock is listed on the New York Stock Exchange under the symbol "BZH," and Crossmann common stock is listed on the Nasdaq National Market under the symbol "CROS." The following table sets forth for the periods indicated the high and low sale prices of Beazer common stock and Crossmann common stock, as reported on the New York Stock Exchange composite tape and the Nasdaq National Market Quotation System, respectively.

Beazer:

Quarter Ended	High	Low	Dividends
December 31, 2001	$ 77.10	$ 41.00	
September 30, 2001	$ 79.35	$ 41.50	
June 30, 2001	69.50	37.75	
March 31, 2001	57.77	33.69	
December 31, 2000	41.00	25.69	
September 30, 2000	$ 27.38	$ 18.25	
June 30, 2000	22.19	17.44	
March 31, 2000	20.25	17.06	
December 31, 1999	20.75	15.63	

Crossman:

Quarter Ended	High	Low	Dividends
December 31, 2001	$ 34.55	$ 21.28	$ .05
September 30, 2001	45.44	21.26	$ .05
June 30, 2001	41.07	23.50	$ .05
March 31, 2001	31.00	20.50	
December 31, 2000	$ 25.13	$ 17.25	
September 30, 2000	21.00	14.14	
June 30, 2000	18.75	14.68	
March 31, 2000	21.50	14.75	

On January 29, 2002, the last trading day prior to public announcement of the merger, the closing price of Beazer common stock reported on the New York Stock Exchange composite tape was $81.50 per share, and the last sale price of Crossmann common stock reported on the Nasdaq National Market Quotation System was $30.23 per share.

On March 11, 2002, the closing price of Beazer common stock reported on the New York Stock Exchange composite tape was $87.85 per share, and the last sale price of Crossmann common stock reported on the Nasdaq National Market Quotation System was $46.15 per share.

On March 11, 2002, the outstanding shares of Beazer common stock were owned by 63 holders of record, and the outstanding shares of Crossmann common stock were owned by 35 holders of record.

RISK FACTORS

Crossmann and Beazer stockholders should consider the following risk factors, together with the other information included and incorporated by reference in this Joint Proxy Statement/Prospectus, in deciding whether to vote to approve the merger or the issuance of Beazer *common stock to Crossmann stockholders.*

Risk Factors Relating to the Merger

Changes in the market value of Beazer common stock could reduce the value received for Crossmann common stock.

A significant amount of what Crossmann stockholders will receive in the merger will be Beazer common stock. Accordingly, the value of the merger consideration will fluctuate with the market price of Beazer common stock. In addition, the actual closing price of Beazer's common stock on the date of the merger may be less than the 15 consecutive trading day average closing price used to determine the common stock portion of the merger consideration, thereby decreasing the value that Crossmann stockholders receive. Furthermore, the trading price of Beazer common stock could fall after the merger, particularly if a substantial number of Crossmann stockholders decide to sell their Beazer common stock shortly after the merger. Mr. Scheumann and Mr. Crosser will together own approximately 8.5% of the voting power of Beazer's common stock after completion of the merger. Under agreements to be signed by Mr. Scheumann and Mr. Crosser at closing, each of them will be permitted to sell all of the Beazer common stock acquired by them in the merger after a period of 90 days following the closing. If Mr. Scheumann and/or Mr. Crosser were to exercise those rights in full, the trading price of Beazer common stock could be adversely affected. See "The Merger Agreement Merger Consideration" for more information.

A Crossmann stockholder who elects to receive all cash or all Beazer common stock may not receive the form of consideration he or she elects to receive.

Although Crossmann stockholders will have the right to elect to receive merger consideration consisting of all Beazer common stock or all cash, if they elect all stock or all cash, they may instead receive a prorated combination of Beazer common stock and cash, because the aggregate amount of Beazer common stock and cash that Crossmann stockholders can receive in the merger will be fixed. Consequently, for excess cash to be available to pay Crossmann stockholders who elect all cash, some of the other Crossmann stockholders must elect to receive all stock. For Crossmann stockholders that have elected to receive all stock, excess shares of Beazer common stock will only be available to the extent that other Crossmann stockholders have elected to receive all cash. Finally, to retain reorganization treatment of the merger for federal tax purposes, the merger agreement provides that, if more than 60% of the total value of the merger consideration would be cash, the cash portion of the merger consideration would be decreased so that not more than 60% of the total value of the merger consideration would be in cash. Beazer and Crossmann cannot offer any assurance as to how much excess cash or how many excess shares of Beazer common stock will be available to satisfy fully any all cash or all stock elections. See "The Merger Agreement Merger Consideration" for more information.

If Beazer does not successfully integrate the Crossmann operations after the merger, Beazer may not realize the benefits it expects from the merger.

If Beazer is not able to effectively integrate the operations and personnel of Beazer and Crossmann in a timely and efficient manner after the merger is completed, it may not realize the benefits it expects from the merger. The operations of Crossmann will represent approximately 30% of the operations of the combined company, and a failure to integrate the operations successfully could have a material adverse effect on the combined company. In particular, if the integration is not successful:

- Beazer's costs may be higher relative to its revenues than they were before the merger;

- key personnel may be lost;
- Beazer may not be able to retain or expand Crossmann's market position; or
- the market price of Beazer common stock may decline.

Some of Crossmann's directors have other interests that could have influenced their decision to recommend the merger to Crossmann stockholders, which could reduce the value to Crossmann stockholders.

Some directors of Crossmann could be more likely to vote to approve the merger agreement as a result of their personal interests in the merger. On the record date, directors of Crossmann and their affiliates beneficially owned approximately 30% of the voting power of outstanding Crossmann common stock. Mr. Scheumann, Chief Executive Officer and Chairman of the Board of Crossmann, and Mr. Crosser, Vice Chairman of the Board of Crossmann, have each executed consulting and noncompete agreements with Beazer. The president of Crossmann, the chief financial officer of Crossmann, who is also a director, the controller of Crossmann and Crossmann's vice president for land development have each executed one year employment agreements with Crossmann which will be assumed by Beazer. In addition, each of the president, controller and vice president for land development will receive substantial bonuses upon the closing of the merger, and the chief financial officer and the controller will each receive substantial payments under change of control severance benefit agreements previously executed by each of them and Crossmann. In considering the recommendation of the Crossmann board of directors to approve the merger, Crossmann stockholders should recognize that Crossmann's directors will have continuing indemnification against liabilities that provides them with interests in the merger that are different from, or are in addition to, the interests of Crossmann stockholders.

Risk Factors Relating to Beazer

The following risk factors will apply to Beazer and to the combined operations of Beazer and Crossmann after the merger.

The homebuilding industry is cyclical and is significantly affected by macro economic and other factors outside of Beazer's control such as consumer confidence, interest rates and employment levels.

Because of the long-term financial commitment involved in purchasing a home, general economic uncertainties tend to result in more caution on the part of homebuyers and consequently fewer home purchases. While Beazer believes the overall demand for new housing over time should remain stable, these uncertainties could periodically have an adverse affect on Beazer's operating performance and the market price of Beazer's securities.

In addition, homebuilders are subject to various risks, many of which are outside the control of the homebuilder. These conditions include:

- conditions of supply and demand in local markets;
- weather conditions and natural disasters, such as hurricanes, earthquakes and wildfires;
- delays in construction schedules;
- cost overruns on land development and home construction;
- changes in government regulations;
- increases in real estate taxes and other local government fees;
- changes in employment levels;
- changes in consumer confidence and income; and

- availability and cost of land, materials and labor.

Although the principal raw materials used in the homebuilding industry generally are available from a variety of sources, such materials are subject to periodic price fluctuations. There can be no assurance that the occurrence of any of the foregoing will not have a material adverse effect on Beazer.

Beazer's quarterly results may fluctuate, which could cause its stock price to fall.

While Beazer has reported positive annual net income for each of the past five fiscal years, Beazer's quarterly results of operations have varied significantly and may continue to do so in the future as a result of a variety of factors both nationally and locally, many of which are outside Beazer's control. These factors include:

- the timing of home closings and land sales;
- Beazer's ability to continue to acquire additional land or secure option contracts to acquire land on acceptable terms;
- land development and construction delays;
- seasonal home buying patterns;
- delays in the opening of new active subdivisions by Beazer or its competitors, or market acceptance of the products and services provided in those communities;
- changes in Beazer's pricing policies or those of its competitors; and
- other changes in operating expenses, personnel and general economic conditions.

As a result, Beazer believes that quarter-to-quarter comparisons of its operating results are not necessarily meaningful, and you should not rely on them as an indication of Beazer's future performance. In addition, Beazer's operating results in a future quarter or quarters may fall below expectations of securities analysts or investors and, as a result, the price of Beazer's common stock may fluctuate.

Beazer is dependent on the availability of mortgage financing and homeowners' insurance for its customers.

Virtually all purchasers of Beazer's homes finance their acquisitions through lenders providing mortgage financing. A substantial increase in mortgage interest rates would affect the ability of prospective first time and move up homebuyers to obtain financing for Beazer's homes, as well as affect the ability of prospective move up homebuyers to sell their current homes.

Any significant natural disaster will impact Beazer's business and the entire homebuilding industry. Any significant restrictions by insurance companies in any of the states in which Beazer operates on the availability or substantial increases in the cost of homeowners insurance will also adversely affect Beazer's industry.

The homebuilding industry is highly competitive and fragmented.

The competition in the homebuilding industry is intense. Some of Beazer's competitors have substantially greater financial resources and lower costs of funds than Beazer does. Many of these competitors also have longstanding relationships with subcontractors and suppliers in the markets in which Beazer operates. There can be no assurance that Beazer will be able to compete successfully in its markets against these competitors.

The barriers to entry into Beazer's business are currently low.

There are relatively low barriers to entry into Beazer's business. Beazer does not own any technologies that preclude or inhibit competitors from entering Beazer's markets. Beazer's competitors may independently develop land and construct housing units that are superior or substantially similar to

its products. Beazer currently builds in several of the top markets in the nation and, therefore, Beazer expects to continue to face additional competition from new entrants into Beazer's markets.

Beazer's level of indebtedness could adversely affect the financial health of the company and prevent Beazer from fulfilling its obligations under any new debt securities.

Beazer currently has a significant amount of indebtedness. In addition, in connection with the merger, Beazer will incur new indebtedness of approximately $250 million which may be drawn under a facility maturing one year from the date such financing closes which is expected to be on or about the effective time of the merger. This new indebtedness is described in this Joint Proxy Statement/Prospectus under "The Merger Financing." Beazer's ability to make payments of principal or interest on, or to refinance its indebtedness will depend on:

- Beazer's future operating performance; and
- Beazer's ability to enter into additional debt and/or equity financings.

Both of these factors are subject, to a certain extent, to economic, financial, competitive and other factors beyond Beazer's control. If Beazer is unable to generate sufficient cash flow in the future to service its debt, it may be required to refinance all or a portion of its existing debt or to obtain additional financing. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained. The inability to obtain additional financing could have a material adverse effect on Beazer. Beazer's substantial indebtedness could have important consequences to the holders of Beazer's common stock, including:

- Beazer may be unable to satisfy its obligations under the existing or new debt agreements;
- Beazer may be more vulnerable to adverse general economic and industry conditions;
- Beazer may find it more difficult to fund future working capital, land purchases, acquisitions, general corporate purposes or other purposes; and
- Beazer will have to dedicate a substantial portion of its cash resources to the payments on Beazer's indebtedness, thereby reducing the funds available for operations and future business opportunities.

Failure to implement Beazer's business strategy could adversely affect its operations.

Beazer's financial position and results of operations depend on its ability to execute its business strategy. Beazer's ability to execute its business strategy depends on Beazer's ability:

- to continue to improve profitability;
- to identify and acquire attractive parcels of land on which to build Beazer's homes;
- to expand Beazer's market share in regions where it is not currently a top five builder;
- to identify, acquire and successfully integrate new business acquisitions; and
- to attract and retain skilled employees.

Beazer's failure or inability to execute its business strategy could materially adversely affect Beazer's financial position, liquidity and results of operations.

Beazer's business would be adversely affected if future, more onerous government regulations were enacted.

Beazer and its competitors are subject to local, state and federal statutes and rules regulating, among other things:

- certain developmental matters;

- building and site design;
- matters concerning the protection of health and the environment; and
- mortgage origination procedures.

These regulations vary greatly by community and consist of items such as:

- impact fees, some of which may be substantial, which may be imposed to defray the cost of providing certain governmental services and improvements;
- "no growth" or "slow growth" initiatives, which may be adopted in communities which have developed rapidly;
- building permit allocation ordinances;
- building moratoriums; or
- similar government regulations that could be imposed in the future.

Beazer believes it is in substantial compliance with current laws and regulations. Beazer further believes that these laws and regulations have had no material adverse effect on Beazer's ability to operate its business. Changes in existing laws or regulations, or in their interpretation, or the adoption of any additional laws or regulations, could have a material adverse effect on Beazer's business.

If Beazer is unable to retain skilled personnel, its business could be adversely affected.

Beazer's future success depends upon its ability to attract, train, assimilate and retain skilled personnel and subcontractors. Competition for qualified personnel and subcontractors in all of Beazer's operating markets is intense. A significant increase in the number of Beazer's active communities would necessitate the hiring of a significant number of additional construction managers and subcontractors, each of which is in short supply in Beazer's markets. There can be no assurances that Beazer will be able to retain its key employees or that Beazer can attract, train, assimilate or retain other skilled personnel in the future.

Anti-takeover provisions in Beazer's organizational documents and Delaware law make any change in the control of Beazer more difficult.

Beazer's organizational documents allow it to issue preferred stock with rights senior to those of Beazer's common stock without any further vote or action by Beazer's stockholders. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of Beazer's common stock or could adversely affect the rights and powers, including voting rights, of the holders of Beazer's common stock. In some circumstances, the issuance of preferred stock could have the effect of decreasing the market price of Beazer's common stock. Beazer is also subject to provisions of the Delaware General Corporation Law that, in general, prohibit any business combination with a beneficial owner of 15% or more of Beazer's common stock for five years unless the holder's acquisition of Beazer's stock was approved in advance by Beazer's board of directors. Further, Beazer has adopted a stockholder rights plan which is designed to prevent, or make more expensive, a hostile takeover of the company. Under Beazer's plan, once an acquiror acquires more than 20% of Beazer's common stock, rights to purchase shares of preferred stock become exercisable by all stockholders other than the acquiror, diluting substantially the value of the stock previously purchased by the acquiror.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Joint Proxy Statement/Prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent expectations or beliefs of Beazer and Crossmann concerning future events, and no assurance can be given that the results described will be achieved. These forward-looking statements can generally be identified by the use of statements that include words such as "estimate," "project," "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will," "goal," "target" or other similar words or phrases. All forward-looking statements are based upon information available to Beazer and Crossmann on the date of this Joint Proxy Statement/Prospectus. Except as may be required under applicable law, neither Beazer nor Crossmann undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of Beazer's and Crossmann's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, among other things, the matters discussed in this Joint Proxy Statement/Prospectus in the sections captioned: "Summary"; "Risk Factors"; "The Merger Recommendations of the Crossmann Board of Directors; Crossmann's Reasons for the Merger"; "The Merger Recommendations of the Beazer Board of Directors; Beazer's Reasons for the Merger"; "The Merger Opinion of Crossmann's Financial Advisor;" and "The Merger Opinion of Beazer's Financial Advisor." Additional information about issues that could lead to material changes in performance is contained in Beazer's and Crossmann's filings with the Securities and Exchange Commission ("SEC"). Such issues may include:

- economic changes nationally or in the local markets of Beazer or Crossmann;
- volatility of mortgage interest rates and inflation;
- increased competition;
- shortages of skilled labor or raw materials used in the production of houses;
- increased prices for labor, land and raw materials used in the production of houses;
- increased land development costs on projects under development;
- availability and cost of general liability and other insurance to manage risks;
- any delays in reacting to changing consumer preference in home design;
- terrorist acts and other acts of war;
- changes in consumer confidence;
- difficulty of integrating the operations of Beazer and Crossmann;
- delays or difficulties in implementing initiatives to reduce production and overhead cost structure;
- delays in land development or home construction resulting from adverse weather conditions;

potential delays or increased costs in obtaining necessary permits as a result of changes to laws, regulations or governmental policies; or

other factors over which Beazer or Crossmann have little or no control.

THE STOCKHOLDER MEETINGS

We are sending you this Joint Proxy Statement/Prospectus in order to provide you with important information regarding the merger of Crossmann into Beazer's wholly-owned subsidiary, and in connection with the solicitation of proxies by the respective boards of directors of Crossmann and Beazer for use at the meetings of stockholders described below. This Joint Proxy Statement/Prospectus also constitutes the prospectus of Beazer with respect to the shares of Beazer common stock to be issued to the stockholders of Crossmann in connection with the merger. It also constitutes the proxy statement for Beazer's 2002 annual meeting.

The Crossmann Special Meeting

Time, Place and Purpose of the Meeting. The Crossmann special meeting of stockholders is scheduled to be held on Tuesday, April 16, 2002, at 10 a.m. local time, at the offices of Ice Miller, One American Square, Indianapolis, Indiana 46282. The only matter scheduled to come before the meeting is the proposal to approve the merger agreement and the transactions contemplated by the merger agreement. Crossmann knows of no other matter to be brought before the Crossmann special meeting. If any other business should properly come before the Crossmann special meeting, the persons named in the proxy card will vote in their discretion on such matter.

Board of Directors Recommendation. The board of directors of Crossmann has unanimously determined that the merger is fair to and in the best interests of Crossmann and its stockholders and recommends that Crossmann stockholders vote **FOR** approval of the merger agreement and the transactions contemplated by the merger agreement.

Record Date. The Crossmann board of directors has fixed the close of business on March 14, 2002, as the record date for determining the stockholders entitled to vote at the Crossmann special meeting. Only holders of record of shares of Crossmann common stock on the record date are entitled to notice of and to vote at the special meeting. On the record date, 10,867,015 shares of Crossmann common stock were outstanding and entitled to vote at the Crossmann special meeting.

Quorum. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Crossmann common stock entitled to vote is required to constitute a quorum at the Crossmann special meeting. Abstentions will be counted as shares present for purposes of determining whether a quorum is present. Shares represented by proxies which indicate the stockholders want to abstain on particular proposals will be treated as being present for the purpose of determining the presence of a quorum, but will not be voted with regard to those proposals at the annual meeting. If a broker does not receive instructions from the beneficial owner of shares of Crossmann common stock held in street name and indicates on a proxy that it does not have authority to vote certain shares (a "broker non-vote"), those shares will not be considered as present.

If a quorum is not present, the stockholders of record, present in person or by proxy, may adjourn the meeting without notice other than announcement made at the meeting. Any business may be transacted at an adjourned meeting which might have been transacted at the Crossmann special meeting as originally called. Proxies to be voted against a specific proposal may not be used to vote for an adjournment of the special meeting for the purpose of soliciting additional votes in favor of that proposal.

Vote Required at the Crossmann Special Meeting. The affirmative vote, in person or by proxy, of the holders as of the record date of a majority of the voting power of the outstanding shares of Crossmann common stock is required for the approval of the merger agreement and the transactions contemplated by the merger agreement. Abstentions and broker non-votes will have the same effect as votes against the proposal to approve the merger agreement and the transactions contemplated by the merger agreement. The holders of Crossmann common stock will be entitled to one vote for each share they hold.

John B. Scheumann and Richard H. Crosser have entered into voting agreements with Beazer, pursuant to which they have agreed to vote approximately 29.0% of the voting power of the outstanding shares of Crossmann common stock in favor of the approval of the merger agreement. The voting agreements will automatically terminate upon completion of the merger or termination of the merger agreement pursuant to its terms.

Stockholdings. On the record date, Crossmann's directors, executive officers and their affiliates beneficially owned 3,355,833 shares of Crossmann common stock. Of those shares, Crossmann's directors, executive officers and their affiliates were entitled to vote 3,331,130 shares of Crossmann common stock, representing approximately 30.7% of the voting power of Crossmann common stock outstanding and entitled to vote on that date. There is no agreement or arrangement regarding voting by Crossmann's directors or executive officers other than as described with respect to the voting agreement.

The Beazer Annual Meeting

Time, Place and Purpose of the Meeting. The Beazer 2002 annual meeting is scheduled to be held on Tuesday, April 16, 2002, at 10:00 a.m. local time, at the offices of Beazer at 5775 Peachtree Dunwoody Road, Suite B-200, Atlanta, Georgia 30342. The only matters scheduled to come before the meeting are:

- the proposal to approve the issuance of Beazer common stock in connection with the merger;
- the proposal to elect seven directors;
- the proposal to amend the Beazer Amended and Restated 1999 Stock Incentive Plan; and
- the proposal to amend the Beazer Value Created Incentive Plan.

Beazer knows of no other matter to be brought before the Beazer 2002 annual meeting. If any other business should properly come before the annual meeting, the persons named in the proxy card will vote in their discretion on such matter.

Board of Directors Recommendations. The directors of Beazer present at a meeting of the Beazer board of directors at which a quorum was present unanimously approved the merger and the issuance of Beazer common stock in connection with the merger, determined that the merger is in the best interests of Beazer and its stockholders, and recommended that the holders of Beazer common stock vote **FOR** the approval of the share issuance to the stockholders of Crossmann as contemplated by the merger agreement.

The Beazer board of directors recommends that the holders of the Beazer common stock vote **FOR** the election of the seven directors.

The Beazer board of directors recommends that the holders of the Beazer common stock vote **FOR** the amendment to the Beazer Amended and Restated 1999 Stock Incentive Plan to increase the number of shares authorized for issuance under the Plan by 700,000 shares.

The Beazer board of directors recommends that the holders of Beazer common stock vote **FOR** the amendment to the Beazer Value Created Incentive Plan.

Record Date. March 14, 2002, has been fixed as the record date for the determination of stockholders entitled to vote at the annual meeting or any adjournments or postponements of the annual meeting. Only holders of record of Beazer common stock on the record date are entitled to

notice of and to vote at the annual meeting. On the record date, 8,689,359 shares of Beazer common stock were outstanding and entitled to vote at the annual meeting.

Quorum. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Beazer common stock is required to constitute a quorum at the meeting. Shares represented by proxies which indicate the stockholders want to abstain on particular proposals will be treated as being present for the purpose of determining the presence of a quorum, but will not be voted with regard to those proposals at the annual meeting. Broker non-votes will not be considered as present.

If a quorum is not present, the stockholders present, by vote of a majority of the votes cast by stockholders who are present, in person or by proxy, may adjourn the meeting, and any business which might have been transacted at the annual meeting as originally called may be transacted at the adjourned meeting. Proxies to be voted against a specific proposal may not be used to vote for an adjournment of the annual meeting for the purpose of soliciting additional votes in favor of that proposal.

Vote Required at the Beazer 2002 Annual Meeting. The holders of Beazer common stock will be entitled to one vote for each share they hold. The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Beazer common stock is required for approval of the issuance of Beazer common stock in connection with the merger. The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Beazer common stock present at the meeting is required for approval of the amendment of the Beazer Amended and Restated 1999 Stock Incentive Plan and the Beazer Value Created Incentive Plan. The nominees for directors receiving a plurality of the votes cast will be elected to serve until the next annual meeting of stockholders and their successors have been elected and qualified. Broker non-votes and abstentions will have the effect of a vote against the proposal to issue shares of Beazer common stock pursuant to the merger agreement. Broker non-votes will have no effect on any other proposal to be considered at the Beazer annual meeting. Abstentions will have the effect of a vote against the proposals to amend the Beazer Amended and Restated 1999 Stock Incentive Plan and the Beazer Value Created Plan but will have no effect on the election of directors.

Stockholdings. On the record date, Beazer's directors, executive officers and their affiliates beneficially owned 751,719 shares of Beazer common stock. Of those shares, Beazer's directors, executive officers and their affiliates were entitled to vote 259,969 shares of Beazer common stock, which represented approximately 3.0% of the total amount of Beazer common stock outstanding and entitled to vote on that date.

PROXIES

Proxy Cards

The Crossmann and Beazer boards of directors are soliciting proxies by which holders of Crossmann common stock and Beazer common stock can vote on the proposals regarding the merger and the merger agreement and, in the case of Beazer, its annual meeting proposals. Shares of Beazer common stock or Crossmann common stock represented by a properly completed proxy card will be voted in accordance with the instructions on the proxy card. If a Crossmann or Beazer stockholder does not return a signed proxy card, that stockholder's shares will not be voted with respect to the merger or the transactions contemplated by the merger agreement, and that will have the same effect as a vote against approval of the merger agreement, in the case of a Crossmann stockholder, and the issuance of Beazer common stock contemplated by the merger agreement, in the case of a Beazer stockholder. With respect to the Beazer annual meeting, a failure to return a signed proxy card will have no effect with respect to the proposals to amend the Beazer Amended and Restated 1999 Stock Incentive Plan and the Beazer Value Created Incentive Plan or on the election of directors. Crossmann

stockholders do not have to make an election with respect to the merger consideration before they return their proxy card.

You are urged to mark the box on the proxy card to indicate how your shares are to be voted.

If a Crossmann stockholder returns a signed proxy card, but does not indicate how the shares are to be voted, the shares represented by the proxy card will be voted for approval of the merger agreement and the transactions contemplated by the merger agreement.

If a Beazer stockholder returns a signed proxy card, but does not indicate how the shares are to be voted, the shares represented by the proxy card will be voted for:

- the approval of the issuance of Beazer common stock in connection with the merger;

election of the seven directors nominees;

amendment of the Beazer Amended and Restated 1999 Stock Incentive Plan; and

amendment of the Beazer Value Created Incentive Plan.

The proxy card also authorizes the persons named on the proxy card to vote in their discretion with regard to any other matter that is properly presented for action at the applicable stockholder meeting.

Solicitation of Proxies

Directors, officers and employees of Crossmann and Beazer may solicit proxies from their respective stockholders personally or by letter, telephone or facsimile transmission. In addition, Beazer has engaged Morrow & Co., Inc. to assist in the solicitation of proxies. Beazer anticipates that the costs associated with this engagement will be approximately $10,000 plus costs and expenses incurred by Morrow & Co. Each company will bear the expenses of any solicitation on its behalf. Directors, officers and other employees of Crossmann and Beazer will not be specifically compensated for soliciting proxies. Brokerage houses and other custodians, nominees and fiduciaries will be requested to forward soliciting materials to the beneficial owners of Crossmann common stock and Beazer common stock owned of record by those organizations. Crossmann and Beazer will pay the reasonable expenses of forwarding such materials.

How to Revoke Your Proxy

You can revoke your proxy at any time before your proxy is voted at the applicable stockholder meeting. You can do that by:

attending the applicable stockholder meeting and voting in person;

completing, signing and mailing in a new proxy card (so long as the new proxy card is received before the applicable stockholder meeting); or

sending a written notice to the Secretary of Crossmann or the Secretary of Beazer, as appropriate, stating that you are revoking your proxy (so long as the notice is received prior to the applicable stockholder meeting).

THE MERGER

Background of the Merger

Over a period of several years consistent with the consolidation trend in the homebuilding industry, Crossmann engaged in several informal discussions regarding possible business combination transactions with other homebuilders. These informal discussions included two meetings in April 2000 between Mr. Ian McCarthy, Chief Executive Officer of Beazer, and Mr. John Scheumann, Chief Executive Officer of Crossmann, and Mr. Richard Crosser, Vice Chairman of the Board of Crossmann, at which the parties had general discussions regarding a potential merger of the two companies. None of these informal discussions resulted in offers or formal negotiations with respect to a business combination transaction.

In the fall of 2000, management of Crossmann began consultations and analysis with its financial and legal advisors regarding a possible business combination transaction. Management believed that such a transaction might present the best opportunity to generate increased value for Crossmann's stockholders. However, the consultations with advisors were abandoned in the spring of 2001 prior to any contact with any potential merger partners because the premium to the market price of Crossmann's common stock that would have likely been available in the market from such a transaction at that time was insufficient to justify a transaction. In September of 2001, management again commenced discussions with its financial and legal advisors regarding the possibility of a business combination transaction due to a change in market conditions and other factors.

At a regularly scheduled meeting of Crossmann's board of directors held on November 14, 2001, Mr. Scheumann discussed with the board the fact that further increases in value to Crossmann stockholders could be achieved either by continuing to grow through acquisition or by combination with another quality homebuilder. The board discussed these ideas and, after considering several factors, including Crossmann's competitive position with respect to acquisitions in relation to larger homebuilders, authorized management to request that McDonald Investments meet with the board to discuss the possibilities for a business combination transaction.

On November 25, 2001, the board of directors of Crossmann met to discuss the potential for a business combination transaction involving Crossmann. McDonald Investments gave a preliminary presentation regarding large publicly-held homebuilders that might be potential acquirors of Crossmann, including Beazer. Representatives of Ice Miller, legal counsel to Crossmann, reviewed the legal duties and responsibilities of the Crossmann board of directors in connection with any business combination transaction.

At this meeting, management and the board discussed the past contacts between Crossmann and Beazer dating back to times prior to Crossmann's initial public offering, including the April 2000 discussions, and the strong strategic fit of the two companies in light of the fact that the markets in which the two companies operate generally do not overlap but complement one another. The discussion also focused upon the fact that a business combination with Beazer at that particular time would likely result in a combined company with an acceptable level of leverage. In addition, management and the board discussed the potential trading improvement in valuation multiples as a result of the larger market capitalization of the combined company, the improved liquidity that would result for Crossmann's stockholders and issues relating to execution, timing and post-closing integration of the two companies. As a result of the discussions, the Crossmann board concluded that Beazer would be the top candidate for a business combination transaction with Crossmann. The board of directors authorized Mr. Scheumann to meet with Mr. McCarthy and initiate discussions regarding a possible business combination transaction between Crossmann and Beazer.

The board of directors discussed the need to maintain confidentiality and determined that discussions regarding a business combination transaction therefore should begin with Beazer as the

most desirable potential acquiror. On November 26, 2001, Mr. Scheumann and Mr. Crosser, met with Mr. McCarthy in Indianapolis to discuss the feasibility and possible terms of a business combination between Crossmann and Beazer. They discussed the operating results of Crossmann and Beazer and the potential benefits that could be realized by combining the two companies. Neither party made a proposal for a business combination at that time. On November 27, 2001, Beazer entered into a confidentiality and standstill agreement with Crossmann.

Mr. Scheumann and Mr. Crosser subsequently met with Mr. McCarthy and Mr. David Weiss, Beazer's Executive Vice President and Chief Financial Officer, on December 6, 2001, at Beazer's corporate headquarters in Atlanta, at which time Messrs. McCarthy and Weiss proposed an acquisition of Crossmann at a price of $40.00 per share. Mr. Scheumann stated that the Crossmann board of directors had indicated that any transaction should provide Crossmann stockholders with a price per share of at least $44.00 based upon circumstances existing at that time. On December 12, 2001, Mr. Scheumann, Ms. Jennifer Holihen, Crossmann's Executive Vice President and Chief Financial Officer, and representatives of McDonald Investments met with Mr. McCarthy, Mr. Weiss and representatives of UBS Warburg LLC in Indianapolis. At the meeting, the participants agreed upon a mechanism that would result in value of $44.00 per share to Crossmann's stockholders, assuming that Beazer's stock was trading at $74.50 per share, composed of cash in the amount of $17.60 per share and .3544 shares of Beazer common stock per share of Crossmann common stock. As of December 12, 2001, the proposal reflected a valuation of $44.45 per share, representing a 50.2% premium over the then last closing sales price of Crossmann common stock on December 12, 2001.

On December 13, 2001, Crossmann entered into a confidentiality and standstill agreement with Beazer, and Crossmann also executed an agreement to negotiate a possible business combination transaction exclusively with Beazer through midnight on January 12, 2002, subject to provisions allowing Crossmann to terminate the exclusivity arrangement if the fiduciary duties of its directors so required. The parties began exchanging financial and operational information during the week of December 17, 2001. During this time, representatives of McDonald Investments and UBS Warburg LLC discussed various matters, including structure and diligence matters.

From December 18 through December 21, 2001, Mr. McCarthy, Mr. Weiss and other members of Beazer's management, together with representatives of UBS Warburg LLC, Paul, Hastings, Janofsky & Walker LLP, legal counsel to Beazer, and Beazer's external accountants conducted a preliminary due diligence review of Crossmann in Indianapolis, Indiana. During that time, Crossmann also began its due diligence review of Beazer.

In addition to the due diligence conducted by Beazer in Indianapolis, Beazer's due diligence effort included a review of documents provided to Beazer's counsel by Crossmann, operational due diligence, including inspection of Crossmann properties by Beazer management, and discussions with Crossmann representatives regarding warranty claims and litigation issues, including potential liability relating to claims filed with the Indiana attorney general.

On December 18, 2001, members of management of Crossmann and Beazer, together with their respective legal and financial advisors, met for a presentation by Crossmann management with respect to the business of Crossmann. On December 19, 2001, management of both companies and their respective financial advisors met to discuss and analyze in detail Crossmann's budget for 2002. Also on December 19, 2001, members of management of Crossmann and Beazer, together with their respective legal and financial advisors, met to discuss structural matters and related issues in the proposed transaction and preliminary legal due diligence. On December 20, 2001, members of management of both companies and their legal and financial advisors met to review Beazer's budget for 2002.

On December 20, 2001, legal counsel to Beazer circulated preliminary drafts of the merger agreement and the voting agreements. On December 28, 2001, Crossmann relayed its initial comments on those agreements to Beazer. Among other changes, Crossmann proposed that a collar mechanism

for the stock portion of the merger consideration be added to protect Crossmann's stockholders against fluctuation in Beazer's share price and that an election mechanism be included to allow Crossmann stockholders to elect to receive the merger consideration in all cash or all stock, subject to certain restrictions. Crossmann also asked Beazer to represent that it would have sufficient cash available at closing to repay Crossmann's outstanding debt and to pay the cash portion of the merger consideration. Crossmann further proposed that certain changes be made to the non-solicitation and break-up fee provisions of the merger agreement which Crossmann believed were necessary to enable the Crossmann board of directors to exercise their fiduciary duties in the event Crossmann received an unsolicited superior proposal for the purchase of Crossmann. With respect to the voting agreements, among other changes, Crossmann requested the removal of provisions granting Beazer an option to purchase the Crossmann shares owned by Mr. Scheumann and Mr. Crosser.

On December 27, 2001, the board of directors of Crossmann met to review the status of discussions regarding the potential transaction with Beazer and to conduct certain other business. Prior to the meeting, legal counsel to Crossmann circulated a summary of the draft agreements that highlighted the issues from Crossmann's perspective. After a thorough discussion of the issues and an opportunity to ask questions of management and Ice Miller, the consensus of the board of directors was that discussions with Beazer should continue.

From January 2 to January 4, 2002, several members of Crossmann's management, together with representatives of McDonald Investments, Ice Miller and Crossmann's external accountants, were present in Atlanta to continue Crossmann's legal, financial and operational due diligence review of Beazer. Crossmann's due diligence effort included a review of documents provided to Crossmann's counsel by Beazer and operational due diligence, including inspection of Beazer properties by Crossmann representatives over a period of several weeks. During that time, representatives of Paul Hastings and Ice Miller met to discuss the comments on the definitive agreements relayed by Crossmann on December 28. In addition to the issues identified in Crossmann's initial comments to the merger agreement and voting agreement, issues discussed included treatment of outstanding Crossmann stock options, the letters proposed to be signed by Crossmann's affiliates and the continued inclusion of certain conditions to closing.

On January 8, 2002, Mr. McCarthy, Mr. Weiss and representatives of UBS Warburg LLC and Paul Hastings returned to Indianapolis to continue Beazer's diligence review and conduct further negotiations with Crossmann. On January 8, 2002, representatives of McDonald Investments, UBS Warburg LLC, Ice Miller and Paul Hastings met to discuss issues relating to the merger agreement. Among other matters, the parties agreed upon changes that would be made to the merger agreement to provide adequate assurance to Crossmann that the Beazer financing commitments would be completed. The participants also discussed proposed collar and exchange mechanisms and the amount of the breakup fee to be paid by Crossmann to Beazer.

On January 9, 2002, Mr. Scheumann, Mr. Crosser and representatives of McDonald Investments met with Mr. McCarthy, Mr. Weiss and representatives of UBS Warburg LLC to discuss the merger consideration and other provisions of the merger agreement. The parties agreed upon a collar mechanism to determine the number of shares of Beazer common stock Crossmann stockholders would receive for each share of Crossmann common stock. The parties also agreed to a floor price of $52.15 for Beazer's common stock, based upon a 15-day average closing price of Beazer common stock, which would represent $38.21 in total merger consideration to Crossmann stockholders, under which Crossmann may terminate the merger agreement unless Beazer increases the cash or stock portion of the consideration so that the amount of the merger consideration equals $38.21 for each share of Crossmann common stock. On the immediately preceding trading date, the closing price of Crossmann's common stock was $34.04 per share. Furthermore, as of that date, the closing trading price of Crossmann's common stock had been below $38.21 for approximately 98% of the time since its initial public offering. The parties agreed upon changes to permit Crossmann's board of directors to exercise its fiduciary duties in the event Crossmann received an unsolicited superior proposal to acquire Crossmann. At this meeting, the parties discussed a previous proposal that upon completion of the merger Crossmann be allowed to designate a nominee to the Beazer board of directors; however, no such arrangement was agreed upon. The parties also agreed to limited lock-up provisions for Messrs. Crosser and Scheumann, as well as the length and geographic regions of the noncompete arrangements for Messrs. Crosser and Scheumann.

On January 9, 2002, the board of directors of Crossmann again met to review the status of discussions regarding the potential transaction with Beazer. At the meeting, members of management and representatives of McDonald Investments provided an update on Crossmann's due diligence review of Beazer and a description of the status of negotiations and the open issues. Representatives of McDonald Investments explained the proposed collar mechanism and answered questions from Board members regarding the collar mechanism and other economic terms of the transaction. Because the exclusivity period was set to expire on January 12, 2002, the parties agreed to extend the exclusivity period through the later of January 26, 2002, or two days after the delivery of Crossmann's audited financial statements as of December 31, 2001.

From January 9 through January 29, 2002, the parties continued their legal, financial and operational diligence, and representatives of and counsel to Crossmann and Beazer negotiated the outstanding issues concerning the merger agreement and the related documents, including the terms of the employment agreements, the affiliate letters and the consulting and noncompete agreements.

On January 18, 2002, in a telephone conversation with representatives of McDonald Investments, representatives of UBS Warburg LLC indicated that Beazer would agree to pay Crossmann a break-up fee in the amount of $10 million and expenses of up to $2 million in the event the transaction failed to close on or prior to July 31, 2002 due to Beazer's failure to obtain financing for the transaction.

In addition, on January 18, 2002, the Beazer board of directors met, and management of Beazer and Paul Hastings provided the Beazer board of directors with an update on the progress of negotiations and due diligence of Crossmann. The Beazer board of directors discussed the current status of the merger negotiations as well as the board of directors' position regarding certain issues. UBS Warburg LLC gave a preliminary presentation of their analysis of the transaction. The Beazer board of directors authorized management to continue negotiations with Crossmann and directed management of Beazer to present the final form of the merger agreement to the board of directors for approval at a later date.

On January 25, 2002, Beazer management presented the form of merger agreement to the Beazer board of directors at a meeting called to consider the merger and the merger agreement. In addition to the presentation by management, representatives of UBS Warburg LLC made a detailed financial presentation and rendered UBS Warburg LLC's oral opinion, subsequently confirmed in writing, to the effect that, based on and subject to the matters described in its written opinion, as of the date of the opinion the merger consideration to be paid by Beazer, calculated as of January 25, 2002, was fair from a financial point of view to Beazer. Having discussed the presentation by management as well as the opinion of UBS Warburg LLC, the directors of Beazer in attendance at the meeting unanimously approved the merger and the merger agreement.

On January 25, 2002, the board of directors of Crossmann met in Indianapolis to review and discuss the proposed transaction and receive an update regarding due diligence matters. Members of management, together with representatives of McDonald Investments and Ice Miller, summarized the results of Crossmann's due diligence review of Beazer and the terms and conditions of the proposed merger. Management also provided a report on the cultural fit of the two companies. Because certain operational issues relating to Crossmann and certain issues relating to the employment agreements to be executed by Crossmann and certain of its executives remained outstanding, further discussion regarding the proposed transaction, the rendering of McDonald Investments' fairness opinion and a

vote upon the proposed transaction were deferred until resolution of those issues. The Crossmann board decided to meet again on January 28, 2002 to consider and discuss the transaction further, and the parties extended the exclusivity period, which was set to expire at midnight on January 26, 2002, through the close of business on January 28, 2002.

On January 28, 2002, the board of directors of Crossmann met by telephonic conference call. After management provided an update on the progress of the negotiations, the Crossmann board of directors voted to further extend the exclusivity period through the close of business on January 29, 2002 and the parties agreed to extend the exclusivity period.

On January 29, 2002, the Crossmann board of directors held a meeting to further discuss and vote upon the proposed merger. After a review of the status of the negotiations with Beazer, representatives of McDonald Investments rendered an oral opinion, subsequently confirmed in writing, to the effect that, based upon and subject to the matters described in its written opinion, as of the date of the opinion, that the merger consideration to be received by the stockholders of Crossmann in the merger transaction with Beazer was fair from a financial point of view. Ice Miller reviewed the terms of the merger agreement with the board of directors and again reviewed for the board the interests of certain directors and executive officers in the transaction that were in addition to the interests of other stockholders. After extended discussion of the transaction and the materials provided for the review of the directors, the transaction was unanimously approved first by the non-employee members of the board of directors voting separately and then by the full board of directors. The parties then executed the merger agreement and the relevant parties executed the voting, consulting and noncompete agreements and the employment agreements.

Recommendation of the Crossmann Board of Directors; Crossmann's Reasons for the Merger

At its meeting on January 29, 2002, the Crossmann board of directors unanimously determined that the terms of the merger agreement are fair to and in the best interests of Crossmann and its stockholders and recommended that the stockholders of Crossmann vote for approval of the merger agreement. During the course of its deliberations, the Crossmann board of directors considered, with the assistance of management and its financial and legal advisors, a number of factors. The following discussion of the factors considered by the Crossmann board of directors in making its decision includes all material factors considered by the Crossmann board of directors.

Among the factors the Crossmann board of directors considered in deciding to approve the merger are the following:

- historical information regarding the respective businesses, prospects, financial performances and conditions, operations, management and competitive positions of Beazer and Crossmann;

- current information with respect to Crossmann common stock and Beazer common stock, including financial market conditions and historical market prices, volatility and trading;

- Crossmann's business, operations, financial condition and prospects if it were to remain independent, and the prospects of gaining additional flexibility to obtain capital to facilitate the growth of its business through a merger with Beazer;

- Crossmann's ability to generate increased value for its stockholders by growing through acquisition as a part of the larger combined company as compared to its ability to do so as a smaller separate company;

- the board's analysis of the current state of the homebuilding industry generally, which has experienced increased consolidation and competition;

- the greater geographic diversity and increased management strength of the combined company;

- the merger consideration to be received by Crossmann stockholders in the merger represented a significant premium over the market price of Crossmann stock before the merger announcement;

- the fact that Crossmann's common stock had closed below $38.21 per share approximately 98% of the time since its initial public offering;

- the terms and conditions of the merger agreement, including the parties' representations, warranties and covenants, termination provisions and the conditions to their respective obligations;

the terms of the merger agreement regarding the right of Crossmann to consider and negotiate an alternative transaction, as well as the possible effects of the provisions regarding termination fees;

the structure of the merger, which would permit Crossmann stockholders to exchange their shares of Crossmann common stock for Beazer common stock in a transaction that is intended to be tax-free for United States federal income tax purposes, except to the extent of any cash received;

the fact that the market prices of some of Crossmann's peer public homebuilders' stock have greater earnings per share multiples, due in part to greater market capitalization and trading volume;

the fact that Crossmann stockholders will be able to participate in any future growth of Crossmann through their ownership of Beazer common stock, while those Crossmann stockholders who do not wish to own Beazer common stock will have the opportunity to elect to receive cash, subject to an aggregate limit on the amount of cash payable to Crossmann stockholders, or to sell Beazer common stock received in the merger in the ensuing months, subject to the volume and manner-of-sale restrictions applicable to some stockholders under the federal securities laws;

the presentation and oral opinion of McDonald Investments, which opinion was later confirmed in writing;

the fact that Crossmann can terminate the merger agreement without penalty (but subject to Beazer's right to increase the merger consideration to not less than $38.21 per share of Crossmann common stock) if the average closing price of Beazer common stock for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting is less than $52.15;

the directors' fiduciary duties under Indiana law to Crossmann's stockholders;

the directors' assessment of Crossmann's other strategic alternatives to enhance stockholder value and whether the merger was more attractive than such alternatives;

the percentage of the total outstanding shares of Beazer common stock that former Crossmann stockholders will own following the merger based on the stock component of the merger consideration;

whether the combination with Beazer presents opportunities to create greater economies of scale, by combining management and human resources, market position and purchasing power; and

the significant product and geographic diversification of the combined companies.

The Crossmann board of directors also considered a number of potentially negative factors relating to the merger, including:

the risk that the potential benefits sought in the merger might not be fully realized;

the fact that Crossmann will no longer be an independent company;

the higher leverage of the combined company as compared to Crossmann's recent historical norms;

- the lower land inventory position of the combined company as compared to Crossmann's historical norms;
- the combined company's potentially significantly higher land acquisition costs in certain markets as compared to Crossmann's historical costs in its current markets;
- the risks associated with the fluctuations in the price of Crossmann common stock and Beazer common stock prior to the closing of the merger and the effect that such fluctuations might have on the value of shares of Beazer common stock that Crossmann stockholders will receive in the merger;
- the challenges of integrating the management teams, strategies, cultures and organizations of the two companies;
- the impact of the merger on Crossmann's employees, customers, communities and suppliers and how such impact might affect stockholder value of the combined company;
- uncertainty of current general economic conditions;
- the possible distraction of management from day-to-day operations; and
- other applicable risks described in the section captioned "Risk Factors."

The members of the Crossmann board of directors believed that these risks were outweighed by the potential benefits of the merger.

The above discussion is not exhaustive of all factors considered by the Crossmann board of directors. Each member of the Crossmann board of directors may have considered different factors and may have assigned different relative weights to the factors considered. In addition, the Crossmann board of directors did not quantify or reach any specific conclusion with respect to each of the factors considered, or any aspect of any particular factor. Instead, the Crossmann board of directors conducted an overall analysis of the factors described above.

Based on the considerations described above, the Crossmann board of directors has unanimously determined that the merger agreement is fair to and in the best interests of Crossmann and its stockholders and recommends that Crossmann stockholders vote **FOR** approval of the merger agreement and the transactions contemplated by the merger agreement.

Recommendations of the Beazer Board of Directors; Beazer's Reasons for the Merger

The Beazer board of directors believes the merger of Crossmann and Beazer on the terms contained in the merger agreement is in the best interests of Beazer and its stockholders. Accordingly, the members of Beazer's board of directors present at a meeting held on January 25, 2002 unanimously approved the transaction and recommended that holders of Beazer common stock vote to approve the issuance of Beazer common stock in connection with the merger.

Beazer believes the merger will:

- strengthen Beazer's current market position while expanding its geographic presence and product offerings in key markets in the southeastern and midwestern part of the United States;
- complement Beazer's focus on home sales to first-time buyers;

- enhance the supply of lots available for development;
- provide benefits to Beazer stockholders by increasing the number of shares of Beazer's publicly-traded common stock;
- reduce Beazer's cost of goods sold as a result of increased volume and purchasing power;
- eliminate redundant costs associated with maintaining two public companies; and
- expand mortgage and title services in new and existing markets due to increased home sales volumes.

In deciding to approve the acquisition of Crossmann, the Beazer directors considered the items described above and a number of other factors, including:

- the size and market position of the combined company;
- the resulting expansion of Beazer's homebuilding business in current markets and into new growth markets;
- the addition of an experienced management team with local market expertise;
- the addition of strong land positions in several markets;
- the conservative operating strategy of Crossmann and its corporate culture that is similar to Beazer's;
- Crossmann's proven record of profitability;
- the structure of the transaction, including the balance of cash and equity consideration and the expected accretive effect on earnings;
- the terms and conditions of the merger agreement; and
- the presentations and advice of its senior management, advisors and legal counsel, as discussed below.

The Beazer board also considered potentially negative factors relating to the merger, including:

- the strong concentration of Crossmann's business in the Indianapolis market;
- recent negative operating trends of Crossmann;
- outstanding litigation regarding construction defects and certain warranty claims against Crossmann filed with the Indiana attorney general and the resulting attorney general investigation and the potential effects of such claims on Crossmann's business and operations;
- the increased financial leverage of the combined company;

the challenges of integrating the management, operations and cultures of the companies;

the risk that operational savings from synergies may not be achieved; and

the uncertainty of current general economic conditions.

The above discussion is not intended to be exhaustive of the factors considered by the Beazer board but includes all material factors considered. Each member of the Beazer board of directors may

have considered different factors, and the Beazer board of directors evaluated these factors and did not quantify or otherwise assign relative weights to factors considered. In addition, the Beazer board of directors did not reach any specific conclusion with respect to each of the factors considered or any aspect of any particular factor. Instead, the Beazer board of directors conducted an overall analysis of the factors described above.

Based on the considerations described above, the Beazer board of directors has determined that the merger is in the best interests of Beazer and its stockholders, has approved the merger and the issuance of Beazer common stock in connection with the merger and recommends that Beazer's stockholders vote **FOR** the approval of the merger agreement and the transactions contemplated by the merger agreement and the share issuance.

Opinion of Crossmann's Financial Advisor

McDonald Investments was asked by the board of directors of Crossmann to render an opinion to the board of directors as to the fairness, from a financial point of view, to Crossmann's stockholders of the merger consideration. On January 29, 2002, McDonald Investments delivered an oral opinion, subsequently confirmed in writing, to the effect that, as of the date of its opinion, and based upon and subject to the assumptions, limitations and qualifications contained in its opinion, the merger consideration to be received by the holders of Crossmann's common stock in the Merger was fair, from a financial point of view.

The full text of the written opinion of McDonald Investments is attached to this document as Annex II and incorporated into this proxy statement by reference. We urge you to read that opinion carefully and in its entirety for the assumptions made, procedures followed, other matters considered and limits of the review undertaken in arriving at that opinion.

McDonald Investments was retained to serve as an advisor to the Crossmann board of directors and not as an advisor to or agent of any stockholder of Crossmann. McDonald Investments' opinion was prepared for the board of directors and is directed only to the fairness, from a financial point of view, of the merger consideration to Crossmann's stockholders in the merger and does not address the merits of the decision by Crossmann to engage in the merger or other business strategies considered by Crossmann, nor does it address Crossmann's decision to proceed with the merger. McDonald Investments' opinion does not constitute a recommendation to any Crossmann stockholder as to how that stockholder should vote at the Crossmann special meeting of stockholders.

McDonald Investments did not recommend the amount of the merger consideration to be paid in the merger. The merger consideration was determined in negotiations between Crossmann and Beazer, in which McDonald Investments advised the Crossmann board of directors. No restrictions or limitations were imposed by the Crossmann board of directors on McDonald Investments with respect to the investigations made or the procedures followed by McDonald Investments in rendering its opinion.

In rendering its opinion, McDonald Investments reviewed, among other things:

The merger agreement, including the exhibits and schedules to that agreement;

Crossmann's Annual Reports on Form 10-K for the last three fiscal years, its Quarterly Report on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2001 and other publicly available information about Crossmann;

internal business and financial information, including projections, furnished to McDonald Investments by Crossmann management;

publicly available information concerning historical stock prices and trading volumes for Crossmann's common stock;

publicly available information for other companies that McDonald Investments believed were comparable to Crossmann and the trading markets for those other companies' securities; and

publicly available information about the nature and terms of other business combination transactions that McDonald Investments considered relevant to its analysis of this merger.

McDonald Investments also met with officers and employees of Crossmann and Beazer to discuss their respective company's businesses and prospects that McDonald Investments believed were relevant.

You should note that in rendering its opinion, McDonald Investments relied upon the accuracy and completeness of all of the financial and other information provided to it or publicly available. McDonald Investments also assumed and relied upon the representations and warranties of Crossmann and Beazer contained in the merger agreement. McDonald Investments was not engaged to, and did not independently attempt to, verify any of that information. McDonald Investments also relied upon the management of Crossmann as to the reasonableness and achievability of the financial and operating projections, and the assumptions for those projections provided to it, and assumed that those projections reflect the best currently available estimates and judgments of Crossmann's management. McDonald Investments was not engaged to assess the reasonableness or achievability of those projections or the assumptions underlying them and expresses no view on those matters. McDonald Investments did not conduct a physical inspection or appraisal of any of the assets, properties or facilities of Crossmann, nor was it furnished with any evaluation or appraisal.

McDonald Investments also assumed that the conditions to the merger as set forth in the merger agreement would be satisfied and that the merger would be completed on a timely basis in the manner contemplated by the merger agreement. McDonald Investments did not solicit, nor was it asked to solicit, third party interest in a transaction involving Crossmann.

McDonald Investments' opinion is based on economic and market conditions and other circumstances existing on, and information made available,as of the date of its opinion. McDonald Investments' opinion does not address any matters after the date of its opinion. Although subsequent developments may affect its opinion, McDonald Investments does not have the obligation to update, revise or reaffirm its opinion.

The following is a brief summary of the analyses performed by McDonald Investments to arrive at its opinion. This summary is not intended to be an exhaustive description of the analyses performed by McDonald Investments but includes all material factors considered by McDonald Investments in rendering its opinion. McDonald Investments drew no specific conclusions from any of these analyses, but subjectively factored its observations from these analyses into its qualitative assessment of the relevant facts and circumstances.

Each analysis performed by McDonald Investments is a common methodology utilized in determining valuations. Although other valuation techniques may exist, McDonald Investments believes that the analyses described below, when taken as a whole, provide the most appropriate analyses for McDonald Investments to arrive at its opinion.

Historical Stock Trading Analysis

McDonald Investments reviewed the historical performance of Crossmann common stock based on an historical analysis of closing prices and trading volumes for the prior one month, three month, six month, twelve month, two year and five year periods as well as since Crossmann's initial public offering in October 1993. McDonald Investments noted that the average closing price for Crossmann common stock over these periods ranged from $17.48 to $32.57, with the lowest average closing price being since the initial public offering and the highest average closing price being the one month average.

The following chart summarizes these prices and volume of trading of Crossmann's common stock.

Period	Average Close	Average Daily Volume	Daily Close High	Daily Close Low
Latest Month	$ 32.57	42,976	$ 35.24	$ 29.95
Last 3 Months	30.18	41,994	35.24	25.37
Last 6 Months	30.74	56,528	39.97	21.30
Last 12 Months	31.06	51,167	44.15	21.30
Last 2 Years	24.39	40,892	44.15	14.31
Last 5 Years	23.28	36,732	44.15	11.17
Since IPO (October 19, 1993)	17.48	34,249	44.15	3.50

McDonald Investments also reviewed the distribution of the closing prices of Crossmann common stock for the prior one year period and since Crossmann's initial public offering compared to the $46.14 value of the merger consideration on January 25, 2002.

Prior Period	Trading Volume at or Below $46.14 Consideration	Trading Days at or Below $46.14 Consideration
One Year	100%	100%
Since IPO	100%	100%

Comparable Public Company Analysis

McDonald Investments reviewed and compared selected financial data of Crossmann to financial data of thirteen publicly traded companies that McDonald Investments considered to be comparable to Crossmann based on Crossmann's participation in the homebuilding industry. The comparable companies included:

Beazer Homes USA, Inc.	M.D.C. Holdings, Inc.
Centex Corporation	Newmark Homes Corp.
D.R. Horton, Inc.	NVR, Inc.
Hovnanian Enterprises, Inc.	Pulte Homes, Inc.
KB Home	The Ryland Group, Inc.
Lennar Corporation	Standard Pacific Corp
M/I Schottenstein Homes, Inc	

McDonald Investments divided the comparable companies into two groups: those with market capitalizations greater than $2.0 billion and those with market capitalizations less than $2.0 billion. Due to Crossmann's relative size, McDonald Investments based its analysis on the smaller market capitalization companies.

McDonald Investments calculated the ratio of each small capitalization comparable company's enterprise value to that company's sales, EBITDA and EBIT for the latest twelve months. McDonald Investments then applied the median of each of those ratios to Crossmann's sales, EBITDA and EBIT for the latest twelve months to calculate implied prices per share for Crossmann's common stock. These calculations resulted in implied prices per share of $35.00, $35.64 and $36.79 for sales, EBITDA and EBIT, respectively. McDonald Investments also calculated the ratio of each small capitalization comparable company's market value to that company's book value. McDonald Investments then applied the median of that ratio to Crossmann's book value to calculate the implied price per share for Crossmann's common stock. These calculations resulted in an implied price per share of $37.03. In addition, McDonald Investments calculated the ratio of stock prices of each comparable company to that company's earnings per share for calendar year 2001 and projected earnings per share for calendar

year 2002, except for Beazer, in which Beazer's fiscal year 2002 projected earnings per share was used. McDonald Investments then applied the median of these ratios to Crossmann's earnings per share for calendar year 2001 and projected earnings per share for calendar year 2002 to calculate the implied price per share for Crossmann's common stock. These calculations resulted in implied prices per share of $40.60 and

$43.79, respectively. Based on these calculations, McDonald Investments determined an implied average price per share of $38.14 and a weighted average price per share of $38.77. The following table sets forth the results of these analyses, as well as the implied transaction multiples based on the $46.14 value of the merger consideration:

				Based on $46.14 Per Share of Merger Consideration	
Comparable Public Companies		**Implied Price Per Share**	**Median Comparable Multiple**	**Implied Transaction Multiple 12/31/2001**	**Implied Transaction Multiple 12/31/2002**
Multiple of Sales	$	35.00	0.6x	0.8x	0.8x
Multiple of EBITDA	$	35.64	5.4x	5.9x	6.1x
Multiple of EBIT	$	36.79	5.7x	6.1x	6.3x
Ratio of Market to Book Value	$	37.03	1.5x	1.9x	N/A
Multiple of 2001 EPS	$	40.60	8.1x	9.3x	9.3x
Multiple of 2002 Projected EPS	$	43.79	8.5x	9.0x	9.0x
Average	$	38.14			
Weighted Average	$	38.77			

No company utilized in the comparable public company analysis is identical to Crossmann. McDonald Investments made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of either Crossmann or Beazer. Mathematical analysis (such as determining the mean or median) is not itself a meaningful method of using publicly traded comparable company data.

Comparable Merger & Acquisition Analysis

Using available information, McDonald Investments reviewed certain transactions in the homebuilding industry completed since June 11, 1997, that had enterprise values ranging from approximately $65 million to approximately $1.83 billion. These transactions were chosen based on Crossmann's participation in the homebuilding industry, the comparable size of the transactions and the recent period in which the transactions were completed.

Target	**Acquiror**
Forecast Group LP	Hovnanian Enterprises, Inc.
Schuler Homes, Inc.	D.R. Horton, Inc.
Sanford Homes of Colorado LLLP	Beazer Homes USA, Inc.
Del Webb Corporation	Pulte Homes, Inc.
Engle Homes, Inc.	Technical Olympic S.A.
Western Pacific Housing	Schuler Homes, Inc.
Washington Homes, Inc.	Hovnanian Enterprises, Inc.
U.S. Home Corporation	Lennar Corporation
Pacific Realty Group, Inc.	Technical Olympic S.A.
Lewis Homes	KB Home
Continental Homes Holding Corporation	D.R. Horton, Inc.
Pacific Greystone Corp.	Lennar Corporation

McDonald Investments focused on the transactions that occurred within the last three years. For each of these transactions McDonald Investments calculated the ratio of the enterprise value of the transaction to the target company's latest twelve month sales, EBITDA and EBIT and the ratio of the equity value of the transaction to the target company's latest twelve months net income and most recently reported book value prior to the announcement of the respective transaction. McDonald Investments applied the median of these transaction multiples to Crossmann's sales, EBITDA, EBIT, net income and book value, which resulted in an average implied price per share of Crossmann common stock of $41.29. The following table sets forth the results of these analyses, as well as the implied transaction multiples based on the $46.14 value of the merger consideration:

Based on $46.14 Per Share of Merger Consideration

Comparable M&A Transactions	Implied Price Per Share	Average Transaction Multiple	Implied Transaction Multiple 12/31/2001	Implied Transaction Multiple 12/31/2002
Multiple of Sales	$ 42.00	0.7x	0.8x	0.8x
Multiple of EBITDA	$ 48.00	6.1x	5.9x	6.1x
Multiple of EBIT	$ 49.30	6.4x	6.1x	6.3x
Multiple of Net Income	$ 33.25	6.7x	9.3x	9.0x
Multiple of Book Value	$ 31.90	1.3x	1.9x	N/A
Average	$ 41.29			

Premium Paid Analysis

Using publicly available information, McDonald Investments reviewed 85 control acquisitions completed since January 1, 2000, with equity values from $350 million to $750 million, segmented based on the consideration paid of either stock or cash. These transactions were chosen based on the comparable size of the transactions and the recent period in which the transactions were completed. In addition, McDonald Investments reviewed the premiums paid for seven comparable transactions in the homebuilding industry, ranging in equity value from approximately $84 million to approximately $788 million. These transactions were chosen based on Crossmann's participation in the homebuilding industry, the comparable size of the transactions and the recent period in which the transactions were completed.

Target	Acquiror
Schuler Homes, Inc.	D.R. Horton, Inc.
Del Webb Corporation	Pulte Homes, Inc.
Engle Homes, Inc.	Technical Olympic S.A.
Washington Homes, Inc.	Hovnanian Enterprises, Inc.
U.S. Home Corp.	Lennar Corporation
Pacific Realty Group, Inc.	Technical Olympic S.A.
Continental Homes Holding Corporation	D.R. Horton, Inc.

For each of the target companies involved in the transactions, McDonald Investments examined the closing stock price one day, one week and one month prior to announcement of the transaction in order to calculate the median premium paid over the target's closing stock price at those points in time. In addition, McDonald Investments calculated the premium of the $46.14 value of the merger consideration as of January 25, 2002, that Crossmann's stockholders would receive to the closing prices

for Crossmann's common stock for the periods one day, one week and one month prior to an assumed announcement date of January 30, 2002.

	Premiums Paid		
	One Day	One Week	One Month
Cash Transactions	30.7%	34.8%	54.0%
Stock Transactions	29.1%	43.6%	58.5%
Select Comparable Transactions	32.4%	34.9%	29.1%
Mean	30.7%	37.8%	47.2%
Implied Transaction Premium	52.1%	54.1%	38.8%
(Based on $46.14 per share of merger consideration)			

Conclusion

The summary set forth above describes the principal elements of the presentation made by McDonald Investments to the Crossmann board of directors on January 29, 2002. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, the opinion is not readily susceptible to summary description. Each of the analyses conducted by McDonald Investments was carried out in order to provide a different perspective on the merger and add to the total mix of information available. McDonald Investments did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to fairness from a financial point of view. Rather, in reaching its conclusion, McDonald Investments considered the results of the analyses in light of each other and ultimately reached its opinion based upon the results of all analyses taken as a whole. Except as indicated above, McDonald Investments did not place particular reliance or weight on any individual analysis, but instead concluded that its analyses, taken as a whole, support its determination. Accordingly, notwithstanding the separate factors summarized above, McDonald Investments believes that its analyses must be considered as a whole and that selecting portions of its analysis and the factors considered by it, without considering all analyses and factors, could create an incomplete or misleading view of the evaluation process underlying its opinion. In performing its analyses, McDonald Investments made numerous assumptions with respect to industry performance, business and economic conditions and other matters. The analyses performed by McDonald Investments are not necessarily indicative of actual value or future results, which may be significantly more or less favorable than suggested by the analyses.

Miscellaneous

Pursuant to the terms of an engagement letter dated December 13, 2001, the Crossmann board agreed to cause Crossmann to pay McDonald Investments a fee for providing financial advisory services to the board of directors that is customary in transaction of this nature. The board of directors also agreed to cause Crossmann to reimburse McDonald Investments for its reasonable out-of-pocket expenses under certain circumstances, and to indemnify McDonald Investments and related persons against liabilities in connection with its engagement, including liabilities under federal securities laws. The terms of the fee arrangement with McDonald Investments were negotiated at arm's-length between the board of directors and McDonald Investments.

McDonald Investments has, in the past, provided investment-banking services to Crossmann for which McDonald Investments received customary compensation. In the ordinary course of business, McDonald Investments may actively trade the securities of Crossmann for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in those securities.

McDonald Investments, as part of its investment banking services, is regularly engaged in the valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The board of directors selected McDonald Investments based on its experience in transactions similar to the merger and its reputation in the brokerage and investment communities.

Opinion of Beazer's Financial Advisor

On January 25, 2002, at a meeting of Beazer's board of directors held to evaluate the terms of the proposed merger, UBS Warburg LLC delivered to the board an oral opinion, which was confirmed by delivery of a written opinion dated the same date, to the effect that, as of that date and based upon and subject to various assumptions, matters considered and limitations described in the opinion, the merger consideration calculated pursuant to the merger agreement, consisting of (x) 0.3544 of a share of Beazer common stock and (y) $17.60 in cash per share of Crossmann common stock, to be paid by Beazer in the merger is fair, from a financial point of view, to Beazer. The merger consideration is subject to adjustment as set forth in the merger agreement.

The full text of UBS Warburg LLC's opinion describes, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS Warburg LLC. This opinion is attached as Annex III to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. Holders of Beazer common stock are encouraged to read the UBS Warburg LLC opinion carefully in its entirety. References to the UBS Warburg LLC opinion in this joint proxy statement/prospectus and the summary of UBS Warburg LLC's opinion described below are qualified in their entirety by reference to the full text of its opinion.

In arriving at its opinion, UBS Warburg LLC, among other things:

- reviewed certain publicly available business and historical financial information relating to Beazer and Crossmann;

reviewed certain internal financial information and other data relating to the business and financial prospects of Beazer, including estimates and financial forecasts prepared by the management of Beazer and not publicly available;

reviewed certain internal financial information and other data relating to the business and financial prospects of Crossmann, including estimates and financial forecasts prepared by the managements of Beazer and Crossmann and not publicly available;

conducted discussions with members of the senior managements of Beazer and Crossmann concerning the businesses and financial prospects of Beazer and Crossmann;

reviewed publicly available financial and stock market data with respect to certain other companies in lines of business UBS Warburg LLC believed to be generally comparable to those of Beazer and Crossmann;

compared the financial terms of the merger with the publicly available financial terms of certain other transactions which UBS Warburg LLC believed to be generally relevant;

considered certain pro forma effects of the merger on Beazer's financial statements;

reviewed the most recent draft of the merger agreement dated January 24, 2002; and

conducted other financial studies, analyses and investigations, and considered other information, as UBS Warburg LLC deemed necessary or appropriate.

In connection with UBS Warburg LLC's review, with Beazer's consent, UBS Warburg LLC has not assumed any responsibility for independent verification of any of the information reviewed by UBS Warburg LLC for the purpose of its opinion and has, with Beazer's consent, relied on such information being complete and accurate in all material respects. In addition, at Beazer's direction, UBS Warburg LLC has not made any independent evaluation or appraisal of any of the assets or liabilities, contingent or otherwise, of Beazer or Crossmann, nor has UBS Warburg LLC been furnished with any evaluation or appraisal.

With respect to the financial forecasts, estimates and pro forma effects, UBS Warburg LLC has assumed, at Beazer's direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Beazer and Crossmann as to the future performance of Beazer and Crossmann. In addition, UBS Warburg LLC assumed with Beazer's approval that the future financial results referred to above will be achieved at the times and in the amounts projected by management. UBS Warburg LLC also has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any material adverse effect on Beazer and/or Crossmann and the merger. The UBS Warburg LLC opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to UBS Warburg LLC as of, the date of its opinion.

The UBS Warburg LLC opinion did not address Beazer's underlying business decision to effect the merger or constitute a recommendation to any Beazer shareholder as to how such shareholder should vote with respect to the merger. UBS Warburg LLC was not asked to, and it did not, offer any opinion as to the material terms of the merger agreement or the form of the merger.

UBS Warburg LLC expressed no opinion as to what the value of Beazer common stock will be when issued pursuant to the merger agreement or the prices at which Beazer common stock will trade subsequent to the date of the opinion. In rendering its opinion, UBS Warburg LLC assumed, with Beazer's consent, that the final executed form of the merger agreement does not differ in any material respect from the last draft that UBS Warburg LLC examined, and that Beazer and Crossmann will comply with all the material terms of the merger agreement. Except as described above, Beazer imposed no other instructions or limitations on UBS Warburg LLC with respect to investigations made or procedures followed by UBS Warburg LLC in rendering its opinion.

In connection with rendering its opinion to the Beazer board of directors, UBS Warburg LLC performed a variety of financial and comparative analyses, which are summarized below. The following summary is not a complete description of all of the analyses performed and factors considered by UBS Warburg LLC in connection with its opinion. The preparation of a fairness opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the analyses of comparable publicly traded companies, precedent transactions and premiums paid summarized below, no company or transaction used as a comparison is either identical or directly comparable to Beazer, Crossmann or the merger. These analyses necessarily involve complex merger considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned. Mathematical analysis, such as determining the average or median, is not in itself a meaningful method of using comparable acquisition or comparable company data.

UBS Warburg LLC believes that its analyses and the summary below must be considered as a whole and that selecting portions of its analyses and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying UBS Warburg LLC's analyses and opinion. None of the analyses performed by UBS Warburg LLC was assigned greater significance by UBS Warburg LLC than any other. UBS

Warburg LLC arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole. UBS Warburg LLC did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis.

The estimates of Beazer's and Crossmann's future performance provided by the managements of Beazer and Crossmann in or underlying UBS Warburg LLC's analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, UBS Warburg LLC considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Beazer and Crossmann. Estimates of the financial value of companies do not necessarily purport to be appraisals or reflect the prices at which companies actually may be sold.

The merger consideration provided for in the merger was determined through negotiation between Beazer and Crossmann, and the decision by Beazer to enter into the merger was solely that of the Beazer board of directors. UBS Warburg LLC's opinion and financial analyses were only one of many factors considered by the Beazer board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the Beazer board of directors or management with respect to the merger or the merger consideration.

The following is a brief summary of the material financial analyses performed by UBS Warburg LLC and reviewed with the Beazer board of directors in connection with its opinion dated January 25, 2002. The financial analyses summarized below include information presented in tabular format. In order to fully understand UBS Warburg LLC's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS Warburg LLC's financial analyses.

Historical Stock Trading Analysis

To provide contextual and comparative market data, UBS Warburg LLC examined the history of the trading prices for the shares of Crossmann common stock in relation to (i) Beazer common stock, (ii) the S&P 500 stock index, and (iii) a homebuilder index consisting of Centex Corporation, D.R. Horton Inc., Hovnanian Enterprises, Inc., KB Home, Lennar Corporation, M.D.C. Holdings, Inc., Meritage Corporation, M/I Schottenstein Homes, Inc., NVR Inc., Pulte Homes, Inc., The Ryland Group, Inc., Standard Pacific Corporation and Toll Brothers, Inc. UBS Warburg LLC noted that over the last twelve months, Crossmann common stock had a high of $45.44, a low of $21.26 and, at January 24, 2002, had a 60-day average trading price of $31.07, a 30-day average trading price of $32.55 and a 10-day average trading price of $31.29.

Comparable Public Company Analysis

UBS Warburg LLC compared selected financial data of Crossmann with corresponding data of selected companies, the securities of which are publicly traded and which are engaged in businesses that UBS Warburg LLC believed to be generally comparable in some respects to those of Crossmann. The comparable companies were as follows: Beazer, Centex Corporation, Crossmann, D.R. Horton Inc., Hovnanian Enterprises, Inc., KB Home, Lennar Corporation, M.D.C. Holdings, Inc., Meritage Corporation, NVR Inc., Pulte Homes, Inc., The Ryland Group, Inc., Standard Pacific Corporation and Toll Brothers, Inc. UBS Warburg LLC determined the total market value of equity, which is defined as shares outstanding multiplied by the share price as of January 24, 2002, and derived an enterprise value, which is defined as total market value of equity plus the book value of debt, preferred stock and minority interests less cash and cash equivalents, for each of the comparable companies.

UBS Warburg LLC calculated a range of market values of equity as a multiple of the most recent publicly available last twelve months' net income, projected calendar year 2002 net income, projected calendar year 2003 net income and the most recent publicly available book value. In addition, UBS Warburg LLC calculated a range of enterprise values as a multiple of the most recent publicly available last twelve months' revenues, earnings before interest, taxes, depreciation and amortization and earnings before interest and taxes. All historical data was derived from publicly available information and all projected data was obtained from I/B/E/S. The table below sets forth the median results of the analysis and the results for Crossmann implied by the value of the merger consideration as of January 24, 2002 (valuing the Beazer common stock at its closing price on January 24, 2002).

	Equity Value as a Multiple of				Enterprise Value as a Multiple of		
	LTM Net Income	CY 2002 Net Income	CY 2003 Net Income	Book Value	LTM Revenues	LTM EBITDA	LTM EBIT
Comparable Companies Median	8.3x	8.3x	7.6x	1.75x	0.64x	5.5x	5.9x
Crossmann (at merger consideration)	9.0x	9.0x	9.5x	1.84x	0.74x	5.8x	5.9x

Precedent Transaction Analysis

UBS Warburg LLC reviewed the implied transaction multiples paid in eight merger and acquisition transactions occurring in the past five years in the homebuilding industry using publicly available information. These transactions were selected because UBS Warburg LLC believed the target companies were engaged in businesses that were generally comparable in some respects to those of Crossmann. For the comparable acquired companies, UBS Warburg LLC reviewed implied multiples for the total merger consideration offered for equity to the last twelve months' net income and the book value of such companies. UBS Warburg LLC also reviewed implied multiples for the transaction values of the transactions, meaning the total merger consideration offered for equity plus the book value of debt, preferred stock and minority interests less cash and cash equivalents, to the last twelve months' (i) revenues, (ii) earnings before interest, taxes, depreciation and amortization and (iii) earnings before interest and taxes of such companies. The table below sets forth the median results for the comparable transactions and the results for Crossmann implied by the value of the merger consideration as of January 24, 2002.

	Equity Value as a Multiple of		Transaction Value as a Multiple of		
	LTM Net Income	Book Value	LTM Revenues	LTM EBITDA	LTM EBIT
Comparable Companies Median	7.3x	1.5x	0.7x	6.2x	6.5x
Crossmann	9.0x	1.8x	0.7x	5.8x	5.9x

Premiums Paid Analysis

UBS Warburg LLC, using as a sample 351 select transactions announced since January 2000 that it deemed relevant, determined the median premiums paid to the price of the target stock one day, 30 days and 60 days prior to the announcement of the transactions. UBS Warburg LLC also reviewed six selected business combinations occurring in the past five years in the homebuilding industry and determined the median premiums paid in those transactions. Further, based on the value of the merger consideration as of January 24, 2002, UBS Warburg LLC determined the premiums to Crossmann's

common stock price one day, 30 days and 60 days prior to the date UBS Warburg LLC delivered its fairness opinion to Beazer's board of directors. The table below sets forth the results of the analysis.

	Premium to Target Market Price (%) (Days Prior to Announcement)		
	One Day	30 Days	60 Days
Selected Transactions Median	24.8%	38.7%	41.3%
Homebuilding Industry Median	30.3%	37.8%	45.1%(1)
Crossmann	44.8%	40.3%	59.2%

(1) Excludes the D.R. Horton Inc./Schuler Homes, Inc. transaction because the events of September 11, 2001 occurred within the 60 day period prior to the announcement of that transaction.

Accretion/(Dilution) Analysis

UBS Warburg LLC analyzed the pro forma effects of the merger on Beazer's earnings per share. UBS Warburg LLC estimated pro forma ownership of the combined company and earnings per share of the common stock of the combined company:

- using earnings estimates for Beazer and Crossmann prepared by their respective managements, on a pro forma basis as if Crossmann's results were included in Beazer's 2002 fiscal year ending September 30, 2002 from March 31, 2002 only, and on a pro forma basis as if Crossmann's results were included in Beazer's results for the full fiscal year ending September 30, 2002; and

- using earnings estimates for Beazer and Crossmann prepared by Beazer's management, on a pro forma basis for Beazer's fiscal year ending September 30, 2003.

Based on those analyses, the merger would be accretive to Beazer's earnings per share in its 2002 and 2003 fiscal years.

In addition to the analyses described above, UBS Warburg LLC performed such other valuation analyses as it deemed appropriate.

Miscellaneous

Pursuant to an engagement letter dated December 12, 2001, Beazer engaged UBS Warburg LLC to act as its financial advisor in connection with the acquisition of Crossmann. Pursuant to this letter, Beazer agreed to pay UBS Warburg LLC a fee in an amount customary for similar transactions. In addition, Beazer has agreed to reimburse UBS Warburg LLC for its reasonable expenses, including reasonable fees and disbursements of its counsel, and to indemnify UBS Warburg LLC and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. In addition, UBS Warburg LLC and certain of its affiliates, together with other entities, have committed to provide Beazer with financing in connection with the consummation of the merger on the terms and subject to conditions set forth in the financing commitments. Beazer has agreed to pay UBS Warburg LLC, its affiliate and the other entities a fee in an amount customary for similar commitments, to reimburse them for their reasonable expenses, including reasonable fees and disbursements of their counsel, and to indemnify them and related parties against liabilities relating to, or arising out of, the financing commitment.

Beazer selected UBS Warburg LLC as its exclusive financial advisor in connection with the merger because UBS Warburg LLC is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS Warburg LLC is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts,

negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

In the past, UBS Warburg LLC and its predecessors have provided investment banking services to Beazer and Crossmann and have received customary compensation for the rendering of such services. In the ordinary course of business, UBS Warburg LLC, its successors and affiliates may trade securities of Beazer or Crossmann for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

Regulatory Matters Relating to the Merger

Beazer and Crossmann are not aware of any federal or state regulatory requirements that must be complied with or approval that must be obtained in connection with the merger other than the filing with the SEC of this Joint Proxy Statement/Prospectus, compliance with applicable state securities laws and regulations, and the filing of the certificate of merger with the Delaware Secretary of State and the articles of merger with the Indiana Secretary of State. Should any additional federal or state approvals be required, it is contemplated that they will be sought.

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules promulgated by the Federal Trade Commission under that Act, a merger or acquisition, including the receipt by certain stockholders of a target corporation of shares of the stock of the acquiring corporation, satisfying certain size thresholds may not be consummated until notifications have been given and certain information and materials have been furnished to and reviewed by the Department of Justice and the Federal Trade Commission and specified waiting period requirements have been satisfied. The merger meets those size tests, but the merger and the receipt by certain Crossmann stockholders of shares of Beazer common stock in the merger qualify for one or more exemptions to such notification requirements that are applicable to certain real estate-related transactions. As such, no premerger notification will be required. State antitrust authorities and private parties in certain circumstances may bring legal action under the antitrust laws seeking to enjoin the merger or impose conditions.

Accounting Treatment

The merger will be treated as a purchase by Beazer for financial accounting purposes.

Interests of Certain Persons Related to Crossmann in the Merger

In considering the recommendation of the Crossmann board of directors that Crossmann stockholders vote in favor of the merger agreement and the transactions contemplated by the merger agreement, Crossmann stockholders should be aware that some Crossmann directors and executive officers may have interests in the merger that are in addition to the interests of Crossmann stockholders generally. The Crossmann board of directors was aware of, and considered, these interests in approving the merger agreement and the transactions contemplated by the merger agreement.

Indemnification of Officers and Directors. The merger agreement provides that the right of indemnification for acts and omissions occurring before the closing of the merger and existing in favor of the directors and officers of Crossmann will continue to the fullest extent possible under applicable law and the certificate of incorporation and by-laws of Beazer Homes Investment Corp. ("BHIC"), the surviving corporation.

Directors' and Officers' Insurance. The merger agreement requires Beazer to keep in effect, for at least six years, directors' and officers' liability insurance policies (through the continuation or endorsement of Crossmann's existing policy or the purchase of a "tail-end" rider permitted by such policy) having the same coverage and containing terms and conditions no less advantageous to the persons covered by the policies currently in effect. Beazer will not, however, be required to pay annually more than 200% of the annual premium paid relating to the year in which the merger

agreement was executed. If it is not able to maintain the required insurance for that amount, it is required to purchase as much coverage as it can obtain for that amount.

Stock Options. As of the date hereof, options to purchase 56,703 shares of Crossmann common stock are outstanding, all of which are currently exercisable. These options were issued under Crossmann's 1993 Employee Stock Option Plan and Crossmann's 1993 Outside Director Stock Option Plan. These plans provide that upon the occurrence of an event that constitutes a change of control of Crossmann, the vesting of options issued under the plan will immediately accelerate and all such options will be fully exercisable. In light of such provision and the change of control that will occur upon consummation of the merger, all outstanding options issued under the plans are vested and immediately exercisable. Options remaining unexercised after the Effective Time will be converted into options to purchase the number of shares of Beazer common stock of comparable value.

The options to purchase 56,703 shares of Crossmann common stock are held by 7 employees, officers and directors of Crossmann. Their exercise prices range from $15.50 to $27.13 per share. Given the estimated merger consideration of approximately $46.11 per share, the value of the stock options, net of the exercise prices, ranges from $18.98 to $30.61 per share.

Employment Agreements/Change of Control Payments. Crossmann has entered into employment agreements, to be assumed by BHIC in the merger, with Steve Dunn, Jennifer Holihen, Lisa Hupfer and Chuck Scheumann, each a current officer of Crossmann or a subsidiary of Crossmann.

In addition, Messrs. Dunn and Scheumann and Ms. Hupfer will receive payments from Crossmann of $500,000, $300,000 and $50,000, respectively, upon completion of the merger. These payments would be made in consideration of:

- each person's execution of a new employment contract with Crossmann, which was done on January 29, 2002 and which will be assumed by BHIC through the merger; and
- the successful closing of the merger.

Upon effectiveness of the merger, Ms. Holihen and Ms. Hupfer will be entitled to payments pursuant to change of control benefits agreements entered into by each of them and Crossmann. Generally, the amount of the payment to each employee will be equal to three times the highest aggregate base salary, bonus and other cash compensation paid by Crossmann to the employee for any full year of the employee's employment by Crossmann. In addition, the change of control agreements call for a "gross up" payment to be made to each employee in an amount equal to all excise and income taxes incurred as a result of the change of control payments made to the employee. A portion of these payments will not be deductible by Crossmann for federal income tax purposes.

Consulting and Noncompete Agreements. Beazer has entered into consulting and noncompete agreements with John Scheumann and Richard Crosser. The agreements have a one-year term, and under the agreements both Scheumann and Crosser have agreed to provide consulting services to Beazer in consideration for the amounts each of them is to receive as a result of the merger. In addition, both Scheumann and Crosser have agreed to certain noncompetition arrangements that will limit their ability to compete with Beazer and the surviving company for a period of one year, subject to provisions which permit each of them to develop, market and sell up to 500 lots in the one-year period, so long as Beazer receives a right of first refusal to purchase such lots, and to build single-family homes for sale and develop single-family residential lots for sale, in the case of Mr. Scheumann, in Lafayette and Lebanon, Indiana, and in the case of Mr. Crosser, in Delaware and Madison counties in Indiana.

Dissenters' Appraisal Rights

Neither Beazer nor Crossmann stockholders will have dissenters' rights of appraisal in connection with the merger.

New York Stock Exchange and Nasdaq National Market Listing

Beazer common stock is listed on the New York Stock Exchange and Crossmann common stock is listed on the Nasdaq National Market. As a result of the merger, Crossmann common stock will be delisted from the Nasdaq National Market and will no longer have an active trading market. It is expected, and is a condition to the consummation of the merger, that the Beazer common stock that will be issued to Crossmann stockholders in the merger will be listed on the New York Stock Exchange.

Financing

Beazer has entered into a loan facility commitment letter dated January 29, 2002 with UBS Warburg LLC and Bank One, NA pursuant to which UBS Warburg LLC and Bank One, NA have agreed to provide a $250 million senior unsecured loan facility which may be drawn on by Beazer to pay the cash portion of the merger consideration. Assuming satisfaction of the conditions to consummation of the transactions described in the commitment letters, the loans may be drawn on in full in a single amount. If the loans are drawn on by Beazer, it is anticipated that such drawing would take place on or about the closing date of the merger. The loans issued under the loan facility will mature one year from the date of issuance and will bear annual interest at the rate equal to the one-month London Interbank Offered Rate as determined by UBS AG, Stamford Branch (adjusted quarterly) plus 175 basis points.

The consummation of the transactions contemplated by the commitment letter is subject to the fulfillment of certain conditions, including, among others:

- the negotiation, preparation and execution of definitive loan documentation, ancillary documentation and other support documentation reasonably satisfactory to UBS Warburg LLC and Bank One, NA;
- the satisfactory review by UBS Warburg LLC and Bank One, NA of the terms, conditions and documentation related to the merger and the indebtedness to be assumed by Beazer in connection with the merger; and
- the satisfaction of UBS Warburg LLC and Bank One, NA that the amounts available to Beazer under the loan facility will be sufficient to (1) pay the merger consideration (together with the Beazer common stock to be issued), (2) refinance indebtedness under Crossmann's existing revolving credit facility and $8 million of additional indebtedness of Crossmann being assumed by Beazer in connection with the merger, (3) provide an undrawn availability of at least $25 million of additional funds for working capital purposes and (4) pay all fees, commissions and expenses payable in connection with the transaction.

Furthermore, finalization of the financing is also contingent on certain factors that may be outside of Beazer's control, including, among others:

- the absence of any change or additional information that is disclosed or discovered which UBS Warburg LLC or Bank One, NA reasonably determine could have a material adverse effect on the business, results of operations, condition (financial or otherwise), assets, liabilities or prospects of Beazer, Crossmann or their respective subsidiaries, taken as a whole; and
- the absence of any material adverse change or material disruption in the financial, banking or capital markets that could reasonably be expected to have a material adverse effect on the syndication of loans incurred by Beazer under the commitment letter or on forms of alternative financing sought by Beazer.

In addition, Beazer plans to assume up to $50 million of additional indebtedness of Crossmann, subject to the consent of the holders of such indebtedness, or alternatively, refinance such indebtedness with funds currently available to Beazer.

THE MERGER AGREEMENT

This section is a summary of the material terms of the merger agreement, a copy of which is attached as Annex I to this Joint Proxy Statement/Prospectus and is incorporated into this Joint Proxy Statement/Prospectus by reference. The following description is qualified in its entirety by reference to the merger agreement.

General

The merger agreement provides the legal framework for Beazer's acquisition of Crossmann through the merger of Crossmann into a wholly-owned subsidiary Beazer. It covers, among other things:

- the effective time and effects of the merger;
- what consideration Crossmann stockholders will receive;
- the treatment of outstanding Crossmann options;

representations and warranties of the parties;

agreements as to what the parties must do and not do prior to the effective time of the merger;

conditions that must be fulfilled before each party is obligated to complete the merger; and

the circumstances under which the merger agreement may be terminated and the effect of termination.

The following sections briefly summarize each of the above categories.

Effective Time

The merger will become effective when a certificate of merger is filed with the Secretary of State of Delaware and articles of merger are filed with the Secretary of State of Indiana. The parties intend to specify in the certificate and articles of merger an effective time of 11:59 p.m. on the date of filing. These filings are expected to occur within two business days after satisfaction or waiver of the conditions to the obligations of the parties specified in the merger agreement, but that day may be changed by mutual agreement of the parties. It is likely the last substantive condition to be fulfilled will be obtaining the votes at the stockholder meetings that are the subject of this Joint Proxy Statement/Prospectus. Therefore, it is likely that the latest time at which the merger will be effective will be within two business days after the day on which the Beazer and Crossmann stockholders meetings are held. At the effective time of the merger, Crossmann will be merged into a wholly-owned subsidiary of Beazer, and the separate corporate existence of Crossmann will cease. BHIC will be the surviving corporation in the merger and will be a wholly-owned subsidiary of Beazer.

Treatment of Crossmann Common Stock

After the merger, each share of Crossmann common stock held in the treasury of Crossmann and each share of Crossmann common stock owned by Beazer or any direct or indirect wholly-owned subsidiary of Crossmann or Beazer immediately prior to the effective time of the merger will cease to be outstanding, and those shares will not be converted to a right to receive the merger consideration.

Merger Consideration

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if the merger is completed, each share of Crossmann common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to

receive the merger consideration. The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock, determined as set forth below. Alternatively, a Crossmann stockholder may elect to receive the merger consideration in the form of all cash or all Beazer common stock, but that election may be subject to proration. A Crossmann stockholder cannot make an election for less than all of his or her shares.

Notwithstanding any cash or stock elections, both the total cash portion of the merger consideration payable by Beazer and the total number of shares of Beazer common stock to be issued by Beazer as merger consideration will be fixed. The total amount of cash that Beazer will pay as part of the merger consideration is equal to the product of $17.60 multiplied by the number of shares of Crossmann common stock outstanding immediately prior to the effective time of the merger, unless Beazer elects to increase the cash portion of the merger consideration if the 15-day average closing price for Beazer common stock, calculated as set forth below, were to fall below $52.15. If Beazer elects to increase the cash portion of the merger consideration, the total amount of cash that Beazer would pay as part of the merger consideration would equal the product of $17.60 plus the increased per share cash amount multiplied by the number of shares of Crossmann common stock outstanding immediately prior to the effective time of the merger. The total number of shares of Beazer common stock issued as merger consideration will be determined in the manner set forth below as if each stockholder had elected to receive the base merger consideration.

The base merger consideration for each share of Crossmann common stock will consist of $17.60 in cash and the following number of shares of Beazer common stock, based on the average closing price of Beazer common stock as reported for New York Stock Exchange ("NYSE") composite transactions for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting:

Average Closing Price of Beazer Common Stock	Beazer Common Stock Issued for Each Crossmann Share	Value of Total Merger Consideration for Each Share of Crossmann Common Stock Consisting of $17.60 in Cash and a Fraction of a Share of Beazer Common Stock
$93.13 or greater	0.3061 shares	$46.11 or greater
$80.46 to $93.12	quotient obtained by dividing $28.51 by the stock value	$46.11
$68.54 to $80.45	0.3544 shares	$41.89 to $46.11
$61.47 to $68.53	quotient obtained by dividing $24.29 by the stock value	$41.89
$61.46 or less	0.3952 shares	$41.89 or less

If the average closing price of Beazer common stock determined as set forth above is less than $52.15, the total amount of the merger consideration per share of Crossmann common stock would be less than $38.21. In that event, Crossmann can terminate the merger agreement, unless Beazer increases the cash portion of the merger consideration or the stock portion of the merger consideration, or both, so that the value of the base merger consideration for each share of Crossmann common stock equals at least $38.21. Crossmann is unable to determine currently whether it would exercise its right to terminate the merger agreement in that event, but Crossmann would likely exercise that right if Beazer did not elect to increase the merger consideration as described herein. Crossmann believes that any decision to terminate the merger agreement should be based on the facts and circumstances existing at the time the decision is required, including then current market conditions in the homebuilding industry in general, and with respect to Beazer and Crossmann in particular. Any decision regarding termination would likely require additional meetings of Crossmann's board of directors and consultation with Crossmann's financial advisor. If the merger agreement is terminated

under these circumstances, the Crossmann stockholder meeting will not be held. If the total amount of the merger consideration falls below $38.21, Crossmann currently intends to announce whether it will exercise its right to terminate the merger agreement in the press release announcing the determination of the merger consideration. Crossmann is not currently able to determine whether it would resolicit proxies if it does not exercise its right to terminate. However, because the announcement will be made not later than the opening of business on the second trading day prior to the Crossmann stockholder meeting, Crossmann stockholders may then submit or revoke their proxies in accordance with the procedures described in the section entitled "Proxies," including transmission by facsimile.

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if a Crossmann stockholder makes an election to receive all cash, each share of Crossmann common stock held by the stockholder will be converted into the right to receive cash in an amount equal to the per share value of the base merger consideration. Subject to the same adjustments, elections and limitations, if a Crossmann stockholder makes an election to receive all Beazer common stock, each share of the stockholder's Crossmann common stock will be converted into the right to receive the number of shares of Beazer common stock, valued using the average closing price described above, having a value equal to the per share value of the base merger consideration.

Elections to receive all cash or all Beazer common stock may be subject to proration, since both the total amount of cash and the total number of shares of Beazer common stock will be fixed based on the number of shares of Crossmann common stock outstanding immediately prior to the merger. For example, if a Crossmann stockholder elects to receive the merger consideration as all cash, and there have not been enough elections by other stockholders for all Beazer common stock, the Crossmann stockholder electing all cash would receive a prorated combination of cash and Beazer common stock. The cash portion would consist of an amount of cash per share equal to the total cash portion of the merger consideration less the cash paid to stockholders receiving the base merger consideration, divided by the number of shares of Crossmann common stock for which an all cash election has been made. In that example, the remaining portion of the merger consideration would be paid in shares of Beazer common stock valued using the average closing price described above, so that the total prorated combination of cash and Beazer common stock per share of Crossmann common stock equals the amount of the base merger consideration. Notwithstanding the proration procedure, the amount of cash that a Crossmann stockholder electing all cash will receive will not be less than $17.60 per share of Crossmann common stock.

In another example, if a Crossmann stockholder elects to receive all stock, and not enough Crossmann stockholders have elected to receive all cash, the stockholder electing to receive all stock would receive for each share of Crossmann common stock cash equal to the total cash portion of the merger consideration minus the aggregate amount of cash payable with respect to the shares for which an all cash election has been made and the shares receiving the base merger consideration, divided by the number of shares for which an all stock election has been made. The remaining portion of the merger consideration would be paid in shares of Beazer common stock valued using the average closing price described above so that the total amount of cash and prorated stock would equal the amount of the base merger consideration.

Notwithstanding the foregoing, if more than 60% of the total value of the merger consideration for all the outstanding shares of Crossmann common stock would be cash, the cash which a holder of a share of Crossmann common stock will receive will be reduced on a pro rata basis with all other such holders to the amount such that not more than 60% of the total value of the merger consideration will be cash, treating for this purpose the Beazer common stock received as having a value per share equal to the average closing price of Beazer common stock described above. The holders of Crossmann common stock will receive in exchange for such reduction in cash an amount of additional shares of Beazer common stock obtained by dividing the amount of such reduction in cash by the average closing price of Beazer common stock described above.

No fractional shares of Beazer common stock will be issued as merger consideration. Instead, any fractional share that would be issued will be converted into cash (without interest) equal to the average closing price of Beazer common stock described above multiplied by the fraction of a share that would otherwise be issued.

Election Procedure

The exchange agent, American Stock Transfer & Trust Company, will mail at the same time as this Joint Proxy Statement/ Prospectus an election form, including a letter of transmittal, to holders of record of Crossmann's common stock as of the record date for the Crossmann special meeting. Crossmann stockholders who want to receive the base merger consideration of cash and Beazer common stock do not need to make an election. A Crossmann stockholder may not make an election for less than all of his or her shares. If shares of Crossmann common stock are held in "street name" through a broker, the broker will mail the election form to the beneficial owner with this Joint Proxy Statement/ Prospectus, together with a letter of instructions for making an election. Beneficial owners should read the election form together with this Joint Proxy Statement/Prospectus.

Crossmann stockholders who become stockholders following the record date of the Crossmann special meeting may contact American Stock Transfer & Trust Company by calling toll-free at (800) 937-5449, to receive an election form and letter of transmittal.

For an election to be effective, the election form must be properly completed, and the electing Crossmann stockholder must send the form, together with all of the stockholder's certificates, duly endorsed in blank or otherwise in a form which is acceptable for transfer on the books of Crossmann or by appropriate guarantee of delivery as described in the election form, to American Stock Transfer & Trust Company, the exchange agent, at one of the addresses provided in the election form. The exchange agent must receive the completed election form and stock certificates by 5:00 p.m., New York City Time, on April 15, 2002. We recommend that you keep a copy of your election form for your records and future reference.

Crossmann stockholders can revoke their election prior to 5:00 p.m., New York City Time, on April 15, 2002 by sending written notice executed by the Crossmann stockholder to the exchange agent in accordance with the instructions on the election form, or by transmitting an executed notice of revocation by facsimile prior to the deadline for revocation to the following telephone number: (718) 234-5001. If an election is properly revoked, the exchange agent will treat the subject shares as shares for which no election has been made, unless the Crossmann stockholder subsequently submits another properly completed election form prior to the deadline for submission. Stock certificates submitted with a form of election will be automatically returned if the merger agreement is terminated.

Beazer will determine, or delegate to the exchange agent to determine, whether election forms have been properly completed, signed and submitted or revoked and may disregard immaterial defects in election forms. If Beazer or the exchange agent determines that an election was not properly made, the election will have no force and effect and will be deemed to be a non-election. The decision of Beazer or the exchange agent in all these matters will be conclusive and binding. Neither Beazer nor the exchange agent will be under any obligation to notify any Crossmann stockholder of any defect in his or her election form submitted to the exchange agent. The exchange agent will make all computations regarding proration of the kind of merger consideration to be received by holders of shares of Crossmann common stock. The exchange agent's computations of the prorations will be conclusive and binding on the Crossmann stockholders.

Crossmann Stock Options

In connection with the merger, each outstanding option to purchase Crossmann common stock granted under Crossmann's 1993 Employee Stock Option Plan or Crossmann's 1993 Outside Director

Stock Option Plan will vest and become exercisable. Options which are not exercised prior to the effective date of the merger shall be replaced by a comparable option to purchase Beazer common stock. Beazer intends to replace any Crossmann options which qualified as incentive stock options with Beazer incentive stock options. The parties intend that this replacement be undertaken in a manner that will not constitute a "modification" as defined in Section 424 of the Internal Revenue Code as to any stock option which is an "incentive stock option." Each replacement option shall be exercisable for that number of shares of Beazer common stock equal to the number of shares of Crossmann common stock subject to the Crossmann stock option being exchanged multiplied by the exchange ratio that would be used if a Crossmann stockholder elected to receive only shares of Beazer common stock in the merger, assuming the stockholder was not required to accept any cash payment from Beazer under the terms of the merger agreement. See " Merger Consideration."

Representations and Warranties

The merger agreement contains, subject to specified exceptions and qualifications, representations and warranties by Beazer and Crossmann which are customary in transactions of this type, including representations and warranties with regard to the following:

- due organization, good standing and corporate power to operate their respective businesses;
- ownership of subsidiaries, due organization and good standing of such subsidiaries, necessary entity power to operate the respective businesses of such subsidiaries and other equity investments in other entities in excess of $100,000;
- capital structure and authorized, reserved and issued capital stock, stock options and similar securities;
- obligations to issue or acquire capital stock;
- corporate authority to enter into the merger agreement and to consummate the merger;
- the absence of material conflicts or violations of the charter, bylaws, other material agreements, judgments or applicable laws resulting from the merger agreement or the merger;
- required governmental filings and consents;
- compliance with applicable laws or other agreements;
- material contracts;
- possession of and compliance with all necessary government permits;
- the filing of required documents with the SEC and the accuracy of information contained in such documents;
- the accuracy of information contained in financial statements;

- the absence of material changes or events;
- the absence of undisclosed liabilities;
- the absence of material litigation;
- employee benefit plan matters and the absence of material liabilities under and compliance with employee benefit plans and other compensation arrangements;
- the absence of material labor disputes;
- the absence of material restrictions on business activities;

- real property and real estate matters, including title in owned real property and rights to acquire real property;
- tax matters;
- ownership or rights to use intellectual property;
- possession of and compliance with all necessary environmental permits and the absence of material environmental liabilities;
- the absence of interested party transactions that would be required to be reported under the federal securities laws;
- insurance matters;
- opinions of financial advisors;
- use of brokers, finders and investment bankers;
- homeowners warranty matters;
- liabilities of Crossmann in connection with any debt incurred with respect to any joint venture; and
- actions affecting the tax treatment of the merger as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

In addition, Crossmann has made representations and warranties in the merger agreement relating to:

- the identity of affiliates of Crossmann; and the required vote of Crossmann stockholders to approve the merger agreement.

Beazer has also made additional representations and warranties in the merger agreement relating to:

its ability to issue and deliver shares of Beazer common stock in the merger;

the required vote of Beazer stockholders to approve the issuance of Beazer common stock pursuant to the merger agreement; and

its receipt of adequate financing commitments.

Actions of Crossmann and Beazer Prior to the Merger

The merger agreement contains covenants with respect to the conduct of the businesses of Crossmann and Beazer between the date of the merger agreement and completion of the merger.

Conduct of Business by Crossmann Pending the Merger. Crossmann has agreed that, between the date of the merger agreement and the closing of the merger, it will conduct its business in the ordinary course in a manner consistent with past practice and use reasonable best efforts to preserve substantially intact its business organization, to keep available the services of its present officers, employees and consultants and to preserve its present relationships with customers, suppliers and other persons with which it has business relations. In addition, under the merger agreement, except as specified, Crossmann may not, without Beazer's prior consent:

amend its articles of incorporation or bylaws or the organizational documents of any subsidiary;

issue, sell, pledge, dispose of or encumber, or authorize the issuance, sale, pledge, disposition or encumbrance of, any shares of capital stock, or any options or other rights to acquire any shares

of capital stock, or any other ownership interest in Crossmann, except for the issuance of shares of Crossmann common stock pursuant to any previously granted stock option;

sell, pledge, dispose of or encumber any of its assets, except

1. sales of assets, including lots and/or homes, in the ordinary course of business in a manner consistent with past practice,
2. dispositions of obsolete or worthless assets,
3. sales of immaterial assets not to exceed $250,000 individually, and
4. liens on assets to secure purchase money and construction financings in the ordinary course of business consistent with past practice and other non-monetary encumbrances entered into in the ordinary course of business consistent with past practice;

declare, set aside, make or pay any dividend or other distribution in respect of any of its capital stock, except a wholly owned subsidiary may declare and pay a dividend or make advances to its parent or Crossmann;

split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock;

amend the terms or change the period of exercisability of, purchase, repurchase, redeem or otherwise acquire, or permit any subsidiary to purchase, repurchase, redeem or otherwise acquire, any of its securities, including shares of Crossmann common stock or any option, warrant or right to acquire shares of Crossmann common stock, or propose to do any of the foregoing;

acquire by merger, consolidation, or acquisition of stock or assets any corporation, partnership or other business organization or division thereof;

incur or guarantee any indebtedness for borrowed money or issue any debt securities, except under existing lines of credit in the ordinary course of business consistent with past practice, or make any loans other than loans to or from its subsidiaries or pursuant to existing contracts or contracts for the acquisition or development of land entered into in the ordinary course of business consistent with past practice;

enter into or amend any agreement, other than in the ordinary course of business consistent with past practice, that is or would be a material contract under the merger agreement or is otherwise material to Crossmann and its subsidiaries taken as a whole;

authorize any capital expenditures or purchase of fixed assets which are, in excess of $250,000 individually or $1,500,000 in the aggregate;

authorize any expenditures for the purchase of real estate which are in excess of $15,000,000 in any single transaction or series of related transactions or in excess of $30,000,000 in the aggregate in any 30-day period, except that Crossmann may exercise all of its rights and perform all of its obligations created before the date of the merger agreement;

fail to use commercially reasonable efforts to cause to be memorialized in writing all agreements pertaining to the obligations of Crossmann or any of its subsidiaries to purchase certain land in connection with joint ventures entered into by Crossmann or its subsidiaries;

increase the compensation payable or to become payable to its officers or employees, grant any severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of Crossmann or any subsidiary except as may be required by law and except for increases in annual compensation for employees in the ordinary course

consistent with past practice to the extent such compensation increases do not result in a material increase in compensation expense to Crossmann;

enter into or amend any employment agreement between Crossmann or any Crossmann subsidiary (unless required by law) and any person that Crossmann or the Crossmann subsidiary does not have the unconditional right to terminate without liability at any time on or after the effective time;

establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any current or former directors, officers or employees;

- change accounting policies or procedures, including procedures with respect to revenue recognition, payments of accounts payable and collection of accounts receivable;
- make any material tax election or settle any material tax liability, except to the extent that the amount of any such settlement or compromise has been reserved for in the financial statements contained in the reports filed by Crossmann with the SEC;
- commence any litigation other than in accordance with past practice, settle any litigation involving any material liability of Crossmann or any subsidiary of Crossmann or enter into any agreement to waive, release, compromise or assign any material rights or claims held by Crossmann or any subsidiary of Crossmann;
- fail to renew existing insurance policies, including general liability insurance policies, or replace such policies with new policies with terms substantially identical to the policies in force on the date of the merger agreement; and
- take any action which would make any of its representations or warranties incorrect in any material respect or prevent Crossmann from performing in any material respect its covenants.

Conduct of Business by Beazer Pending the Merger. Beazer has agreed that, between the date of the merger agreement and the closing of the merger, it will conduct its business in the ordinary course. In addition, the merger agreement limits Beazer's ability, without Crossmann's prior consent, to:

- amend its certificate of incorporation or bylaws other than incident to a stock split or combination;
- declare, set aside, make or pay any dividend or other distribution in respect of any of its capital stock, except for quarterly cash dividends and stock dividends and except that a subsidiary may declare and pay a dividend to its parent or Beazer;
- reclassify its common stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its common stock;
- issue any shares of Beazer common stock, except pursuant to stock options issued under Beazer stock option plans or in any stock dividend, if the shares so issued constitute more than 15% of the outstanding shares of Beazer common stock after giving effect to the issuance;
- acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof if the consideration therefor would exceed $150,000,000; and
- take any action which would make any of its representations and warranties incorrect in any material respect or prevent Beazer from performing in any material respect its covenants.

No Solicitation. The merger agreement requires Crossmann, its subsidiaries and its officers, directors, employees, representatives and agents to cease any discussions with any parties with respect to any third party acquisition. It also requires that Crossmann, its subsidiaries and its officers, directors, employees, representatives and agents not participate in any discussions or provide any non-public information to any person, other than to Beazer or any designees of Beazer, concerning any third party acquisition, except that Crossmann may:

comply with Rules 14d-9 and 14e-2 of the Exchange Act with regard to any tender offer or exchange offer; or

make inquiry of and participate in discussions with any person or group who has submitted after the date of the merger agreement an unsolicited and unencouraged superior proposal if, and to the extent, the Crossmann board determines in its good faith judgment, after consultation with and advice from outside legal counsel, that it is necessary to do so to comply with its fiduciary duties and receives an executed confidentiality agreement as favorable to Crossmann as the confidentiality agreement executed with Beazer.

Under the merger agreement, a third party acquisition is defined as the occurrence of any of the following events:

the acquisition of Crossmann by merger or otherwise by any third party, which is any person or group other than Beazer or its affiliates;

the acquisition by a third party of all or substantially all the assets of Crossmann and its subsidiaries taken as a whole;

the acquisition by a third party of an equity interest in Crossmann of more than 20% of the outstanding Crossmann common stock or securities convertible into more than 20% of the outstanding Crossmann common stock or an equity interest of more than 25% of the outstanding capital stock or securities convertible into more than 25% of the outstanding capital stock of any subsidiary of Crossmann;

the adoption by Crossmann of a plan of liquidation or the declaration or payment of an extraordinary dividend;

the repurchase by Crossmann or any of its subsidiaries of a significant equity interest in Crossmann or any of its subsidiaries; or

any other business combination, acquisition, recapitalization, restructuring or other similar transaction involving Crossmann or its subsidiaries.

Under the merger agreement, a superior proposal is defined as any bona fide written proposal to acquire directly or indirectly for consideration consisting of cash or securities more than $66^2/_3$% of the voting power of shares of Crossmann common stock then outstanding or all or substantially all the assets of Crossmann and otherwise on terms which the Crossmann board determines in its good faith judgment, after consulting with a financial advisor of nationally recognized reputation,

to be from a third party that is financially capable of completing the transaction subject to the proposal, and

to provide, if completed, greater value and to be more favorable to Crossmann's stockholders than the merger.

Under the merger agreement, the Crossmann board may not withdraw or, in any manner adverse to Beazer, modify its recommendation of the transactions contemplated by the merger agreement or approve or recommend, or cause Crossmann to enter into any agreement with respect to, any third party acquisition unless the Crossmann board of directors determines in its good faith judgment, after

consultation with and advice from outside legal counsel, that it is necessary to do so in order to comply with its fiduciary duties with respect to a superior proposal. In that event, the Crossmann board may withdraw or modify its recommendation of the transactions contemplated by the merger agreement or approve or recommend a superior proposal, but in each case only after:

- providing reasonable written notice to Beazer advising Beazer that it has received a superior proposal, specifying the material terms and conditions of the superior proposal and identifying the person making the superior proposal; and

- Beazer does not, within five business days of receipt of the notice, make an offer which the board determines in its good faith judgment, after consultation with a financial advisor of nationally recognized reputation, to provide as great a value and to be as favorable to Crossmann stockholders as the superior proposal.

Meetings of Stockholders. Under the merger agreement, both Crossmann and Beazer have agreed to take all necessary action to call, give notice of, convene and hold meetings of stockholders as soon as practicable after the effectiveness of the registration statement of which this Joint Proxy Statement/Prospectus is a part, for the purpose of approving the merger agreement and the merger in the case of Crossmann and the issuance of Beazer common stock, in the case of Beazer. The Crossmann board and the Beazer board have voted to recommend such approval and use their respective reasonable good faith efforts to obtain such approval and to take all lawful action to solicit such approvals.

Tax-Free Reorganization Treatment. Under the merger agreement, both Crossmann and Beazer have agreed not to take or cause to be taken any action which would prevent the merger from qualifying as a "reorganization" under Section 368(a) of the Internal Revenue Code.

Registration Statement. The merger agreement provides that Beazer shall:

- prepare and file with the SEC and any other applicable regulatory bodies a registration statement on Form S-4 (of which this Joint Proxy Statement/Prospectus is a part) with respect to the shares of the Beazer common stock to be issued in the merger, and give Crossmann and its counsel a reasonable opportunity to review and comment on the registration statement prior to its filing with the SEC;

- promptly amend or supplement the registration statement to the extent necessary in order to make the statements therein not misleading or to correct any statements which have become false or misleading;

- use its reasonable best efforts to cause the registration statement to be declared effective and to maintain such effectiveness as long as is necessary to consummate the merger;

- use its reasonable best efforts to cause the shares of Beazer common stock to be registered or qualified under all applicable securities or blue sky laws of each of the states and territories of the United States, and to take any other actions which may be necessary to enable the Beazer common stock to be distributed in each such jurisdiction; and

- file a subsequent listing application with the New York Stock Exchange relating to the shares of Beazer common stock to be issued in connection with the merger, and use reasonable best efforts to cause such shares of Beazer common stock to be listed prior to the closing date.

In addition, Crossmann must furnish all information that Beazer reasonably requests for inclusion in the registration statement, the proxy statement and otherwise cooperate with Beazer in the preparation and filing of such documents.

Other Covenants and Agreements. The merger agreement also provides that each of Beazer and Crossmann must:

- give representatives of the other party access to its properties, books, contracts, commitments and records;

- make any filings required by anti-trust laws and use their reasonable efforts to respond as promptly as practicable to inquiries from government agencies regarding anti-trust matters;

make available to the other the appropriate individuals, including attorneys, accountants and other professionals, for discussion of the other's business, properties and personnel;

give prompt notice to the other of any event which would be likely to cause any representation or warranty contained in the merger agreement to be untrue or inaccurate the result of which would be a material adverse effect to Crossmann or Beazer, as applicable, or any failure to materially comply with any covenant, condition or agreement under the merger agreement; and

consult with each other before issuing any press release with respect to the merger.

Conditions to the Completion of the Merger

Both Parties. The obligations of Beazer and Crossmann to complete the merger are subject to satisfaction or waiver of the following conditions:

the absence of any court or governmental order or other legal restraint that prohibits the merger and the absence of any statute, rule, regulation or order which makes consummation of the merger illegal;

the absence of any action, proceeding, judgment, decree or order seeking to prohibit or limit Beazer from exercising all material rights and privileges pertaining to its ownership of the assets of Crossmann and its subsidiaries or the ownership or operation by Beazer of the business or assets of the surviving corporation, or seeking to compel Beazer to dispose of or hold separate any material portion of the business or assets of the surviving corporation as a result of the merger or the transactions contemplated by the merger agreement;

approval of the issuance of Beazer common stock as contemplated by the merger agreement by the holders of a majority of the outstanding shares of Beazer common stock;

approval of the merger agreement by the holders of a majority of the outstanding shares of Crossmann common stock;

the listing of Beazer common stock issuable in connection with the merger on the NYSE;

the expiration or termination of any waiting period under federal antitrust laws;

the registration statement, of which this Joint Proxy Statement/Prospectus is a part, being declared effective under federal and state securities laws and the absence of any stop order or any pending proceeding seeking a stop order with respect to the registration statement; and

the parties having obtained or made all consents, authorizations, orders and approvals of, and filings and registrations with, any governmental authority, the absence of which would have a material adverse effect on the surviving corporation, Beazer, any Beazer subsidiary or any Crossmann subsidiary, except for filings in connection with the merger and any other documents required to be filed after the effective time.

Crossmann. The obligations of Crossmann to complete the merger are subject to satisfaction or waiver of the following conditions:

the material accuracy of Beazer's representations and warranties at the time of the merger;

- the performance by Beazer of its obligations under the merger agreement;
- receipt of a certificate of a Beazer officer certifying the fulfillment of the above conditions;
- receipt of an opinion of Paul, Hastings, Janofsky & Walker LLP regarding certain Beazer corporate matters;
- receipt of an opinion from Ice Miller confirming that the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code; and
- deposit by Beazer with the exchange agent of cash and certificates representing Beazer common stock sufficient to pay the merger consideration.

Beazer. The obligations of Beazer to complete the merger are subject to satisfaction or waiver on or before the completion of the merger of the following conditions:

- the material accuracy of Crossmann's representations and warranties at the time of the merger;
- the performance by Crossmann of its obligations under the merger agreement;
- receipt of a certificate of a Crossmann officer certifying the fulfillment of the above conditions;
- receipt of an opinion of Ice Miller regarding certain Crossmann corporate matters;
- receipt of an opinion from Paul, Hastings, Janofsky & Walker LLP confirming that the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;
- Crossmann shall be in compliance with the terms and conditions of the Settlement Agreement with the Attorney General of the State of Indiana entered into on January 29, 2002. Under the settlement agreement, Crossmann agreed to cover all arbitration costs for consumer complaints filed with the Indiana attorney general in 2001 and half of the arbitration costs for any consumer complaints filed with the attorney general in 2002. Crossmann will also pay certain expenses of the attorney general and comply with guidelines in the operation of its business for two years beginning January 29, 2002. All of the consumer complaints with respect to homes built by Crossmann and described in written complaints filed with the Office of the Indiana Attorney General on or before the date of the merger agreement:

1. relate to claims regarding construction or quality of the home and are either not covered by an applicable homeowners' warranty or were raised after the expiration of the applicable warranty period;
2. have been resolved to the satisfaction of the consumer (as memorialized in a settlement agreement or an Attorney General Complaint Satisfaction Form);
3. are disclosed to Beazer and no material adverse changes have occurred with respect to the resolution of such complaint; or
4. have not been previously disclosed to Beazer or resolved prior to the closing of the merger, but the aggregate costs to repair the deficiencies noted in all such unresolved complaints do not exceed $25,000;

receipt of executed affiliate agreements regarding resales of Beazer common stock received by the affiliates of Crossmann as a result of the merger;

the providing of evidence to Beazer that Crossmann and its subsidiaries (i) have been named insureds on general liability insurance policies maintained by Crossmann for the ten (10) year period prior to the Closing Date, (ii) are currently insured under substantially identical general liability insurance policies and (iii) such prior and current policies provide coverage for, among

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other occurrences, product liability and damages and liabilities arising therefrom, in the minimum insured amount of $10,000,000 with a maximum deductible of $50,000; and

the conditions precedent to the issuance of the proceeds of the financing described in the financing commitments obtained by Beazer to finance the cash portion of the merger consideration shall have been fulfilled or waived and such financing shall have closed or be closing simultaneously with the merger.

Termination of the Merger Agreement

The merger agreement may be terminated:

by mutual written consent of Beazer and Crossmann;

by either Beazer or Crossmann:

1. if, upon a vote at a duly held meeting of stockholders or any adjournment thereof, any required approval of the holders of the Crossmann common stock shall not have been obtained;

2. if the merger is not consummated on or before July 31, 2002, unless the failure to consummate the merger is the result of a willful and material breach of the merger agreement by the party seeking to terminate the merger agreement;

3. if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a nonappealable final order, decree or ruling or taken any other action having the effect of permanently restraining, enjoining or otherwise prohibiting the merger, provided that the right to terminate the merger agreement under this provision is not available to any party who has not complied with its obligations to use all reasonable efforts to take all actions and other things necessary, proper or advisable to consummate as promptly as practicable the merger, to obtain in a timely manner all material waivers, consents and approvals and to effect all necessary registrations and filings, and otherwise to satisfy in all material respects all conditions precedent to its obligations under the merger agreement, and that noncompliance materially contributed to the issuance of any such order, decree or ruling or the taking of such action;

4. if the other party commits a terminating breach, which is a material breach of any representation, warranty, covenant or other agreement contained in the merger agreement when the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement. Notwithstanding the foregoing, in the case of a covenant or agreement, if the terminating breach is curable by Crossmann or Beazer, as the case may be, through the exercise of its reasonable efforts the merger agreement may not be terminated unless the breach remains uncured for 15 days after the party seeking to terminate the merger agreement notifies the other party of its intent to terminate the merger agreement; or

5. if, upon a vote at a duly held meeting of stockholders or any adjournment thereof, any required approval of the holders of the Beazer common stock has not been obtained.

by Beazer if the Crossmann board recommends to the Crossmann stockholders a superior proposal, or the Crossmann board withdraws or, in a manner adverse to Beazer, modifies its recommendation of the transactions contemplated by the merger agreement. Notwithstanding the foregoing, any disclosure that the Crossmann board is compelled to make of the receipt of a proposal for a third party acquisition in order to comply with Rule 14d-9 or 14e-2 of the Exchange Act will not in and of itself constitute the withdrawal or modification of the

Crossmann board's recommendation if such disclosure states that no action will be taken by the Crossmann board with respect to the withdrawal or modification of its recommendation of the transactions contemplated by the merger agreement or the approval or recommendation of any third party acquisition except as described in the provisions described in " Actions of Crossmann and Beazer Prior to the Merger No Solicitation."

by Crossmann if it receives a superior proposal due to which, in Crossmann's good faith judgment after consultation with and advice from outside counsel, Crossmann determines that it is necessary to withdraw or in a manner adverse to Beazer, modify its recommendation of the merger or the merger agreement or to approve or recommend the superior proposal, and the Crossmann board has complied with the non-solicitation and termination fee provisions of the merger agreement.

by Crossmann if the Beazer common stock price, calculated as set forth above in " Merger Consideration," is less than $52.15, provided that Beazer will have the opportunity to increase the merger consideration so that the value of the merger consideration will be at least $38.21 per share.

Termination Fees and Expenses

Generally, Beazer and Crossmann will each pay their own expenses in connection with the merger. However, the merger agreement provides that Crossmann is required to pay to Beazer a termination fee in the amount of $21 million immediately upon the occurrence of any of the following events:

Beazer terminates the merger agreement because the Crossmann board recommended to the Crossmann stockholders a superior proposal, or the Crossmann board has withdrawn or, in a manner adverse to Beazer, has modified its recommendation of the merger agreement or the merger as described in " Termination of the Merger Agreement;"

Beazer terminates the merger agreement pursuant to a terminating breach by Crossmann and within twelve months thereafter Crossmann enters into an agreement with respect to a third party acquisition or a third party acquisition occurs;

Beazer terminates the merger agreement pursuant to its right to do so because the required approval of the holders of Crossmann common stock is not obtained, and within twelve months thereafter Crossmann enters into an agreement with respect to a third party acquisition or a third party acquisition occurs;

Crossmann terminates the merger agreement in connection with a superior proposal as described in " Termination of the Merger Agreement;" or

either Beazer or Crossmann terminates the merger agreement if the merger agreement is not approved by the Crossmann stockholders at a meeting of the Crossmann stockholders in respect of which the Crossmann board shall have recommended a superior proposal to the Crossmann stockholders or withdrawn or modified its recommendation, in a manner adverse to Beazer, of the merger agreement or the merger.

Promptly after any of the events described above, Crossmann must reimburse Beazer up to $3 million of all documented out-of-pocket expenses and fees, including fees payable to all banks, investment banking firms and other financial institutions, and their respective agents and counsel, and all fees of counsel, accountants, financial printers, experts and consultants to Beazer in connection with the merger and the consummation of all transactions contemplated by the merger agreement less any amounts paid as a result of the failure to obtain the required approval of Crossmann's stockholders as described below.

Beazer is required to pay Crossmann a termination fee of $10 million in the event that the merger cannot be consummated on or before July 31, 2002 due to the fact that the conditions precedent to the issuance of the proceeds of the financing commitments obtained by Beazer to fund the cash portion of the merger consideration have not been fulfilled or waived. In addition, upon a termination for this reason, Beazer must, promptly after the termination of the merger agreement, reimburse Crossmann up to $2 million of all documented out-of-pocket expenses and fees, including fees payable to all banks, investment banking firms and other financial institutions, and their respective agents and counsel, and all fees of counsel, accountants, financial printers, experts and consultants to Crossmann in connection with the merger or the consummation of any transactions contemplated by the merger agreement.

In the event the merger agreement is terminated by Beazer or Crossmann pursuant to their right to do so because the required approval of the holders of Crossmann common stock has not been obtained, and at the time of termination Beazer is not in breach of its material obligations, Crossmann must, promptly after the termination of the merger agreement, reimburse Beazer up to $3 million of all documented out-of-pocket expenses and fees, including fees payable to all banks, investment banking firms and other financial institutions, and their respective agents and counsel, and all fees of counsel, accountants, financial printers, experts and consultants to Beazer in connection with the merger or the consummation of any transactions contemplated by the merger agreement.

In the event the merger agreement is terminated by Crossmann or Beazer pursuant to their right to do so because the required approval of the holders of Beazer common stock has not been obtained, and at the time of termination Crossmann is not in breach of its material obligations, Beazer must, promptly after the termination of the merger agreement, reimburse Crossmann up to $2 million of all documented out-of-pocket expenses and fees, including fees payable to all banks, investment banking firms and other financial institutions, and their respective agents and counsel, and all fees of counsel, accountants, financial printers, experts and consultants to Crossmann in connection with the merger or the consummation of any transactions contemplated by the merger agreement.

Effect of Termination

In the event the merger agreement is terminated as described above, the merger agreement will become void and have no effect, without any liability or obligation other than the payment of fees described in the section " Termination Fees and Expenses," and the obligations of the parties to keep confidential all non-public information exchanged in connection with the merger, unless such termination results from the willful and material breach by a party of any of its representations, warranties, covenants or other agreements in the merger agreement, in which event the terminating party will keep its rights and remedies against such other party in respect of such other party's breach.

Amendments

The merger agreement may be amended by an agreement in writing signed by both Beazer and Crossmann at any time before or after the merger is approved by the Beazer and Crossmann stockholders. After the merger is approved, no amendment may be made which, by law or in accordance with the rules of any relevant stock exchange, would require further approval by the Beazer and Crossmann stockholders unless Beazer and Crossmann obtain that approval.

Crossmann Directors' and Officers' Insurance and Indemnification

The merger agreement requires Beazer to keep in effect, for at least six years, directors' and officers' liability insurance policies (through the continuation or endorsement of Crossmann's existing policy or the purchase of a "tail-end" rider permitted by such policy), covering those persons who are currently covered by Crossmann's directors and officers liability insurance policy, having the same coverage and containing terms and conditions no less advantageous to the persons covered by the policies currently in effect. Beazer will not, however, be required to pay on an annual basis more than 200% of the annual premium paid relating to the year in which the merger agreement was executed. If Beazer is not able to maintain the required insurance for that amount, Beazer is required to purchase as much coverage as it can obtain for that amount.

In addition to the requirement to keep directors' and officers' insurance in place as described above, after the effective time of the merger BHIC will indemnify, to the fullest extent permitted under applicable law and its certificate of incorporation and bylaws, each present director and officer of Crossmann, determined as of the effective time of the merger, against claims, costs or expenses arising out of or pertaining to any acts or omissions or alleged acts or omissions by them in their capacities as officers or directors of Crossmann, as the case may be. For claims against present officers and directors of Crossmann, in their capacities as officers and directors that already exist as of the effective time of the merger, BHIC's indemnity obligation may not exceed the extent of Crossmann's indemnity obligation to the officers and directors on the date of the merger agreement.

VOTING AGREEMENTS

In order to induce Beazer to enter into the merger agreement, John B. Scheumann and Richard H. Crosser agreed, pursuant to voting agreements, to vote 3,156,686 shares of Crossmann common stock in favor of approval of the merger agreement and against any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of Crossmann under the merger agreement, or any offer, proposal or transaction which would impede, delay or prevent the consummation of the merger or any of the other transactions contemplated by the merger agreement. The shares subject to the voting agreements constitute approximately 29.0% of the voting power of the outstanding shares of Crossmann common stock.

In addition, Messrs. Scheumann and Crosser agreed, subject to specified exceptions, not to sell or otherwise transfer the Crossmann shares subject to the agreement and not to take any action that would interfere with their performance under the voting agreement, until the completion of the merger.

Messrs. Scheumann and Crosser further agreed to make an election to receive the base merger consideration.

The voting agreements terminate either at the time the merger becomes effective or at the time the merger agreement is terminated according to its terms.

AFFILIATE AGREEMENTS

Messrs. Scheumann and Crosser and the other directors, executive officers and other affiliates of Crossmann have entered into or indicated that they will enter into agreements with Beazer which provide that they may not sell their shares of Beazer common stock acquired in the merger except as permitted under the Securities Act of 1933.

They have also acknowledged that Beazer has no obligation to register the sale, transfer, pledge or other disposition of the shares of Beazer common stock or to take any other action to provide an exemption from registration.

Messrs. Scheumann and Crosser have also agreed not to sell, pledge or otherwise dispose of:

- any shares of the Beazer common stock they receive as a result of the merger for a period of 30 days from the date the merger becomes effective;

- more than one-third of the shares of Beazer common stock they receive as a result of the merger for a period of 60 days from the date the merger becomes effective; and

- more than two-thirds of the shares of Beazer common stock they receive as a result of the merger for a period of 90 days from the date the merger becomes effective.

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

The following unaudited pro forma combined condensed statements of operations for the year ended September 30, 2001 and the three months ended December 31, 2001 and the unaudited combined condensed balance sheet as of December 31, 2001 have been prepared to reflect Beazer's proposed purchase of the common stock of Crossmann for consideration consisting of $188 million in cash and approximately 3.4 million shares of Beazer common stock (valued at $89.20 per share the closing price of Beazer's common stock on March 8, 2002). The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock based on a stock value calculated by taking the average closing price of Beazer common stock as reported for New York Stock Exchange composite transactions for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting. The unaudited pro forma combined condensed balance sheet reflects the combined financial position of Beazer and Crossmann as of December 31, 2001, assuming that the acquisition of Crossmann by Beazer had taken place on December 31, 2001. The unaudited pro forma combined condensed statements of operations reflect the combined results of operations of Beazer and Crossmann assuming that the merger had taken place on October 1, 2000.

Under accounting principles generally accepted in the United States of America, the merger of Crossmann into Beazer will be accounted for under the purchase method. Accordingly, the purchase price will be allocated to the Crossmann tangible and intangible assets acquired and liabilities assumed based on their respective fair values, with the excess to be allocated to goodwill. The valuations and other studies required to determine the fair value of the Crossmann assets acquired and liabilities assumed have not been performed. Accordingly, the related adjustments reflected in the unaudited pro forma combined condensed financial statements are preliminary and subject to adjustments (which could be material) as further fair value information is obtained.

On August 1, 2001, Beazer acquired the residential homebuilding operations of Sanford. The assets, liabilities and operating results of Sanford have been included in Beazer's historical financial statements since the acquisition date. However, the accompanying pro forma combined condensed statement of operations for the year ended September 30, 2001 also assumes that the acquisition of Sanford had been completed on October 1, 2000.

Pro forma adjustments have been made in the accompanying statements to reflect the impact of purchase accounting for and financing of the Crossmann and Sanford acquisitions under Statement of Financial Accounting Standards No. 141 ("Business Combinations"). Goodwill arising from the Sanford acquisition is not, and from the Crossmann acquisition will not be, amortized in Beazer's financial statements and accordingly is not amortized in the accompanying pro forma statements of operations. This goodwill will be subject to impairment tests in the future.

Under the terms of Crossmann's senior notes due December 2004 of which approximately $8.3 million in principal amount is outstanding at December 31, 2001, the merger will represent a "change of control" that provides the holders of such notes the right to require Crossmann to repurchase the notes for a price equal to the outstanding principal amount and accrued but unpaid interest thereon, plus a make-whole amount. The make-whole amount is estimated to equal approximately $0.6 million, in the aggregate, which assumes payment on or about July 1, 2002. In addition, under the terms of Crossmann's senior notes due June 2008, of which $50 million in principal amount is outstanding at December 31, 2001, the merger will also represent a "change of control" that provides the holders of such notes the right to require Crossmann to repurchase the notes for a price equal to the outstanding principal amount plus any unpaid accrued interest. Beazer cannot currently determine whether Crossmann will be required to repurchase a significant amount of these notes. Accordingly, no adjustment has been included in the pro forma combined condensed financial statements to reflect the purchase of the notes.

The unaudited pro forma combined condensed financial information is provided for comparative purposes only and does not purport to be indicative of the results that would actually have been obtained had the acquisition been effected on October 1, 2000 nor of the results which may be obtained in the future. The unaudited pro forma combined condensed financial information should be read in conjunction with the historical financial statements and notes thereto of Beazer, which are incorporated by reference herein by reference from Beazer's Annual Report on Form 10-K for the year ended September 30, 2001, the historical financial statements and notes thereto of Beazer, which are incorporated by reference herein by reference from Beazer's quarterly report on Form 10-Q for the quarter ended December 31, 2001, the historical financial statements and notes thereto of Crossmann which are incorporated by reference herein by reference from Crossmann's Annual Report on Form 10-K for the year ended December 31, 2001, and the historical combined financial statements and notes of Sanford, which are incorporated by reference herein by reference from Beazer's Current Report on Form 8-K/A dated October 15, 2001.

BEAZER HOMES USA, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
DECEMBER 31, 2001
(In Thousands)

	Beazer Historical(1)	Crossmann Historical(1)	Pro Forma Adjustments	Beazer Pro Forma Combined
ASSETS				
Cash and cash equivalents	$	$ 14,179	$ (14,179)(3)	$
Inventory	918,509	339,333		1,257,842
Property, plant & equipment	12,937	10,615		23,552
Goodwill, net	14,094	18,814	239,656 (3)	272,564
Other assets	59,798	46,676		106,474
Total assets	$ 1,005,338	$ 429,617	$ 225,477	$ 1,660,432
LIABILITIES AND STOCKHOLDERS' EQUITY				
Trade accounts payable	$ 59,443	$ 28,610	$	$ 88,053
Other liabilities	141,155	18,267		159,422
Revolving credit facility	34,000	60,000	(60,000)(3)	34,000
Notes payable(2)	395,379	58,333	245,639 (3)	699,351
Total liabilities	629,977	165,210	185,639	980,826
Stockholders' equity	375,361	264,407	304,245 (3)	679,606
			(264,407)(4)	
Total liabilities and stockholders' equity	$ 1,005,338	$ 429,617	$ 225,477	$ 1,660,432

Pro forma adjustments to unaudited combined condensed balance sheet as of December 31, 2001:

(1) For purposes of this unaudited pro forma combined condensed balance sheet, Beazer and Crossmann's balance sheets have been included as of December 31, 2001 and have been derived from Beazer's unaudited financial statements and Crossmann's audited financial statements.

(2) In connection with the merger, the holders of Crossmann's senior notes due December 2004 have the right to put such notes to Crossmann at a price equal to the outstanding principal amount and accrued but unpaid interest thereon, plus a make-whole amount approximately equal to $0.6 million in the aggregate assuming payment on or about July 1, 2002. The holders of Crossmann's senior notes due June 11, 2008 have the right to put such notes to Crossmann at a price equal to the outstanding principal amount plus any unpaid accrued interest.

(3) Represents a preliminary estimate of the excess of the purchase price over identifiable tangible and intangible net assets of Crossmann summarized as follows:

Purchase Price(a):		
Cash ($17.60 per Crossmann share)	$	187,818
Beazer Common Stock		304,245
Purchase price of acquisition		492,063
Estimated merger expenses		12,000
Total cost of acquisition		504,063
Less net book value of Crossmann		264,407
Total estimated fair value to be assigned in acquisition, tentatively allocated to goodwill	$	239,656

(a)

Based upon 10,671,503 shares of Crossmann common stock outstanding at December 31, 2001. The base merger consideration for each share of Crossmann common stock will consist of a combination of $17.60 in cash and a fraction of a share of Beazer common stock based on a stock value calculated by taking the average closing price of Beazer common stock as reported for New York Stock Exchange composite transactions for the 15 consecutive trading days ending on, and including, the third trading day prior to the Crossmann stockholder meeting. For purposes of the pro forma adjustments, Beazer's common stock has been valued at $89.20 per share the closing price of Beazer's common stock on March 8, 2002. Excludes the effect of 252,203 options outstanding and exercisable at December 31, 2001 to purchase Crossmann common stock at an average exercise price of $19.85 per share.

(4)

To eliminate the historical stockholders' equity of Crossmann.

BEAZER HOMES USA, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2001
(In Thousands, Except Per Share Data)

	Beazer Historical(1)	Sanford Historical(2)	Crossmann Historical(3)	Pro Forma Adjustments		Beazer Pro Forma Combined
Total revenues	$ 1,805,177	$ 105,054	$ 798,356	$		$ 2,708,587
Costs and expenses:						
Home construction and land sales	1,444,215	76,271	624,648	5,500	(5)	2,138,834
				(11,800)	(7)	
Selling, general and administrative	205,498	11,574	86,312	(5,500)	(5)	297,884
Interest	33,235	1,170		1,500	(4)	58,405
				10,700	(6)	
				11,800	(7)	

	Beazer Historical(1)	Sanford Historical(2)	Crossmann Historical(3)	Pro Forma Adjustments	Beazer Pro Forma Combined
Operating income	122,229	16,039	87,396	(12,200)	213,464
Other income (expense), net	1,721	534	1,350		3,605
Income before income taxes	123,950	16,573	88,746	(12,200)	217,069
Provision for income taxes	48,341	1,222	35,063	5,324 (8) (4,208)(9)	85,742
Net income before extraordinary item(10)	$ 75,609	$ 15,351	$ 53,683	$ (13,316)	$ 131,327
Weighted average number of shares:					
Basic	8,145			3,411	11,556
Diluted	9,156			3,411	12,567
Net income before extraordinary item per common share(10):					
Basic	$ 9.28				$ 11.36
Diluted	8.26				10.45

Pro forma adjustments to unaudited combined condensed statements of operations for the year ended September 30, 2001:

(1) For purposes of this unaudited pro forma combined condensed statement of operations, Beazer's results of operations have been included for its year ended September 30, 2001 and have been derived from its audited financial statements.

(2) Beazer acquired the residential homebuilding operations of Sanford on August 1, 2001 and Beazer's historical statement of operations includes these operations subsequent to such date. Accordingly, this column includes the results of Sanford's operations for the ten months ended July 31, 2001 (prior to their acquisition by Beazer) derived from Sanford's unaudited combined financial statements.

(3) For purposes of this unaudited pro forma combined condensed statement of operations, Crossmann's results of operations have been included for its year ended December 31, 2001 and have been derived from its audited financial statements. Accordingly, this pro forma statement includes revenues and net income for Crossmann's quarter ended December 31, 2001 of $264,133 and $19,197, respectively, and excludes revenues and net income for Crossmann's quarter ended December 31, 2000 of $212,055 and $11,284, respectively.

(4) To impute interest of $2.2 million on the aggregate purchase price of Sanford and to adjust Sanford's average borrowing rate to Beazer's average borrowing rate for the period October 1,

2000 to July 31, 2001 to 7.98%, and to eliminate loan guarantee fees paid to an affiliate of $0.7 million.

(5) To reclassify certain expenses of Crossmann totaling $5.5 million from general and administrative expenses to cost of sales, principally for warranty and general liability insurance, to conform to Beazer's presentation.

(6)

To impute interest of $6.9 million and to amortize debt issuance costs of $3.8 million on the debt to be issued to finance the Crossmann acquisition at an assumed annual interest rate of 3.7%. The terms of this debt are anticipated to contain a floating interest rate based on 3-month LIBOR.

(7)
To reclassify amortization of capitalized interest of Crossmann of $11.8 million to conform to Beazer's presentation.

(8)
To provide income taxes on SHOC's results based upon a 39.5% expected effective rate. SHOC was organized as a limited liability partnership and, therefore, did not record income taxes.

(9)
To tax effect the pro forma adjustments and to adjust historical tax rates based on the expected effective income tax rate of 39.5% for the combined companies.

(10)
Does not include Beazer's extraordinary loss on extinguishment of debt of $0.7 million, net of taxes.

71

BEAZER HOMES USA, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS
THREE MONTHS ENDED DECEMBER 31, 2001
(In Thousands, Except Per Share Data)

	Beazer Historical(1)	Crossmann Historical(1)	Pro Forma Adjustments	Beazer Pro Forma Combined
Total revenues	$ 489,717	$ 264,133	$	$ 753,850
Costs and expenses:				
Home construction and land sales	392,305	204,249	1,800 (2) (3,900)(4)	594,454
Selling, general and administrative	52,552	25,310	(1,800)(2)	76,062
Interest	7,762		2,700 (3) 3,900 (4)	14,362
Operating income	37,098	34,574	(2,700)	68,972
Other income (expense), net	854	(1,111)		(257)
Income before income taxes	37,952	33,463	(2,700)	68,715
Provision for income taxes	14,802	14,265	(1,925)(5)	27,142
Net income	$ 23,150	$ 19,198	$ (775)	$ 41,573
Weighted average number of shares:				
Basic	8,402		3,411	11,813
Diluted	9,363		3,411	12,774
Net income per share:				
Basic	$ 2.76			$ 3,52
Diluted	2.47			3.25

Pro forma adjustments to unaudited combined condensed statements of operations for the three months ended December 31, 2001:

(1) For purposes of this unaudited pro forma combined condensed statement of operations, Beazer and Crossmann's results of operations have been included for their three months ended December 31, 2001 and have been derived from their unaudited financial statements.

(2) To reclassify certain expenses of Crossmann totaling $1.8 million from general and administrative expenses to cost of sales, principally for warranty and general liability insurance, to conform to Beazer's presentation.

(3) To impute interest of $1.7 million and to amortize debt issuance costs of $1.0 million on the debt to be issued to finance the Crossmann acquisition at an assumed annual interest rate of 3.7%. The terms of this debt are anticipated to contain a floating interest rate based on 3-month LIBOR.

(4) To reclassify amortization of capitalized interest of Crossmann of $3.9 million to conform to Beazer's presentation.

(5) To tax effect the pro forma adjustments and to adjust historical tax rates based on the expected effective income tax rate of 39.5% for the combined companies.

COMPARATIVE RIGHTS OF STOCKHOLDERS

General

If the merger is consummated, the persons who were holders of shares of Crossmann common stock immediately prior to the merger will become holders of shares of Beazer common stock immediately after consummation of the merger and their rights will be governed by the certificate of incorporation and bylaws of Beazer and the Delaware General Corporation Law (the "DGCL") as opposed to the articles of incorporation and bylaws of Crossmann and the Indiana Business Corporation Law (the "IBCL"). The purpose of this summary is to indicate briefly the differences between holding Beazer common stock and Crossmann common stock to the extent such differences are created by the state corporation laws applicable to Beazer and Crossmann or arise because of differences between the Beazer certificate of incorporation, as amended (the "Beazer Certificate"), and the Beazer bylaws and the Crossmann amended and restated articles of incorporation (the "Crossmann Articles") and the Crossmann bylaws.

Capitalization

Beazer. Under the Beazer Certificate, Beazer is authorized to issue up to 30,000,000 shares of Beazer common stock, of which 8,689,359 was issued and outstanding as of March 11, 2002. Beazer is also authorized to issue 5,000,000 shares of preferred stock of which none was issued and outstanding as of March 11, 2002. The board of directors of Beazer is authorized to issue shares of Beazer preferred stock with such rights, privileges and preferences as may be determined by a resolution of the Beazer board of directors.

Crossmann. Under the Crossmann Articles, Crossmann is authorized to issue up to 40,000,000 shares of capital stock, consisting of 30,000,000 shares of common stock, of which 10,867,015 were issued and outstanding as of March 11, 2002 and 10,000,000 shares of preferred stock of which none was issued and outstanding as of March 11, 2002. The board of directors of Crossmann is authorized to determine and state the designations and the relative preferences, limitations, voting rights, if any, and other rights of the preferred shares by the adoption and filing of an amendment to the Crossmann Articles.

Board of Directors

Beazer. Article II of the Beazer bylaws provides that the number of directors shall be one or such other number as fixed by the Beazer board of directors. Directors may be removed for cause by a majority vote of the shareholders entitled to vote for the election of directors. Section 141 of the DGCL provides that, unless the corporation has either classes of directors under Section 141(d) or cumulative voting, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares then entitled to vote at an election of directors.

Crossmann. Article V of the Crossmann Articles provides that the number of directors shall be between three and fifteen as fixed by the Crossmann board of directors. If the Crossmann board of directors does not specify a number, the number of directors is set at five. The Crossmann board of directors is classified into three classes with each class of directors standing for election every three years. The Crossmann Articles provide that directors may be removed for cause by an affirmative vote of $66^2/_3\%$ of the shareholders entitled to vote generally in the election of directors. In addition, Article V of the Crossmann Articles mandates that an affirmative vote of $66^2/_3\%$ of the voting power of all the then outstanding Crossmann capital stock entitled to vote is required to alter, amend, change or repeal any provision of Article V.

Limitation of Director Liability

Beazer. As permitted by the DGCL, the Beazer Certificate provides that directors of Beazer shall not be liable personally to Beazer or Beazer stockholders for monetary damages for breach of fiduciary duty as a director except for liability arising out of (a) any breach of the director's duty of loyalty to Beazer or Beazer stockholders, (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) payment of a dividend or approval of a stock repurchase in violation of Section 174 of the DGCL, or (d) any transaction from which the director derived an improper personal benefit. This provision protects Beazer directors against personal liability for monetary damages from breaches of their duty of care. Although the Beazer Certificate provides Beazer directors with protection from certain awards of monetary damages for breaches of their duty of care, it does not eliminate the director's duty of care. Accordingly, the provision in the Beazer Certificate has no effect on the availability of equitable remedies, such as an injunction or rescission, based upon a director's breach of his duty of care, and the provision does not apply to officers of Beazer who are not directors of Beazer.

Crossmann. Under Section 23-1-35-1 of the IBCL, directors are required to discharge their duties: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the directors reasonably believe to be in the best interests of the corporation. Under the IBCL, directors may, in considering the best interests of a corporation, consider the effects of any action on shareholders, employees, suppliers and customers of the corporation, and communities in which the corporation is located, and any other factors a director considers pertinent. Section 23-1-35-1 of the IBCL provides that certain judicial decisions in Delaware and other jurisdictions that impose a higher degree of scrutiny on director actions in change of control transactions are inconsistent with Section 23-1-35-1. This section also provides that a director is not liable for any action taken as a director, or any failure to act, unless the director has breached or failed to perform the duties of the director's office and the action or failure to act constitutes willful misconduct or recklessness.
Section 23-1-35-1 does not apply to officers of Crossmann who are not directors of Crossmann.

Indemnification

Beazer. Under Section 145 of the DGCL, directors, officers, employees and other individuals may be indemnified against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation a "derivative action") if they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation, and, regarding any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions. The DGCL requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. To the extent that a person otherwise eligible to be indemnified is successful on the merits of any claim or defense described above, indemnification for expenses (including attorneys' fees) actually and reasonably incurred is mandated by the DGCL. Article XIV of the Beazer bylaws provide that Beazer must indemnify, to the fullest extent authorized by the DGCL, each person who was or is made party to, is threatened to be made a party to, or is involved in, any action, suit or proceeding because he is or was a director, officer or employee of Beazer or of any Beazer subsidiary (or was serving at the request of Beazer as a director, trustee, officer, employee or agent of another entity) while serving in such capacity against all expenses, liabilities or loss incurred by such person in connection therewith. The right to indemnification is not exclusive of any other right

which any person may have or acquire under any statute, any provision of the Beazer Articles or the Beazer bylaws, or otherwise. Beazer is authorized to enter into contracts of indemnification.

Crossmann. Under Sections 23-1-37-1, et seq., of the IBCL and Article VIII of the Crossmann Articles, Crossmann is required to indemnify any person made party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that the person is or was a director, officer, employee or agent of Crossmann, against expenses, judgments, settlements, penalties and fines, actually incurred by such person in accordance with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed, in the case of conduct in his or her official capacity, to be in the best interests of Crossmann, and in all other cases was not opposed to the best interests of Crossmann, and, regarding any criminal action or proceeding, if he or she had no reasonable cause to believe the conduct was unlawful or if he or she had reasonable cause to believe the conduct was lawful. To the extent that a director, officer, employee or agent has been successful, on the merits of any claim or otherwise, in the defense of any such action, suit or proceeding, Crossmann is required to indemnify any such person against expenses actually and reasonably incurred by such person in connection with such action, suit or proceeding. The right to indemnification is not exclusive of any other right which any person may have or acquire by contract or as a matter of law. Crossmann may execute indemnification agreements which are different than the rights authorized by the Crossmann Articles.

Antitakeover Statutes

Beazer. Section 203 of the DGCL, which applies to Beazer, regulates transactions with major stockholders after they become major stockholders. Section 203 prohibits a Delaware corporation from engaging in mergers, dispositions of 10% or more of its assets, issuances of stock and other transactions ("business combinations") with a person or group that owns 15% or more of the voting stock of the corporation (an "interested stockholder") for a period of three years after the interested stockholder crosses the 15% threshold. These restrictions on transactions involving an interested stockholder do not apply if (a) before the interested stockholder owned 15% or more of the voting stock, the board of directors approved the business combination or the transaction that resulted in the person or group becoming an interested stockholder, (b) in the transaction that resulted in the person becoming an interested stockholder, the person or group acquired at least 85% of the voting stock other than stock owned by inside directors and certain employee stock plans, or (c) after the person or group became an interested stockholder, the board of directors and at least two-thirds of the voting stock other than stock owned by the interested stockholder approves the business combination.

Crossmann. Section 23-1-43 et. seq. of the IBCL prohibits any business combination, such as a merger or consolidation between an Indiana corporation with shares of its stock registered under the federal securities laws or which makes an election under the IBCL, and an "interested shareholder" (which is defined generally as any owner of 10% or more of the corporation's stock) for five years after the date on which such shareholder became an interested shareholder unless the business combination or the stock acquisition which caused the person to become an interested shareholder was approved in advance by the corporation's board of directors. This provision of the IBCL is effective even if all parties should subsequently decide that they wish to engage in the business combination. Following the five-year moratorium period, the Indiana corporation may engage in certain business combinations with an interested shareholder only if, among other things, (a) the business combination is approved by the affirmative vote of the holders of a majority of the outstanding voting shares not beneficially owned by the interested shareholder proposing the business combination or (b) the business combination meets certain criteria designed to ensure that the remaining shareholders receive fair consideration for their shares. Section 23-1-43-1 et. seq. of the IBCL will not apply to the transactions contemplated by the merger agreement.

Action Without a Meeting

Beazer. Section 228 of the DGCL permits any action required or permitted to be taken at a Beazer stockholder's meeting to be taken by written consent signed by the holders of the number of shares that would have been required to effect the action at an actual meeting of the shareholders. Article I Section 5 of the Beazer bylaws permits stockholder actions to be taken by the written consent of not less than the minimum number of shares that would have been required to take the action at a meeting at which all shares entitled to vote were present and voted. Notice of a stockholder action taken by written consent must be mailed promptly to all Beazer stockholders who did not execute the consent. The taking of action by written consent may be subject to review by the NYSE.

Crossmann. Under Section 23-1-29-4 of the IBCL, any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting by written consent signed by all of the shareholders entitled to vote on such action.

Special Meetings

Beazer. Section 211(d) of the DGCL authorizes the board of directors or those persons authorized by the corporation's certificate of incorporation or by-laws to call a special meeting of the corporation's stockholders. Article I Section 2 of the Beazer bylaws provides that a special meeting may be called by the President on the President's own initiative, by the President upon a written request signed by majority of the entire Beazer board of directors or at the request of the holders of a majority of the outstanding capital stock of Beazer entitled to vote at the proposed meeting.

Crossmann. Section 23-1-29-2 of the IBCL requires a corporation with more than fifty shareholders to hold a special meeting of shareholders on the call of its board of directors or the person or persons (including, but not limited to, shareholders or officers) specifically authorized to do so by the articles of incorporation or bylaws. Article V of the Crossmann Articles provides that shareholders shall not have the right to call a special meeting, and Article V of the Crossmann Articles may not be amended except upon the affirmative vote of $66^2/_3$% of the outstanding voting stock of Crossmann. The Crossmann Articles and bylaws provide that a special meeting of shareholders may be called only by the chairman of the board of directors or by the Crossmann board of directors pursuant to a resolution adopted by a majority of the total number of the directors of Crossmann.

Amendment to Certificate or Articles of Incorporation

Beazer. Under the DGCL, a certificate of incorporation may be amended by the vote of the holders of a majority of the outstanding stock entitled to vote thereon.

Crossmann. Generally, under the IBCL, articles of incorporation may be amended upon the recommendation of the board of directors and the affirmative vote of the holders of a majority of the outstanding stock entitled to vote thereon. The Crossmann Articles further provide that an affirmative vote of $66^2/_3$% of its outstanding voting stock is required to amend Article V of the Crossmann Articles which contains provisions regarding the Crossmann board of directors including provisions regarding board classification, director removal and the calling of special meetings of the shareholders.

Amendment of Bylaws

Beazer. Section 109 of the DGCL places the power to adopt, amend or repeal bylaws in the corporation's stockholders, but permits the corporation, in its certificate of incorporation, also to vest such power with the board of directors. Although the Beazer Certificate vests the Beazer board of directors with such authority, Beazer stockholders' power to adopt, amend or repeal bylaws remains unrestricted, and the Beazer stockholders may provide that any bylaw made by them may not be altered, amended or repealed by the Beazer board of directors.

Crossmann. Article IX of the Crossmann bylaws provides that the Crossmann Board may make, alter, amend, or repeal the Crossmann bylaws by a majority vote of the full board. Section 23-1-39-1 of the IBCL provides that only the board of directors may amend bylaws unless a corporation's articles of incorporation provide otherwise. Article V of the Crossmann Articles provides that the shareholders shall not have any power to make, alter, amend or repeal the Crossmann bylaws.

Dividend Rights

Beazer. Delaware corporations may pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which declared and/or the preceding fiscal year. Section 170 of the DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. Beazer has not historically paid dividends on its common stock.

Crossmann. The IBCL does not permit dividend distributions if, after giving effect to the proposed dividend, (a) the corporation would be unable to pay its debts as they become due in the usual course of business, or (b) the corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of distribution, to satisfy the preferential rights of shareholders whose preferential rights are superior to those shareholders receiving the distribution. Crossmann declared dividends of $.05 per share in each of the second, third and fourth quarters of 2001.

Stockholder Rights Plan

Beazer. Beazer has entered into a Rights Agreement dated as of June 24, 1996 with First Chicago Trust Company of New York pursuant to which Beazer issued rights to purchase shares of its Series B Junior Participating Preferred Stock (the "Beazer Series B Shares"). The rights become exercisable upon the earlier to occur of (i) 10 days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired beneficial ownership of 20% or more of the outstanding shares of Beazer common stock or (ii) 10 business days (or such later date as may be determined by action of the Beazer board of directors prior to such time as any person or group of affiliated persons becomes an Acquiring Person) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 20% or more of the outstanding shares of Beazer common stock. Each Beazer Series B Share issued upon exercise of a right will be entitled to a minimum preferential quarterly dividend payment of $1 per share but will be entitled to an aggregate dividend of 100 times the dividend declared per share of Beazer common stock. In the event of liquidation, the holders of the Beazer Series B Shares will be entitled to a minimum preferential liquidation payment of $100 per share but will be entitled to an aggregate payment of 100 times the payment made per share of Beazer common stock. Each Beazer Series B Share will have 100 votes, voting together with the Beazer common stock. Finally, in the event of any merger, consolidation or other transaction in which shares of Beazer common stock are exchanged, each Beazer Series B Share will be entitled to receive 100 times the amount received per share of Beazer common stock. The rights will expire on June 24, 2006.

Crossmann. Crossmann does not have a stockholder rights plan.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

Generally

The following discusses the material U.S. federal income tax consequences of the merger generally applicable to Crossmann stockholders who hold their shares of Crossmann common stock as capital assets at the effective time of the merger. The discussion set forth below does not address all U.S. federal income tax considerations that may be relevant to Crossmann stockholders in light of their particular circumstances, and does not apply to Crossmann stockholders that are subject to special treatment under U.S. federal income tax laws, such as:

- foreign persons;
- banks, insurance companies, dealers in securities, tax-exempt organizations, and stockholders subject to the alternative minimum tax;
- stockholders who hold Crossmann common stock as part of a hedge, straddle, or other risk reduction arrangement;
- stockholders who acquired their Crossmann common stock through stock option or stock purchase programs or otherwise as compensation; and
- stockholders whose functional currency is not the U.S. dollar.

In addition, this discussion does not address the tax consequences of the merger under foreign, state, or local tax laws.

Crossmann stockholders are urged to consult their own tax advisors regarding the tax consequences to them of the merger based on their particular circumstances, including the application and effect of federal, state, local, and foreign tax laws.

The following discussion is based on the Internal Revenue Code, applicable Treasury Regulations, judicial decisions, and administrative rulings and practice, all as of the date of this Joint Proxy Statement/ Prospectus. All of these are subject to change. Any such change could be applied retroactively and could affect the accuracy of the statements and conclusions set forth in this discussion and the tax consequences of the merger to Beazer, Crossmann, and/or their respective stockholders.

Neither Beazer nor Crossmann has requested or will request a ruling from the Internal Revenue Service with regard to any of the tax consequences of the merger. It is a condition to the consummation of the merger that Beazer receive from Paul, Hastings, Janofsky & Walker LLP and Crossmann receive from Ice Miller the following opinions as of the closing date:

- that the merger will constitute a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code; and that Beazer and Crossmann will each be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code.

The opinions will be based upon the assumption that the merger will take place in the manner described in the merger agreement, and also assume and will assume the truth and accuracy of certain factual representations made by Beazer and Crossmann which are customarily given in transactions of this kind.

Opinions of counsel are not binding on the Internal Revenue Service or the courts. If the Internal Revenue Service were to assert successfully that the merger is not a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, then each Crossmann stockholder would be required to recognize gain or loss equal to the difference between (i) the fair market value of the Beazer common stock and the amount of cash received in the exchange and (ii) the stockholder's tax basis in

the Crossmann stock surrendered therefor. In such event, a Crossmann stockholder's total initial tax basis in the Beazer common stock received would be equal to its fair market value at the effective time of the merger, and the stockholder's holding period for the Beazer common stock would begin on the day after the merger. The gain or loss recognized would be long-term capital gain or loss if the Crossmann stockholder's holding period for the Crossmann common stock was more than one year.

The federal income tax consequences to a particular Crossmann stockholder of the treatment of the merger as a reorganization will vary depending on whether the stockholder receives Beazer common stock, cash, or a combination of Beazer common stock and cash in the merger. At the time that a Crossmann stockholder makes an election as to the form of consideration to be received in the merger and at the time that the stockholder votes on the merger, the stockholder will not know if or to what extent the proration procedures will be applicable. Therefore, at those times, the Crossmann stockholder will not know the extent to which the stockholder's elected form of merger consideration will be given effect and thus will not know the tax consequences of the merger to the stockholder.

Crossmann Stockholders Who Receive Solely Beazer Common Stock

A Crossmann stockholder who exchanges shares of Crossmann common stock solely for Beazer stock will not recognize any gain or loss on that exchange (except to the extent the stockholder receives cash in lieu of fractional shares of Beazer, as discussed below). The aggregate adjusted tax basis of Beazer stock received will equal the Crossmann stockholder's aggregate adjusted tax basis in the shares of Crossmann common stock surrendered in the merger (less the adjusted tax basis allocable to any fractional shares of Beazer common stock for which cash is received as discussed below). The holding period of the Beazer stock received in the merger will include the holding period of the Crossmann common stock surrendered in the merger. See the discussion below under "Cash Received in Lieu of Fractional Shares" for the U.S. federal income tax consequences of the receipt of cash in lieu of a fractional share of Beazer stock.

Crossmann Stockholders Who Receive Cash and Beazer Stock

If the consideration received in the merger by a Crossmann stockholder consists of part cash and part Beazer stock, then any gain realized by the stockholder will be recognized to the extent of the lesser of (1) the excess of the sum of the amount of cash and the fair market value, as of the date of the merger, of the shares of Beazer stock received, over the adjusted basis of the shares of Crossmann common stock surrendered in exchange for Beazer stock, and (2) the amount of cash received by the stockholder in the exchange. However, if a Crossmann stockholder's adjusted basis in the shares of Crossmann common stock surrendered in the transaction is greater than the sum of the amount of cash and the fair market value of the Beazer stock received, the Crossmann stockholder's loss will not be currently allowed or recognized for U.S. federal income tax purposes.

The character of the gain recognized by a Crossmann stockholder upon the receipt of cash depends on that stockholder's particular situation. Any gain recognized by a Crossmann stockholder receiving a combination of Beazer common stock and cash in the merger will be characterized as capital gain unless the receipt of cash is treated as having the effect of the distribution of a dividend, in which case the gain will be characterized as ordinary income to the extent of the stockholder's allocable share of Crossmann's accumulated earnings and profits. Any capital gain will be treated as long-term capital gain if the Crossmann stockholder's holding period for the Crossmann common stock was more than one year at the effective time of the merger.

In determining whether such gain is capital gain or ordinary income, the Internal Revenue Service will (i) treat each Crossmann stockholder as having exchanged Crossmann common stock solely for Beazer common stock and then (ii) treat each recipient of Beazer common stock as having sold back a portion of that stock to Beazer in exchange for cash in a hypothetical redemption. The cash received in the hypothetical redemption will have the effect of the distribution of a dividend unless such redemption (i) is "substantially disproportionate" with respect to the stockholder or (ii) is "not essentially equivalent to a dividend" with respect to the stockholder.

The hypothetical redemption will be "substantially disproportionate" with respect to a Crossmann stockholder if, immediately after the redemption

- the stockholder owns less than 50% of the total voting power of the outstanding Beazer stock;
- the stockholder owns less than 80% of the percentage of voting power of the Beazer common stock he or she owned or was treated as owning before the hypothetical redemption; and
- the stockholder owns less than 80% of the percentage of Beazer common stock (measured by fair market value) he or she owned or was treated as owning before the hypothetical redemption.

If a stockholder fails any part of this test, the hypothetical redemption may still qualify as "not essentially equivalent to a dividend" if it results in a "meaningful reduction" of the stockholder's proportionate interest in Beazer. This is a highly subjective standard. Accordingly, neither Beazer, Crossmann, nor their counsel can provide any substantial assurance that a particular hypothetical redemption will qualify as a meaningful reduction. However, based on a published ruling of the Internal Revenue Service, a stockholder with a relatively minimal interest in Beazer and no ability to exercise control over Beazer's corporate affairs should be treated as having experienced a meaningful reduction of his or her proportionate interest in Beazer as a result of the hypothetical redemption.

In applying these redemption tests, the constructive ownership rules of the Internal Revenue Code must be taken into account. Under these rules, each Crossmann stockholder is treated as owning, in addition to the Beazer common stock directly owned by the stockholder (including the Beazer common stock received in the merger), any Beazer common stock owned by certain family members, any Beazer common stock owned by partnerships, trusts, certain corporations, and other entities in which the stockholder has an interest (in proportion to the stockholder's interest), and any Beazer common stock that the stockholder has a right or option to acquire. In addition, each Crossmann stockholder that is a corporation (other than an S corporation) is treated as owning any Beazer common stock owned by its stockholders who own 50% or more of the value of the stock of the corporation; and each Crossmann stockholder that is a partnership, trust, or other entity is treated as owning any Beazer common stock owned by its partners, beneficiaries, or owners. The redemption tests described above and the application of the constructive ownership rules are complex and will depend upon each Crossmann stockholder's particular facts and circumstances. Accordingly, each Crossmann stockholder that receives a portion of the merger consideration in cash is urged to consult its tax advisor to determine the character of any gain that may be recognized as a result of the merger.

If the hypothetical redemption of Beazer common stock in exchange for cash fails to satisfy both the "substantially disproportionate" test and the "not essentially equivalent to a dividend" test with respect to a particular Crossmann stockholder, then the gain recognized by that stockholder will be characterized as a distribution with respect to the stock. Such a distribution will be treated as a dividend to the extent of the stockholder's allocable share of Crossmann's accumulated earnings and profits. A dividend payment received by a stockholder is generally treated as ordinary income for federal income tax purposes. If the amount of the distribution exceeds the stockholder's allocable share of Crossmann's accumulated earnings and profits, then the excess will be treated as capital gain. A Crossmann stockholder that is a corporation and that receives a dividend may be eligible to claim a dividends-received deduction, and may be subject to the "extraordinary dividend" provisions of the Internal Revenue Code.

A Crossmann stockholder who receives cash and Beazer stock in the merger will have a basis in the Beazer stock received equal to the Crossmann stockholder's adjusted basis in the stockholder's

shares of Crossmann common stock increased by any gain recognized as a result of the merger and reduced by the amount of cash received in the merger. The holding period of the Beazer stock received will include the holding period of the shares of Crossmann common stock surrendered in the merger.

Crossmann Stockholders Who Receive Solely Cash

The exchange of shares of Crossmann common stock solely for cash generally will result in recognition of gain or loss by the stockholder in an amount equal to the difference between the amount of cash received and the stockholder's adjusted tax basis in the shares of Crossmann common stock surrendered. The gain or loss recognized will be long-term capital gain or loss if the stockholder's holding period for the shares of Crossmann common stock surrendered exceeds one year. There are limitations on the extent to which stockholders may deduct capital losses from ordinary income.

If a Crossmann stockholder who receives only cash in exchange for all of the stockholder's shares of Crossmann common stock actually or constructively owns Beazer stock after the merger (as the result of constructive ownership of shares of Crossmann common stock that are exchanged for Beazer stock in the merger, prior actual or constructive ownership of Beazer stock or otherwise), all or a portion of the cash received by the stockholder may be taxed as a dividend, and those stockholders should consult their tax advisors to determine the amount and character of the income recognized in connection with the merger.

Cash Received In Lieu of Fractional Shares

A Crossmann stockholder who receives cash in lieu of a fractional Beazer common share will be treated as having first received the fractional Beazer common share in the merger then as having received cash in exchange for the fractional share interest. Thus, that type of Crossmann stockholder generally will recognize gain or loss in an amount equal to the difference between the amount of cash received in lieu of the fractional Beazer common share and the portion of the basis in the shares of Crossmann common stock allocable to that fractional interest.

Backup Withholding

Payments made to a Crossmann stockholder in connection with the merger may be subject to "backup withholding" at a rate of 30% unless the stockholder (a) provides a correct taxpayer identification number (which, for an individual stockholder, generally is the stockholder's social security number) and any other required information to the exchange agent or (b) is a corporation or comes within certain exempt categories and, when required, demonstrates that fact and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding will not apply to a payment made to a Crossmann stockholder who completes and signs the substitute Form W-9 that is included as part of the transmittal letter, or who otherwise proves to Beazer and its exchange agent that it is exempt from backup withholding. A Crossmann stockholder who does not provide a correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service. Backup withholding is not an additional tax and may be claimed as a credit against a Crossmann stockholder's federal income tax liability, provided that the required information is furnished to the Internal Revenue Service.

Reporting and Recordkeeping

A Crossmann stockholder who exchanges Crossmann common stock in the merger for Beazer common stock, or for a combination of Beazer common stock and cash, is required to retain records of the transaction, and to attach to the stockholder's federal income tax return for the year of the merger a statement setting forth all relevant facts with respect to the nonrecognition of gain or loss in the exchange. At a minimum, the statement must include (i) the stockholder's tax basis in the Crossmann

common stock surrendered and (ii) the amount of cash (if any) and the fair market value, as of the effective date of the merger, of the Beazer common stock received in exchange therefor.

Consequences to Beazer Stockholders

Beazer stockholders will not recognize gain or loss as a result of the merger.

Consequences to Beazer and Crossmann

As a result of the treatment of the merger as a reorganization, neither Beazer nor Crossmann will recognize gain or loss solely as a result of the merger.

The preceding discussion does not purport to be a complete analysis of all potential tax consequences of the merger that may be relevant to a particular Crossmann stockholder. Holders of Crossmann common stock are urged to consult their own tax advisors

regarding the specific tax consequences to them of the merger, including the applicability and effect of foreign, state, local, and other tax laws.

ADDITIONAL PROPOSALS FOR THE BEAZER ANNUAL MEETING

In addition to voting on approval of the issuance of shares of Beazer common stock to holders of Crossmann common stock in accordance with the terms of the merger agreement, Beazer stockholders are also being asked to vote on the following proposals.

Election of Directors

General

Each of the nominees listed below has been nominated as a director for the fiscal year ending September 30, 2002 and until their respective successors are elected and have qualified. Each of the following nominees is presently serving as a director of Beazer. George W. Mefferd will not stand for reelection at the meeting. In the event any nominee should not be available as a candidate for director, votes will be cast pursuant to authority granted by the enclosed proxy for such other candidate or candidates as may be nominated by management. The Beazer board of directors has no reason to believe that any nominee will be unable or unwilling to serve as a director if elected.

Recommendation

The Beazer board of directors recommends that Beazer stockholders vote their shares to elect the following nominees. Please see "Proxies" beginning on page 26 of this Joint Proxy Statement/Prospectus for instructions on how to vote by proxy.

Nominees

The information appearing below with respect to each nominee has been furnished to Beazer by the nominee.

Laurent Alpert, 55, was appointed a director of Beazer effective February 5, 2002. Mr. Alpert is a partner in the international law firm of Cleary, Gottlieb, Steen & Hamilton. He joined Cleary Gottlieb in 1972 and became a partner in 1980. He received his undergraduate degree from Harvard College and a law degree from Harvard Law School. Mr. Alpert is also a director of the International Rescue Committee, a non-profit organization providing relief and resettlement services to refugees.

Brian C. Beazer, 66, is the Non-Executive Chairman of Beazer's board of directors and has served as a director of Beazer since its inception in November 1993. Mr. Beazer began work in the construction industry in the late 1950's. He served as Chief Executive Officer of Beazer PLC, a company organized under the laws of the United Kingdom, or its predecessors, from 1968 to 1991, and Chairman of that company from 1983 to the date of its acquisition by an indirect, wholly-owned subsidiary of Hanson PLC (effective December 1, 1991). During that time, Beazer PLC expanded its activities to include homebuilding, quarrying, contracting and real-estate, and became an international group with annual revenue of approximately $3.4 billion, employing 28,000 people at December 1991. Mr. Beazer was educated at Cathedral School, Wells, Somerset, England. Mr. Beazer is also a director of Beazer Japan, Ltd., Seal Mint, Ltd., Jade Technologies Singapore Pte. Ltd., FSM Europe B.V., Electronic Convergence Technology, Ltd., United Pacific Industries Limited and U.S. Industries, Inc., and is a private investor.

Thomas B. Howard, Jr., 73, was appointed a director of Beazer on November 2, 1995. Mr. Howard held various positions with Gifford-Hill & Company, a construction and aggregates company, from 1969 to 1986 and served as its Chairman and Chief Executive Officer from 1986 to 1989. Gifford-Hill & Company was acquired by Beazer PLC in 1989 and Mr. Howard served as Chairman and Chief Executive Officer of the successor company until 1992. During the period from 1957 to 1969, Mr. Howard held various positions with Vulcan Materials Company.

Mr. Howard holds a degree in Industrial Engineering from Georgia Institute of Technology. Mr. Howard currently serves on the Board of Trustees of the Methodist Hospitals Foundation and previously served as a director of Lennox International, Inc., director of the Dallas Chamber of Commerce and as a member of the Dallas Citizens Council.

Ian J. McCarthy, 48, is the President and Chief Executive Officer of Beazer and has served as a director since Beazer's initial public offering of common stock (the "IPO") in March 1994. Mr. McCarthy has served as President of predecessors of Beazer since January 1991 and was responsible for all United States residential homebuilding operations in that capacity. During the period May 1981 to January 1991, Mr. McCarthy was employed in Hong Kong and Thailand becoming a director of Beazer Far East and from January 1980 to May 1981 was employed by Kier, Ltd., a company engaged in the United Kingdom construction industry which became an indirect, wholly-owned subsidiary of Beazer PLC. Mr. McCarthy is a Chartered Civil Engineer with a Bachelor of Science degree from The City University, London. Mr. McCarthy currently serves as a director of HomeAid's National Advisory Board and of Homebuilders Financial Network, Inc.

D.E. Mundell, 70, has served as a director of Beazer since the IPO. Mr. Mundell is currently an advisor and director of ORIX USA Corporation, a financial services company, and served as Chairman of ORIX from 1991 to 1999. During the period from 1959 to 1990, Mr. Mundell held various positions within United States Leasing International, Inc., retiring as Chairman in 1990. Mr. Mundell attended the Royal Military College of Canada, McGill University and Harvard Business School. Mr. Mundell is also a director of Stockton Holdings LTD.

Larry T. Solari, 59, has served as a director of Beazer since the IPO. From 1998 to 2001, Mr. Solari was the Chairman and CEO of BSI Holdings, Inc. in Carmel, California. Mr. Solari was the Chairman and CEO of Sequentia, Inc. from 1996 to 1997 and President of the Building Materials Group of Domtar, Inc. from 1994 to 1996. Mr. Solari was the President of the Construction Products Group of Owens-Corning Fiberglas from 1986 to 1994. Mr. Solari held various other positions with Owens-Corning Fiberglas from 1966 to 1986. Mr. Solari earned a Bachelor of Science degree in Industrial Management and a Master of Business Administration degree from San Jose State University and is a graduate of Stanford University's Management Program. Mr. Solari is a director of Pacific Coast Building Products, Inc., Therma-Tru, Inc., Aneco Inc., Fistman Homes Technologies and Performance Contracting Group, Mr. Solari is a past director of the Policy Advisory Board of the Harvard Joint Center for Housing Studies and an Advisory Board Member of the National Home Builders Association.

David S. Weiss, 41, is the Executive Vice President and Chief Financial Officer of Beazer and has served as a director of Beazer since the IPO. Mr. Weiss served as the Assistant Corporate Controller of Hanson Industries, the United States arm of Hanson PLC, for the period from February 1993 to March 1994. Mr. Weiss was Manager of Financial Reporting for Colgate-Palmolive Company from November 1991 to February 1993 and was with the firm of Deloitte & Touche from 1982 to November 1991, at which time he served as a Senior Audit Manager. Mr. Weiss holds a Master of Business Administration degree from the Wharton School and undergraduate degrees in Accounting and English from the University of Pennsylvania. Mr. Weiss is a licensed Certified Public Accountant.

Beazer Board of Directors Committees and Meetings

For fiscal year 2001 the Beazer board of directors had three committees the Audit Committee, the Nominating Committee and the Compensation Committee, and one subcommittee of the Compensation Committee the Stock Option and Incentive Committee. In fiscal 2001 the Beazer

board of directors had four meetings and each meeting was attended in full. During fiscal 2001, membership in the committees and subcommittee was as follows:

Audit	Nominating	Compensation	Stock Option and Incentive
George W. Mefferd *	Brian C. Beazer *	Brian C. Beazer*	Thomas B. Howard, Jr.
D.E. Mundell	D.E. Mundell	Thomas B. Howard, Jr.	Larry T. Solari *
Larry T. Solari	Ian J. McCarthy	Larry T. Solari	
	George W. Mefferd		

* Committee Chairman

The Compensation Committee makes recommendations to the Beazer board of directors regarding remuneration of employees and officers of Beazer and its subsidiaries from time to time as it deems appropriate. This committee met four times during fiscal year 2001 and each meeting was attended in full.

The Stock Option and Incentive Committee (the "Beazer Stock Plan Committee") has been appointed to administer Beazer's Amended and Restated 1999 Stock Incentive Plan, the Amended and Restated 1994 Stock Incentive Plan as well as any other bonus or incentive compensation plans including the current Value Created Incentive Plan (the "Value Created Plan"). This committee met three times during fiscal year 2001 and each meeting was attended in full.

The primary function of the Audit Committee is to provide assistance to the Beazer board of directors in fulfilling its responsibility relating to corporate accounting and auditing, reporting practices of Beazer, the quality and integrity of the financial reports of Beazer, and its internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established. In fulfilling these functions, the Audit Committee reviews and makes recommendations to the Beazer board of directors with respect to designated financial and accounting matters. This committee met three times during fiscal year 2001 and each meeting was attended in full.

The Nominating Committee was formed during fiscal 2001 to make recommendations concerning the appropriate size and needs of the Board, including the annual nomination and screening of directors and nominees for new directors. The Nominating Committee also reviews and makes recommendations concerning other policies related to the Board and evaluates Board performance. This committee met one time during fiscal year 2001 and the meeting was attended in full.

Director Compensation

Non-employee Directors (excluding Brian C. Beazer): Non-employee directors other than Mr. Beazer receive annual compensation of $25,000 for services to Beazer as members of the board of directors and, in addition thereto, receive $1,250 for each meeting of the board of directors or any of its committees which they attend. Directors may elect to defer receipt of up to 50% of their annual compensation under the Beazer Director Stock Purchase Program. Deferred fees are represented by restricted stock units which vest over three years. The number of units received are determined based on a 20% discount from the actual closing stock price of Beazer's common stock on the last day of the fiscal year. Pursuant to Beazer's Non-Employee Director Stock Option Plan, each director received a grant of 10,000 options to acquire common stock of Beazer on the date of each director's initial election to the Board. In addition, the Board has periodically granted each non-employee director (excluding Mr. Beazer) stock options pursuant to the Amended and Restated 1999 Stock Incentive Plan and the Amended and Restated 1994 Stock Incentive Plan in the period subsequent to their initial

election to the Board. No stock options were granted to non-employee directors during fiscal 2001. All directors receive reimbursement for reasonable out-of-pocket expenses incurred by them in connection with participating in meetings of the board of directors and any committees thereof. Other than described above, no director otherwise receives any compensation from Beazer for services rendered as a director.

Brian C. Beazer: For fiscal year 2001, Beazer paid its Non-Executive Chairman of the Board $190,000 for services rendered. For fiscal year 2002, the Compensation Committee of the Board (excluding Mr. Beazer) recommended and Beazer has agreed to pay Mr. Beazer $200,000 for his services. Pursuant to its Non-Employee Director Stock Option Plan, Mr. Beazer received a grant of 10,000 options to acquire common stock of Beazer on the date of his initial election to the Board. In addition, the Board has periodically granted Mr. Beazer stock options pursuant to the Amended and Restated 1999 Stock Incentive Plan and the Amended and Restated 1994 Stock Incentive Plan in the period subsequent to his initial election to the Board. Mr. Beazer was granted no stock options during fiscal 2001. In addition, Beazer has agreed to pay an amount up to 200% of Mr. Beazer's base compensation based on predetermined criteria relating to, among other things, the performance of the market price of Beazer's common stock, the Total Return (as defined) to Beazer's shareholders relative to a selected peer group and his personal commitments to Beazer. Mr. Beazer received incentive compensation of $380,000 for fiscal year 2001.

Vote Required

The vote of a plurality of the shares of Beazer common stock present or represented by proxies and entitled to vote on the matter at the Annual Meeting will be required for the election of each director nominee.

Amendment of Beazer's Amended and Restated 1999 Stock Incentive Plan

At the meeting, you will be asked to approve amendments to Beazer's Amended and Restated 1999 Stock Incentive Plan (the "Beazer Stock Plan"). Under the amendments:

- the number of shares of common stock reserved for issuance under the Beazer Stock Plan will be increased to 1,400,000 from the current 700,000 shares reserved; and

- the maximum number of such shares which may be used for stock-based awards other than stock options will be set at 300,000 replacing a current limit on Restricted Stock awards of 150,000.

The amendments to the Beazer Stock Plan are being proposed because at February 15, 2002 only 75,695 shares remained available for grants under the Beazer Stock Plan, all of which are available for grants of Restricted Stock. An increase in the number of shares available under the Beazer Stock Plan is required to accommodate Beazer's needs (i) given the growth of the company and the low number of shares remaining available for future grants and (ii) once the proposed merger with Crossmann is completed, assuming it is approved at this annual meeting. Under the merger agreement, options of Crossmann that are not exercised prior to the merger will be exchanged for equivalent Beazer options using the same exchange ratio as would be used for Crossmann shareholders who elect to receive all Beazer common stock in the merger, assuming no proration. If all outstanding Crossmann options are exchanged, Beazer would use 29,315 of the remaining shares under the Beazer Stock Plan, assuming an exchange ratio based on a per share price for Beazer common stock of $89.20, which was the closing price of Beazer common stock on March 8, 2002. Further, Beazer's employee base will grow as a result of the merger and Beazer believes that it is important for it to be able to continue to grant stock based awards to its employees as long-term incentive compensation and to enable it to continue to attract and employ qualified individuals.

Key Features of the Stock Incentive Plan

As described in more detail below:

1. The Beazer Stock Plan is administered by the Beazer Stock Plan Committee, which is a committee of the Beazer board of directors comprised entirely of independent directors.

2. The Beazer Stock Plan contains a prohibition on repricing of options without stockholder approval.

3. The Beazer Stock Plan contains a provision for a minimum vesting period of three years for all awards subject to adjustment upon death, retirement or other special cases considered by the Beazer Stock Plan Committee in accordance with the Beazer Stock Plan.

4. Participation in the Beazer Stock Plan is broadly based. Currently, 48 employees and directors of Beazer have received awards under the Beazer Stock Plan.

5. The Beazer Stock Plan is part of Beazer's overall compensation structure which calls for:

    - maintaining base compensation at or below medians for the industry;

    - including significant potential incentive compensation based on performance; and

    - encouraging broad-based ownership of Beazer stock among management and employees.

Recommendation

The Beazer board of directors recommends that Beazer stockholders vote their shares in favor of approving the proposed amendments to the Beazer Stock Plan. Please see "Proxies" beginning on page 26 of this Joint Proxy Statement/Prospectus for instructions on how to vote by proxy.

Beazer is required to seek shareholder approval of the proposed amendments to the Beazer Stock Plan in order to meet certain statutory guidelines that increase the flexibility of, and the benefits to Beazer's employees associated with, the Beazer Stock Plan. Specifically, approval of an increase in the number of shares issuable under the Beazer Stock Plan is required pursuant to Section 422 of the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder, in order to qualify options issued under the Beazer Stock Plan as "Incentive Stock Options." Furthermore, approval is required to ensure Beazer's compliance with the requirements for continued listing of its common stock on the New York Stock Exchange.

On November 2, 1999, the Beazer board of directors adopted the Beazer Stock Plan, which was approved by the shareholders on February 3, 2000. The Beazer board of directors made certain amendments not requiring shareholder approval to the Beazer Stock Plan and the plan was restated as amended on February 20, 2002. The following summary of the Beazer Stock Plan incorporates these recent amendments and is qualified in its entirety by reference to the full text of the Beazer Stock Plan, a copy of which is attached hereto as Annex IV.

Summary Of The Beazer Stock Plan

The purpose of the Beazer Stock Plan is to provide an incentive to Beazer's and its subsidiaries' key employees, including officers and managerial or supervisory employees, to remain employed by Beazer and also, in appropriate circumstances, to provide incentives to Beazer's non-employee directors, and to consultants and independent contractors retained by Beazer. The following summary assumes approval of the proposed amendments described above.

The Beazer Stock Plan provides for the award of:

- options to acquire common stock;
- Restricted Stock;
- Performance Awards which may be denominated or payable in cash, shares (including Restricted Stock), and other securities or property;
- stock appreciation rights ("SARs");
- restricted stock units represented by a bookkeeping entry entitling the recipient to receive common stock at some future date;
- dividend equivalents entitling recipients to receive payments equal to the amount of cash dividends payable on the specified number of shares of common stock; and
- other similar common stock-based awards.

Under the Beazer Stock Plan, as amended, 1,400,000 shares of the common stock have been reserved for issuance subject to adjustment for future events such as stock splits, stock dividends or corporate reorganizations. To date, 624,305 of such shares, net of forfeited awards, have been used for the grant of stock options, Restricted Stock and restricted stock units to employees and directors. As amended, the Beazer Stock Plan would limit the number of shares issuable in the form of a stock-based award other than a stock option to 300,000 shares. Given that only 71,766 restricted stock units have been granted to date as described below, 228,234 of these 300,000 shares would be available for future grants under the Beazer Stock Plan. If any shares covered by an award (or to which an award relates) under the Beazer Stock Plan are not purchased or are forfeited, or if an award otherwise terminates without delivery of any shares, then the number of shares counted against the aggregate number of shares available under the Beazer Stock Plan with respect to such award, to the extent of any such forfeiture or termination, shall again be available for granting of awards under the Beazer Stock Plan.

The Beazer Stock Plan is administered by the Beazer Stock Plan Committee. Each Beazer Stock Plan Committee member is a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, if required to qualify awards for exemption under such rule, and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and associated regulations.

All awards granted under the Beazer Stock Plan will be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law. Awards granted under the Beazer Stock Plan may not be voluntarily or involuntarily sold, assigned, transferred, pledged or encumbered prior to vesting (except by will or intestacy). However, the Beazer Stock Plan Committee may authorize holders of non-qualified stock options to transfer options to family members (as defined by the Beazer Stock Plan) through a gift or a domestic relations order.

Participation in the Beazer Stock Plan is limited to employees, officers, consultants or independent contractors providing services to Beazer or any of Beazer's affiliates or any of Beazer's directors, as the Beazer Stock Plan Committee may determine from time to time. The maximum number of shares with respect to which options and SARs may be issued under the Beazer Stock Plan to a single participant in one calendar year is 150,000. In addition, the maximum number of shares of common stock that may be issued as a Performance Award to a single participant in any calendar year is 75,000.

Options awarded under the Beazer Stock Plan will be designated as (1) Incentive Stock Options (as defined under the Internal Revenue Code), (2) non-qualified stock options, or (3) any combination of Incentive Stock Options and non-qualified stock options. In the event that a portion of an option designated as an Incentive Stock Option cannot be exercised as an Incentive Stock Option by reason of the limitations contained in the Internal Revenue Code, that portion will be treated as a non-qualified stock option.

The term and exercise price of each option granted under the Beazer Stock Plan will be fixed by the Beazer Stock Plan Committee; provided, however, that the exercise price per share of common stock purchasable pursuant to any option may not be less than the fair market value of a share of common stock on the date of grant. For purposes of the Beazer Stock Plan, the fair market value of a share of common stock on any date is the closing price per share of the common stock as reported by the New York Stock Exchange (or such other exchange or quotation system on which the common stock is then traded) on that date. The Beazer Stock Plan Committee will determine the time or times at which an option may be exercised, in whole or in part; provided that, with respect to options granted after February 20, 2002, each option must have a vesting schedule of a minimum of three years in length, subject to appropriate adjustment upon death, retirement and and other special circumstances in accordance with the provisions of the Beazer Stock Plan. Options granted prior to February 20, 2002 have a vesting period of three years. The Beazer Stock Plan Committee will also determine the forms of consideration in which payment of the exercise price may be made, which will include cash, securities, or such other consideration as the Beazer Stock Plan Committee permits, including, without limitation, promissory notes, which notes must comply with applicable laws, regulations and rules of the Federal Reserve Board and any other governmental agency having jurisdiction over Beazer.

The Beazer Stock Plan Committee has authority to grant restoration options, either separately or together with other options under the Beazer Stock Plan. A restoration option is an option to purchase at 100% of the fair market value, as of the date of exercise of a previously granted option (the "Original Option"), of a number of shares not exceeding the sum of (1) the number of shares provided to Beazer in payment of the exercise price of the Original Option and (2) the number of shares tendered or withheld as payment of any applicable taxes in connection with such exercise. A restoration option cannot be exercised until the shares acquired upon exercise of the Original Option are held for a period of at least one year. The term of the restoration option may not extend beyond the term of the Original Option.

Effective February 20, 2002, the Beazer Stock Plan prohibits the repricing of outstanding stock options unless prior approval for such repricing is received from Beazer's shareholders. A repricing is most likely to occur at a time when Beazer's stock price has declined in the market. No options have been repriced to date under the Beazer Stock Plan and Beazer has no intention of repricing any options at this time.

The terms upon which an option granted under the Beazer Stock Plan would expire upon a participant's disability, death, termination of employment or ceasing to be a director will be provided in the applicable award agreement relating to such option in the discretion of the Beazer Stock Plan Committee. Further, an optionee's right to exercise options in the event of a change of control will be addressed in each participant's award agreement in the discretion of the Beazer Stock Plan Committee.

The Beazer Stock Plan Committee has authority to grant SARs to participants. An SAR granted under the Beazer Stock Plan will confer upon the holder a right to receive, upon exercise of an SAR related to one share, an amount in cash equal to the excess of the fair market value of one share of common stock on the date of exercise over the fair market value of one share of common stock on the date of grant of the SAR. The grant price, term, method of exercise, method of settlement and any other terms and conditions of SARs will be determined by the Beazer Stock Plan Committee.

The Beazer Stock Plan Committee is also authorized to grant awards of Restricted Stock and restricted stock units to participants. Shares of Restricted Stock and restricted stock units will be subject to such restrictions as the Beazer Stock Plan Committee imposes, which restrictions will lapse upon the terms established by the Beazer Stock Plan Committee. In addition, the Beazer Stock Plan Committee may specify performance criteria, the attainment of which would accelerate the lapse of any applicable restriction. In the event restrictions do not lapse with respect to shares of Restricted Stock held by a participant, the Restricted Stock may be forfeited back to Beazer. Upon a participant's termination of employment (as defined in the Beazer Stock Plan), shares of Restricted Stock still subject to restriction generally will be forfeited by the participant. The Beazer Stock Plan Committee may waive these restrictions in the event of hardship or other special circumstances. Recipients of Restricted Stock, unlike recipients of options or restricted stock units, have voting rights and receive dividends, if any, if and when declared on their shares prior to the time the restrictions lapse.

The Beazer Stock Plan Committee is also authorized to grant participants awards of dividend equivalents. A recipient of dividend equivalents will be entitled to receive payments in an amount equal to the amount of cash dividends paid by Beazer to a holder of shares of common stock with respect to the number of shares of common stock determined by the Beazer Stock Plan Committee. Such amounts may be paid in cash, shares, other securities, other awards or other property, as determined by the Beazer Stock Plan Committee.

Beazer may, from time to time, grant Performance Awards to participants under the Beazer Stock Plan. Performance goals for Performance Awards may be comprised of one or more of the following performance measures:

- "value created" or economic value added;
- total return to shareholders;
- cash flow;
- return on assets, capital, equity or sales;
- stock price; and
- earnings per share.

At the end of any established measurement period for Performance Awards, the Beazer Stock Plan Committee will determine the percentage, if any, of the Performance Awards that are earned by a

participant. The percentage determined shall be based on the degree to which the performance goals for that measurement period are satisfied. Performance Awards may be issued in the form of common stock, options, stock appreciation rights, Restricted Stock, restricted stock units or any other right, the value of which is determined by reference to the common stock. Under the Beazer Stock Plan, the maximum number of shares which may be granted as Performance Awards to a single participant in any calendar year is 75,000. All payments under Performance Awards will be designed to satisfy the exception provided by Section 162(m) of the Internal Revenue Code, and related regulations for performance-based compensation. All Performance Awards under the Beazer Stock Plan shall be subject to the limitations of Section 162(m).

All of the stock-based awards described above, other than stock options, will be subject to an aggregate limit of 300,000 shares, subject to adjustment for future events such as stock splits, stock dividends or corporate reorganizations, during the life of the Beazer Stock Plan. In addition, all of the stock-based awards described above must have a vesting schedule of a minimum of three years in length, subject to appropriate adjustment upon death, retirement and and other special circumstances in accordance with the provisions of the Beazer Stock Plan.

In order to comply with federal and state income tax requirements, the Beazer Stock Plan Committee may take any action it deems appropriate to ensure that all taxes which are the sole and absolute responsibility of the participant are withheld or collected from the participant. To assist participants in paying taxes to be withheld or collected upon the exercise or receipt of (or lapse of restrictions relating to) an award under the Beazer Stock Plan, the Beazer Stock Plan Committee, in its discretion may permit participants to satisfy tax obligations by

- electing to have Beazer withhold a portion of the shares of common stock otherwise to be delivered upon exercise or receipt of an award with a fair market value equal to the amount of the taxes,

- delivering to Beazer shares of Beazer common stock other than shares issuable upon the exercise or receipt of such award with a fair market value equal to the amount of the taxes,

- delivering to Beazer cash, a check, money order or wire transfer equal to such taxes,

- delivering to Beazer the full amount of taxes due in a combination of cash, and with Beazer's approval, the participant's full recourse liability promissory note satisfying the requirements set forth in the related award agreement or

- taking a loan under any loan program sponsored by Beazer which permits a loan for such purposes.

Further, the Beazer Stock Plan Committee has the authority at the time of the grant of an award under the Beazer Stock Plan or at any time thereafter, to approve cash bonuses to designated participants to be paid upon the exercise or receipt of awards in order to provide funds to pay all or any portion of any taxes due.

Shares issuable under the Beazer Stock Plan as well as outstanding awards will be subject to adjustment to prevent dilution or enlargement of benefits or potential benefits upon any dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split up, spin off, combination, repurchase or exchange of shares or other securities of ours or any other similar corporate transaction or event effecting shares of common stock.

The Beazer board of directors has authority to amend, alter, suspend, discontinue or terminate the Beazer Stock Plan. However, without the approval of Beazer's shareholders, no modification can be made that, absent such approval

- would cause Rule 16b-3 under the Exchange Act to become unavailable with respect to the Beazer Stock Plan;

- would violate the rules or regulations of the New York Stock Exchange, any other securities exchange or the National Association of Securities Dealers, Inc. that are applicable to Beazer;

- would cause Beazer to be unable, under the Code, to grant Incentive Stock Options under the Beazer Stock Plan; or

- would cause the Beazer Stock Plan or awards under the Beazer Stock Plan to cease to comply with Section 162(m) of the Internal Revenue Code.

To date stock options, and restricted stock units representing 624,305 shares of Beazer common stock have been granted under the Beazer Stock Plan, net of forfeited awards. All restricted stock units granted to directors were in lieu of director fees and vest at the end of 36 months, subject to continued service. All restricted stock units granted to employees were in lieu of annual incentive compensation and vest at the end of 36 months, subject to continued service. The table below shows the number of shares underlying options and restricted stock units previously granted to certain persons or groups of persons under the Beazer Stock Plan. No other form of stock-based award has been granted under the Beazer Stock Plan to date, and the table below does not show other stock-based awards issued by Beazer under any plan other than the Beazer Stock Plan. No final determination has yet been made as to the number of options or other awards to be granted to any single participant under the Beazer Stock Plan assuming adoption of the proposed amendments.

Name	Shares Underlying Options	Employee Restricted Stock Units	Restricted Stock Units for Director Fees
Laurent Alpert Director	0	0	0
Brian C. Beazer Non-Executive Chairman of the Board of Directors	35,244	0	321
Thomas B. Howard, Jr. Director	4,705	0	321
George W. Mefferd Director	4,705	0	321
D.E. Mundell Director	4,705	0	0
Larry T. Solari Director	4,705	0	0
Ian J. McCarthy President, Chief Executive Officer and Director	140,972	15,138	0
David S. Weiss Executive Vice President, Chief Financial Officer and Director	35,244	8,028	0
Michael H. Furlow Executive Vice President and Chief Operating Officer	58,739	8,830	0
John Skelton Senior Vice President of Financial Planning	3,990	2,179	0
C. Lowell Ball Senior Vice President and General Counsel	0	0	0
All current executive officers as a group	238,945	34,175	0
All current non-executive directors as a group	54,064	0	963
Associates of directors, executive officers or nominees	0	0	0
Other persons receiving over 5% of options granted	0	0	0
All employees	498,475	70,803	0

The Beazer Stock Plan will terminate on November 2, 2009. No awards will be granted after the termination of the Beazer Stock Plan. Awards granted prior to termination of the Beazer Stock Plan, however, may extend beyond the termination of the Beazer Stock Plan.

Certain Federal Income Tax Consequences

The following is a summary of the principal federal income tax consequences generally applicable to awards under the Beazer Stock Plan. The grant of an option or SAR is not expected to result in any taxable income for the recipient. The holder of an Incentive Stock Option generally will have no taxable income upon exercising the Incentive Stock Option (except that a liability may arise pursuant to the alternative minimum tax), and Beazer will not be entitled to a tax deduction when an Incentive Stock Option is exercised. Upon exercising a non-qualified stock option, the optionee must recognize ordinary income equal to the excess of the fair market value of the shares of common stock acquired on the date of exercise over the exercise price, and Beazer will be entitled at that time to a tax deduction for the same amount. Upon exercising an SAR, the amount of any cash received and the fair market value on the exercise date of any shares of common stock received are taxable to the recipient as ordinary income and deductible by Beazer. The tax consequence to an optionee upon a disposition of shares acquired through the exercise of an option will depend on how long the shares have been held and upon whether such shares were acquired by exercising an Incentive Stock Option or by exercising a non-qualified stock option or SAR. Generally, there will be no tax consequence to Beazer in connection with the disposition of shares acquired under an option, except that Beazer may be entitled to a tax deduction upon a disposition of shares acquired under an Incentive Stock Option before the applicable Incentive Stock Option holding periods set forth in the Code have been satisfied.

With respect to other awards granted under the Beazer Stock Plan that are payable either in cash or shares of common stock and are not subject to substantial risk of forfeiture, the holder must recognize ordinary income equal to the excess of (1) the cash or the fair market value of the shares of common stock received (determined as of the date of such receipt) over (2) the amount (if any) paid for such shares of common stock by the holder of the award, and Beazer will be entitled to a deduction for the same amount for the taxable year in which the employee includes the amount in income. With respect to an award that is payable in shares of common stock that are restricted as to transferability and subject to substantial risk of forfeiture, such as shares of Restricted Stock, unless a special election is made pursuant to Section 83(b) of the Code, the holder of the award must recognize ordinary income equal to the excess of (1) the fair market value of the shares of common stock received (determined as of the first time the shares become transferable or not subject to substantial risk of forfeiture, whichever occurs earlier) over (2) the amount (if any) paid for such shares of common stock by the holder, and Beazer will be entitled at that time to a tax deduction for the same amount. If an election under Section 83(b) of the Code is made the holder of the award must recognize ordinary income equal to the excess of (1) fair market value on the date of grant over (2) the amount paid, and Beazer will be entitled to a tax deduction for the taxable year of the grant.

As stated above, the Beazer Stock Plan Committee may grant, subject to its discretion and such rules as it may adopt, a bonus to a participant in order to provide funds to pay all or a portion of federal and state taxes due as a result of the receipt or exercise of (or lapse of restrictions relating to) an award. The amount of any such bonus will be taxable to the participant as ordinary income, and Beazer will have a corresponding deduction equal to such amount (subject to the usual rules concerning reasonable compensation).

Vote Required

The affirmative vote of a majority of the shares of Beazer common stock present or represented by proxies and entitled to vote on the matter at the Annual Meeting will be necessary for approval of the amendments to the Beazer Stock Plan.

Amendments to Beazer's Value Created Incentive Plan

At the meeting, Beazer stockholders will be asked to approve certain amendments to the Value Created Plan which will constitute:

- approval of an amendment to the Value Created Plan to increase the annual maximum payment under the Value Created Plan to any single participant from $1.5 million to $2.5 million; and

- ratification of the Beazer board of directors' adoption of the Customer Service Incentive Plan (the "Customer Plan") component of the Value Created Plan.

Beazer stockholder approval is necessary to preserve the full deductibility for federal income tax purposes of amounts paid by Beazer under the Value Created Plan as further described below.

The Beazer Stock Plan Committee believes that the Value Created Plan is an integral part of a compensation program that provides Beazer's officers and other key employees annual and long-term performance incentives that should enhance shareholder value. Increasing the maximum payment under the Value Created Plan and ratifying the Customer Plan are necessary to allow Beazer the flexibility to offer competitive and appropriate incentives to participants under the Value Created Plan.

Recommendation

The Beazer board of directors recommends that Beazer stockholders vote their shares in favor of the proposed amendments to the Value Created Plan. Please see "Proxies" beginning on page 26 of this Joint Proxy Statement/Prospectus for instructions on how to vote by proxy.

In December 1998, the Beazer Stock Plan Committee approved the Value Created Plan which was approved by the shareholders on February 4, 1999. In November 2000, the Beazer board of directors approved the Customer Plan as a component of the Value Created Plan. The following summary of the Value Created Plan and the Customer Plan is qualified in its entirety by reference to the full text of these plans attached hereto as Annex V.

Summary of the Value Created Plan

Beazer pays incentive compensation to its corporate executives and certain key employees under Beazer's Value Created Plan. The awards under this plan are made based upon Beazer (and its operating divisions) making operating profit in excess of Beazer's cost of capital. The amount of operating profit in excess of cost of capital is referred to as "Value Created."

Employees participating in the Value Created Plan, each year are paid a set percentage of Value Created and a set percentage of the increase in Value Created over the prior year, referred to as "Incremental Value Created." In addition the same percentages of Value Created and Incremental Value Created are put into a "bank," which may be paid out over three years, based upon future performance. Amounts payable under the Value Created Plan may be increased or decreased based on the performance of Beazer or a division of Beazer (each a "business unit") as measured under criteria set forth in the Customer Plan.

The following more detailed description of the Value Created Plan assumes approval of the amendments described above.

The Value Created Plan as Performance-Based Compensation

The Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder, generally provide that corporate deductions will be disallowed for annual compensation in excess of $1,000,000 paid to certain executive officers subject to certain exceptions and exclusions. The Stock Plan Committee's policy is to design and administer Beazer's executive compensation program to

minimize any loss of tax deductibility, while at the same time ensuring that Beazer's compensation program remains competitive. Beazer's incentive plans are intended to qualify payments under the plans as "performance-based compensation," which is not subject to the $1,000,000 cap on deductibility.

The Value Created Plan was designed to align annual cash incentive compensation opportunities with Beazer's financial strategy. We use "Value Created," a variation of the economic value financial concept, which measures Beazer's ability to generate a return on capital in excess of its weighted average cost of capital for the year, as determined by the Stock Plan Committee (currently 14%), as the principal financial measure to evaluate Beazer's performance and to determine the "annual" cash bonus incentives under the Value Created Plan.

History of Value Created Plan

In fiscal year 1997, Beazer began compensating certain corporate executives under a predecessor to the Value Created Plan. In fiscal 1998, this initial plan was extended to other members of both corporate and operating management.

In December 1998, the Stock Plan Committee approved the Value Created Plan as an update and amendment of the initial plan to be used to determine incentive compensation for all executive officers and members of management for fiscal year 1999 and thereafter. In order to maintain full tax deductibility for amounts paid under the Value Created Plan, the Value Created Plan was presented to and approved by Beazer's shareholders at Beazer's annual meeting of shareholders held on February 4, 1999.

The Value Created Plan was supplemented in November 2000 when the Beazer board of directors approved the Customer Plan.

Beazer believes that the Value Created Plan provides incentive compensation opportunities for superior performance based upon earnings in excess of cost of capital, a gauge that Beazer believes is consistent with its shareholders' objectives.

Definition of "Value Created"

Under the Value Created Plan, incentive compensation is based upon Value Created. Value Created is defined as earnings before interest and taxes (EBIT) minus a capital charge. The capital charge is equal to the total capital employed multiplied by an estimate of weighted average pre-tax cost of capital. The calculation of Value Created is represented below:

Value Created = EBIT - (Capital employed × weighted average cost of capital)

Value Created may be determined for an individual business unit as well as for the company as a whole, and can be either positive or negative.

Determination of Value Created Incentive Payments and Bank

At the end of each fiscal year, each participant in the Value Created Plan would be paid a predetermined percentage of Value Created and a predetermined percentage of the change in Value Created compared to the prior year ("Incremental Value Created"). For instance, in the case of Ian McCarthy, the Chief Executive Officer, the predetermined percentages of each of Value Created and Incremental Value Created is 3.0%. Since payments under the Value Created Plan are made only if Value Created or Incremental Value Created is positive, amounts to be allocated under the Value Created Plan cannot be determined at this time.

In addition, each participant has a "bank," which helps determine a portion of the annual bonus. The initial amount in each participant's bank is determined as a set percentage of salary. Each year

fifty percent of a set percentage of each of Value Created and Incremental Value Created, if positive, is paid immediately to that participant. The remaining fifty percent of such set percentage of each of Value Created and Incremental Value Created, positive or negative, is put into that participant's bank. The amounts put into the bank may be positive or negative and the bank balance, as a whole, can become negative. At the end of each fiscal year, one-third of the bank is paid out, if the bank is positive after increasing or reducing it by the current year's Value Created and Incremental Value percentages. The remaining balance in the bank is carried forward to the subsequent year to help determine that year's incentive payment, and thus represents a portion of future bonus potential. The bank balance is not vested and is not intended to represent incentive compensation due to employees for past service. The bank is forfeited upon severance, resignation, retirement, death or termination for any reason.

The Customer Plan

The Customer Plan was adopted as a component of the Value Created Plan by the Beazer board of directors on November 2, 2000 in order to provide additional incentives under the current Value Created Plan based on certain business criteria and has been in use since its adoption. Under the Customer Plan, a participant in the Value Created Plan can receive an additional annual incentive payment of up to 10% of the participant's annual Value Created Plan payment, based upon reaching or exceeding certain pre-established overall scores in three areas on Beazer's customer satisfaction surveys, which are conducted by an independent third party company. We have also established minimum standards for the three key measures, and should the business unit not meet these minimum standards, the Stock Plan Committee may, in its sole discretion, reduce a participant's annual incentive payment under the Value Created Plan by up to 10%. The maintenance of the Customer Plan, including the setting of minimum and target goals, is at the sole discretion of the Stock Plan Committee.

The current minimum standards and target goals are set forth in the table below:

	Minimum Standard	Target Goals for Positive Override
Total Homebuyer Satisfaction	80%	85%
Overall Service Satisfaction	80%	85%
Recommend to a Friend (Definitely and Most Likely)	85%	90%

For each of the three categories, an annual average is calculated for each business unit using the four trailing quarterly scores. This average is used to determine the override or adjustment from each factor. As demonstrated in the chart below, adjustments from the three factors are then aggregated to calculate the total override to be applied to the participant's incentive payment for the year. The adjustment does not affect the participant's bank or any subsequent year's calculations under the Value Created Plan. In addition, the override is not limited by the maximum cash payment restriction under the Value Created Plan.