

Home sale blitz exceeds builder's expectations

From Times Staff and Wire Reports

NEWARK, N.J. — Struggling builder Hovnanian Enterprises Inc. on Monday claimed "huge success" with its weekend sales blitz, which included six-figure discounts on homes being built or completed in 19 states.

The preliminary results from the "Deal of the Century" event exceeded expectations, said Ara K. Hovnanian, president and chief executive.

"The high level of traffic we saw in our sales offices and models over the weekend and over the past several weeks convinces us that there are interested buyers in the market today," he said. "However, with all of the negative publicity about the housing market, many home buyers were hesitant to buy because they worried that even lower prices might be offered later."

The sales promotion dropped prices by as much as 25%, with the largest discounts typically offered on the most expensive homes.

Such discounts included a three-bedroom condominium by the Hudson River in West New York, which was reduced \$240,000, or 22%, to \$862,000. A 25% discount was being offered on a two-bedroom home in Jackson Township, N.J., which lowered its price tag to \$300,501.

Home builder Standard Pa-

cific Corp., which began a 10-day sales extravaganza in 49 Southern California communities Friday, said Monday that its new-home orders for July and August were up 20% from the same period last year. The Irvine builder also said orders in California were up nearly 100% for July and August compared with the year-earlier period.

Standard Pacific did not return calls seeking weekend sales numbers from its fire sale.

Hovnanian said it had made more than 2,100 sales, including about 1,700 contracts and 400 deposits. It said agents took deposits when they did not have time to finish the paperwork for contracts before the deadline of 9 p.m. Sunday. The sale began at 9 a.m. Friday in 449 communities around the nation.

The figures approached Hovnanian's results for the most recent quarter. It reported 2,539 contracts for the three months ended July 31, down 24.2% from the same period a year earlier. Hovnanian sold 3,179 completed homes in the quarter, down 31.2% from a year earlier.

Like other builders, Red Bank, N.J.-based Hovnanian has been slammed by sharply reduced sales and growing inventories. Many potential buyers have been priced out of the market or unable to get loans amid the sub-prime meltdown.



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HOME: Hovnanian claimed "huge success" with its sales blitz. Above, one of the firm's houses in West Palm Beach, Fla., in March.