KB HOME
Form 424B5
July 24, 2012
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As filed pursuant to Rule 424(b)(5)
Under the Securities Act of 1933
Registration No. 333-176930

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities or a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 24, 2012

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated September 20, 2011)

$250,000,000

KB HOME

% Senior Notes due 2022

The notes offered hereby will bear interest at the rate of % per year. Interest on the notes is payable semi-annually on March 15 and September 15 of each year, beginning on March 15, 2013. The notes will mature on September 15, 2022. The notes may be redeemed, in whole at any time or in part from time to time, at our option, at the redemption prices described in this prospectus supplement, plus accrued and unpaid interest, if any, to the applicable redemption date.

The notes will be unconditionally guaranteed, jointly and severally, by certain of our operating subsidiaries on a senior unsecured basis. The notes will be senior unsecured obligations of KB Home and will rank equally with all other unsecured and unsubordinated indebtedness of KB Home. If we undergo a change of control, under certain circumstances, we may be required to offer to purchase the notes from holders at a price equal to 101% of the principal amount plus accrued and unpaid interest thereon.

Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price	%	$
Underwriting Discount	%	$
Proceeds to KB Home (before estimated expenses)	%	$

Interest on the notes will accrue from , 2012 to the date of delivery.

Delivery of the notes is expected to be made to investors through the book-entry delivery system of The Depository Trust Company on or about , 2012, which is the business day following the date of this prospectus supplement (such settlement cycle is referred to as T+). You should be advised that trading of the notes may be affected by the T+ settlement.

Joint Book-Running Managers

Citigroup **Credit Suisse** **Deutsche Bank Securities**

The date of this prospectus supplement is , 2012.

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Prospectus Supplement

Prospectus

You should rely only on the information contained in or incorporated or deemed incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor any of the underwriters have authorized anyone to provide you with any information other than the information contained in or incorporated or deemed incorporated by reference in this prospectus supplement and the accompanying prospectus. We are not making any offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in or incorporated or deemed incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement, the date on the front of the accompanying prospectus or the date of the applicable incorporated document, as the case may be. Our business, financial condition, results of operations and prospects may have changed since those dates.

When this prospectus supplement uses the words KB Home, we, us, and our, they refer to KB Home, a Delaware corporation, and its subsidiaries unless otherwise stated or the context otherwise requires.

Our fiscal year ends on November 30. In 2012, our first fiscal quarter ended on February 29 and our second fiscal quarter ended on May 31. When this prospectus supplement refers to particular years or quarters in connection with the discussion of our results of operations or financial condition, those references mean the relevant fiscal years and fiscal quarters, unless otherwise stated.

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We are one of the largest homebuilding companies in the United States. When we refer in this prospectus supplement or accompanying prospectus or in the documents incorporated or deemed incorporated by reference herein or therein to homes or units, we mean single-family residences, which include detached and attached single-family homes, townhomes and condominiums, and references to our homebuilding revenues and similar references refer to revenues derived from sales of single-family residences, in each case unless otherwise expressly stated or the context otherwise requires.

The information in this prospectus supplement and accompanying prospectus and in the documents incorporated or deemed incorporated by reference herein or therein concerning the housing market, the homebuilding industry, our market share or our size relative to other homebuilders and similar matters is derived principally from publicly available information and from industry sources. Although we believe that this publicly available information and the information provided by these industry sources is reliable, we have not independently verified any of this information and we cannot assure you of its accuracy.

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PROSPECTUS SUPPLEMENT SUMMARY

The following is a brief summary of the more detailed information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated or deemed incorporated by reference herein or therein. It does not contain all of the information that may be important to you. You should read carefully this prospectus supplement, the accompanying prospectus and the documents incorporated or deemed incorporated by reference herein or therein, including the Risk Factors and the financial statements and the related notes included elsewhere or incorporated by reference herein or therein, before making a decision with respect to an investment in the notes.

KB HOME

We are one of the largest and most recognized homebuilding companies in the United States, with operating divisions in the following regions and states: West Coast California; Southwest Arizona and Nevada; Central Colorado and Texas; and Southeast Florida, Maryland, North Carolina and Virginia. Founded in 1957, we are listed on the New York Stock Exchange under the ticker symbol KBH. We are incorporated in Delaware. Our principal executive offices are located at 10990 Wilshire Boulevard, Los Angeles, California 90024. Our telephone number is (310) 231-4000.

RECENT DEVELOPMENTS

Tender Offers

On July 11, 2012, we commenced tender offers to purchase for cash any and all of our 5 $^3/_4$% Senior Notes due 2014 (the 2014 Notes), and up to $150.0 million in aggregate principal amount, less any amount accepted in the tender offer for the 2014 Notes (the Maximum 2015 Amount), of our 5 $^7/_8$% Senior Notes due 2015 (the 5 $^7/_8$% Notes) and our 6 $^1/_4$% Senior Notes due 2015 (the 6 $^1/_4$% Notes, and together with the 5 $^7/_8$% Notes, the 2015 Notes). In this prospectus supplement, we refer to the 2014 Notes and the 2015 Notes, collectively, as the Tender Offer Notes. The tender offers are being made on the terms and subject to the conditions set forth in the offer to purchase, dated July 11, 2012, and the related letter of transmittal concerning the tender offers, in each case as amended or supplemented (together, the Offer to Purchase).

The amount of 2015 Notes purchased in the applicable tender offer will be subject to the Maximum 2015 Amount. This means that if $150.0 million or more in aggregate principal amount of the 2014 Notes is validly tendered and accepted by us for purchase, no 2015 Notes will be accepted for purchase. If less than $150.0 million in aggregate principal amount of the 2014 Notes is validly tendered and accepted by us for purchase, and the aggregate principal amount of 2015 Notes validly tendered exceeds the Maximum 2015 Amount, we will accept for purchase an amount of such 2015 Notes that is prorated based on the aggregate principal amount tendered in the tender offers for the 2015 Notes, as applicable. We may waive or increase the Maximum 2015 Amount in our sole discretion, subject to compliance with applicable law.

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Subject to the terms and conditions of the Offer to Purchase, set forth in the table below is the tender offer consideration for each series of notes validly tendered and accepted by us for purchase in the applicable tender offer:

Title of Security	CUSIP Number	Principal Amount Outstanding	Acceptance Priority Level	Dollars per $1,000 Principal Amount of Securities: Tender Offer Consideration	Early Tender Premium	Total Consideration	Acceptance Cap
2014 Note Tender Offer							
5 $^{3}/_{4}$% Senior Notes due 2014	48666KAH2	$ 193,696,000	1	$ 1,010	$ 30	$ 1,040	Not Applicable
2015 Note Tender Offers							
5 $^{7}/_{8}$% Senior Notes due 2015	48666KAL3	$ 170,007,000	2	$ 990	$ 30	$ 1,020	Maximum 2015 Amount
6 $^{1}/_{4}$% Senior Notes due 2015	48666KAM1	$ 296,297,000	2	$ 990	$ 30	$ 1,020	

In addition, the table above sets forth the early tender premium offered for each series of notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on July 23, 2012 and accepted for purchase by us. As of such time, there were approximately $117.6 million in aggregate principal amount of the 2014 Notes tendered, there were approximately $66.8 million in aggregate principal amount of the 5 $^{7}/_{8}$% Notes tendered and there were approximately $59.1 million in aggregate principal amount of the 6 $^{1}/_{4}$% Notes tendered. Accrued and unpaid interest will be paid on any notes of each series accepted by us for purchase up to, but not including, the settlement date.

The tender offers are scheduled to expire at 11:59 p.m., New York City time, on August 7, 2012, and are conditioned, among other things, upon the completion of the offer and sale by us of not less than $250.0 million in aggregate principal amount of notes through this offering.

We cannot assure you that the tender offers will be consummated in accordance with their terms, or at all, or that a significant principal amount of the Tender Offer Notes will be tendered and cancelled pursuant to the tender offers. This offering is not conditioned upon the successful consummation of the tender offers. We intend to use all or a portion of the net proceeds from this offering and unrestricted cash on hand, if necessary, to purchase for cash any and all of the 2014 Notes and up to the Maximum 2015 Amount of the 2015 Notes validly tendered and accepted by us for purchase. We intend to use any remaining net proceeds from this offering for general corporate purposes. For a discussion of the terms of the Tender Offer Notes, see our Annual Report on Form 10-K for the year ended November 30, 2011 and the Notes to Consolidated Financial Statements, both of which are incorporated by reference in this prospectus supplement. See also Use of Proceeds in this prospectus supplement.

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OFFERING SUMMARY

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should read this entire prospectus supplement and accompanying prospectus carefully, including the Description of the Notes and Description of Debt Securities sections, before making an investment in the notes. In this section, KB Home, we, our, and us mean KB Home excluding our subsidiaries, unless otherwise stated or the context requires.

Issuer	KB Home, a Delaware corporation.
The Notes	\$250.0 million aggregate principal amount of % Senior Notes due 2022.
Maturity	September 15, 2022.
Interest	Annual rate: %, accruing from , 2012.
	Payment frequency: Every six months on March 15 and September 15.
	First payment: March 15, 2013.
Guarantees	Payment of principal of and premium, if any, and interest on the notes offered hereby will be unconditionally guaranteed, jointly and severally, on a senior unsecured basis by certain of our operating subsidiaries, which we sometimes refer to as the guarantors. Each of these guarantors also guarantees, on a senior unsecured basis, our outstanding 2014 Notes, 2015 Notes, 9.100% Senior Notes due 2017, 7 $^{1}/_{4}$% Senior Notes due 2018 and 8.00% Senior Notes due 2020 (collectively, our Senior Notes). Under certain circumstances, any or all of the guarantors may be released from their guarantees of the notes, and other subsidiaries of KB Home may or may be required to guarantee the notes. Each guarantor s guarantee of the notes offered hereby will rank equally with all other unsecured and unsubordinated indebtedness and guarantees of that guarantor, including its guarantees of our borrowings and other obligations under our Senior Notes. Your right to payment under the guarantees of the notes offered hereby will be effectively subordinated to all existing and future secured indebtedness of the guarantors of the notes to the extent of the value of the assets securing such indebtedness. See Description of Debt Securities Guarantees and Description of Debt Securities Ranking Ranking of Senior Debt Securities and Guarantees in the accompanying prospectus.
Ranking	The notes offered hereby will be our unsecured and unsubordinated obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness including, without limitation, our Senior Notes. Your right to payment under the notes offered hereby will be:
	effectively subordinated to all existing and future indebtedness, trade payables, guarantees and other liabilities of the subsidiaries of

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KB Home that are not guarantors of the notes, which we refer to herein as non-guarantor subsidiaries. Non-guarantor subsidiaries had approximately $172.7 million of liabilities outstanding, excluding intercompany liabilities, as of May 31, 2012; and

effectively subordinated to all our existing and future secured indebtedness and all the existing and future secured indebtedness of the guarantors of the notes to the extent of the value of the assets securing such indebtedness, which indebtedness is currently comprised principally of indebtedness secured by purchase money mortgages on real property, the aggregate principal amount of which indebtedness was approximately $14.2 million at May 31, 2012.

See Risk Factors Risk Factors Relating to the Notes Our ability to service our debt, including the notes, depends upon cash provided to us by our subsidiaries, and the notes are effectively subordinated to the liabilities of our subsidiaries that are not guarantors of the notes and to secured indebtedness of us and the guarantors in this prospectus supplement and Description of Debt Securities Ranking Ranking of Senior Debt Securities and Guarantees and Holding Company Structure in the accompanying prospectus.

Use of Proceeds

We estimate that we will receive approximately $245.9 million in net proceeds from this offering, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use all or a portion of the net proceeds from this offering and unrestricted cash on hand, if necessary, to purchase for cash any and all of the 2014 Notes and up to the Maximum 2015 Amount of the 2015 Notes validly tendered and accepted by us for purchase, including the payment of accrued interest and any applicable early tender premium, as described in this prospectus supplement under Prospectus Supplement Summary Recent Developments Tender Offers. We intend to use any remaining net proceeds from this offering for general corporate purposes. See Use of Proceeds in this prospectus supplement.

Optional Redemption

We may redeem the notes, in whole at any time or from time to time in part, at our option, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the applicable redemption date), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined herein) plus 50 basis points, plus, in each case, accrued and unpaid interest on the notes being redeemed to the applicable redemption date. See Description of the Notes Optional Redemption in this prospectus supplement.

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Certain Covenants	We have agreed to certain restrictions on secured debt, sale and leaseback transactions and mergers, consolidations and transfers of substantially all of our assets. However, these covenants are subject to a number of important exceptions and limitations, and you should carefully review the information with respect to these covenants and the related definitions appearing in the accompanying prospectus under Description of Debt Securities Certain Covenants, Description of Debt Securities Consolidation, Merger and Sale of Assets and Description of Debt Securities Certain Definitions.
Offer to Repurchase Upon a Change of Control Triggering Event	Upon a change of control triggering event, we will be required to make an offer to repurchase all outstanding notes offered hereby at a price in cash equal to 101% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including, the repurchase date. See Description of the Notes Change of Control Offer in this prospectus supplement.
Book-Entry Notes	The notes offered hereby will be issued in book-entry form and represented by one or more global notes deposited with a custodian for The Depository Trust Company and registered in the name of The Depository Trust Company or its nominee. See Description of Debt Securities Book-Entry; Delivery and Form in the accompanying prospectus.
Material United States Federal Income Tax Considerations	For a summary of certain U.S. federal income tax consequences of the holding and disposing of the notes, see Material United States Federal Income Tax Considerations in this prospectus supplement.
Risk Factors	You should carefully review the information in this prospectus supplement under the caption Risk Factors, as well as the other information in this prospectus supplement, the accompanying prospectus and the documents incorporated or deemed incorporated by reference herein or therein, in evaluating an investment in the notes offered hereby.
Listing; No Prior Market	We currently do not intend to list the notes offered hereby on any securities exchange, there is currently no market for the notes and there can be no assurance that one will develop. See Underwriting in this prospectus supplement.

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FORWARD-LOOKING STATEMENTS

You are cautioned that certain statements contained or incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus are forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as expects, anticipates, intends, plans, believes, estimates, hopes, and similar expressions con forward-looking statements. In addition, any statements concerning future financial or operating performance (including future revenues, homes delivered, net orders, selling prices, expenses, expense ratios, gross profit margins, earnings or earnings per share, or growth or growth rates), future market conditions, future interest rates, and other economic conditions, ongoing business strategies or prospects, future dividends and changes in dividend levels, the value of backlog (including amounts that we expect to realize upon delivery of homes included in backlog and the timing of those deliveries), potential future acquisitions and the impact of completed acquisitions, future share repurchases and possible future actions, which may be provided by us, are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about our operations, economic and market factors, and the homebuilding industry, among other things. These statements are not guarantees of future performance, and we have no specific policy or intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The most important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to: general economic, employment and business conditions; adverse market conditions that could result in additional impairment or land option contract abandonment charges and operating losses, including an oversupply of unsold homes, declining home prices and increased foreclosure and short sale activity, among other things; conditions in the capital and credit markets (including residential consumer mortgage lending standards, the availability of residential consumer mortgage financing and mortgage foreclosure rates); material prices and availability; labor costs and availability; changes in interest rates; inflation; our debt level, including our ratio of debt to total capital, and our ability to adjust our debt level and structure and to access the credit, capital or other financial markets or other external financing sources; weak or declining consumer confidence, either generally or specifically with respect to purchasing homes; competition for home sales from other sellers of new and existing homes, including lenders and other sellers of homes obtained through foreclosures or short sales; weather conditions, significant natural disasters and other environmental factors; government actions, policies, programs and regulations directed at or affecting the housing market (including, but not limited to, the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, tax credits, tax incentives and/or subsidies for home purchases, tax deductions for residential consumer mortgage interest payments and property taxes, tax exemptions for profits on home sales, and programs intended to modify existing mortgage loans and to prevent mortgage foreclosures), the homebuilding industry, or construction activities; the availability and cost of land in desirable areas; our warranty claims experience with respect to homes previously delivered and actual warranty costs incurred; our ability to obtain reimbursement and/or recoveries for the costs incurred in connection with resolving claims and undertaking repairs related to allegedly defective drywall material in homes previously delivered and other warranty-related obligations; legal or regulatory proceedings or claims; our ability to use/realize the net deferred tax assets we have generated; our ability to successfully implement our current and planned product, geographic and market positioning (including, but not limited to, our efforts to expand our inventory base/pipeline with desirable land positions or interests at reasonable cost and to expand our community count, open new communities for sales and sell higher-priced homes, and our increasing operational and investment concentration in markets in California and Texas), revenue growth, asset optimization, and overhead and other cost reduction strategies and initiatives; consumer traffic to our new home communities and consumer interest in our product designs; the manner in which our homebuyers are offered and whether they are able to obtain residential consumer mortgage loans and mortgage banking services, including from our preferred mortgage lender, Nationstar; the operational transition of our preferred mortgage lending relationship to Nationstar and the performance of Nationstar with respect to that relationship and in originating residential consumer mortgage loans for the Company s homebuyers; information technology failures and data security breaches; the possibility that the proposed offer and sale of the notes to fund the purchase of the 2014 Notes and the 2015 Notes in the applicable tender offers will not close timely or at all; and other events outside of our control. Please see our Annual Report on Form 10-K for the fiscal year ended November 30, 2011, our Quarterly Reports on Form 10-Q for the fiscal quarters ended February 29, 2012 and May 31, 2012, and our other filings with the SEC for a further discussion of these and other risks and uncertainties applicable to our business.

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RISK FACTORS

You should carefully consider the risks and uncertainties described below before purchasing the notes offered hereby, as well as the risks and uncertainties described elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus. The following important factors could adversely impact our homebuilding and financial services operations, and our consolidated financial statements. These factors could cause our actual results to differ materially from the forward-looking and other statements that we make in this prospectus supplement and the accompanying prospectus, and the documents incorporated and deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus. However, these are not the only risks and uncertainties that we face. You are also cautioned that some of the statements contained or incorporated by reference in this prospectus supplement and accompanying prospectus are forward-looking statements and are subject to risks, uncertainties and assumptions. See Forward-Looking Statements in this prospectus supplement.

Risk Factors Relating to KB Home

For a discussion of risks and uncertainties relating to KB Home and our business, see Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended November 30, 2011, which is incorporated by reference in this prospectus supplement.

Risk Factors Relating to the Notes

Your right to receive payments on the notes will be effectively subordinated to the rights of any future secured creditors of our company. Further, the guarantees of these notes will be effectively subordinated to all of our guarantors future secured indebtedness.

Your right to receive payments on the notes offered hereby will be effectively subordinated to the rights of any future secured creditors of ours, and the guarantees of the notes will be effectively subordinated to all of our guarantors future secured indebtedness, to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of our assets in any insolvency, foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of secured indebtedness will have a prior claim to those of our assets that constitute their collateral. Holders of the notes will participate ratably in our remaining assets with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of the notes may receive less, ratably, than holders of secured indebtedness.

We intend to use all or a portion of the net proceeds from the offering of the notes to pay for the purchase of Tender Offer Notes validly tendered in the applicable tender offer and accepted by us. If we do not use all of the net proceeds from this offering to pay for the purchase of Tender Offer Notes, our overall debt level will increase. In addition, whether we use all or only a portion of the net proceeds from this offering to pay for the purchase of Tender Offer Notes, the notes offered hereby will bear a higher rate of interest than the Tender Offer Notes.

We intend to use all or a portion of the net proceeds from this offering to pay for the cost of purchasing the Tender Offer Notes validly tendered and accepted by us for purchase in the applicable tender offer. In the Offer to Purchase, and subject to its terms and conditions, we have indicated that we will accept for purchase any and all validly tendered 2014 Notes and up to the Maximum 2015 Amount in aggregate principal amount of validly tendered 2015 Notes. We may increase or waive the Maximum 2015 Amount in our sole discretion, subject to compliance with applicable law. If the aggregate principal amount of this offering exceeds the amount of Tender

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Offer Notes accepted for purchase by us in the applicable tender offers, the aggregate amount of principal we owe for borrowed money will increase and we may use such excess amount for general corporate purposes. Whether we use all or only a portion of the net proceeds from this offering to pay for the purchase of Tender Offer Notes, the notes offered hereby will bear a higher rate of interest than the Tender Offer Notes.

Our ability to service our debt, including the notes, depends upon cash provided to us by our subsidiaries, and the notes are effectively subordinated to the liabilities of our subsidiaries that are not guarantors of the notes and to secured indebtedness of us and the guarantors.

The notes will initially be guaranteed by certain of our subsidiaries. However, a substantial portion of our revenue and income is generated by, and a substantial portion of our assets is held by, the non-guarantor subsidiaries. For example, the non-guarantor subsidiaries generated approximately 43.3% and 42.2% of our consolidated revenues during the fiscal year ended November 30, 2011 and the six months ended May 31, 2012, respectively, and the non-guarantor subsidiaries held approximately 24.1% and 24.8% of our consolidated assets at November 30, 2011 and May 31, 2012, respectively. For further information, you should review note 19 to our consolidated financial statements appearing in our Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2012 and note 21 to our consolidated financial statements appearing in our Annual Report on Form 10-K for the fiscal year ended November 30, 2011, both of which are incorporated or deemed incorporated by reference in this prospectus supplement and the accompanying prospectus and include condensed consolidating financial statements that separately present the results of operations and financial condition of the guarantor and non-guarantor subsidiaries.

We are a holding company, and we conduct our operations through subsidiaries. We derive substantially all our revenues from our subsidiaries, and all of our operating assets are owned by our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, depends on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us with cash to pay amounts due on our obligations, including the Senior Notes and the notes offered hereby. Our subsidiaries are separate and distinct legal entities and the non-guarantor subsidiaries have no obligation to make payments on the notes offered hereby or to make any funds available for that purpose. In addition, dividends, loans, or other distributions from our subsidiaries to us may be subject to contractual and other restrictions, are dependent upon the results of operations of our subsidiaries and are subject to other business considerations.

Because of our holding company structure, the notes offered hereby will be effectively subordinated to all existing and future liabilities of the non-guarantor subsidiaries. These liabilities may include, among others, indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. Therefore, our rights and the rights of our creditors, including the holders of the notes, to participate in the assets of any non-guarantor subsidiary upon that subsidiary s liquidation or reorganization will be subject to the prior claims of that subsidiary s creditors and of the holders of any indebtedness or other obligations guaranteed by that subsidiary, except to the extent that we may ourselves be a creditor with recognized claims against that subsidiary. However, even if we are a creditor of a non-guarantor subsidiary, our claims would still be effectively subordinated to any security interests in, or mortgages or other liens on, the assets of that subsidiary and would be subordinate to any indebtedness of that subsidiary senior to that held by us. As of May 31, 2012, the non-guarantor subsidiaries had approximately $172.7 million of liabilities outstanding, excluding intercompany liabilities, to which the notes offered hereby would be structurally subordinated.

The notes offered hereby will also be effectively subordinated to our existing and future secured indebtedness and the existing and future secured indebtedness of the guarantors of the notes. Such existing indebtedness is currently comprised principally of indebtedness secured by purchase money mortgages on real property, the aggregate principal amount of which was approximately $14.2 million at May 31, 2012.

Each guarantor of the notes offered hereby also guarantees, on a senior unsecured basis, our outstanding Senior Notes. Each guarantor s guarantee of the notes offered hereby will rank equally with all other unsecured

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and unsubordinated indebtedness and guarantees of that guarantor, including its guarantees of our borrowings and other obligations under our Senior Notes. At May 31, 2012, we had $1.564 billion of Senior Notes outstanding. Your right to payment under the guarantees of the notes offered hereby will be effectively subordinated to the secured indebtedness of the guarantors of the notes to the extent of the value of the assets securing such indebtedness, as described above.

The indenture that will govern the notes offered hereby does not contain any limitation on the amount of unsecured liabilities, including indebtedness and guarantees, that we and our subsidiaries may incur in the future.

Federal and state laws allow courts, under specific circumstances, to void guarantees and to require you to return payments received from guarantors.

The notes offered hereby will initially be guaranteed by the guarantors and, under certain circumstances, other subsidiaries of ours may or may be required to guarantee the notes. Any of these guarantees may be subject to review as fraudulent transfers under federal bankruptcy law and comparable provisions of state fraudulent transfer laws in the event a bankruptcy or reorganization case is commenced by or on behalf of one of the guarantors or if a lawsuit is commenced against one of the guarantors by or on behalf of an unpaid creditor of such guarantor. Although the elements that must be found for a guarantee to be determined to be a fraudulent transfer vary depending upon the law of the jurisdiction that is being applied, as a general matter, if a court were to find that, at the time any guarantor issued its guarantee of the notes:

- it issued the guarantee to delay, hinder or defraud present or future creditors; or

- it received less than reasonably equivalent value or fair consideration for issuing the guarantee at the time it issued the guarantee, and

- was insolvent or rendered insolvent by reason of issuing the guarantee; or

- was engaged, or about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or

- intended to incur, or believed that it would incur, debts beyond its ability to pay as they mature,

then the court could void the obligations under such guarantee, subordinate the guarantee to that of the guarantor s other debt or take other action detrimental to you and the guarantees of the notes offered hereby, including directing the return of any payments received from the guarantors.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the law of the jurisdiction that is being applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a person would be considered insolvent if, at the time it incurred the debt or issued its guarantee:

- the present fair value of its assets was less than the amount that would be required to pay its liabilities on its existing debts, including contingent liabilities, as they become due; or it could not pay its debts as they become due.

We cannot be sure as to the standard that a court would use to determine whether or not the guarantors were solvent at a relevant time, or, regardless of the standard that the court uses, that the issuance of the guarantees would not be voided or the guarantees would not be subordinated to the guarantors other debt. If that were to occur, any guarantee could also be subject to the claim that, because the guarantee was incurred for our benefit, and only indirectly for the benefit of the applicable guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration.

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The guarantors may be released from their guarantees of the notes under certain circumstances.

Any or all of the guarantors of the notes offered hereby may be released from their respective guarantees under certain circumstances specified in the indenture that will govern the notes. If this were to occur, holders of the notes would be structurally subordinated to the liabilities of such released guarantors, as described above, and it could have a material adverse effect on the value of the notes. See Description of Debt Securities Guarantees in the accompanying prospectus.

Substantially all of our currently outstanding unsecured indebtedness is scheduled to mature prior to the notes offered hereby.

At May 31, 2012, we had $1.564 billion of Senior Notes outstanding that will rank equally with the notes offered hereby, without giving effect to the tender offers for our Tender Offer Notes. All of these Senior Notes are scheduled to mature prior to the stated maturity of the notes offered hereby.

We may not be able to repurchase the notes upon a change of control triggering event.

Upon the occurrence of a change of control triggering event (as defined in Description of the Notes in this prospectus supplement), we will be required to make an offer to each holder of the notes offered hereby to repurchase all or any part of such holder s notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase. If we experience a change of control triggering event, we cannot assure you that we would have sufficient financial resources available to repurchase the notes in cash at such time. The terms governing our 9.100% Senior Notes due 2017 and 8.00% Senior Notes due 2020 provide for a similar offer to repurchase requirement with respect to the applicable series of securities. As of the date of this prospectus supplement, the aggregate principal balance of our 9.100% Senior Notes and 8.00% Senior Notes is $265,000,000 and $350,000,000, respectively. Our failure to repurchase these securities would result in a default under the applicable securities, which could result in defaults under our other debt agreements and have material adverse consequences for us and the holders of the notes offered hereby.

The terms of the indenture and the notes provide only limited protection against significant corporate events that could affect adversely your investment in the notes.

While the indenture and the notes offered hereby contain terms intended to provide protection to holders upon the occurrence of certain events involving significant corporate transactions or our creditworthiness, these terms are limited and may not be sufficient to protect your investment in the notes. As described under Description of the Notes Change of Control Offer in this prospectus supplement, upon the occurrence of a change of control triggering event, we will be required to make an offer to each holder of the notes to repurchase their notes at 101% of their principal amount. However, the definition of the term change of control triggering event is limited and does not cover a variety of transactions (such as acquisitions by us or recapitalizations) that could negatively affect the value of your notes. If we were to enter into a significant corporate transaction that would negatively affect the value of the notes, but that would not constitute a change of control triggering event, you would not have any rights to require us to repurchase the notes prior to their maturity, which also would adversely affect your investment. Additionally, a 2009 Delaware Chancery Court decision found that incumbent directors are permitted to approve as a continuing director of a board any person, including one nominated by a dissident stockholder and not recommended by the board, as long as the approval is granted in good faith and in accordance with the board s fiduciary duties. Accordingly, a holder of notes may not be able to require us to repurchase notes as a result of the change in the composition of the directors on our board. The same court also observed that certain provisions in indentures, such as continuing director provisions, could function to entrench an incumbent board of directors and could raise enforcement concerns if adopted in violation of a board s fiduciary duties. If such a provision were found unenforceable, holders would not be able to require us to repurchase notes as a result of a change of control resulting from a change in the composition of our board. The Delaware Supreme Court subsequently affirmed this decision of the Delaware Chancery Court. See Description of the Notes Change of Control Offer in this prospectus supplement.

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Despite current indebtedness levels, we may still be able to incur substantially more debt. This could further exacerbate the risks described above.

We and our subsidiaries may be able to incur substantial additional indebtedness, including secured debt, in the future. The terms of the indenture governing the notes do not fully prohibit us or our subsidiaries from doing so. See Description of Debt Securities Certain Covenants in the accompanying prospectus. If we incur any additional indebtedness that ranks *pari passu* with the notes offered hereby, the holders of such debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding. This may have the effect of reducing the amount of proceeds paid to you. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

An active trading market may not develop for the notes.

We cannot assure you that a trading market for the notes offered hereby will ever develop or, if a trading market develops, that it will be maintained or provide adequate liquidity. We do not intend to apply for listing of the notes on any securities exchange or for quotation on any automated or other quotation system. The notes are a new issue of securities with no trading history or established trading market. Any trading market for the notes may be adversely affected by changes in interest rates, the overall market for these types of securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a consequence, you might not be able to sell your notes, or, even if you can sell your notes, you might not be able to sell them at an acceptable price.

The trading price of the notes may be volatile and can be directly affected by many factors, including our credit rating.

In the event that a trading market for the notes offered hereby develops, the trading price of the notes could be subject to significant fluctuation in response to, among other factors, changes in our operating results, interest rates, the market for non-investment grade securities, general economic conditions and securities analysts recommendations, if any, regarding our securities.

Credit rating agencies continually revise their ratings for companies they follow, including us. Any ratings downgrade could adversely affect the trading price of the notes, or the trading market for the notes, to the extent a trading market for the notes develops. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future and any fluctuation may impact the trading price of the notes.

The notes may be issued with original issue discount (OID) for U.S. federal income tax purposes.

The notes offered hereby may be issued with OID for U.S. federal income tax purposes if the issue price of the notes is less than the stated principal amount of the notes by more than a *de minimis* amount. If the notes are issued with OID, U.S. holders of the notes will be required to include amounts in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable and regardless of the holder s method of tax accounting. For more information, see Material United States Federal Income Tax Considerations in this prospectus supplement.

In the event of a bankruptcy, holders may not have a claim with respect to OID on the notes constituting unmatured interest under the U.S. Bankruptcy Code.

Under the U.S. Bankruptcy Code, the principal amount of each note offered hereby in excess of its issue price (*i.e.*, OID) is treated as unmatured interest. The claim of a holder of a note in a bankruptcy proceeding in respect of the notes with respect to this OID, if any, would be limited to the portion thereof that had accreted prior to the date of the commencement of the bankruptcy case. Holders of notes would not be entitled to receive any additional portion of the OID, if any, that accreted through the duration of a bankruptcy proceeding.

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USE OF PROCEEDS

We estimate the net proceeds from this offering of notes to be approximately $245.9 million after deducting the underwriting discount and our estimated expenses relating to the offering. We intend to use all or a portion of the net proceeds from this offering and unrestricted cash on hand, if necessary, to purchase for cash any and all of the 2014 Notes and up to the Maximum 2015 Amount of the 2015 Notes validly tendered and accepted by us for purchase, including the payment of accrued interest and any applicable early tender premium, as described under Prospectus Supplement Summary Recent Developments Tender Offers in this prospectus supplement. We intend to use any remaining net proceeds from this offering for general corporate purposes, which may include the purchase from time to time of any 2014 Notes and 2015 Notes otherwise than pursuant to the tender offers described in the Offer to Purchase, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise.

As of July 5, 2012, $193.7 million aggregate principal amount of the 2014 Notes, $170.0 million aggregate principal amount of the 5 $^{7}/_{8}$% Notes and $296.3 million aggregate principal amount of the 6 $^{1}/_{4}$% Notes was outstanding. The 2014 Notes bear interest at the rate of 5 $^{3}/_{4}$% per annum and are scheduled to mature on February 1, 2014. The 5 $^{7}/_{8}$% Notes bear interest at the rate of 5 $^{7}/_{8}$% per annum and are scheduled to mature on January 15, 2015. The 6 $^{1}/_{4}$% Notes bear interest at the rate of 6 $^{1}/_{4}$% per annum and are scheduled to mature on June 15, 2015.

Subject to the terms and conditions of the Offer to Purchase, set forth in the table below is the tender offer consideration for each series of notes validly tendered and accepted by us for purchase in the applicable tender offer:

				Dollars per $1,000 Principal Amount of Securities			
Title of Security	**CUSIP Number**	**Principal Amount Outstanding**	**Acceptance Priority Level**	**Tender Offer Consideration**	**Early Tender Premium**	**Total Consideration**	**Acceptance Cap**
2014 Note Tender Offer							
5 $^{3}/_{4}$% Senior Notes due 2014	48666KAH2	$ 193,696,000	1	$ 1,010	$ 30	$ 1,040	Not Applicable
2015 Note Tender Offers							
5 $^{7}/_{8}$% Senior Notes due 2015	48666KAL3	$ 170,007,000	2	$ 990	$ 30	$ 1,020	Maximum
6 $^{1}/_{4}$% Senior Notes due 2015	48666KAM1	$ 296,297,000	2	$ 990	$ 30	$ 1,020	2015 Amount

In addition, the table above sets forth the early tender premium offered for each series of notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on July 23, 2012 and accepted for purchase by us. Accrued and unpaid interest will be paid on any notes of each series accepted by us for purchase up to, but not including, the settlement date. The amount of 2015 Notes purchased in the applicable tender offers for the 2015 Notes will be subject to the Maximum 2015 Amount and possible proration as described under Prospectus Supplement Summary Recent Developments Tender Offers in this prospectus supplement.

The tender offers are being made on the terms and subject to the conditions set forth in the Offer to Purchase. We cannot assure you that each of the tender offers will be consummated in accordance with its respective terms, or at all, or that a significant principal amount of the 2014 Notes or the 2015 Notes will be tendered and cancelled pursuant to the tender offers. This offering is not conditioned upon the successful consummation of any of the tender offers.

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CAPITALIZATION

The following table shows our unaudited cash and cash equivalents and restricted cash and total capitalization at May 31, 2012:

on an actual basis; and

on an as adjusted basis to reflect the issuance and sale of the notes offered hereby (giving effect to original issue discount, if any, and the underwriting discount and estimated expenses related to this offering) and the consummation of the following transactions:

the purchase by us of all validly tendered 2014 Notes and up to the Maximum 2015 Amount of validly tendered 2015 Notes, and payment by us of estimated expenses, assuming for these purposes a settlement date of August 8, 2012, and assuming the Tender Offer Notes tendered are solely those notes tendered as of 5:00 p.m., New York City time, on July 23, 2012, which was the early tender time with respect to the applicable tender offers. Based on the Tender Offer Notes tendered as of such time, we have assumed the following:

approximately $117.6 million principal amount of the 2014 Notes are validly tendered and accepted by us for purchase for total consideration of $1,040.00 (which includes a premium for early tenders but excludes accrued and unpaid interest) per $1,000 principal amount;

approximately $17.2 million principal amount of the 5 $^{7}/_{8}$% Notes are validly tendered and accepted by us for purchase for total consideration of $1,020.00 (which includes a premium for early tenders but excludes accrued and unpaid interest) per $1,000 principal amount; and

approximately $15.2 million principal amount of the 6 $^{1}/_{4}$% Notes are validly tendered and accepted by us for purchase for total consideration of $1,020.00 (which includes a premium for early tenders but excludes accrued and unpaid interest) per $1,000 principal amount.

The actual as adjusted amounts will vary depending upon the principal amount of Tender Offer Notes validly tendered and accepted by us for purchase as of the applicable expiration date and the date of settlement thereof pursuant to the applicable tender offers described under Prospectus Supplement Summary Recent Developments Tender Offers in this prospectus supplement.

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You should read this table in conjunction with (i) Prospectus Supplement Summary Recent Developments Tender Offers in this prospectus supplement, (ii) Selected Consolidated Financial Data and Use of Proceeds appearing elsewhere, or incorporated by reference, in this prospectus supplement, (iii) the information set forth under Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Reports on Form 10-Q for the fiscal quarters ended February 29, 2012 and May 31, 2012 and Annual Report on Form 10-K for the fiscal year ended November 30, 2011, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, and (iv) the financial statements and notes thereto contained in our Quarterly Reports on Form 10-Q for the fiscal quarters ended February 29, 2012 and May 31, 2012 and Annual Report on Form 10-K for the fiscal year ended November 30, 2011, which are also incorporated by reference in this prospectus supplement and the accompanying prospectus.

	At May 31, 2012	
	Actual	**As Adjusted(1)**
	(In thousands, unaudited)	
Cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 314,258	$ 404,058
Restricted cash(2)	63,182	63,182
Total cash, cash equivalents and restricted cash	$ 377,440	$ 467,240
Mortgages and notes payable		
Mortgages and land contracts due to land sellers and other loans	$ 18,289	$ 18,289
5 $^{3}/_{4}$% Senior Notes due 2014(3)(4)	193,482	76,061
5 $^{7}/_{8}$% Senior Notes due 2015(3)(5)	169,657	152,471
6 $^{1}/_{4}$% Senior Notes due 2015(3)(6)	296,179	280,957
9.100% Senior Notes due 2017(7)	261,141	261,141
7 $^{1}/_{4}$% Senior Notes due 2018(8)	299,067	299,067
8.00% Senior Notes due 2020(9)	344,973	344,973
Notes offered hereby(10)		250,000
Total mortgages and notes payable	1,582,788	1,682,959
Total stockholders equity	369,531	363,499
Total capitalization	$ 1,952,319	$ 2,046,458

(1) Reflects (a) receipt of the net proceeds of this offering of notes ($245.9 million) after deducting the underwriting discount and estimated expenses relating to this offering and (b) the purchase of $117.6 million in aggregate principal amount of 2014 Notes and $32.4 million in aggregate principal amount of 2015 Notes, allocated as set forth in the paragraphs above this table, in the tender offers, assuming that all holders tendering Tender Offer Notes receive the early tender premium, and our estimated expenses relating to the tender offers. To the extent that a lesser or greater amount of the Tender Offer Notes are purchased by us in the tender offers, fewer holders thereof receive the early tender premium, the actual proportion of tendered 2015 Notes differs from that assumed in this paragraph, or the terms of the tender offers are otherwise changed, the amounts in the table above in the As Adjusted column will differ. Amounts in the As Adjusted column reflect rounding.

(2) Represents cash collateral for existing letter of credit facilities.

(3) Series of debt securities subject to the tender offers.

(4) Represents carrying amount, with principal amount of $193.7 million, Actual, and $76.1 million, As Adjusted.

(5) Represents carrying amount, with principal amount of $170.0 million, Actual, and $152.8 million, As Adjusted.

(6) Represents carrying amount, with principal amount of $296.3 million, Actual, and $281.1 million, As Adjusted.

(7) Represents carrying amount, with principal amount of $265.0 million, Actual, and $265.0 million, As Adjusted.

(8) Represents carrying amount, with principal amount of $300.0 million, Actual, and $300.0 million, As Adjusted.

(9) Represents carrying amount, with principal amount of $350.0 million, Actual, and $350.0 million, As Adjusted.

(10) Represents carrying amount, with principal amount of $0 million, Actual, and $250.0 million, As Adjusted.

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SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth selected consolidated financial information from our unaudited consolidated financial statements as of and for the six months ended May 31, 2012 and 2011, and from our audited consolidated financial statements as of and for the fiscal years ended November 30, 2011, 2010, 2009, 2008 and 2007. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements, and, in our opinion, contain all adjustments, consisting only of normal recurring accruals, necessary to present fairly our consolidated financial position, the results of our consolidated operations and our consolidated cash flows as of the dates and for the periods as set forth therein. Interim financial statements are not necessarily indicative of the results that may be experienced for the applicable fiscal year or for any future reporting period. You should read the selected consolidated financial data presented below in conjunction with our financial statements and the accompanying notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Reports on Form 10-Q for the fiscal quarters ended February 29, 2012 and May 31, 2012 and Annual Report on Form 10-K for the fiscal year ended November 30, 2011, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Six Months Ended May 31,		Years Ended November 30,				
	2012	2011	2011	2010	2009	2008	2007
	(unaudited)						
	(In Thousands, Except Per Share Amounts)						
Homebuilding:							
Revenues	$ 552,500	$ 465,284	$ 1,305,562	$ 1,581,763	$ 1,816,415	$ 3,023,169	$ 6,400,591
Operating loss	(46,685)	(105,348)	(103,074)	(16,045)	(236,520)	(860,643)	(1,358,335)
Total assets	2,385,713	2,835,228	2,480,369	3,080,306	3,402,565	3,992,148	5,661,564
Mortgages and notes payable	1,582,788	1,691,659	1,583,571	1,775,529	1,820,370	1,941,537	2,161,794
Financial Services:							
Revenues	$ 4,910	$ 3,394	$ 10,304	$ 8,233	$ 8,435	$ 10,767	$ 15,935
Operating income	3,382	1,742	6,792	5,114	5,184	6,278	11,139
Total assets	8,292	25,060	32,173	29,443	33,424	52,152	44,392
Consolidated:							
Revenues	$ 557,410	$ 468,678	$ 1,315,866	$ 1,589,996	$ 1,824,850	$ 3,033,936	$ 6,416,526
Operating loss	(43,303)	(103,606)	(96,282)	(10,931)	(231,336)	(854,365)	(1,347,196)
Loss from continuing operations	(69,938)	(183,030)	(178,768)	(69,368)	(101,784)	(976,131)	(1,414,770)
Income from discontinued operations, net of income taxes(a)							485,356
Net loss	(69,938)	(183,030)	(178,768)	(69,368)	(101,784)	(976,131)	(929,414)
Total assets	2,394,005	2,860,348	2,512,542	3,109,749	3,435,989	4,044,300	5,705,956
Mortgages and notes payable	1,582,788	1,691,659	1,583,571	1,775,529	1,820,370	1,941,537	2,161,794
Stockholders equity	369,531	443,452	442,657	631,878	707,224	830,605	1,850,687
Basic and diluted earnings (loss) per share:							
Continuing operations	$ (.91)	$ $(2.38)	$ (2.32)	$ (.90)	$ (1.33)	$ (12.59)	$ (18.33)
Discontinued operations							6.29
Basic loss per share	$ (.91)	$ (2.38)	$ (2.32)	$ (.90)	$ (1.33)	$ (12.59)	$ (12.04)
Cash dividends declared per common share	$ .0875	$ .1250	$ .25	$ .25	$ .25	$ .8125	$ 1.00
Ratio of earnings to fixed charges(b)(c)	(d)	(d)	(d)	(d)	(d)	(d)	(d)

(a) Discontinued operations consist of only our French operations, which were sold in 2007. Income from discontinued operations, net of income taxes, in 2007 includes a gain of $438.1 million realized on the sale.

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(b) We compute earnings by adding fixed charges (except capitalized interest) and amortization of previously capitalized interest to pretax earnings (excluding undistributed earnings of unconsolidated joint ventures). We compute fixed charges by adding interest expense and capitalized interest and the portion of rental expense we consider to be interest.

(c) The ratio of earnings to fixed charges are computed on a consolidated basis excluding the French discontinued operations for the fiscal year ended November 30, 2007.

(d) Earnings for the six months ended May 31, 2012 and 2011 were insufficient to cover fixed charges for the periods by $75.3 million and $121.0 million, respectively. Earnings for the fiscal years ended November 30, 2011, 2010, 2009, 2008 and 2007 were insufficient to cover fixed charges for the periods by $119.4 million, $15.4 million, $197.6 million, $824.1 million and $1.30 billion, respectively.

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DESCRIPTION OF THE NOTES

The % Senior Notes due 2022 of KB Home, which we sometimes refer to in this prospectus supplement as the notes, are issuable under the senior indenture dated as of January 28, 2004, as amended and supplemented, by and among KB Home, the Guarantors (as defined in the accompanying prospectus under Description of Debt Securities Certain Definitions) party thereto from time to time and U.S. Bank National Association (successor in interest to SunTrust Bank), as trustee (the Trustee), which we refer to as the Indenture.

The notes are a series of senior debt securities and the Indenture is the senior indenture referred to in the accompanying prospectus under the heading Description of Debt Securities. This description of selected terms of the notes and the Indenture supplements and, to the extent inconsistent, replaces the description of the general terms and provisions of the debt securities, the senior debt securities and the senior indenture which appears in the accompanying prospectus under the heading Description of Debt Securities to which description reference is made and which you should read. The following description of selected terms of the notes and the Indenture is not complete and is qualified in its entirety by reference to the Indenture and the form of certificate evidencing the notes, copies of which have been or will be filed as exhibits to the registration statement of which the accompanying prospectus is a part or to the documents incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus.

Some of the terms, whether or not capitalized, used in this description are defined in the accompanying prospectus under Description of Debt Securities. Some of the terms, whether or not capitalized, used but not defined under this Description of the Notes or under Description of Debt Securities in the accompanying prospectus have the meanings given to them in the Indenture. As used in this Description of the Notes, the terms KB Home, we, our and us refer to KB Home and do not include its subsidiaries, except as otherwise expressly provided or as the context otherwise requires.

General

The notes will constitute a single series of senior debt securities under the Indenture, initially limited to $250.0 million in aggregate principal amount. Under the Indenture, KB Home may, without the consent of the holders of the notes, from time to time in the future reopen the series and issue additional notes of the same series. The notes offered by this prospectus supplement and the accompanying prospectus and any additional notes we may issue in the future upon such a reopening will constitute a single series of debt securities under the Indenture. This means that, in circumstances where the Indenture provides for the holders of debt securities of any series to vote or take any action, the notes offered by this prospectus supplement and the accompanying prospectus and any additional notes that we may issue by reopening the series will vote or take that action as a single class.

The notes will mature on September 15, 2022. The notes will bear interest from , 2012 at the rate of % per annum, payable in cash semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2013, to the persons in whose names the notes are registered, subject to certain exceptions as provided in the Indenture, at the close of business on March 1 or September 1, as the case may be, immediately preceding such March 15 or September 15. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The notes will be unsecured and unsubordinated obligations of KB Home. See Risk Factors Risk Factors Relating to the Notes Our ability to service our debt, including the notes, depends upon cash provided to us by our subsidiaries, and the notes are effectively subordinated to the liabilities of our subsidiaries that are not guarantors of the notes and to secured indebtedness of us and guarantors in this prospectus supplement and Description of Debt Securities Holding Company Structure and Description of Debt Securities Ranking Ranking of Senior Debt Securities and Guarantees in the accompanying prospectus.

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The notes will initially be guaranteed by the following Guarantors: KB HOME Coastal Inc., a California corporation; KB HOME Greater Los Angeles Inc., a California corporation; KB HOME Sacramento Inc., a California corporation; KB HOME South Bay Inc., a California corporation; KB HOME Reno Inc., a Nevada corporation; KB HOME Las Vegas Inc., a Nevada corporation; KB HOME Nevada Inc., a Nevada corporation; KB HOME Orlando LLC, a Delaware limited liability company; KB HOME Tampa LLC, a Delaware limited liability company; KB HOME Fort Myers LLC, a Delaware limited liability company; and KB HOME Treasure Coast LLC, a Delaware limited liability company. Each guarantee will be the unsecured and unsubordinated obligation of the related Guarantor. See Risk Factors Risk Factors Relating to the Notes Our ability to service our debt, including the notes, depends upon cash provided to us by our subsidiaries, and the notes are effectively subordinated to the liabilities of our subsidiaries that are not guarantors of the notes and to secured indebtedness of us and guarantors in this prospectus supplement and Description of Debt Securities Holding Company Structure and Description of Debt Securities Ranking Ranking of Senior Debt Securities and Guarantees in the accompanying prospectus. Under certain circumstances specified in the Indenture, any or all of the Guarantors may be released from their guarantees of the notes, and other subsidiaries of KB Home may or may be required to guarantee the notes. See Description of Debt Securities Guarantees in the accompanying prospectus. The guarantees may be subject to review as fraudulent transfers under applicable law. See Risk Factors Risk Factors Relating to the Notes Federal and state laws allow courts, under specific circumstances, to void guarantees and to require you to return payments received from guarantors in this prospectus supplement.

The notes will not be entitled to the benefit of any sinking fund. In addition, the Indenture does not contain any provisions to protect holders of the notes in the event of a highly leveraged transaction, other than with respect to certain change in control transactions. See Change of Control Offer and Risk Factors Risk Factors Relating to the Notes The terms of the indenture and the notes provide only limited protection against significant corporate events that could affect adversely your investment in the notes in this prospectus supplement.

The notes will be entitled to the benefit of the covenants described in the accompanying prospectus under Description of Debt Securities Certain Covenants and Description of Debt Securities Consolidation, Merger and Sale of Assets. However, these covenants are subject to a number of important exceptions and limitations, and you should carefully review the information with respect to these covenants and the related definitions appearing in the accompanying prospectus under those captions and Description of Debt Securities Certain Definitions.

The notes will be issued in book-entry form and represented by one or more global notes registered in the name of The Depository Trust Company, as Depositary, or its nominee. This means that you will not be entitled to receive a certificate for the notes that you purchase except under the limited circumstances described in the accompanying prospectus under Description of Debt Securities Book-Entry; Delivery and Form.

Optional Redemption

The notes will be redeemable, in whole at any time or from time to time in part, at KB Home s option, on any date of redemption (each, a Redemption Date) at a redemption price equal to the greater of:

(a) 100% of the principal amount of the notes to be redeemed, and

(b) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the applicable Redemption Date) discounted to such Redemption Date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 50 basis points, plus, in the case of both clause (a) and (b) above, accrued and unpaid interest on the principal amount of the notes being redeemed to such Redemption Date. Notwithstanding the foregoing, installments of interest on notes whose stated maturity is on or prior to the relevant Redemption Date will be payable to the holders of such notes (or one or more Predecessor Securities) registered as such at the close of business on the relevant Regular Record Date according to their terms and the provisions of the Indenture.

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Treasury Rate means, with respect to any Redemption Date for the notes:

(a) the yield, under the heading that represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Final Maturity Date for the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or

(b) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Treasury Rate shall be calculated on the third Business Day preceding the applicable Redemption Date. As used in the immediately preceding sentence and in the definition of Reference Treasury Dealer Quotations below, the term Business Day means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

Comparable Treasury Issue means, with respect to any Redemption Date for the notes, the United States Treasury security selected by the Independent Investment Bankers as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to be redeemed.

Independent Investment Bankers means, with respect to any Redemption Date for the notes, (a) Citigroup Global Markets Inc. and its successors and (b) Credit Suisse Securities (USA) LLC and its successors or, if either such firm or any successor to such firm, as the case may be, is unwilling or unable to select the Comparable Treasury Issue, the other firm exclusively or, if neither such firm or any successor to such firms, as the case may be, is willing or able to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Trustee after consultation with KB Home.

Comparable Treasury Price means, with respect to any Redemption Date for the notes:

(a) the average of four Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or

(b) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Reference Treasury Dealer means each of (a) Citigroup Global Markets Inc. and its successors, (b) Credit Suisse Securities (USA) LLC and its successors, (c) Deutsche Bank Securities Inc. and its successors (provided that for each of (a)-(c), however, if such firm or any such successor, as the case may be, shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), the Trustee, after consultation with KB Home, will substitute therefor another Primary Treasury Dealer), and (d) one other Primary Treasury Dealer selected by the Trustee after consultation with KB Home.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any Redemption Date for the notes, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

Final Maturity Date means September 15, 2022.

Notice of any redemption by KB Home will be mailed at least 30 days but not more than 60 days before any Redemption Date to each holder of notes to be redeemed. If less than all the notes are to be redeemed at the option of KB Home, the Trustee will select, in such manner as it deems fair and appropriate, the notes (or portions thereof) to be redeemed. Unless KB Home defaults in payment of the redemption price (including, without limitation, interest, if any, accrued to the applicable Redemption Date), on and after any Redemption Date interest will cease to accrue on the notes or portions thereof called for redemption on such Redemption Date.

Change of Control Offer

If a Change of Control Triggering Event occurs, unless we have exercised our option to redeem the notes by notifying the noteholders to that effect as described above, we will be required to make an offer (a Change of Control Offer) to each holder of notes to repurchase all or any part (equal to $2,000 or any integral multiples of $1,000 in excess thereof) of that holder s notes on the terms set forth in such notes. In a Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased up to, but not including, the date of repurchase (a Change of Control Payment). Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, notice will be given to holders of the notes describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date that notice is given or, if the notice is given prior to the Change of Control, no earlier than 30 days and no later than 60 days from the date on which the Change of Control Triggering Event occurs, other than in each case as may be required by law (a Change of Control Payment Date). The notice will, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

On each Change of Control Payment Date, we will, to the extent lawful:

accept for payment all notes or portions of notes properly tendered and not withdrawn pursuant to the terms of the Change of Control Offer;

deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the Trustee the notes properly tendered and accepted together with an Officers Certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and price and otherwise substantially in compliance with the requirements for an offer made by us and the third party promptly purchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

To the extent that we are required to offer to repurchase the notes upon the occurrence of a Change of Control Triggering Event, we may not have sufficient financial resources available to repurchase the notes in cash at such time. In addition, our ability to repurchase the notes for cash may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time, including, but not limited to, the terms governing our 9.100% Senior Notes due 2017 and our 8.00% Senior Notes due 2020, which provide for a similar offer to repurchase requirement with respect to the applicable series of notes. As of the date of this prospectus supplement, the aggregate principal balance of our 9.100% Senior Notes is $265,000,000 and the aggregate principal amount of our 8.00% Senior Notes is $350,000,000. The failure to make such repurchase of either the 9.100% Senior Notes or the 8.00% Senior Notes would result in a default under the applicable notes. See Risk Factors Risk Factors Relating to the Notes We may not be able to repurchase the notes upon a change of control triggering event in this prospectus supplement.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of the notes to require us to repurchase such holder s notes as a result of a sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries, taken as a whole, to another person or group may be uncertain. In such case, the holders of the notes may not be able to resolve this uncertainty without legal action.

We will comply in all material respects with the requirements of Rule 14e-l under the Securities Exchange Act of 1934, as amended (the Exchange Act), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the notes by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the notes, the following terms will be applicable:

Change of Control means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to any person, other than to us or one of our subsidiaries;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares;

(3) our consolidation with, or our merger with or into, any person, or any person consolidates with, or merges with or into, us, in either case, pursuant to a transaction in which any of our outstanding Voting Stock or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than pursuant to a transaction in which shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction, measured by voting power rather than number of shares;

(4) the first day on which a majority of the members of our board of directors are not Continuing Directors; or

(5) the adoption by our Board of Directors of a plan relating to our liquidation or dissolution.

Notwithstanding the foregoing, a transaction (or series of related transactions) will not be deemed to involve a Change of Control under clauses (1) or (2) above if we become a direct or indirect wholly-owned subsidiary of a holding company and (a) the direct or indirect holders of a majority of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of a majority of our Voting Stock immediately prior to that transaction or (b) the shares of our Voting Stock outstanding immediately prior to such transaction are converted into or exchanged for a majority of the Voting Stock of such holding company immediately after giving effect to such transaction.

The term *person* is used in this definition as that term is used in Section 13(d)(3) of the Exchange Act.

Change of Control Triggering Event means the occurrence of both a Change of Control and a Rating Event.

Continuing Director means, as of any date of determination, any member of our Board of Directors who (1) was a member of our Board of Directors on the date the notes were issued, (2) was nominated for election to our Board of Directors with the approval of a committee of the Board of Directors consisting of a majority of independent Continuing Directors or (3) was nominated for election, elected or appointed to our Board of Directors with the approval of a majority of the Continuing Directors who were members of our Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of a proxy statement in which such member was named as a nominee for election as a director, without objection by such member to such nomination).

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P, or, if applicable, the equivalent investment grade credit rating by any Substitute Rating Agency or Substitute Rating Agencies.

Moody s means Moody s Investors Service, Inc., or any successor thereto.

Rating Agencies means (1) each of Moody s and S&P and (2) if any of Moody s or S&P ceases to rate the applicable notes or fails to make a rating of the applicable notes publicly available for reasons outside of our control, a Substitute Rating Agency in lieu thereof.

Rating Event means the rating on the notes is lowered independently by each of the Rating Agencies and the notes are rated below an Investment Grade Rating by each of the Rating Agencies, in each case on any day during the period (which period will be extended so long as either of the Rating Agencies has publicly announced that, as a result of the Change of Control, the rating of the notes is under consideration for a possible downgrade) commencing 60 days prior to the first public announcement of the occurrence of a Change of Control or of our intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

S&P means Standard & Poor s Rating Services, a Standard & Poor s Financial Services LLC business, or any successor thereto.

Substitute Rating Agency means a nationally recognized statistical rating organization within the meaning of Rule 15c3-l(c)(2)(vi)(F) under the Exchange Act selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Moody s or S&P, or both of them, as the case may be.

Voting Stock means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of that person that is at the time entitled to vote generally in the election of the board of directors of that person.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

General

The following discussion summarizes some of the U.S. federal income tax consequences of the purchase, ownership and disposition of the notes offered hereby by an initial holder of the notes who purchases the notes in the initial offering for cash at their issue price within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the Code), and the Treasury regulations thereunder, and who holds the notes as capital assets. This discussion is based upon the Code, Treasury regulations, and judicial decisions and administrative interpretations thereunder, as of the date hereof, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. We cannot assure you that the Internal Revenue Service (the IRS) will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the U.S. federal income tax consequences of purchasing, owning or disposing of the notes.

In this discussion, we do not purport to address all tax considerations that may be important to a particular holder in light of the holder s circumstances, or to certain categories of investors (such as banks or financial institutions, insurance companies, tax-exempt organizations, dealers in securities or currencies, traders in securities electing to mark to market, persons who hold the notes offered hereby through partnerships or other pass-through entities, real estate investment trusts, regulated investment companies, personal holding companies, U.S. persons whose functional currency is not the U.S. dollar, U.S. expatriates or persons who hold the notes offered hereby as part of a hedge, conversion transaction, straddle or other risk reduction transaction) that may be subject to special rules. This discussion also does not address estate and gift tax consequences, alternative minimum tax consequences or any tax considerations arising under the laws of any foreign, state or local jurisdiction.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes offered hereby, the tax treatment of a partner generally will depend upon the status of the partner and upon the activities of the partnership. A partnership considering a purchase of the notes, and partners in such a partnership, should consult their own tax advisors regarding the tax consequences to them of the purchase, ownership, and disposition of the notes.

Under the terms of the notes, we may be obligated in certain circumstances to pay amounts in excess of stated interest or principal on the notes. It is possible that the IRS could assert that the payment of such excess amounts is a contingent payment and the notes are therefore contingent payment debt instruments for U.S. federal income tax purposes. Under the applicable Treasury regulations, however, for purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies (determined as of the date the notes are issued) are ignored. We believe that the possibility of making additional payments is remote and/or incidental. Accordingly, we do not intend to treat the notes as contingent payment debt instruments. Our position will be binding on holders of the notes, unless a holder timely and explicitly discloses to the IRS that it takes a position different from ours. Our position, however, is not binding on the IRS. If the IRS successfully challenges this position, the timing and amount of income included and the character of the income recognized with respect to the notes may be materially different from the consequences discussed herein. Holders should consult their own tax advisors regarding this issue. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES OFFERED HEREBY, INCLUDING THE EFFECT AND APPLICABILITY OF STATE, LOCAL OR FOREIGN TAX LAWS.

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Consequences to U.S. Holders

The following discussion summarizes certain U.S. federal income tax considerations relevant to a U.S. holder of the notes offered hereby. You are a U.S. holder for purposes of this discussion if you are a beneficial owner of the notes offered hereby and you are:

- an individual who is a U.S. citizen or resident alien;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose worldwide income is subject to U.S. federal income taxation; or
- a trust that either is subject to the primary supervision of a court within the United States and which has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

Interest on the Notes and Original Issue Discount

If the discount upon issuance of the notes at their issue price is less than 1/4 of 1% of the principal amount of the notes multiplied by the number of complete years to maturity, the notes will be issued without original issue discount (OID) for U.S. federal income tax purposes, and stated interest on a note will be includible in your gross income as ordinary interest income in accordance with your usual method of accounting for tax purposes. If, by contrast, the notes are issued with OID, you will be required to include such OID in gross income as it accrues, in accordance with a constant-yield method based on a compounding of interest, in advance of the receipt of cash attributable to that income and regardless of your method of tax accounting. Under this method, you generally will be required to include in income increasingly greater amounts of OID in successive accrual periods. If the notes are issued to you at an issue price that is greater than the principal amount of the notes, you may elect to amortize such premium as an offset to interest income.

You should consult your tax advisor concerning the consequences of holding notes issued with OID.

Sale, Exchange, Redemption or Other Disposition of the Notes

Upon the disposition of a note offered hereby by sale, exchange, redemption or other disposition, you generally will recognize a capital gain or loss equal to the difference between (i) the amount realized on the disposition (other than amounts attributable to accrued interest not previously recognized as income, which will be treated as ordinary interest income as described above) and (ii) your adjusted federal income tax basis in the note. Your adjusted federal income tax basis in a note offered hereby generally will equal the cost of the note to you (adjusted to account for any OID previously included in income, and any amortized bond premium). Any capital gain or loss will be a long-term capital gain or loss if you have held the note offered hereby for longer than one year on the date of disposition. You should consult your tax advisors regarding the treatment of capital gains (which may be taxed at lower rates than ordinary income for certain non-corporate taxpayers) and losses (the deductibility of which is subject to certain limitations).

Medicare Surtax

Certain U.S. holders who are individuals, estates or trusts will be required to pay an additional 3.8 percent Medicare surtax on, among other things, interest income (including OID, if any) and capital gains from the sale or other disposition of a note for taxable years beginning after December 31, 2012. U.S. holders should consult their own tax advisors regarding the application of this additional surtax to their investment in the notes.

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Backup Withholding and Information Reporting

Information reporting will apply to payments of principal and interest made by us on, or the proceeds of the sale or other disposition of, the notes offered hereby with respect to certain non-corporate U.S. holders, and backup withholding may apply unless the recipient of such payment provides the appropriate intermediary with a taxpayer identification number, certified under penalties of perjury, as well as certain other information, or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against your U.S. federal income tax liability, provided the required information is timely provided to the IRS.

Consequences to Non-U.S. Holders

The following discussion summarizes certain U.S. federal income tax considerations relevant to a non-U.S. holder of the notes offered hereby. You are a non-U.S. holder for purposes of this discussion if you are a beneficial owner of the notes offered hereby and are a nonresident alien individual, a foreign corporation, or a trust or estate that is not a U.S. holder.

U.S. Federal Withholding Tax

The United States generally imposes a 30% (or lower applicable treaty rate) withholding tax on payments of interest to non-U.S. holders not effectively connected with their conduct of a trade or business in the United States (or, where a tax treaty applies, not attributable to a United States permanent establishment or fixed base). The 30% (or lower applicable treaty rate) U.S. federal withholding tax will not apply to any payment of interest on the notes offered hereby provided that:

- you do not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable Treasury regulations;

- you are not a controlled foreign corporation that is related to us through stock ownership; and

- you are not a bank whose receipt of interest on the notes is pursuant to a loan agreement entered into in the ordinary course of business.

In each case, (a) you must provide your name and address on an IRS Form W-8BEN (or successor form), and certify under penalties of perjury, that you are not a U.S. person, (b) a financial institution holding the notes offered hereby on your behalf must certify, under penalties of perjury, that it has received an IRS Form W-8BEN (or successor form) from you and must provide us with a copy, or (c) you must hold your notes directly through a qualified intermediary, and the qualified intermediary must have sufficient information in its files indicating that you are not a U.S. holder. A qualified intermediary is a bank, broker or other intermediary that is acting out of a non-U.S. branch or office and has signed an agreement with the IRS providing that it will administer all or part of the U.S. federal tax withholding rules under specified procedures.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to the 30% U.S. federal withholding tax, unless you provide us with a properly executed (1) IRS Form W-8BEN (or successor form) claiming an exemption from or a reduction of withholding under the benefit of a tax treaty or (2) IRS Form W-8ECI (or successor form) stating that interest paid on the notes offered hereby is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

U.S. Federal Income Tax

Interest. If you are engaged in a trade or business in the United States and interest on the notes offered hereby is effectively connected with the conduct of that trade or business (and, where a tax treaty applies, is attributable to a United States permanent establishment or fixed base), you will be subject to U.S. federal income tax on the interest on a net income basis (although exempt from the 30% withholding tax) in the same manner as

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if you were a United States person (as defined under the Code), but without regard to the Medicare surtax described above. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of your earnings and profits for the taxable year, including earnings and profits from an investment in the notes offered hereby, that are effectively connected with the conduct by you of a trade or business in the United States (and, where a tax treaty applies, that are attributable to a United States permanent establishment or fixed base).

Sale, Exchange, Redemption or Other Disposition of the Notes. Any gain or income realized on the sale, exchange, redemption or other disposition of the notes offered hereby generally will not be subject to U.S. federal income tax unless:

- that gain or income is effectively connected with the conduct of a trade or business in the United States by you (and, where a tax treaty applies, is attributable to a United States permanent establishment or fixed base), in which case you will be taxed on the gain realized from the disposition in the same manner as if you were a United States person (as defined under the Code), but without regard to the Medicare surtax described above, and, if you are a foreign corporation, the 30% (or lower applicable treaty rate) branch profits tax may also apply;

- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are present; or

- the gain represents accrued interest, in which case the rules for taxation of interest would apply.

Backup Withholding and Information Reporting

Payments to non-U.S. holders of interest on a note offered hereby and amounts withheld from such payments, if any, generally will be reported to the IRS and such non-U.S. holders. Backup withholding will not apply to payments of principal and interest on the notes offered hereby if you certify as to your non-U.S. holder status on an IRS Form W-8BEN (or successor form) under penalties of perjury or you otherwise qualify for an exemption (provided that neither we nor our agent know or have reason to know that you are a United States person or that the conditions of any other exemptions are not in fact satisfied).

The payment of the proceeds of the disposition of the notes offered hereby to or through the U.S. office of a U.S. or foreign broker will be subject to information reporting and backup withholding unless you provide the certification described above or you otherwise qualify for an exemption. The proceeds of a disposition effected outside the United States by a non-U.S. holder to or through a foreign office of a broker generally will not be subject to backup withholding or information reporting. However, if such broker is a United States person, a controlled foreign corporation, a foreign person 50% or more of whose gross income from all sources for certain periods is effectively connected with a trade or business in the United States, or a foreign partnership that is engaged in the conduct of a trade or business in the United States or that has one or more partners that are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership, information reporting requirements will apply unless such broker has documentary evidence in its files of the holder s non-U.S. status and has no actual knowledge or reason to know to the contrary or unless the holder otherwise qualifies for an exemption. Backup withholding will apply if the sale or other disposition is subject to information reporting and the broker has actual knowledge or reason to know that the beneficial owner is a United States person that is not an exempt recipient. Any amount withheld under the backup withholding rules is allowable as a credit against your U.S. federal income tax liability, if any, provided the required information is timely provided to the IRS.

Recent Legislation Relating to Foreign Accounts

Under legislation enacted in 2010 and regulatory guidance, a 30% withholding tax will generally be imposed on interest income paid after December 31, 2013 on a debt obligation and on the gross proceeds of a disposition of a debt obligation paid after December 31, 2014 to (i) a foreign financial institution, unless such institution enters into an agreement with the United States government to collect and provide to the United States tax authorities substantial information regarding United States account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with United States owners) or (ii) a foreign entity that is not a financial institution, unless such entity provides the withholding agent with a certification identifying the substantial United States owners of the entity, which generally includes any United States person who directly or indirectly owns more than 10% of the entity. Although these withholding provisions currently apply with respect to securities issued after March 18, 2012, proposed Treasury regulations would extend the date of their initial application and indicate that this withholding tax would not apply to debt securities issued before January 1, 2013. The proposed Treasury regulations will not be effective until they are issued in their final form, and as of the date of this prospectus supplement, it is not possible to determine whether such proposed regulations will be finalized in their current form or at all. Prospective investors should consult their tax advisors regarding these withholding provisions, including whether they will apply to the notes.

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UNDERWRITING

Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. are acting as joint book-running managers of the offering and as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter s name.

Underwriters	Principal Amount of Notes
Citigroup Global Markets Inc.	$
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc.	
Total	$ 250,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. Each underwriter is obligated to purchase all of the notes allocated to it if it purchases any of the notes.

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed % of the principal amount of the notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price not to exceed % of the principal amount of the notes. If all the notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

We have agreed that, for a period of 30 days from the date of this prospectus supplement, we will not, without the prior written consent of Citigroup, Credit Suisse and Deutsche Bank Securities Inc., directly or indirectly, issue, sell, offer to sell, grant an option for the sale of, or otherwise dispose of, any debt securities, or any securities convertible into or exchangeable or exercisable for any debt securities, issued by us. Citigroup, Credit Suisse and Deutsche Bank Securities Inc. in their sole discretion may release any of the securities subject to these lock-up agreements at anytime without notice.

The following table shows the underwriting discounts that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Paid by KB Home
Per note	%

We estimate that the expenses we will incur in connection with the sale of the notes, other than underwriting discounts, will be $700,000.

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In connection with the offering, the underwriters may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of notes than they are required to purchase in the offering.

Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.

Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which will be the business day following the date of the pricing of the notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing will be required, by virtue of the fact that the notes initially will settle in T+ , to specify alternative settlement arrangements to prevent a failed settlement.

The underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The underwriters and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. If any of the underwriters or their affiliates has or enters into a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. In addition, the underwriters or their affiliates may hold notes that are subject to the tender offers. We intend to use all or a portion of the net proceeds from this offering to consummate the tender offers, as described herein. As a result, the underwriters or their affiliates will receive proceeds from this offering.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

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Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of notes described in this prospectus supplement may not be made to the public in that relevant member state other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in each relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the notes have not authorized and do not authorize the making of any offer of notes through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the notes as contemplated in this prospectus supplement. Accordingly, no purchaser of the notes, other than the underwriters, is authorized to make any further offer of the notes on behalf of the sellers or the underwriters.

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LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon by William A. (Tony) Richelieu, Corporate Counsel and Assistant Corporate Secretary of KB Home. The validity of the notes offered hereby will be passed upon for KB Home by Munger, Tolles & Olson LLP, Los Angeles, California. Jones Day, Los Angeles, California, will act as counsel for the underwriters.

EXPERTS

The consolidated financial statements of KB Home appearing in KB Home s Annual Report (Form 10-K) for the fiscal year ended November 30, 2011, and the effectiveness of KB Home s internal control over financial reporting as of November 30, 2011, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such financial statements and KB Home management s assessment of the effectiveness of internal control over financial reporting as of November 30, 2011 have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

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PROSPECTUS

Debt Securities

Guarantees of Debt Securities

Preferred Stock

Common Stock

Warrants

Stock Purchase Contracts

Stock Purchase Units

Depositary Shares

We will provide specific terms of these securities in supplements and/or in free writing prospectuses accompanying this prospectus. You should read this prospectus and any supplement and free writing prospectus accompanying this prospectus carefully before you invest.

Our common stock is listed on the New York Stock Exchange under the symbol KBH. Any common stock issued pursuant to a prospectus supplement will be listed, subject to notice of issuance, on the New York Stock Exchange or a successor thereof.

Investment in any securities offered by this prospectus involves risk. See Risk Factors on page 1 of this prospectus and the risk factors disclosed in our periodic reports filed from time to time with the Securities and Exchange Commission and in the applicable prospectus supplement or free writing prospectus accompanying

this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 20, 2011.

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You should rely only on the information contained in or incorporated by reference in this prospectus and in any accompanying prospectus supplement or any free writing prospectus prepared by us or on our behalf. We have not authorized anyone to provide you with any information that is different or to make any different or additional representations. We are not making any offer to sell these or any securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus, in any accompanying prospectus supplement or in any free writing prospectus prepared by us or on our behalf is accurate as of any date other than the date on the front of each such document.

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When this prospectus, any prospectus supplement or any free writing prospectus uses the words KB Home, we, us, and our, they refer to KB Home and its subsidiaries unless otherwise stated or the context otherwise requires. Our fiscal year ends on November 30. When this prospectus, any prospectus supplement or any free writing prospectus refers to particular years or quarters in connection with the discussion of our results of operations or financial condition, those references mean the relevant fiscal years and fiscal quarters, unless otherwise stated.

When we refer in this prospectus, in any accompanying prospectus supplement, in any free writing prospectus or in the documents incorporated or deemed incorporated by reference herein or therein to homes or units, we mean single-family residences, which include detached and attached single-family homes, town homes and condominiums, and references to our homebuilding revenues and similar references refer to revenues derived from sales of single-family residences, in each case unless otherwise expressly stated or the context otherwise requires.

The information in this prospectus, in any accompanying prospectus supplement, in any free writing prospectus and in the documents incorporated by reference or deemed incorporated by reference herein or therein concerning the homebuilding industry, our market share or our size relative to other homebuilders and similar matters is derived principally from publicly available information and from industry sources. Although we believe that this publicly available information and the information provided by these industry sources is reliable, we have not independently verified any of this information and we cannot assure you of its accuracy.

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RISK FACTORS

Investment in any securities offered pursuant to this prospectus involves risks. You should carefully consider the risk factors incorporated herein by reference to our most recent Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and the other information contained in this prospectus, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended (the Exchange Act), and the risk factors and other information contained in the applicable prospectus supplement or free writing prospectus accompanying this prospectus before acquiring any of such securities.

FORWARD-LOOKING STATEMENTS

You are cautioned that certain statements contained or incorporated or deemed to be incorporated by reference in this prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the Act). Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as expects, anticipates, intends, plans, believes, estimates, hopes, and similar expressions constitute forward-looking statements. In addition, any statements concerning future financial or operating performance (including future revenues, homes delivered, selling prices, expenses, expense ratios, margins, liquidity, earnings or earnings per share, or growth or growth rates), future market conditions, future interest rates, and other economic conditions, ongoing business strategies or prospects, future dividends and changes in dividend levels, the value of backlog (including amounts that we expect to realize upon delivery of homes included in backlog and the timing of those deliveries), potential future acquisitions and the impact of completed acquisitions, future share repurchases and possible future actions, which may be provided by us, are also forward-looking statements as defined by the Act. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about our operations, economic and market factors and the homebuilding industry, among other things. These statements are not guarantees of future performance, and we have no specific policy or intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The most important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to: general economic, employment and business conditions; adverse market conditions that could result in additional impairments or abandonment charges and operating losses, including an oversupply of unsold homes, declining home prices and increased foreclosure and short sale activity, among other things; conditions in the capital and credit markets (including residential consumer mortgage lending standards, the availability of residential consumer mortgage financing and mortgage foreclosure rates); material prices and availability; labor costs and availability; changes in interest rates; inflation; our debt level, including our ratio of debt to total capital, and our ability to adjust our debt level and structure; weak or declining consumer confidence, either generally or specifically with respect to purchasing homes; competition for home sales from other sellers of new and existing homes, including sellers of homes obtained through foreclosures or short sales; weather conditions, significant natural disasters and other environmental factors; government actions, policies, programs and regulations directed at or affecting the housing market (including, but not limited to, the Dodd-Frank Wall Street Reform and Protection Act, tax credits, tax incentives and/or subsidies for home purchases, tax deductions for residential consumer mortgage interest payments and property taxes, tax exemptions for profits on home sales, and programs intended to modify existing mortgage loans and to prevent mortgage foreclosures), the homebuilding industry, or construction activities; the availability and cost of land in desirable areas and our ability to identify and acquire such land; legal or regulatory proceedings or claims, including the involuntary bankruptcy and other legal proceedings involving the South Edge, LLC residential development joint venture located in Las Vegas, Nevada in which we are a participant; the confirmation by the bankruptcy court of a consensual plan of reorganization for South Edge, LLC and the implementation of such a plan in accordance with the consensual agreement effective June 10, 2011 among us, the administrative agent for the lenders to South

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Edge, LLC, several of those lenders, and certain of the other members of South Edge, LLC and their respective parent companies; the ability and/or willingness of participants in our unconsolidated joint ventures to fulfill their obligations; our ability to access capital; our ability to use the net deferred tax assets we have generated; our ability to successfully implement our current and planned product, geographic and market positioning (including, but not limited to, our efforts to expand our inventory base/pipeline with desirable land positions or interests at reasonable cost and to expand our community count and open new communities), revenue growth and cost reduction strategies; consumer traffic to our new home communities and consumer interest in our product designs, including *The Open Series* ; the impact of our unconsolidated mortgage banking joint venture with a subsidiary of Bank of America, N.A. ceasing to accept loan applications effective June 27, 2011 and ceasing to offer mortgage banking services to our homebuyers after June 30, 2011; the manner in which our homebuyers are offered and obtain residential consumer mortgage loans and mortgage banking services; and other events outside of our control. Please see our Annual Report on Form 10-K for the year ended November 30, 2010, our Quarterly Reports on Form 10-Q for the quarters ended February 29, 2011 and May 31, 2011 and our other filings with the Securities and Exchange Commission (the SEC) for a further discussion of these and other risks and uncertainties applicable to our business.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC utilizing a shelf registration process. Under this shelf process, we may sell any combination of securities from time to time in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we or parties acting on our behalf will provide a prospectus supplement and/or free writing prospectus that will contain specific information about the terms of that offering and the securities being sold in that offering. The applicable prospectus supplement or free writing prospectus may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement and any free writing prospectus prepared by us or on our behalf, together with additional information described immediately below under the heading Where You Can Find More Information.

Any statements in this prospectus, in any accompanying prospectus supplement or in any free writing prospectus concerning the provisions of any document are not complete. In each instance, reference is made to the copy of that document filed or incorporated or deemed to be incorporated by reference as an exhibit to the registration statement of which this prospectus is a part or otherwise filed with the SEC. Each statement concerning the provisions of any document is qualified in its entirety by reference to the document so filed.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. The SEC maintains an Internet site at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers like us that file electronically with the SEC. Our common stock is listed on the New York Stock Exchange under the trading symbol KBH. Our reports, proxy statements and other information can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference the information contained in the documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the

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documents listed below and any future filings (other than filings or portions of filings that under applicable SEC rules are furnished instead of filed) we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, until this prospectus is no longer deemed effective.

(1) Our Annual Report on Form 10-K for the year ended November 30, 2010;

(2) Our Quarterly Reports on Form 10-Q for the quarters ended February 28, 2011 and May 31, 2011;

(3) Our Current Reports on Form 8-K filed on February 2, 2011, February 4, 2011, April 6, 2011, June 16, 2011, and June 29, 2011 (only as to the information reported under Item 8.01 therein); and

(4) The description of our Common Stock included in our Registration Statement on Form 8-A filed on June 30, 1986, and the description of our Rights to Purchase Series A Participating Cumulative Preferred Stock included in our Registration Statement on Form 8-A filed on January 27, 2009, as amended by our Registration Statement on Form 8-A/A filed on January 27, 2009.

Any information contained in this prospectus or in any document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to have been modified or superseded to the extent that a statement contained in any other document we subsequently file with the SEC that also is incorporated or deemed to be incorporated by reference in this prospectus or in an applicable prospectus supplement or free writing prospectus modifies or supersedes the original statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to be a part of this prospectus.

We encourage you to read our periodic and current reports. We think these reports provide additional information about our company which prudent investors will find important. You may request a copy of these filings as well as any future filings incorporated by reference, at no cost, by writing to us at our principal executive offices at the following address: KB Home, 10990 Wilshire Boulevard, Los Angeles, California 90024, Attention: Investor Relations. You may also telephone us at (310) 231-4000.

DESCRIPTION OF KB HOME

We are one of the largest and most recognized homebuilding companies in the United States with operating divisions in the following regions and states: West Coast California; Southwest Arizona and Nevada; Central Colorado and Texas; and Southeast Florida, Maryland, North Carolina and Virginia. We have delivered over half a million quality homes for families since our founding in 1957.

USE OF PROCEEDS

Unless we otherwise specify in the applicable prospectus supplement, the net proceeds we receive from the sale of the securities offered by this prospectus and the accompanying prospectus supplement will be used for general corporate purposes. General corporate purposes may include the development of new residential properties and commercial projects, the repayment of debt and possible land or corporate acquisitions. The net proceeds may be invested temporarily or applied to repay debt until they are used for their stated purpose or for general corporate purposes.

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RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated:

	Six Months Ended May 31, 2011	Years Ended November 30, 2010	2009	2008	2007	2006
Ratios of earnings to fixed charges(1)	(2)	(2)	(2)	(2)	(2)	2.90x

(1) We compute earning