

# AVATAR HOLDINGS INC

## FORM 8-K (Current report filing)

Filed 08/09/11 for the Period Ending 08/09/11

Address	395 VILLAGE DRIVE POINCIANA, FL 34759
Telephone	8634277180
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Symbol	AVTR
SIC Code	1531 - Operative Builders
Industry	Real Estate Operations
Sector	Services
Fiscal Year	12/31

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

August 9, 2011

**Avatar Holdings Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

001-07395

(Commission  
File Number)

23-1739078

(I.R.S. Employer  
Identification No.)

201 Alhambra Circle, Coral Gables, Florida

(Address of principal executive offices)

33134

(Zip Code)

Registrant's telephone number, including area code:

1-305-442-7000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On August 9, 2011, Avatar Holdings Inc. (the "Company") issued a press release announcing its results for the quarter ended June 30, 2011. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Press Release dated August 9, 2011.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Avatar Holdings Inc.

*August 9, 2011*

By: /s/ Michael P. Rama

*Name: Michael P. Rama  
Title: Controller, Principal Financial  
Officer and  
Principal Accounting Officer*

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## Exhibit Index

Exhibit No.	Description
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99.1	Press Release dated August 9, 2011
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**AVATAR**

FOR IMMEDIATE RELEASE

**Contact :**

Avatar Holdings Inc.  
201 Alhambra Circle  
Coral Gables, FL 33134  
Patricia K. Fletcher  
(305) 442-7000

**AVATAR REPORTS SECOND QUARTER RESULTS OF OPERATIONS**

Coral Gables, FL – August 9, 2011 – Avatar Holdings Inc. (NASDAQ-AVTR) today reported a net loss of \$16,526,000 (\$1.33 per share, diluted) on revenues of \$28,366,000 for the three months ended June 30, 2011, compared to a net loss of \$5,743,000 (\$0.51 per share, diluted) on revenues of \$17,302,000 for the three months ended June 30, 2010.

For the six months ended June 30, 2011, Avatar reported a net loss of \$26,623,000 (\$2.14 per share, diluted) on revenues of \$40,578,000, compared to a net loss of \$15,879,000 (\$1.41 per share, diluted) on revenues of \$26,925,000 for the six months ended June 30, 2010.

During the three months ended June 30, 2011, we closed on 42 homes, a 37% decrease from the 67 units closed during the three months ended June 30, 2010. Dollar volume decreased by 27% to \$9,293,000, compared to \$12,754,000 for three months ended June 30, 2010.

During the six months ended June 30, 2011, we closed on 75 homes, a 21% decrease from the 95 units closed during the six months ended June 30, 2010. Dollar volume decreased by 7% to \$16,889,000, compared to \$18,205,000 for six months ended June 30, 2010.

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The number of housing contracts signed, net of cancellations, during the three months ended June 30, 2011 increased by 16% to 44, compared to 38 for the three months ended June 30, 2010. The dollar volume of contracts signed increased by 19% compared to the three months ended June 30, 2010, to \$10,268,000 compared to \$8,631,000.

The number of housing contracts signed, net of cancellations, for the six months ended June 30, 2011 decreased by 3% to 95, compared to 98 for the six months ended June 30, 2010. The dollar volume of contracts signed increased by 8% compared to the six months ended June 30, 2010, to \$22,389,000 compared to \$20,785,000.

Sales backlog as of June 30, 2011 improved to 63 units compared to 28 units as of June 30, 2010.

During the six months ended June 30, 2011, we closed on the sale of commercial, industrial and other land sales generating pre-tax profits of approximately \$6.8 million. Also during the six months ended June 30, 2011, we recorded impairment charges of approximately \$14 million relating to homes completed or under construction and land held for future development or sale.

We continue our ongoing efforts to improve our operating efficiencies by identifying areas of our business where we can reduce our expenses. As part of this process, we will examine our assets to determine which assets fit within our primary business strategy. As a result of staff reductions, we incurred severance expense of approximately \$1.7 million for the six months ended June 30, 2011.

On June 15, 2011, we hired Michael Jesberger as Executive Vice President of Real Estate for Avatar Properties Inc. Mr. Jesberger has a broad background in residential development and home building with a particular expertise in land acquisition and development of active adult master planned communities. He will take primary responsibility for oversight of all our real property holdings to help maximize their return potential.

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Avatar Holdings Inc. is engaged in real estate operations in Florida and Arizona. Avatar's principal operations are conducted at Poinciana, Solivita and Bellalago in central Florida near Orlando; at Seasons at Tradition in Port St. Lucie, Florida; and at the recently-acquired active adult community of CantaMia in Goodyear, Arizona. Avatar's common shares trade on NASDAQ under the symbol AVTR.

Certain statements discussed herein or made by the Company constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include the stability of certain financial markets; disruption of the credit markets and reduced availability and more stringent financing requirements for commercial and residential mortgages of all types; the number of investor and speculator resale homes for sale and homes in foreclosure in our communities and in the geographic areas in which we develop and sell homes; the increased level of unemployment; the decline in net worth and/or of income of potential buyers; the decline in consumer confidence; the failure to successfully implement our business strategy (including our intention to focus primarily on the development of active adult communities in the future); shifts in demographic trends affecting demand for active adult and primary housing; the level of immigration and migration into the areas in which we conduct real estate activities; our access to financing; construction defect and home warranty claims; changes in, or the failure or inability to comply with, government regulations; the failure to successfully integrate acquisitions into our business, including our recent JEN transaction; and other factors as are described in the Company's filings with the Securities and Exchange Commission, including under the caption "Risk Factors" included in its Annual Report on Form 10-K for the year ended December 31, 2010. At least 80% of active adult homes are intended for occupancy by at least one person 55 years or older. Readers are cautioned not to place undue reliance on any forward-looking statements contained herein or therein, which reflect management's opinions only as of the date thereof.

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**SELECTED FINANCIAL DATA FOR THE SIX AND THREE MONTHS ENDED**

**JUNE 30, 2011 AND 2010**

*( Unaudited – Dollars in thousands except per share data )*

	<u>Six Months</u>		<u>Three Months</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues	\$ 40,578	\$ 26,925	\$ 28,366	\$ 17,302
Income loss before income taxes	\$ (26,878)	\$ (16,151)	\$ (16,654)	\$ (5,882)
Income tax benefit	\$ 0	\$ 0	\$ 0	\$ 0
Net loss attributable to non-controlling Interests	\$ (255)	\$ (272)	\$ (128)	\$ (139)
Net loss attributable to Avatar	\$ (26,623)	\$ (15,879)	\$ (16,526)	\$ (5,743)
Basic and diluted EPS	\$ (2.14)	\$ (1.41)	\$ (1.33)	\$ (0.51)

Selected Balance Sheet Data

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Cash and cash equivalents	\$ 146,036	\$ 115,502
Total assets	\$ 559,876	\$ 545,451
Notes, mortgage notes and other debt	\$ 116,158	\$ 77,057
Avatar's Stockholders' equity	\$ 404,025	\$ 430,045
Avatar's Stockholders' equity per share	\$ 31.81	\$ 33.34

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