

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): **January 28, 2009**

NVR, Inc.

(Exact name of registrant as specified in its
charter)

Virginia

1-12378

54-1394360

(State or other jurisdiction of
incorporation or organization)

(Commission File
Number)

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

11700 Plaza America Drive, Suite 500, Reston, Virginia

20190

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **703-956-4000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K 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 240.133-4(c))

Item 2.02 Results of Operations and Financial Condition

On January 29, 2009, NVR, Inc. (“NVR”) issued a press release reporting its financial results for the quarter and year to date periods ended December 31, 2008. A copy of this press release is furnished herewith as Exhibit 99.1.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

Effective February 4, 2009, Dwight C. Schar, NVR’s Executive Chairman, will relinquish the title of Executive Officer of NVR, but will continue to serve as the Chairman of the Board. Mr. Schar’s revised role continues the leadership transition that separated the roles of Chairman and CEO to strengthen the operating and governance structure of NVR. This change in executive officer status was announced in the press release attached as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

| <u>Number</u> | <u>Description</u> |
|---------------|---------------------------------------|
| 99.1 | Press release dated January 29, 2009. |

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.

NVR, Inc.

Date: January 29, 2009

By: /s/ Robert W. Henley

Name: Robert W. Henley

Title: Vice President and Controller

INDEX TO EXHIBITS

Exhibit
Number

Exhibit Description

99.1

Press release dated January 29, 2009.

NVR, INC. ANNOUNCES FULL YEAR AND FOURTH QUARTER RESULTS

FOR IMMEDIATE RELEASE

Contact: Dan Malzahn
Office: (703) 956-4204

January 29, 2009, Reston, VA—NVR, Inc. (NYSE: NVR), one of the nation's largest homebuilding and mortgage banking companies, announced a net loss of \$30,457,000 and diluted loss per share of \$5.54 for its fourth quarter ended December 31, 2008 compared to net income of \$67,274,000 and diluted earnings per share of \$11.72 for the same period of 2007. The fourth quarter 2008 results were negatively impacted by asset impairments of approximately \$121,500,000 compared to \$98,000,000 in the fourth quarter of 2007. These impairments lowered fourth quarter 2008 net income by approximately \$74,000,000 and lowered fourth quarter 2007 net income by approximately \$60,000,000. Consolidated revenues for the fourth quarter of 2008 totaled \$910,174,000, a 36% decrease from \$1,427,397,000 for the comparable 2007 quarter.

For the year ended December 31, 2008, consolidated revenues were \$3,693,039,000, 28% lower than the \$5,129,342,000 reported for the same period of 2007. Net income for the year ended December 31, 2008 was \$100,892,000, a decrease of 70% when compared to the year ended December 31, 2007. Diluted earnings per share for the year ended December 31, 2008 was \$17.04, a decrease of 69% from \$54.14 per diluted share for the comparable period of 2007.

Homebuilding

New orders in the fourth quarter of 2008 decreased 30% to 1,357 units, when compared to 1,948 units in the fourth quarter of 2007. The cancellation rate in the quarter ended December 31, 2008 was 30% compared to 32% in the fourth quarter of 2007 and 24% in the third quarter of 2008. Settlements decreased in the fourth quarter of 2008 to 2,776 units, 28% less than the same period of 2007.

Homebuilding revenues for the quarter ended December 31, 2008 totaled \$899,535,000, 36% lower than the year earlier period. Gross profit margins were 2.6% in the 2008 fourth quarter compared to 12.9% for the same period in 2007. Gross profit margins in the 2008 quarter were impacted by land deposit impairments of approximately \$109,800,000, compared to approximately \$98,000,000 in the year ago period. Gross profit margins excluding these land deposit impairments were 14.8% in the 2008 fourth quarter compared to 19.9% for the same period in 2007. Loss before tax from the homebuilding segment totaled \$56,978,000 in the 2008 fourth quarter compared to income before tax of \$92,681,000 in the 2007 fourth quarter. The homebuilding results for the 2008 fourth quarter included goodwill impairments of \$11,686,000 and approximately \$11,000,000 of expenses related to employee severance and office closure costs as the Company continues to down-size its operations in response to market conditions. Operating unit activity and financial performance continue to be negatively impacted by high levels of new and existing home inventories, affordability issues, a tight lending environment and low homebuyer confidence.

New orders for 2008 totaled 8,760 units, a 29% decrease when compared to the 12,270 units reported for 2007. Home settlements for 2008 decreased 21% to 10,741 units when compared to 13,513 units closed in 2007. Homebuilding revenues for 2008 totaled \$3,638,702,000, 28% lower than 2007. Gross profit margins decreased to 12.6% in 2008 from 16.3% in 2007. Pre-tax homebuilding income decreased to \$140,751,000 for the 2008 fiscal year, a decrease of 71% from the prior year. The number of homes in backlog at the end of 2008 was 3,164 units, 39% lower than the 5,145 units in backlog at the end of 2007. The dollar volume in backlog decreased 48% to \$1,002,795,000 at December 31, 2008, when compared to the same time last year.

Mortgage Banking

Mortgage closed loan production of \$623,623,000 for the quarter ended December 31, 2008 was 28% lower than the same period last year. Operating income for the mortgage banking operations during the fourth quarter of 2008 decreased 72% to \$4,234,000, when compared to \$15,301,000 reported for the same period of 2007. Operating income in the current quarter was negatively impacted by a \$2,984,000 decrease in unrealized income from the fair value measurements required under SFAS No. 157, Fair Value Measurement, and more competitive mortgage pricing.

Mortgage production for the 2008 full year decreased 27% to \$2,351,341,000. Pre-tax income from the mortgage banking segment decreased for the 2008 fiscal year to \$26,704,000, a 50% decrease from the \$53,929,000 reported for 2007.

Other News

The Company also reported that effective February 4, 2009, Mr. Dwight C. Schar, the Company's Executive Chairman, will relinquish the title of Executive Officer but will continue to serve as Chairman of the Board. Mr. Schar's revised role continues the leadership transition that separated the roles of Chairman and CEO to strengthen the operating and governance structure of the Company.

The Company repurchased \$36,680,000 of the Company's 5% Senior Notes due 2010 on the open market.

Some of the statements in this release made by the Company constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "will," "should" or "anticipates" or the negative thereof or other variations thereof or comparable terminology, or by discussion of strategies, each of which involves risks and uncertainties. All statements other than those of historical facts included herein, including those regarding market trends, NVR's financial position, business strategy, the outcome of pending litigation, projected plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of NVR to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements. Such risk factors include, but are not limited to, general economic and business conditions (on both a national and regional level), interest rate changes, access to suitable financing by NVR and NVR's customers, competition, the availability and cost of land and other raw materials used by NVR in its homebuilding operations, shortages of labor, weather related slow downs, building moratoria, governmental regulation, the ability of NVR to integrate any acquired business, fluctuation and volatility of stock and other financial markets, mortgage financing availability and other factors over which NVR has little or no control. The Company has no obligation to update such forward-looking statements.

NVR, Inc.
Consolidated Statements of Operations
(in thousands, except per share data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|--|------------------|---|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| Homebuilding: | | | | |
| Revenues | \$ 899,535 | \$ 1,405,466 | \$ 3,638,702 | \$ 5,048,187 |
| Other income | 2,030 | 4,693 | 16,386 | 21,118 |
| Cost of sales | (875,779) | (1,224,313) | (3,181,010) | (4,227,059) |
| Selling, general and administrative | (67,906) | (90,010) | (308,739) | (343,520) |
| Operating (loss) income | (42,120) | 95,836 | 165,339 | 498,726 |
| Interest expense | (3,172) | (3,155) | (12,902) | (13,150) |
| Goodwill and intangible asset impairment | (11,686) | - | (11,686) | - |
| Homebuilding (loss) income | (56,978) | 92,681 | 140,751 | 485,576 |
| Mortgage Banking: | | | | |
| Mortgage banking fees | 10,639 | 21,931 | 54,337 | 81,155 |
| Interest income | 1,347 | 1,485 | 3,955 | 4,900 |
| Other income | 214 | 280 | 745 | 1,060 |
| General and administrative | (7,756) | (8,227) | (31,579) | (32,505) |
| Interest expense | (210) | (168) | (754) | (681) |
| Mortgage banking income | 4,234 | 15,301 | 26,704 | 53,929 |
| (Loss) income before taxes | (52,744) | 107,982 | 167,455 | 539,505 |
| Income tax benefit (expense) | 22,287 | (40,708) | (66,563) | (205,550) |
| Net (loss) income | \$ (30,457) | \$ 67,274 | \$ 100,892 | \$ 333,955 |
| Basic (loss) earnings per share | \$ (5.54) | \$ 13.10 | \$ 18.76 | \$ 61.61 |
| Diluted (loss) earnings per share | \$ (5.54) | \$ 11.72 | \$ 17.04 | \$ 54.14 |
| Basic average shares outstanding | 5,497 | 5,136 | 5,379 | 5,420 |
| Diluted average shares outstanding | 5,497 | 5,741 | 5,920 | 6,168 |

NVR, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

| | <u>December 31, 2008</u> | <u>December 31, 2007</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Homebuilding: | | |
| Cash and cash equivalents | \$ 1,146,426 | \$ 660,709 |
| Receivables | 11,594 | 10,855 |
| Inventory: | | |
| Lots and housing units, covered under sales agreements with customers | 335,238 | 573,895 |
| Unsold lots and housing units | 57,639 | 105,838 |
| Manufacturing materials and other | 7,693 | 9,121 |
| | <u>400,570</u> | <u>688,854</u> |
| Contract land deposits, net | 29,073 | 188,528 |
| Assets not owned, consolidated per FIN 46R | 114,930 | 180,206 |
| Property, plant and equipment, net | 25,658 | 32,911 |
| Reorganization value in excess of amounts allocable to identifiable assets, net | 41,580 | 41,580 |
| Goodwill and other indefinite and definite life intangibles, net | - | 11,782 |
| Other assets | 242,626 | 252,461 |
| | <u>2,012,457</u> | <u>2,067,886</u> |
| Mortgage Banking: | | |
| Cash and cash equivalents | 1,217 | 3,500 |
| Mortgage loans held for sale, net | 72,488 | 107,338 |
| Property and equipment, net | 759 | 881 |
| Reorganization value in excess of amounts allocable to identifiable assets, net | 7,347 | 7,347 |
| Other assets | 8,968 | 7,464 |
| | <u>90,779</u> | <u>126,530</u> |
| Total assets | <u>\$ 2,103,236</u> | <u>\$ 2,194,416</u> |

(Continued)

NVR, Inc.
Consolidated Balance Sheets (Continued)
(in thousands, except share and per share data)

| | <u>December 31, 2008</u> | <u>December 31, 2007</u> |
|---|--------------------------|--------------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Homebuilding: | | |
| Accounts payable | \$ 137,285 | \$ 219,048 |
| Accrued expenses and other liabilities | 194,869 | 251,475 |
| Liabilities related to assets not owned, consolidated per FIN 46R | 109,439 | 164,369 |
| Customer deposits | 59,623 | 125,315 |
| Other term debt | 2,530 | 2,820 |
| Senior notes | 163,320 | 200,000 |
| | <u>667,066</u> | <u>963,027</u> |
| Mortgage Banking: | | |
| Accounts payable and other liabilities | 17,842 | 18,551 |
| Notes payable | 44,539 | 83,463 |
| | <u>62,381</u> | <u>102,014</u> |
| | | |
| Total liabilities | <u>729,447</u> | <u>1,065,041</u> |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Common stock, \$0.01 par value; 60,000,000 shares authorized; 20,561,187 and 20,592,640 shares issued for December 31, 2008 and 2007 respectively | 206 | 206 |
| Additional paid-in capital | 722,265 | 663,631 |
| Deferred compensation trust – 514,470 and 516,085 shares of NVR, Inc. common stock for December 31, 2008 and 2007, respectively | (74,978) | (75,636) |
| Deferred compensation liability | 74,978 | 75,636 |
| Retained earnings | 3,630,887 | 3,529,995 |
| Less treasury stock at cost – 15,028,335 and 15,455,086 shares for December 31, 2008 and 2007, respectively | (2,979,569) | (3,064,457) |
| Total shareholders' equity | <u>1,373,789</u> | <u>1,129,375</u> |
| Total liabilities and shareholders' equity | <u>\$ 2,103,236</u> | <u>\$ 2,194,416</u> |

NVR, Inc.
Operating Activity
(unaudited)
(dollars in thousands)

| | <u>Three Months Ended December 31,</u> | | <u>Twelve Months Ended December 31,</u> | |
|--------------------------------------|--|--------------|---|---------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| Homebuilding data: | | | | |
| New orders (units): | | | | |
| Mid Atlantic (1) | 692 | 910 | 4,290 | 5,695 |
| North East (2) | 159 | 190 | 884 | 1,212 |
| Mid East (3) | 360 | 540 | 2,380 | 3,160 |
| South East (4) | 146 | 308 | 1,206 | 2,203 |
| Total | <u>1,357</u> | <u>1,948</u> | <u>8,760</u> | <u>12,270</u> |
| Average new order price | \$ 296.0 | \$ 318.4 | \$ 311.3 | \$ 352.0 |
| Settlements (units): | | | | |
| Mid Atlantic (1) | 1,389 | 1,906 | 5,240 | 6,634 |
| North East (2) | 273 | 329 | 1,086 | 1,247 |
| Mid East (3) | 750 | 974 | 2,762 | 3,321 |
| South East (4) | 364 | 665 | 1,653 | 2,311 |
| Total | <u>2,776</u> | <u>3,874</u> | <u>10,741</u> | <u>13,513</u> |
| Average settlement price | \$ 323.6 | \$ 362.5 | \$ 338.4 | \$ 373.2 |
| Backlog (units): | | | | |
| Mid Atlantic (1) | | | 1,776 | 2,726 |
| North East (2) | | | 303 | 505 |
| Mid East (3) | | | 731 | 1,113 |
| South East (4) | | | 354 | 801 |
| Total | | | <u>3,164</u> | <u>5,145</u> |
| Average backlog price | | | \$ 316.9 | \$ 371.3 |
| Community count (average) | 397 | 472 | 427 | 505 |
| Lots controlled at end of year | | | 45,000 | 67,600 |
| Mortgage banking data: | | | | |
| Loan closings | \$ 623,623 | \$ 867,106 | \$ 2,351,341 | \$ 3,225,324 |
| Capture rate | 89% | 83% | 85% | 85% |
| Common stock information: | | | | |
| Shares outstanding at end of year | | | 5,532,852 | 5,137,554 |
| Number of shares repurchased | - | - | - | 784,788 |
| Aggregate cost of shares repurchased | - | - | - | \$ 507,472 |

- (1) Virginia, West Virginia, Maryland, and Delaware
(2) Eastern Pennsylvania and New Jersey
(3) Western Pennsylvania, Kentucky, New York and Ohio
(4) North Carolina, South Carolina and Tennessee