



FOR IMMEDIATE RELEASE

CONTACT: Kimberly Warren
800-638-8556, x6269
kwarren@nahbrc.org

Daniel Weidman
310-231-4031
dweidman@kbhome.com

**NAHB RESEARCH CENTER CERTIFIES KB HOME NORTH BAY
FOR SIGNIFICANT COMMITMENT TO QUALITY AND CUSTOMER SATISFACTION**

**Landmark NHQ Certified Builder Program Provides
Third-Party Certification That Focuses on Customer Satisfaction**

October 4, 2005, Upper Marlboro, Md.—The NAHB Research Center today announced the National Housing Quality (NHQ) Certification of KB Home North Bay. Headquartered in Sacramento, Calif., KB Home North Bay is a division of the publicly-held KB Home (NYSE: KBH). KB Home North Bay was recently awarded the quality assurance certification following a rigorous NAHB Research Center audit of the implementation of their quality assurance systems. The company is among a distinguished group of only 15 builders in the nation to have successfully completed the NHQ Certified Builder program since its launch in early 2005. Additional KB Home divisions participating in the program are working toward certification by the end of the year.

Formally launched at the 2005 International Builders' Show, the NHQ Certified Builder program is designed to increase efficiency and consistency in building practices. The program provides a rigorous and complete review of business practices, and ensures that all elements of the company's quality assurance system are incorporated to provide greater customer satisfaction. To achieve certification, KB Home's North Bay division conducted field and office training to implement their quality program, work more efficiently with their trade contractors, and maintain the continuous improvement efforts required by all NHQ Programs.

NAHB Research Center president Michael Luzier said, "I am excited about how the NHQ Certified Builder program is developing and would like to thank KB Home North Bay for taking part in it. They are industry leaders whose partnership continues to be a vital part of program development and the evolution of quality

-- MORE --

KB HOME NORTH BAY CERTIFIED FOR QUALITY ASSURANCE

Page 2

assurance in home building. I am confident that the implementation of this landmark program will bring about greater efficiencies for participating builders and even higher rates of customer satisfaction.”

KB Home – Building Quality Homes in California and Across the Nation

Since its inception in 1968, KB Home’s North Bay division has successfully delivered over 25,000 homes, including over 1,300 during the past year. Customer service excellence is a top priority in the North Bay division. In fact, in 2004, homebuyers gave their seal of approval by rating their satisfaction with KB Home’s customer service at more than 97 percent. But, KB Home North Bay believes in providing more than just homes. Involvement in the communities in which it builds is paramount. Donations to schools and local charities, the building and dedication of parks and open areas, sponsorship of youth activities, and food and clothing drives for the less fortunate are just a few of the ways KB Home North Bay supports its local neighborhoods.

“We not only build houses, we build homes where families spend their lives and raise their children. KB Home continually looks to raise the bar on quality and customer satisfaction. The NAHB Research Center has used its unique resources and knowledge to create this pioneering program for the benefit of the home building industry. KB Home is proud to be the first national homebuilder in the Sacramento area to meet the rigorous requirements of the NHQ Certified Builder program,” stated Jefferey Fautt, North Bay division president.

KB Home has been a pioneer in quality assurance in the home building industry. In November 2003, KB Home Chairman and CEO Bruce Karatz announced that the company would become the first large builder in the country to implement the NHQ Certified Trade Contractor program nationwide. A partnership that will serve to provide greater efficiency, consistency, and effectiveness to the benefit of KB Home’s customers. As a result of program implementation, all of KB Home North Bay’s trades in the Sacramento area are required to complete quality assurance management training, and are on their way towards achieving NHQ Certified status.

Frank Alexander, NHQ program director at the NAHB Research Center, said, “By focusing builders and trade contractors on getting the job done right the first time, NHQ certification differentiates those who talk about quality from those who can demonstrate it. KB Home certainly represents that differentiation.”

About the National Housing Quality Program: The NAHB Research Center launched the NHQ Program in 1993. The NHQ Program has introduced many of the concepts of the worldwide quality revolution to home building and remodeling, and provides numerous opportunities for collaboration among the various industry stakeholders. NHQ activities include the Certified Builder Program, Certified Trade

KB HOME NORTH BAY CERTIFIED FOR QUALITY ASSURANCE

Page 3

Contractor Program, Manufacturer Training Certification program, and co-sponsorship of the National Housing Quality Award Program. Response among builders, trade contractors, remodelers, code officials, building inspectors, and the insurance industry to the NHQ Program's quality initiatives has been very positive. Builders interested in starting on the path to quality certification can visit www.nahbrc.org/quality, email quality@nahbrc.org, or call Rita Knab, NHQ program coordinator, at (800) 638-8556, ext. 6225.

###

10/05

The NAHB Research Center, located in Upper Marlboro, Md., promotes innovation in housing technology to improve the quality, durability, affordability, and environmental performance of homes and home building products. Created over 40 years ago as a subsidiary of the National Association of Home Builders (NAHB), the NAHB Research Center has established itself as the source for reliable, objective information and research on housing construction and development issues. Through its various testing and certification services, the Research Center seal is internationally-recognized as a mark of product quality and an assurance of product performance.

NOTE TO EDITORS ON STYLE USAGE: To identify this company and its work correctly, first reference should be "NAHB Research Center." If clarification of the acronym is necessary, the phrase, "a subsidiary of the National Association of Home Builders (NAHB)," can follow. In subsequent mentions, "Research Center" is the only acceptable and accurate alternative reference.

About KB Home: Building homes for nearly half a century, KB Home is one of America's premier homebuilders with domestic operating divisions in some of the fastest-growing regions and states: West Coast—California; Southwest—Arizona, Nevada and New Mexico; Central—Colorado, Illinois, Indiana and Texas; and Southeast—Florida, Georgia, Maryland, North Carolina, South Carolina and Virginia. Kaufman & Broad S.A., the Company's publicly-traded French subsidiary, is one of the largest homebuilders in France. In fiscal 2004, the Company delivered homes to 31,646 families in the United States and France. KB Home also offers complete mortgage services through Countrywide KB Home Loans, a joint venture with Countrywide Financial Corporation. Founded in 1957, and winner of the 2004 American Business Award for Best Overall Company, KB Home is a Fortune 500 company listed on the New York Stock Exchange under the ticker symbol "KBH." For more information about any of KB Home's new home communities, call 888-KB-HOMES or visit <http://www.kbhome.com>.