

COMSTOCK = HOLDING =

March 29, 2019
FOR IMMEDIATE RELEASE:

COMSTOCK HOLDING COMPANIES REPORTS 2018 RESULTS

Washington, DC/Reston, VA – On March 29, 2019, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the “Company”), announced financial results for the year ended December 31, 2018:

Highlights of 2018 year-end financial results:

- Total revenue of \$56.7 million in 2018, as compared to \$45.4 million in 2017.
- Revenue from asset management operations of \$12.5 million, representing a new and recurring revenue stream in 2018.
- Revenue from real estate services of \$3.0 million in 2018, compared to \$2.0 million in the prior year.
- G&A expense decreased 76% to \$1.3 million in 2018, compared to \$5.3 million in the prior year.
- Cash flows from operating activities increased to \$16.3 million, compared to \$4.7 million in the prior year.
- Notes payable decreased to \$18.9 million at December 31, 2018 from \$39.4 million at December 31, 2017.
- Wind down of for-sale homebuilding operations is substantially complete with remaining inventory of 29 for-sale homes expected to be delivered mid-2019.
- Net loss attributable to common stockholders of (\$4.5) million in 2018, or (\$1.22) per diluted share, including impairment charges of \$2.2 million related to our exit from homebuilding, as compared to net loss attributable to common stockholders of (\$4.1) million in the prior year, or (\$1.21) per diluted share.

Chairman and CEO, Christopher Clemente commented, “We accomplished much during 2018 with respect to transitioning our operational focus away from for-sale homebuilding in favor of commercial real estate development, asset management and development services. Among our primary objectives for the year was to substantially wind-down our for-sale homebuilding operations and we have largely accomplished that objective. Further, I am confident that we have assembled a team of commercial real estate professionals capable of significantly advancing our objectives related to commercial development, asset management and fee-based services.”

The Company reported major accomplishments related to its new business focus in 2018, including, but not limited to the following:

- Secured an anchor asset management agreement with Comstock Development Services, L.C. (“CDS”), a company owned by the CEO of the Company, covering two of the largest transit-oriented, mixed use developments in the Dulles Corridor of Northern Virginia, Reston Station and Loudoun Station, that provides a reliable revenue stream on a cost-plus basis, mitigating future downside risks
- Expanded assets covered by the anchor asset management agreement through management of \$100M plus acquisition of a portfolio of three stabilized Class-A office buildings situated on 12-acres adjacent to Metro’s Silver Line station at the Wiehle Reston-East Station in Reston, VA; with entitlements in place for an additional ~1.1 million square feet of mixed-use development
- Expanded assets covered by the anchor asset management agreement through management of \$50M plus acquisition of 8 acres of land improved with small-format office buildings adjacent to CDS’s Reston Station development and subsequently secured zoning entitlements allowing the redevelopment of the site with ~1.4 million square feet of mixed-use development, including office, residential, retail, entertainment, and hotel uses
- Commenced construction of a ~185,000 square foot office tower at CDS’s Reston Station development
- Secured a franchise agreement with Marriott International providing for the development of a Marriott Renaissance Hotel and residential tower at Reston Station
- Commenced construction of CDS’s BLVD | Loudoun Station Phase II, a 318-unit mixed-use residential/retail development while completing construction of a 1,500-space commercial parking garage at the terminus station of Metro’s Silver Line in Ashburn, VA within Comstock’s Loudoun Station development
- Rebranded JK Environmental to Comstock Environmental Services, LC and expanded environmental services into the Washington, DC market, facilitating an additional revenue source for the Company

While the Company has developed numerous properties in multiple key markets throughout the southeastern United States during its more than 30 year history, and our reshaped management team has significant experience growing and managing large, national- scale portfolios, we believe the Washington, DC region provides an excellent long term growth opportunity.

Additional information regarding our new business strategy, management team, assets under management as well as the Company's latest investor relations presentation describing the strategic vision of the Company can be found at our new investor relations website, which can be found at www.ComstockHolding.com.

About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. (the “Company” or “CHCI”) is a multi-faceted real estate development, asset management and real estate related services company that, since 1985, has designed, developed, constructed and managed several thousand

residential units and millions of square feet of residential and mixed-use projects throughout the Washington, DC metropolitan market and in other key markets in the southeastern United States. In early 2018, CHCI transitioned its operating platform from being primarily focused on developing on-balance sheet, for-sale homebuilding projects to being focused on commercial real estate development, asset management and real estate related services. As a result, CHCI began operating through two real estate focused platforms, CDS Asset Management ("CAM") and Comstock Real Estate Services ("CRES"). CAM provides real estate development, asset management, and property management services, while CRES provides development supply chain services, including capital markets, real estate brokerage, environmental consulting and design services in the Washington, DC metropolitan area, New Jersey and Pennsylvania. Anchoring the transition of CHCI is a long-term asset management agreement covering two of the largest transit-oriented, mixed-use developments in the Washington, DC area; Reston Station, a 4.5 million square foot transit-oriented, mixed-use development located in Reston, VA, and Loudoun Station, a 2.5 million square foot transit-oriented, mixed-use development in Ashburn, VA, as well as other additional development assets. CHCI's substantial experience in entitling, designing, developing, and managing a diverse range of properties including apartments, single-family homes, townhomes, mid-rise condominiums, high-rise condominiums and mixed-use (residential and commercial) properties, as well as large scale commercial parking garages and infrastructure projects, has positioned the Company as a premier developer and real estate related service provider in the mid-Atlantic Region.

The Company is a publicly traded company, trading on NASDAQ under the symbol CHCI. For more information about the Company, please visit www.ComstockCompanies.com.

About Reston Station

Strategically located midway between Tysons Corner and Dulles International Airport, Reston Station is among the largest mixed-use, transit-oriented developments in the Washington, DC area. Covering nearly 40 acres spanning the Dulles Toll Road and surrounding the Wiehle Reston-East Station at the terminus of Phase I of Metro's Silver Line, Reston Station is already home to more than 1,000 residents, numerous businesses, multiple retail establishments, and several restaurants. With more than approximately 2 million square feet of completed and stabilized office and residential buildings, more than 2 million square feet of additional development in various stages of entitlement, development and construction, and a 3,500-space underground parking garage and transit facility adjacent to the Wiehle Reston-East Metro Station, the Reston Station neighborhood is taking shape and quickly becoming Fairfax County's urban focal point in the Dulles Corridor.

For more information about Reston Station, please visit; www.RestonStation.com.

About Loudoun Station

Located at the terminus of Phase II of Metro's Silver Line, minutes from Dulles International Airport, Loudoun Station represents Loudoun County's first (and currently its only) Metro-connected development. Loudoun Station has approximately 700,000 square feet of mixed-use development completed, including approximately 357 residential units,

50,000 square feet of Class-A office space, 118,000 square feet of ground floor retail spaces, and a 1,500-space commuter parking garage. Approximately 2 million square feet of additional development is slated for Loudoun Station. The Loudoun Station neighborhood represents Loudoun County's beginning transformation into a transit connected community with direct connectivity to Dulles International Airport, Reston, Tysons Corner and downtown Washington, DC. As Loudoun County's only transit connected neighborhood, Loudoun Station has become the new downtown of Loudoun County in the Dulles Corridor.

For more information about Loudoun Station, please visit; www.LoudounStation.com

Cautionary Statement Regarding Forward-Looking Statements

This release includes "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by use of words such as "anticipate," "believe," "estimate," "may," "intend," "expect," "will," "should," "seeks" or other similar expressions. Forward-looking statements are based largely on our expectations and involve inherent risks and uncertainties, many of which are beyond our control. Any number of important factors which could cause actual results to differ materially from those in the forward-looking statements include, without limitation: completion of Comstock's financial accounting and review procedures; general economic and market conditions, our ability to compete in the markets in which we operate; economic risks in the markets in which we operate, including actions related to government spending; delays in governmental approvals and/or land development activity for the projects we manage; regulatory actions; fluctuations in operating results; our anticipated growth strategies; the reliance of substantially all of our revenues derived from our provision of asset management services to a limited number of companies; the potential termination of our anchor asset management agreement with our affiliate and of our other continuing relationships with our affiliates. Additional information concerning these and other important risk and uncertainties can be found under the heading "Risk Factors" in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, for the fiscal year ended December 31, 2018. Our actual results could differ materially from these projected or suggested by the forward-looking statements. Comstock claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements contained herein. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Company:

Comstock Holding Companies, Inc.
Christopher Guthrie, 703-230-1292
Chief Financial Officer

Source: Comstock Holding Companies, Inc.

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	December 31, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 5,780	\$ 1,806
Restricted cash	1,231	1,141
Trade receivables	1,329	491
Trade receivables - related parties	2,950	145
Real estate inventories	20,253	44,711
Fixed assets, net	221	309
Goodwill	1,702	1,702
Intangible assets, net	170	237
Other assets, net	1,464	616
TOTAL ASSETS	\$ 35,100	\$ 51,158
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 7,614	\$ 9,116
Deferred revenue	1,875	—
Notes payable - secured by real estate inventories, net of deferred financing charges	13,432	23,215
Notes payable - due to affiliates, unsecured, net of discount	4,903	14,893
Notes payable - unsecured, net of deferred financing charges	595	1,285
Income taxes payable	51	39
TOTAL LIABILITIES	28,470	48,548
Commitments and contingencies		
STOCKHOLDERS' EQUITY (DEFICIT)		
Series C preferred stock, \$0.01 par value, 3,000,000 shares authorized, 2,799,848 and 579,158 shares issued and liquidation preference of \$13,999 and \$2,896 at December 31, 2018 and 2017, respectively	\$ 7,193	\$ 442
Class A common stock, \$0.01 par value, 11,038,071 shares authorized, 3,703,513 and 3,295,518 issued and 3,617,943 and 3,209,948 outstanding at December 31, 2018 and 2017, respectively	37	33
Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at December 31, 2018 and 2017	2	2
Additional paid-in capital	180,673	177,612
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(194,319)	(189,803)
TOTAL COMSTOCK HOLDING COMPANIES, INC. DEFICIT	(9,076)	(14,376)
Non-controlling interests	15,706	16,986
TOTAL EQUITY	6,630	2,610
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 35,100	\$ 51,158

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	For the years ended December 31,	
	2018	2017
Revenues		
Revenue—homebuilding	\$ 41,245	\$ 43,399
Revenue—asset management	12,473	-
Revenue—real estate services	3,031	2,031
Total revenue	56,749	45,430
Expenses		
Cost of sales—homebuilding	42,799	40,585
Cost of sales—asset management	11,291	—
Cost of sales—real estate services	3,090	2,297
Impairment charges	2,232	526
Sales and marketing	1,005	1,490
General and administrative	1,262	5,297
Interest and real estate tax expense	171	41
Operating loss	(5,101)	(4,806)
Other income, net	135	66
Loss before income tax expense	(4,966)	(4,740)
Income tax (expense) benefit	920	(38)
Net loss	(4,046)	(4,778)
Net income attributable to non-controlling interests	470	247
Net loss attributable to Comstock Holding Companies, Inc.	(4,516)	(5,025)
Paid-in-kind dividends on Series B Preferred Stock	—	78
Extinguishment of Series B Preferred Stock	—	(1,011)
Net loss attributable to common stockholders	<u>\$ (4,516)</u>	<u>\$ (4,092)</u>
Basic loss per share	\$ (1.22)	\$ (1.21)
Diluted loss per share	\$ (1.22)	\$ (1.21)
Basic weighted average shares outstanding	3,705	3,370
Diluted weighted average shares outstanding	3,705	3,370