

## Comstock Homebuilding Companies, Inc. Reports Preliminary Sales and Settlement Results for Third Quarter 2007

RESTON, VA, Oct 12, 2007 (MARKET WIRE via COMTEX News Network) -- Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) ("Comstock" or the "Company") today announced preliminary sales and settlement results for the three and nine months ended September 30, 2007 as follows:

### Summary of Sales and Settlement Results (unaudited)

Three months ended September 30, 2007

| (dollars in thousands)  | CHCI - All  | Washington  | Atlanta  | Raleigh   |
|-------------------------|-------------|-------------|----------|-----------|
| New Traffic             | 1,502       | 758         | 343      | 401       |
| Gross sales             | 81          | 32          | 24       | 25        |
| Cancellations           | 78          | 70          | 3        | 5         |
| Net new orders          | 3           | (38)        | 21       | 20        |
| Gross new order revenue | \$ 24,504   | \$ 10,475   | \$ 7,462 | \$ 6,566  |
| Cancellation revenue    | \$ 35,995   | \$ 33,411   | \$ 1,173 | \$ 1,411  |
| Net new order revenue   | \$ (11,491) | \$ (22,936) | \$ 6,289 | \$ 5,155  |
| Settlements             | 141         | 95          | 12       | 34        |
| Settlement revenue      | \$ 47,773   | \$ 35,639   | \$ 3,717 | \$ 8,416  |
| Backlog revenue (3)     | \$ 47,277   | \$ 22,303   | \$ 9,131 | \$ 15,843 |
| Backlog units           | 100         | 23          | 27       | 50        |

Nine months ended September 30, 2007

| (dollars in thousands)  | CHCI - All | Washington (1) | Atlanta   | Raleigh (2) |
|-------------------------|------------|----------------|-----------|-------------|
| New Traffic             | 4,766      | 2,209          | 1,351     | 1,206       |
| Gross sales             | 717        | 521            | 87        | 109         |
| Cancellations           | 199        | 164            | 18        | 17          |
| Net new orders          | 518        | 357            | 69        | 92          |
| Gross new order revenue | \$ 166,683 | \$ 111,823     | \$ 27,286 | \$ 27,573   |
| Cancellation revenue    | \$ 80,776  | \$ 70,015      | \$ 5,600  | \$ 5,161    |
| Net new order revenue   | \$ 85,907  | \$ 41,808      | \$ 21,686 | \$ 22,412   |
| Settlements             | 777        | 633            | 56        | 88          |
| Settlement revenue      | \$ 201,114 | \$ 162,536     | \$ 17,292 | \$ 21,286   |
| Backlog revenue (3)     | \$ 47,277  | \$ 22,303      | \$ 9,131  | \$ 15,843   |
| Backlog units           | 100        | 23             | 27        | 50          |

(1) Includes the sale of 316 units at Bellemeade condominium for \$47.5 million on June 28, 2007.

(2) Does not include \$7.1 million of lot sales at Massey Preserve and \$3.8 million sale of North Shore partnership interest.

(3) Includes \$14.5 million of backlog revenue from Potomac Yard retail.

The Company provided the following additional information specifically regarding its Eclipse at Potomac Yard project in Arlington, Virginia:

| (dollars in thousands)  | Three months ended<br>Sept. 30, 2007 | Project to<br>Date as of<br>Sept. 30, 2007 |
|-------------------------|--------------------------------------|--------------------------------------------|
| New Traffic             | 305                                  | 2,014                                      |
| Gross sales             | 13                                   | 494                                        |
| Cancellations           | 67                                   | 160                                        |
| Net new orders          | (54)                                 | 334                                        |
| Gross new order revenue | \$5,200                              | \$202,200                                  |
| Cancellation revenue    | \$32,492                             | \$72,317                                   |

|                       |           |           |
|-----------------------|-----------|-----------|
| Net new order revenue | -\$27,291 | \$129,883 |
| Settlements           | 56        | 320       |
| Settlement revenue    | \$25,190  | \$124,713 |
| Backlog revenue (1)   | \$19,669  | \$19,669  |
| Backlog units         | 14        | 14        |

(1) Includes \$14.5 million of backlog revenue from Potomac Yard retail.

"Market conditions have continued to deteriorate throughout the year," said Christopher Clemente, Chairman and CEO. "The credit market crisis that developed over the summer has dampened consumer confidence in real estate and is contributing to reduced demand for new homes and rising inventories of new and existing homes. Having survived previous market downturns we recognize the importance of lowering costs, reducing inventory, protecting liquidity and satisfying our customers. We continue to focus on these fundamentals. We have reduced staffing by more than 35%, reduced production costs by as much as 22%, reduced inventory of land and spec homes, and worked with our lenders in ways that have afforded us an opportunity to manage current market conditions. With continued job creation and population growth in our markets we believe that this cycle will follow the same path to recovery that previous cycles have followed. I believe that the steps we are taking now to reduce costs and realign our business with current market conditions will position Comstock to thrive again when market conditions improve."

In response to deterioration of pricing power and consumer demand during the three months ended September 30, 2007 the Company is currently in the process of evaluating both its carrying value of inventory and its remaining exposure to land option deposits. The Company indicated that it expected to record additional inventory impairment and option write-off charges for the three months ended September 30, 2007. In connection with these potential charges and changing market conditions, the Company is in the process of negotiating with certain of its lenders to modify existing covenants.

The Company announced that it plans to release its financial results on Friday, November 9th, 2007 and hold a conference call for investors on Monday, November 12th, 2007 at 1:00 pm EST to review its 3Q 2007 results.

This investor call will be available via live webcast on the Comstock Homebuilding Companies' website at <http://www.comstockhomebuilding.com> in the "Investor Relations" section. To participate by telephone, the dial-in number is 866-542-4237 and the access code is 3238679. Investors are advised to join at least five minutes prior to the call to register. The call will be archived for seven days: from 6:45 p.m. Monday, November 12, 2007, until 11:59 p.m. Monday, November 19, 2007. To retrieve the archived call by telephone, the dial-in number is 866-542-4237 and the access code is 3238679.

About Comstock Homebuilding Companies, Inc.

Established in 1985, Comstock Homebuilding Companies is a diversified real estate development firm with a focus on moderately priced for-sale residential products. Comstock builds and markets single-family homes, townhouses, mid-rise condominiums, high-rise condominiums, mixed-use urban communities and active adult communities. The company currently markets its products under the Comstock Homes brand in the Washington, D.C.; Raleigh, North Carolina; and Atlanta, Georgia metropolitan areas. Comstock develops mixed-use, urban communities and active-adult communities under the Comstock Communities brand. Comstock Homebuilding Companies Inc. trades on Nasdaq under the symbol CHCI. For more information on the Company or its projects please visit <http://www.comstockhomebuilding.com>.

#### Cautionary Statement Regarding Forward-Looking Statements

This release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "may," "will," "expects," "projects," "anticipates," "estimates," "believes," "intends," "plans," "should," "seeks," and similar expressions, including statements related to Comstock's expected future financial results and anticipated growth in the Washington, D.C. housing market, are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause actual future results to differ materially from those projected or contemplated in the forward-looking statements. These risks and uncertainties include, but are not limited to, economic, market and competitive conditions affecting Comstock and its operations and products, risks and uncertainties relating to the market for real estate generally and in the areas where Comstock has projects, the availability and price of land suitable for development, materials prices, labor costs, interest rates, Comstock's ability to service its significant debt obligations, fluctuations in operating results, anticipated growth strategies, continuing relationships with affiliates, environmental factors, government regulations, the impact of adverse weather conditions or natural disasters and acts of war or terrorism. Additional information concerning these and other important risks and uncertainties can be found under the heading "Risk Factors" in the prospectus from Comstock's initial public offering, as filed with the Securities and Exchange Commission on December 15, 2004. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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