

Comstock Homebuilding Regains Compliance With Nasdaq Market Cap Requirement

RESTON, VA, Sep 21, 2009 (MARKETWIRE via COMTEX News Network) -- Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) ("Comstock" or the "Company") today announced that it has received notification from Nasdaq Listing Qualifications that it has regained compliance with one of the three previously announced listing requirement deficiencies. On September 3, 2009, after its shares closed above \$0.57 for ten consecutive trading days, the Company's market value of publicly held shares exceeded the minimum listing requirement of \$5.0 million.

The Company has not yet regained compliance with the \$1.00 closing bid-price requirement ("Minimum Bid-Price Requirement") or the \$10.0 million shareholders' equity listing requirement (Minimum Equity Requirement"). To regain compliance with the Minimum Bid-Price Requirement, the Company's shares must achieve a closing bid-price of at least \$1.00 for 10 consecutive days. To regain compliance with the Minimum Equity Requirement, the Company's shareholders' equity must exceed \$10.0 million. However, while the Minimum Equity Requirement on the Nasdaq Global Market is \$10.0 million, the Minimum Equity Requirement on the Nasdaq Capital Market is only \$2.5 million. On September 23, 2009 the Company will appear before a Nasdaq Listing Qualifications Panel (the "Panel") to present its plans to regain compliance at which time it will request to be transferred from the Nasdaq Global Market to the Nasdaq Capital Market. Upon hearing the Company's plan to regain compliance, there can be no assurance that the Panel will grant the Company's request for continued listing.

As previously disclosed in the subsequent events section of the Company's June 30, 2009 10-Q, on July 8, 2009 the Company executed a settlement agreement with a land seller and unsecured lender that was the subject of litigation brought by the Company, resolving all outstanding claims against one another. In connection therewith, the Company agreed to forfeit a \$200,000 land option deposit, and the unsecured lender agreed to release the Company from liability under the \$1.7 million deferred purchase money note, including all accrued interest. This transaction will be recognized in the third quarter ending September 30, 2009 and Company expects to recognize a gain of approximately \$1.5 million. The gain is measured by the excess of the carrying amount of the debt and interest settled over the forfeited deposit.

About Comstock Homebuilding Companies, Inc.

Established in 1985, Comstock Homebuilding Companies, Inc. is a publicly traded, diversified real estate development firm with a focus on a variety of for-sale residential products. The company currently actively markets its products under the Comstock Homes brand in the Washington, D.C. and Raleigh, N.C. metropolitan areas. Comstock Homebuilding Companies, Inc. trades on NASDAQ under the symbol CHCI. For more information on the Company or its projects please visit 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. 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. Additional information concerning these and other important risks and uncertainties can be found under the heading "Risk Factors" in the Company's most recent Form 10-K, as filed with the Securities and Exchange Commission on March 31, 2009. 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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