

Comstock Homebuilding Reports Progress on Strategic Plan

Multi-family and Homebuilding Platforms Gaining Traction

RESTON, Va., Jan. 27, 2012 (GLOBE NEWSWIRE) -- Comstock Homebuilding Companies, Inc. ("Comstock" or "Company") (Nasdaq:CHCI) today provided a progress update on its strategic plan.

The Company announced the following business updates in its Multi-family and Homebuilding divisions:

- The Company announced that the contract purchaser of its Cascades apartment community had completed its due diligence and confirmed its intention to proceed to closing on the previously announced sale and purchase of the 103-unit apartment project on or about February 29, 2012. The final sales price is \$19.35 million towards which the purchaser has made a \$1 million non-refundable deposit. Comstock's multi-family division constructed the Class A apartment project within the Cascades master planned community located in Loudoun County, Virginia. Construction began during the first quarter of 2011 and was substantially completed in the third quarter of 2011. Cardinal Bank of Tysons Corner, Virginia provided a \$10.5 million construction loan for the project. The proceeds of the sale will be used by Comstock to repay the construction loan provided by Cardinal, repay project specific capital raised by the Company in connection with development of the project, and for general corporate purposes, including funding growth initiatives.
- The Company announced that its Homebuilding unit has recently secured building permits and broken ground on The Hampshires, a 110 unit new home community located within the Lamond-Riggs neighborhood on New Hampshire Avenue, in the Northeast quadrant of Washington, DC. The Hampshires is located proximate to two Metro rail stations just inside the Washington, DC-Maryland border. Sales of the 37 single-family homes and 73 townhomes at The Hampshires are expected to commence in the second quarter of 2012 with prices expected to be starting from \$400 thousand for the townhomes and \$600 thousand for the single-family homes.
- The Company announced that its Homebuilding unit has purchased land and secured approvals for a new community to be known as Falls Grove located in northern Prince William County near Centreville, Virginia. The property will be developed as 19 single family homes and 110 townhouses with prices expected to be starting from \$200 thousand for the townhomes and \$400 thousand for the single-family homes. The Company anticipates development and unit sales to commence in the second half of 2012.
- The Company announced that its multi-family division has secured development rights for a new apartment community to be known as Boulevard on Newell located proximate to the Metro rail station in downtown Silver Spring, MD. The Company has initiated the process of securing rezoning and land development permits for the planned multi-family project and expects to commence development in 2014.

The Company announced that it plans to release results for Q4-11 and FY-11 on or before March 30, 2012.

"We are pleased to report that our accomplishments in prior periods have stabilized our company and positioned Comstock for a return to profitability and renewed growth," remarked Christopher Clemente, Comstock's Chairman and Chief Executive Officer. "The upcoming closing of the sale of our Cascades apartment asset, coupled with continued sale activity at the Eclipse and Penderbrook projects, will enhance Comstock's ability to capitalize on attractive opportunities that exist in the multi-family rental market and select for-sale homebuilding opportunities in the Washington, DC marketplace."

About Comstock Homebuilding Companies, Inc.

Established in 1985, Comstock is a multi-faceted real estate development and services company. Our substantial experience in building a diverse range of products and track record of developing successful projects has positioned Comstock as a prominent real estate development and services company in the Washington, DC market. 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.

The Comstock Homebuilding Companies, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5034>

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. 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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