



May 10, 2007

Comstock Homebuilding Companies, Inc. Reports Results for the Three Months Ended March 31, 2007

RESTON, VA, May 10, 2007 (MARKET WIRE via COMTEX News Network) -- Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) ("Comstock" or the "Company") today announced first quarter earnings for the three months ended March 31, 2007. The Company reported a net loss of \$1.7 million or (\$0.11) per share basic and diluted on total revenue of \$46.7 million as compared to net income of \$1.2 million or \$0.09 per share basic and diluted for the three months ended March 31, 2006.

The Company will conduct a conference call for interested investors on Friday, May 11, 2007, at 1:00 PM Eastern Time. During the call the Company will discuss the financial results detailed in this release. The dial-in number for the conference call is 877-519-4471 and the access code is 8696237; the call may also be accessed on the Internet at www.comstockhomebuilding.com in the Investor Relations section.

Highlights of Financial Results -- Three months ended March 31, 2007:

- The Company generated a basic and diluted loss for the quarter of (\$0.11) per share on basic and diluted shares outstanding of 15.9 million;
- Total revenue for the quarter was \$46.7 million with \$43.0 million of revenue derived from homebuilding as compared to total revenue of \$36.6 million for the three months ended March 31, 2006 with \$36.4 million of revenue derived from homebuilding.
- The Company delivered 131 new homes in the quarter at average revenue per unit of approximately \$328,000 as compared to 112 new homes at average revenue per unit of \$325,000 during the three months ended March 31, 2006;
- Gross profit from all revenue was \$6.2 million for the three months ended March 31, 2007, representing a 13.3% gross margin as compared to \$9.4 million for the three months ended March 31, 2006, representing a gross margin of 25.7%;
- Gross profit from homebuilding was \$6.2 million for the three months ended March 31, 2007, representing a 14.3% gross margin from homebuilding as compared to \$9.2 million for the three months ended March 31, 2006, representing a gross margin from homebuilding of 25.3%;
- The Company reported SG&A expenses of \$8.2 million or 17.6% of total revenue for the three months ended March 31, 2007 as compared to \$7.6 million or 20.9% of total revenue for the three months ended March 31, 2006;
- During the three months ended March 31, 2007 the Company delivered 58 homes at it Eclipse project in Arlington, Virginia generating revenue of \$23.8 million;
- Backlog at March 31, 2007 was \$117.1 million on 285 sold but undelivered homes as compared to \$212.0 million on 540 sold but undelivered homes at March 31, 2006;

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 greater Washington, D.C., Atlanta, Georgia and Raleigh, North Carolina metropolitan areas. Comstock Homebuilding Companies Inc. trades on Nasdaq under the symbol CHCI. For more information please visit our web site at <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.

Financial Results from Operations

	Three months ended March 31,	
	----- 2007	2006 -----
Revenues		
Revenue - Homebuilding	\$ 43,025	\$ 36,365
Revenue - Other	3,698	230
	-----	-----
Total revenue	46,723	36,595
Expenses		
Cost of sales of real estate	36,867	27,161
Cost of sales of other	3,624	10
Impairments and write-offs	891	0
Selling, general and administrative	8,225	7,646
	-----	-----
Gross Profit	6,232	9,424
Operating (loss) income	(2,884)	1,778
Other (income) expense, net	(344)	(233)
	-----	-----
(Loss) income before minority interest and equity in earnings of real estate partnerships	(2,540)	2,011
Minority interest	(1)	(7)
	-----	-----
Income before equity in losses of real estate partnerships	(2,539)	2,018
Equity in earnings of real estate partnerships		(27)
	-----	-----
Total pre tax (loss) income	(2,539)	1,991
Income Taxes (benefit) expense	(870)	751
	-----	-----
Net (loss) Income	\$ (1,669)	\$ 1,240
	=====	=====
Basic (loss) earnings per share	\$ (0.11)	\$ 0.09
	=====	=====
Basic weighted average shares outstanding	15,888	13,981
	=====	=====
Diluted (loss) earnings per share	\$ (0.11)	\$ 0.09
	=====	=====

Diluted weighted average shares outstanding

15,888	14,071
=====	=====

Media Contact:
Bryan Murray
703.230.1417

SOURCE: Comstock Homebuilding Companies, Inc.