

Comstock Homebuilding Companies, Inc. Acquires Three Developments in Virginia Worth \$27 Million

RESTON, Va., March 7 /PRNewswire-FirstCall/ -- Comstock Homebuilding Companies, Inc. (Nasdaq: CHCI) today announced that it has closed on three new residential housing developments in the state of Virginia for a total of \$27 million. The three developments include:

- Countryside Villas, a 103 unit condominium conversion project located in eastern Loudoun County, Virginia
- Blake's Crossing, a 130 unit townhome development to be built in Culpeper, Virginia, and
- Barrington Park, 134 unit condominium development to be built in Manassas, Virginia.

The Countryside condominium conversion project will undergo a renovation valued at \$5 million, and is scheduled to open for sales in early spring, 2005. The Barrington Park development is scheduled to open for sales in late summer, 2005, with unit deliveries to begin in 2006. Finally, the Company will begin processing the entitlements on the 28 acres it purchased at Blake's Crossing. The land will be used to develop 130 townhouses. These acquisitions follow up the recently announced \$75 million acquisition of the 424 unit Penderbrook development in Fairfax County, Virginia.

"These three projects are further examples of Comstock's successful strategy of maximizing residential housing potential in supply constrained locations while simultaneously acquiring properties in the region," said Christopher Clemente, founder and CEO. "These purchases were enabled by our strong cash position made possible by our initial public offering in December 2004, and will be significant additions to our diverse suite of residential living projects throughout the greater Washington DC metropolitan and Raleigh, North Carolina areas."

About Comstock Homebuilding Companies, Inc.

Comstock is a production homebuilder that develops, builds, and markets single-family homes, townhouses, and condominiums. The Company currently operates in the Washington, D.C. and Raleigh, North Carolina markets where it targets a diverse range of buyers, including first-time, early move-up, secondary move-up, empty nester move-down and active adult home buyers. For more information on Comstock, please visit <http://www.comstockhomebuilding.com>.

Comstock Homebuilding Companies, Inc. completed an initial public offering on December 14, 2004 priced at \$16.00 per share. The stock closed on March 3, 2005 at \$25.67. The company reported record operating results for the year ended December 31, 2004. The contract value of new orders for the year ended December 31, 2004 was \$241.0 million on 665 new orders as compared to \$81.3 million on 258 new orders for the year ended December 31, 2003, a 196 percent increase in the value of the new orders and a 158 percent increase in new home orders. Total revenue increased 73 percent, from \$55.5 million in 2003 to \$96.0 million in 2004, with \$87.0 million of revenue from homebuilding in 2004 as compared to \$49.1 in 2003. The Company delivered 263 new homes at an average price of \$328,000 in 2004 versus 162 new homes at an average price of \$303,000 in 2003. Operating income grew 150 percent, from \$8.1 million for 2003 to \$20.1 million for 2004, due to a significant increase in operating margin from 14.5 percent to 20.9 percent. Net income after tax increased 141 percent from \$5.9 million in 2003 to \$14.3 million in 2004. On a proforma basis, including its Raleigh operation, the Company delivered 328 new homes in 2004 for combined revenue from homebuilding of \$105.2 million (unaudited).

This press release includes "forward-looking statements" within the meaning of the federal securities laws, which involve uncertainties and risks. These include statements regarding events or developments that the Company expects or anticipates will occur in the future, such as statements about the Company's strategies to improve operating performance. Please refer to the Company's prospectus and its other filings with the Securities and Exchange Commission for a complete discussion of these and other important factors that could cause results to differ materially from those projected by these forward-looking statements.

SOURCE Comstock Homebuilding Companies, Inc.

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