



May 10, 2006

Comstock Homebuilding Companies, Inc. Reports \$0.09 Earnings Per Share for Three Months Ended March 31, 2006

Company Reports 28% Increase in Revenue From Homebuilding Operations

RESTON, VA, May 10, 2006 (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, 2006 of \$0.09 per share (basic and diluted) on total revenue of \$36.6 million. These earnings were within the Company's previously issued guidance range of \$0.02 to \$0.22 for the quarter.

The Company will conduct a conference call for interested investors on Thursday, May 11, 2006, at 8:45 AM Eastern Standard Time. During the call the Company will discuss the financial results detailed in this release. The dial-in number for the conference call is 866-406-5408 and the access code is 7326932; 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, 2006:

- The Company generated basic earnings per share for the quarter of \$0.09 on shares outstanding of 14.0 million and diluted earnings per share of \$0.09 on shares outstanding of 14.1 million.
- Total revenue for the quarter was \$36.6 million with \$36.4 million of revenue derived from homebuilding, as compared to total revenue of \$28.7 million for the three months ended March 31, 2005 with \$28.5 million of revenue derived from homebuilding.
- The Company delivered 112 new homes in the quarter at an average per unit revenue of approximately \$325,000 as compared to 78 new homes at an average per unit revenue of \$365,000 during the three months ended March 31, 2005.
- Gross profit from all revenue was \$9.4 million for the quarter representing a 25.8% gross margin as compared to \$11.1 million representing a gross margin of 38.7% for the three months ended March 31, 2005.
- On January 19, 2006 the company closed on the acquisition of Parker Chandler Homes, Inc. in Atlanta, Georgia. The acquisition, which was approximately \$63 million, added close to 1,600 lots to the Company's inventory of controlled land.

"We are pleased to be reporting these results which are within the range of our estimates for the period," said Christopher Clemente, Chairman and CEO. "We believe we are well positioned to continue to deliver growth in revenue and earnings in 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 Washington, D.C. and Raleigh, North Carolina markets, under the Capitol Homes brand in Raleigh, North Carolina and under the Parker Chandler Homes brand in Atlanta, Georgia and parts of the Carolinas. 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 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.

Comstock Homebuilding Companies Inc

Income Statements

	Three Months Ended March 31,	
	2006	2005
Revenues		
Sale of real estate -- Homes	\$ 36,365	\$ 28,465
Other revenue	230	264
Total revenue	36,595	28,729
Expenses		
Cost of sales of real estate	27,161	17,591
Cost of sales of other	10	11
Gross Profit	9,424	11,127
Selling, general and administrative	7,646	5,052
Operating income	1,778	6,075
Other (income) expense, net	(233)	(36)
Income before minority interest and equity in earnings of real estate partnerships	2,011	6,111
Minority interest	(7)	1
Income before equity in earnings of real estate partnerships	2,018	6,110
Equity in earnings of real estate partnerships	(27)	30
Total pre tax income	1,991	6,140
Income Taxes	751	2,331
Net Income	\$ 1,240	\$ 3,809
Basic earnings per share	0.09	0.33
Basic weighted average shares outstanding	13,981	11,621
Diluted earnings per share	0.09	0.32
Diluted weighted average shares outstanding	14,071	11,769

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SOURCE: Comstock Homebuilding Companies, Inc.