

Comstock Homebuilding Companies, Inc. Reports Results for Three and Six Months Ended June 30, 2009

RESTON, VA, Aug 17, 2009 (MARKETWIRE via COMTEX News Network) -- Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) ("Comstock" or the "Company") today released its unaudited results for the three and six months ended June 30, 2009. In connection therewith, the Company filed a Form 10-Q with the Securities and Exchange Commission. The Company's 2009 second quarter results are highlighted as follows:

For the three months ended June 30, 2009, the Company reported a net loss of \$27.7 million or (\$1.58) per share basic and diluted on total revenue of \$3.0 million compared to a net loss of \$16.6 million or (\$1.00) per share basic and diluted on total revenue of \$12.0 million for the three months ended June 30, 2008. In connection with these results, the Company announced that it had elected to record a non-cash impairment and write-off charge of \$22.9 million for the three months ended June 30, 2009, compared to a \$13.7 million non-cash impairment and write-off charge for the three months ended June 30, 2008.

For the six months ended June 30, 2009, the Company reported a net loss of \$30.4 million or (\$1.73) per share basic and diluted on total revenue of \$8.5 million, compared to a net loss of \$10.1 million or (\$0.61) per share basic and diluted on total revenue of \$28.4 million for the six months ended June 30, 2008. In connection with these results, the Company recorded a non-cash impairment and write-off charge of \$22.9 million for the six months ended June 30, 2009 as compared to a \$14.6 million charge for the six months ended June 30, 2008.

The Company reported the following orders, cancellations and backlog for the three and six months ended June 30, 2009:

| | Three months ended June 30, 2009 | | | |
|-----------------------------------|----------------------------------|-------------------|----------|----------|
| | Washington Metro Area | North Carolina | Georgia | Total |
| Gross new orders | 22 | - | - | 22 |
| Cancellations | 5 | 3 | 1 | 9 |
| Net new orders | 17 | (3) | (1) | 13 |
| Gross new order revenue | \$ 5,396 | \$ - | \$ - | \$ 5,396 |
| Cancellation revenue | \$ 1,669 | \$ 570 | \$ 386 | \$ 2,625 |
| Net new order revenue | \$ 3,727 | \$ (570) | \$ (386) | \$ 2,771 |
| Average gross new order price | \$ 245 | \$ - | \$ - | \$ 245 |
| Settlements | 6 | 2 | - | 8 |
| Settlement revenue - homebuilding | \$ 1,777 | \$ 359 | \$ - | \$ 2,136 |
| Average settlement price | \$ 296 | \$ 180 | \$ - | \$ 267 |
| Backlog units | 18 | 7 | - | 25 |
| Backlog revenue | \$ 4,138 | \$ 2,053 | \$ - | \$ 6,191 |
| Average backlog price | \$ 230 | \$ 293 | \$ - | \$ 248 |

| | Six months ended June 30, 2009 | | | |
|-----------------------------------|--------------------------------|-------------------|----------|-----------|
| | Washington Metro Area | North Carolina | Georgia | Total |
| Gross new orders | 34 | 13 | - | 47 |
| Cancellations | 5 | 6 | 1 | 12 |
| Net new orders | 29 | 7 | (1) | 35 |
| Gross new order revenue | \$ 11,009 | \$ 2,319 | \$ - | \$ 13,328 |
| Cancellation revenue | \$ 1,669 | \$ 1,093 | \$ 386 | \$ 3,148 |
| Net new order revenue | \$ 9,340 | \$ 1,226 | \$ (386) | \$ 10,180 |
| Average gross new order price | \$ 324 | \$ 178 | \$ - | \$ 284 |
| Settlements | 14 | 6 | - | 20 |
| Settlement revenue - homebuilding | \$ 5,936 | \$ 926 | \$ - | \$ 6,862 |
| Average settlement price | \$ 424 | \$ 154 | \$ - | \$ 343 |
| Backlog units | 18 | 7 | - | 25 |
| Backlog revenue | \$ 4,138 | \$ 2,053 | \$ - | \$ 6,191 |

| | | | | |
|---|-------------|------------------|----------------------|-------------|
| Interest, real estate taxes and indirect costs related to inactive projects | 1,554 | 657 | 3,354 | 1,416 |
| Operating loss | (26,191) | (17,032) | (29,188) | (20,001) |
| Gain on troubled debt restructuring | - | - | - | (8,325) |
| Other (income) loss, net | 1,552 | (413) | 1,199 | (1,598) |
| Total pre tax loss | (27,743) | (16,619) | (30,387) | (10,078) |
| Income taxes expense | - | - | 1 | - |
| Net (loss) income | (27,743) | (16,619) | (30,388) | (10,078) |
| Net (loss) income attributable to noncontrolling interest | - | (1) | - | (3) |
| Net (loss) income attributable to Comstock Homebuilding Companies, Inc | \$ (27,743) | \$ (16,618) | \$ (30,388) | \$ (10,075) |
| Basic loss per share | \$ (1.58) | \$ (1.00) | \$ (1.73) | \$ (0.61) |
| Basic weighted average shares outstanding | 17,554 | 16,541 | 17,554 | 16,502 |
| Diluted loss per share | \$ (1.58) | \$ (1.00) | \$ (1.73) | \$ (0.61) |
| Diluted weighted average shares outstanding | 17,554 | 16,541 | 17,554 | 16,502 |
| | | June 30, 2009 | December 31, 2008 | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ | 1,043 | \$ | 5,977 |
| Restricted cash | | 3,878 | | 3,859 |
| Real estate held for development and sale | | 98,409 | | 129,542 |
| Inventory not owned - variable interest entities | | - | | 19,250 |
| Property, plant and equipment, net | | 457 | | 830 |
| Other assets | | 1,542 | | 1,402 |
| TOTAL ASSETS | \$ | 105,329 | \$ | 160,860 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Accounts payable and accrued liabilities | \$ | 9,501 | \$ | 8,232 |
| Obligations related to inventory not owned | | - | | 19,050 |
| Notes payable - secured by real estate | | 77,151 | | 90,086 |
| Notes payable - unsecured | | 18,252 | | 12,743 |
| TOTAL LIABILITIES | | 104,904 | | 130,111 |
| Commitments and contingencies (Note 9) | | | | |
| SHAREHOLDERS' EQUITY | | | | |
| Class A common stock, \$0.01 par value, 77,266,500 shares authorized, 15,608,438 and 15,608,438 issued and outstanding, respectively | | 156 | | 156 |
| Class B common stock, \$0.01 par value, 2,733,500 shares authorized, 2,733,500 issued and outstanding | | 27 | | 27 |
| Additional paid-in capital | | 157,121 | | 157,058 |
| Treasury stock, at cost (391,400 Class A common stock) | | (2,439) | | (2,439) |
| Accumulated deficit | | (154,663) | | (124,277) |

| | | |
|--|------------|------------|
| TOTAL COMSTOCK HOMEBUILDING COMPANIES, INC SHAREHOLDERS' EQUITY | 202 | 30,525 |
| Noncontrolling interest | 223 | 223 |
| TOTAL EQUITY | 425 | 30,749 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 105,329 | \$ 160,860 |

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 affordably 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.; Raleigh, North Carolina and Atlanta, Georgia 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 24, 2008. 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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