

Comstock Homebuilding Companies, Inc. Completes Sale of Bellemeade Condominium Conversion Project as Rental Apartment Community and Begins Settlements in the Final High Rise Condominium Building at the Eclipse

RESTON, VA, Jun 28, 2007 (MARKET WIRE via COMTEX News Network) -- Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) ("Comstock" or the "Company") today announced that it had completed the \$47.5 million sale of its 316-unit Bellemeade condominium conversion project in Leesburg, Virginia to an apartment operator based in the Midwest. Comstock had been operating the property as a rental community since ceasing its condominium sales at the project in late 2006. In order to facilitate the sale of the entire 316 multi-family units as an intact rental apartment complex Comstock repurchased the 58 condominium units previously delivered by Comstock to individual condominium buyers for approximately \$12.8 million.

The Company also announced that in connection with the transaction it has fully repaid the \$33.0 million outstanding balance of the Bellemeade project development loan to Bank of America and entered into loan modifications regarding all of its other loans with Bank of America. The loan modifications extend the maturities of the Company's remaining loans from Bank of America into 2008 and reduce the principal curtailment requirements due from the Company in 2007. Comstock expects to generate \$1.5 million in cash from the Bellemeade sale and will incur an additional write off of approximately \$2.0 million associated with the transaction.

In addition, the Company announced that it had received certificates of occupancy for floors one through seven of the second high-rise condominium building at the Eclipse at Potomac Yard project and has begun settlements with condominium purchasers.

"The strength of the rental property market in the Washington, DC area made it possible to quickly reposition the Bellemeade property as a rental apartment complex so that we could maximize the value of the property upon sale," said Christopher Clemente, Chairman and CEO. "The Bellemeade sale and other land sales accomplished this quarter are part of our previously announced goal of enhancing our balance sheet by reducing our leverage, reducing our long-term interest expenses and relieving short-term liquidity demands."

"Additionally, we have made significant progress on the Eclipse project and have begun settlements with purchasers of units in the second and final high rise condominium building," said Clemente. "As with previous periods we anticipate releasing specific information regarding 2nd quarter sales and settlement accomplishments in early July."

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.; Raleigh, North Carolina; and Atlanta, Georgia metropolitan areas. 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 on the Company or its projects 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.

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