



August 15, 2016

Comstock Holding Companies Reports Second Quarter 2016 Results

WASHINGTON & RESTON, Va.--(BUSINESS WIRE)-- Comstock Holding Companies, Inc., (NASDAQ: CHCI), announced results for the first three and six months ended June 30, 2016:

Highlights of Second Quarter 2016:

- | Backlog at June 30, 2016 of 50 units valued at \$21.5 million, compared to 43 units valued at \$22.3 million at June 30, 2015;
- | Unit deliveries of 21, generating homebuilding revenue of \$9.7 million for the three months ended June 30, 2016 compared to unit deliveries of 25 generating \$12.1 million of homebuilding revenue for the same period in 2015;
- | Controlled community count and open community count of 17 and 10, respectively, at June 30, 2016 compared to 19 and 10, respectively at June 30, 2015;
- | Comstock is preparing to commence sales and development of five new communities located in Virginia, Maryland, and Washington, DC, and
- | Subsequent to the quarter end, the Company completed Comstock Investors X, L.C. a private placement offering of \$14.0 million to provide capital for certain projects scheduled to commence in the second half of 2016.

Chairman and CEO, Christopher Clemente commented, "Our second quarter and first half results are in line with our expectations for early 2016. Our focus continues to be increasing revenue while reducing fixed operating costs. Our efforts in this regard over the past two years has substantially rationalized overhead expenses. The result of our cost reduction efforts resulted in reductions of fixed operating costs of 29% in the second quarter of this year and 24% year-to-date, as compared to a year ago. We expect this trend to continue with general and administrative costs for full year 2016, expecting at least a 25% reduction, as compared to 2015. We believe that our reduced cost structure coupled with the typical revenue increase that we experience in the second half of each calendar year will contribute towards our effort to generate positive results in the near future."

COMSTOCK COMMUNITIES NOW OPEN

Comstock currently has 10 communities open for sale in Virginia and Maryland, including townhomes, condominiums, single-family homes and villas priced from the high \$200s to the \$500s. Four additional communities are scheduled to open during the second half of 2016, with prices ranging from high \$300s to high \$800s. For further details on the open communities, see the attached Pipeline Report as of June 30, 2016 and the Form 10-Q filed by the company on August 15, 2016 or visit www.ComstockHomes.com.

COMSTOCK COMMUNITIES COMING SOON

Comstock has seven new communities in various stages of planning and development. The new communities, located in Maryland, Virginia and Washington, DC, include townhomes, single-family homes and multi-family units. Comstock plans to open five of these communities before year-end 2016, with the balance of them expected to open before the end of 2017. The communities opening in mid-to-late 2016 include:

- | The Townes at 1333 (Old Town Alexandria, VA) - townhomes priced from the high \$800s.
- | Townes at Totten Mews (Washington, DC) - townhomes priced from the high \$500s.
- | Marwood East (Loudoun County, VA) - single family homes priced from the high \$500s.
- | Estates at Emerald Farm, final section (Frederick, MD) - single family homes priced from the high \$300s.
- | Woods at Stone Ridge (Frederick, MD) - single family homes priced from the upper \$500s.

For further details on the communities in planning, see the attached Pipeline Report as of June 30, 2016 and the Form 10-Q filed by the company on August 15, 2016.

About Comstock Holding Companies, Inc.

Comstock is a homebuilding and multi-faceted real estate development and services company that builds a wide range of housing products through its wholly owned subsidiary, Comstock Homes of Washington, LC. Our track record of developing numerous successful new home communities and nearly 6,000 homes, together with our substantial experience in building a diverse range of products including apartments, single-family homes, townhomes, mid-rise condominiums, high-rise condominiums and mixed-use (residential and commercial) developments has positioned Comstock as a leading developer and homebuilder in the Washington, D.C. metropolitan area. Comstock is a publicly traded company, trading on NASDAQ under the symbol CHCI. For more information about Comstock or its new home communities, please visit www.comstockhomes.com.

Cautionary Statement Regarding Forward-Looking Statements

This release includes "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of words such as "anticipate," "believe," "estimate," "may," "intend," "expect," "will," "should," "seeks" or other similar expressions. Forward-looking statements are based largely on our expectations and involve inherent risks and uncertainties, many of which are beyond our control. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. Some factors which may affect the accuracy of the forward-looking statements apply generally to the real estate industry, while other factors apply directly to us. Any number of important factors which could cause actual results to differ materially from those in the forward-looking statements include, without limitation: completion of Comstock's financial accounting and review procedures; general economic and market conditions, including interest rate levels; our ability to service our debt; inherent risks in investment in real estate; our ability to compete in the markets in which we operate; economic risks in the markets in which we operate, including actions related to government spending; delays in governmental approvals and/or land development activity at our projects; regulatory actions; fluctuations in operating results; our anticipated growth strategies; shortages and increased costs of labor or building materials; the availability and cost of land in desirable areas; adverse weather conditions or natural disasters; our ability to raise debt and equity capital and grow our operations on a profitable basis; and our continuing relationships with affiliates. Additional information concerning these and other important risk and uncertainties can be found under the heading "Risk Factors" in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, for the fiscal year ended December 31, 2015. Our actual results could differ materially from these projected or suggested by the forward-looking statements. Comstock claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements contained herein. 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 HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	June 30, 2016	December 31, 2015
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 3,377	\$ 12,448
Restricted cash	2,763	2,566
Trade receivables	1,102	332
Real estate inventories	34,914	38,223
Fixed assets, net	291	394
Other assets, net	4,892	4,515
TOTAL ASSETS	\$ 47,339	\$ 58,478
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 8,398	\$ 7,638
Notes payable - secured by real estate inventories	21,846	24,823
Notes payable - due to affiliates, unsecured, net of discount	15,692	19,028
Notes payable - unsecured	1,336	1,548
Income taxes payable	21	-
TOTAL LIABILITIES	47,293	53,037

Commitments and contingencies

STOCKHOLDERS' EQUITY (DEFICIT)

Preferred stock \$0.01 par value, 806,647 and 772,210 shares issued and liquidation preference of \$4,033 and \$3,861 at June 30, 2016 and December 31, 2015, respectively	\$ 1,226	\$ 1,174
Class A common stock, \$0.01 par value, 11,038,071 shares authorized, 3,020,810 and 2,997,437 issued, and outstanding, respectively	30	30
Class B common stock, \$0.01 par value, 390,500 shares authorized, issued, and outstanding	4	4
Additional paid-in capital	175,982	175,963
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	<u>(179,418)</u>	<u>(175,785)</u>
TOTAL COMSTOCK HOLDING COMPANIES, INC. DEFICIT	(4,838)	(1,276)
Non-controlling interests	<u>4,884</u>	<u>6,717</u>
TOTAL EQUITY	46	5,441
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 47,339</u>	<u>\$ 58,478</u>

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues				
Revenue—homebuilding	\$ 9,699	\$ 12,115	\$ 19,222	\$ 22,125
Revenue—other	279	449	462	756
Total revenue	<u>9,978</u>	<u>12,564</u>	<u>19,684</u>	<u>22,881</u>
Expenses				
Cost of sales—homebuilding	9,185	10,594	17,830	19,184
Cost of sales—other	153	188	244	353
Sales and marketing	403	489	886	914
General and administrative	1,373	1,936	2,915	3,833
Interest and real estate tax expense	306	156	522	326
Operating loss	<u>(1,442)</u>	<u>(799)</u>	<u>(2,713)</u>	<u>(1,729)</u>
Other income, net	13	582	21	774
Loss before income tax expense	<u>(1,429)</u>	<u>(217)</u>	<u>(2,692)</u>	<u>(955)</u>
Income tax (expense) benefit	(32)	(57)	(57)	13
Net loss	<u>(1,461)</u>	<u>(274)</u>	<u>(2,749)</u>	<u>(942)</u>
Net income attributable to non-controlling interests	448	534	884	809
Net loss attributable to Comstock Holding Companies, Inc.	<u>(1,909)</u>	<u>(808)</u>	<u>(3,633)</u>	<u>(1,751)</u>
Paid-in-kind dividends on Series B Preferred Stock	86	-	172	-
Net loss attributable to common stockholders	<u>\$ (1,995)</u>	<u>\$ (808)</u>	<u>\$ (3,805)</u>	<u>\$ (1,751)</u>
Basic net loss per share	\$ (0.60)	\$ (0.25)	\$ (1.15)	\$ (0.57)
Diluted net loss per share	\$ (0.60)	\$ (0.25)	\$ (1.15)	\$ (0.57)
Basic weighted average shares outstanding	3,319	3,173	3,312	3,077
Diluted weighted average shares outstanding	3,319	3,173	3,312	3,077

Project	State	Product Type (1)	Estimated Units at Completion	Units Settled	Backlog (8)	Units Owned Unsold	Units Under Control (2)	Owned, Unsettled and Under Control	New Order Revenue Per Unit to Date
City Homes at the Hampshires	DC	SF	38	38	-	-	-	-	\$ 728
Townes at the Hampshires (3)	DC	TH	73	73	-	-	-	-	\$ 551
Estates at Falls Grove	VA	SF	19	13	5	1	-	6	\$ 544
Townes at Falls Grove	VA	TH	110	62	12	36	-	48	\$ 301
Townes at Shady Grove Metro	MD	TH	36	26	-	10	-	10	\$ 626
Townes at Shady Grove Metro (4)	MD	SF	3	3	-	-	-	-	\$ 199
Momentum Shady Grove Metro (5)	MD	Condo	110	-	-	110	-	110	\$ -
Estates at Emerald Farms	MD	SF	84	78	4	2	-	6	\$ 413
Townes at Maxwell Square	MD	TH	45	41	4	-	-	4	\$ 421
Townes at Hallcrest	VA	TH	42	18	16	8	-	24	\$ 458
Estates at Leeland	VA	SF	24	2	6	16	-	22	\$ 450
Villas Preserve at Two Rivers 28'	MD	TH	10	4	2	4	-	6	\$ 450
Villas Preserve at Two Rivers 32'	MD	TH	10	8	-	2	-	2	\$ 505
Marrwood East (7)	VA	SF	35	-	1	34	-	35	\$ 591
Estates at Popkins Lane	VA	SF	12	-	-	-	12	12	\$ -
Townes at Richmond Station	VA	TH	54	-	-	-	54	54	\$ -
Richmond Station Multi-family	VA	MF	104	-	-	-	104	104	\$ -
Townes at Totten Mews (6)	DC	TH	40	-	-	-	40	40	\$ -
The Towns at 1333 Ridge	VA	TH	18	-	-	-	18	18	\$ -
The Woods at Spring Ridge	MD	SF	24	-	-	-	24	24	\$ -
Total			891	366	50	223	252	525	

(1) "SF" means single family home, "TH" means townhouse, "Condo" means condominium, "MF" means multi-family.

(2) Under land option purchase contract, not owned.

(3) 3 of these units are subject to statutory affordable dwelling unit program.

(4) Units are subject to statutory moderately priced dwelling unit program; not considered a separate community.

(5) 18 of these units are subject to statutory moderately priced dwelling unit program.

(6) 5 of these units are subject to statutory affordable dwelling unit program.

(7) 1 of these units is subject to statutory affordable dwelling unit program.

(8) "Backlog" means we have an executed order with a buyer but the settlement did not occur prior to report date.

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