

Comstock Holding Companies Announces Third Quarter 2015 Results

2015 Backlog Revenue Up 84% to \$29.2 Million from \$15.9 Million in Same Period 2014
New Order Backlog Up 90% to 59 from 31 units in Same Period 2014
Pipeline of Controlled Land Inventory Increases to 876 Lots at September 30, 2015

WASHINGTON & RESTON, Va.--(BUSINESS WIRE)-- Comstock Holding Companies, Inc., (NASDAQ: CHCI), today announced financial results for the three and nine months ended September 30, 2015.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues				
Revenue—homebuilding	\$ 12,043	\$ 18,225	\$ 34,168	\$ 37,713
Revenue—other	245	142	1,001	408
Total revenue	12,288	18,367	35,169	38,121
Operating loss	(1,015)	1,022	(2,744)	(426)
Net loss	(1,023)	991	(1,965)	(521)
Net income attributable to non-controlling interests	68	1,150	877	2,881
Net loss attributable to Comstock Holding Companies, Inc.	<u>\$ (1,091)</u>	<u>\$ (159)</u>	<u>\$ (2,842)</u>	<u>\$ (3,402)</u>
Basic and diluted net loss per share	\$ (0.33)	\$ (0.05)	\$ (0.90)	\$ (1.13)
Supplemental data				
Unit deliveries	24	35	70	82
Backlog units	59	31	59	31
Backlog revenue	\$ 29,171	\$ 15,896	\$ 29,171	\$ 15,896
Controlled communities (1)	19	17	19	17
Open communities	10	7	10	7
Pipeline units under control (1)	876	831	876	831

(1) Includes communities and units under land option purchase contract, not owned.

Business Commentary

Chairman and CEO Christopher Clemente commented: "Changes to our product and systems, as well as operational enhancements over the past year are beginning to have a positive impact. However, our focus on customer satisfaction impacted the timing of delivery of certain units at some communities during the quarter ended September 30, 2015. Overall, we are pleased with the progress made this year and we continue to focus on restoring profitability. We remain excited about the prospects for 2016."

COMSTOCK COMMUNITIES NOW OPEN

- City Homes at the Hampshires (Washington DC) -- single-family homes priced from the mid \$700s
- Townes at the Hampshires (Washington DC) -- townhomes priced from the low \$500s
- Townes at Falls Grove (Manassas, VA, Prince William County) -- townhome style condominiums priced from the high \$200s
- Townes at Shady Grove (Rockville, MD, Montgomery County) -- townhomes, adjacent to the Metro, priced from the low \$600s

- Townes at Maxwell Square (Frederick, MD, Frederick County) -- townhomes in historic downtown Frederick priced from the high \$300s
- Townes at Hallcrest (Sterling, VA, Loudoun County) -- townhomes priced from the mid \$400s
- Estates at Falls Grove (Manassas, VA, Prince William County) -- single-family homes priced from the mid \$400s
- Estates at Leeland, (Fredericksburg, VA, Stafford County) -- single-family homes priced from the mid \$300s
- The Villas at Two Rivers I (Odenton, MD, Anne Arundel County) - villas priced from the mid \$400s
- The Villas at Two Rivers II (Odenton, MD, Anne Arundel County) - villas priced from the mid \$400s

COMSTOCK COMMUNITIES COMING SOON

- The Estates at Stone Ridge (Loudoun County, VA) -- single-family homes priced from the low \$600s with construction and sales activity beginning in late 2015
- The Estates at Popkins Lane (Alexandria, VA) -- single-family homes priced from the mid \$800s with construction and sales activity beginning in the fall of 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 under its Comstock Homes brand through its wholly owned subsidiary, Comstock Homes of Washington, L.C. 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 residential 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, 2014. 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)

	September 30, 2015	December 31, 2014
ASSETS	(unaudited)	(unaudited)
Cash and cash equivalents	\$ 1,761	\$ 7,498
Restricted cash	2,488	1,779

Trade receivables	519	110
Real estate inventories	49,145	40,889
Property, plant and equipment, net	454	395
Other assets	5,185	5,696
TOTAL ASSETS	\$ 59,552	\$ 56,367

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued liabilities	\$ 10,107	\$ 8,538
Notes payable - secured by real estate inventories	27,243	28,379
Notes payable - due to affiliates, unsecured, net of discount	17,959	15,488
Notes payable - unsecured	1,724	2,064
Income taxes payable	-	43
TOTAL LIABILITIES	57,033	54,512

Commitments and contingencies	-	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Class A common stock, \$0.01 par value, 11,038,071 shares authorized, 2,976,000 and 2,696,014 issued and outstanding, respectively	30	27
Class B common stock, \$0.01 par value, 390,500 shares authorized, issued and outstanding	4	4
Additional paid-in capital	173,044	171,639
Treasury stock, at cost (85,570 and 60,947 shares Class A common stock, respectively)	(2,662)	(2,583)
Accumulated deficit	(174,060)	(171,218)
TOTAL COMSTOCK HOLDING COMPANIES, INC. DEFICIT	(3,644)	(2,131)
Non-controlling interests	6,163	3,986
TOTAL EQUITY	2,519	1,855
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 59,552	\$ 56,367

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue—homebuilding	\$ 12,043	\$ 18,225	\$ 34,168	\$ 37,713
Revenue—other	245	142	1,001	408
Total revenue	12,288	18,367	35,169	38,121
Expenses				
Cost of sales—homebuilding	10,749	15,021	29,933	30,736
Cost of sales—other	103	80	456	258
Sales and marketing	498	600	1,412	1,697
General and administrative	1,853	1,626	5,686	5,833
Interest and real estate tax expense	100	18	426	23
Operating (loss) income	(1,015)	1,022	(2,744)	(426)
Other income, net	28	106	802	173
(Loss) income before income tax expense	(987)	1,128	(1,942)	(253)
Income tax expense	(36)	(137)	(23)	(268)
Net (loss) income	(1,023)	991	(1,965)	(521)
Net income attributable to non-controlling interests	68	1,150	877	2,881
Net loss attributable to Comstock Holding Companies, Inc.	\$ (1,091)	\$ (159)	\$ (2,842)	\$ (3,402)

Basic net loss per share	\$	(0.33)	\$	(0.05)	\$	(0.90)	\$	(1.13)
Diluted net loss per share	\$	(0.33)	\$	(0.05)	\$	(0.90)	\$	(1.13)
Basic weighted average shares outstanding		3,284		3,021		3,166		3,008
Diluted weighted average shares outstanding		3,284		3,021		3,166		3,008

Pipeline Report as of September 30, 2015

Project	State	Product Type (1)	Estimated Units at Completion	Units Settled	Backlog (7)	Units Owned Unsold	Units Under Control (2)	Total Units Owned, Unsettled and Under Control	Average New Order Revenue Per Unit to Date
City Homes at the Hampshires	DC	SF	38	35	2	1	-	3	\$ 746
Townes at the Hampshires (3)	DC	TH	73	49	17	7	-	24	\$ 558
Estates at Falls Grove	VA	SF	19	7	4	8	-	12	\$ 537
Townes at Falls Grove	VA	TH	110	50	5	55	-	60	\$ 301
Townes at Shady Grove Metro	MD	TH	36	23	4	9	-	13	\$ 593
Townes at Shady Grove Metro (4)	MD	SF	3	-	-	3	-	3	\$ -
Momentum Shady Grove Metro (5)	MD	Condo	117	-	-	117	-	117	\$ -
Estates at Emerald Farms	MD	SF	84	78	-	6	-	6	\$ -
Townes at Maxwell Square	MD	TH	45	24	12	9	-	21	\$ 420
Townes at Hallcrest	VA	TH	42	4	2	36	-	38	\$ 477
Estates at Leeland	VA	SF	24	-	-	24	-	24	\$ -
Villas Preserve at Two Rivers 28'	MD	TH	66	-	3	4	59	66	\$ 457
Villas Preserve at Two Rivers 32'	MD	TH	54	-	10	4	40	54	\$ 505
Villas at New Design Road	MD	TH	78	-	-	-	78	78	\$ -
Estates at Popkins Lane	VA	SF	12	-	-	-	12	12	\$ -
Townes at Richmond Station	VA	TH	70	-	-	-	70	70	\$ -
Richmond Station Multi-family	VA	MF	103	-	-	-	103	103	\$ -
Townes at Totten Mews	VA	TH	37	-	-	-	37	37	\$ -
The Estates at Stone Ridge (6)	VA	SF	35	-	-	-	35	35	\$ -
River Creek Village	VA	SF	100	-	-	-	100	100	\$ -
Total			1,146	270	59	283	534	876	

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

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

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