



November 16, 2017

Comstock Holding Companies Reports Third Quarter 2017 Results

WASHINGTON, D.C. and RESTON, Va., Nov. 16, 2017 (GLOBE NEWSWIRE) -- Comstock Holding Companies, Inc., (NASDAQ:CHCI), announced results for the three and nine months ended September 30, 2017:

Highlights of Third Quarter 2017, as compared to Third Quarter 2016:

- ┆ Net loss attributable to common stockholders of \$(1.5) million, or \$(0.45) per diluted share for the three months ended September 30, 2017, compared to net loss attributable to common stockholders of \$(1.1) million, or \$(0.34) per diluted share for the three months ended September 30, 2016;
- ┆ Total revenue of \$13.8 million, including \$13.1 million from 24 home deliveries during the three months ended September 30, 2017, as compared to \$13.1 million, including \$12.9 million from 33 home deliveries during the three months ended September 30, 2016;
- ┆ Average settlement price of \$545,000 for the three months ended September 30, 2017 as compared to an average settlement price of \$390,000 for the three months ended September 30, 2016;
- ┆ Backlog at September 30, 2017 of 27 units valued at \$16.4 million, compared to 35 units valued at \$16.4 million at September 30, 2016;
- ┆ On July 17, 2017, the Company acquired all the business assets of Monridge Environmental, LLC through a newly formed entity, JK Environmental Services, which is a wholly owned subsidiary of CDS Capital Management, L.C., a subsidiary of Comstock. The total purchase price was \$2.3 million.

Chairman and CEO, Christopher Clemente commented, "As previously disclosed, Comstock secured additional capital of \$5.0 million subsequent to the close of the 3rd quarter. During the 3rd quarter, Comstock took the first step in a concerted effort to expand our footprint and generate new sources of revenue in the real estate services market by acquiring Monridge Environmental, LLC in a transaction that we believe will be accretive and provide a platform for additional expansion of the fee-for-service business model of our wholly owned subsidiary, Comstock Real Estate Services, LLC. Coupled with additional services that will include commercial mortgage brokerage, asset management, and related services, we believe that these new initiatives provide the Company additional means of utilizing our public company platform to generate new opportunities to enhance shareholder value."

COMSTOCK COMMUNITIES NOW OPEN

Comstock currently has 6 communities open for sale in Virginia, Maryland, and Washington, D.C., including townhomes and single-family homes priced from the high \$300s to the \$900s. For further details, see the attached Pipeline Report as of September 30, 2017, the Form 10-Q filed by the Company on November 16, 2017 or visit www.ComstockHomes.com.

COMSTOCK COMMUNITIES COMING SOON

In addition to the open communities, Comstock has two additional communities in various stages of planning and development. The communities, located in Virginia, include townhomes to be priced from the low and mid-\$300s. For further details on the communities in planning, see the attached Pipeline Report as of September 30, 2017 and the Form 10-Q filed by the Company on November 16, 2017 or visit www.ComstockHomes.com.

About Comstock Holding Companies, Inc.

Comstock is a 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, LC. Our homebuilding activities are currently focused in the Washington, D.C. metropolitan area, which is the sixth largest metropolitan statistical area in the United States, while providing real estate related services through our wholly owned subsidiary, Comstock Real Estate Services, LLC in the New Jersey, Pennsylvania, and Washington, D.C. metropolitan areas. 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 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.comstockholding.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 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, 2016. Our actual results could differ materially from those 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.

Company:

Comstock Holding Companies, Inc.
Christopher Conover, 703-230-1985
Chief Financial Officer

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (Amounts in thousands, except share and per share data)

	September 30, 2017	December 31, 2016
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 2,086	\$ 5,761
Restricted cash	1,014	1,238
Trade receivables	1,332	613
Real estate inventories	48,501	49,842
Fixed assets, net	329	255
Goodwill	1,702	-
Other assets, net	1,049	2,112
TOTAL ASSETS	<u>\$ 56,013</u>	<u>\$ 59,821</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 8,828	\$ 7,721
Notes payable - secured by real estate inventories, net of deferred financing charges	27,572	26,927
Notes payable - due to affiliates, unsecured, net of discount and deferred financing charges	15,078	15,866
Notes payable - unsecured, net of deferred financing charges	1,396	911
Income taxes payable	29	19
TOTAL LIABILITIES	<u>52,903</u>	<u>51,444</u>

Commitments and contingencies (Note 8)

STOCKHOLDERS' EQUITY (DEFICIT)

Series C preferred stock \$0.01 par value, 3,000,000 shares authorized, 579,158 and 0 shares issued and liquidation preference of \$2,896 and \$0 at September 30, 2017 and

December 31, 2016, respectively	\$	442	\$	-
Series B preferred stock \$0.01 par value, 3,000,000 shares authorized, 0 and 841,848 shares issued and liquidation preference of \$0 and \$4,209 at September 30, 2017 and December 31, 2016, respectively		-		1,280
Class A common stock, \$0.01 par value, 11,038,071 shares authorized, 3,347,789 and 3,035,922 issued, and outstanding, respectively		33		30
Class B common stock, \$0.01 par value, 220,250 and 390,500 shares authorized, issued, and outstanding, respectively		2		4
Additional paid-in capital		177,374		176,251
Treasury stock, at cost (85,570 shares Class A common stock)		(2,662)		(2,662)
Accumulated deficit		(186,545)		(184,778)
TOTAL COMSTOCK HOLDING COMPANIES, INC. DEFICIT		(11,356)		(9,875)
Non-controlling interests		14,466		18,252
TOTAL EQUITY		3,110		8,377
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	56,013	\$	59,821

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

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues				
Revenue—homebuilding	\$ 13,076	\$ 12,880	\$ 33,375	\$ 32,102
Revenue—other	739	223	1,228	685
Total revenue	<u>13,815</u>	<u>13,103</u>	<u>34,603</u>	<u>32,787</u>
Expenses				
Cost of sales—homebuilding	12,482	11,985	30,804	29,815
Cost of sales—other	846	85	1,366	329
Impairment charges and recovery, net	-	91	-	91
Sales and marketing	401	427	1,122	1,313
General and administrative	1,263	1,236	3,735	4,151
Interest and real estate tax expense	16	133	16	655
Operating loss	<u>(1,193)</u>	<u>(854)</u>	<u>(2,440)</u>	<u>(3,567)</u>
Other income, net	21	98	69	119
Loss before income tax expense	<u>(1,172)</u>	<u>(756)</u>	<u>(2,371)</u>	<u>(3,448)</u>
Income tax expense	(29)	-	(29)	(57)
Net loss	<u>(1,201)</u>	<u>(756)</u>	<u>(2,400)</u>	<u>(3,505)</u>
Net income (loss) attributable to non-controlling interests	309	290	(630)	1,174
Net loss attributable to Comstock Holding Companies, Inc.	<u>(1,510)</u>	<u>(1,046)</u>	<u>(1,770)</u>	<u>(4,679)</u>
Paid-in-kind dividends on Series B Preferred Stock	-	87	78	259
Extinguishment of Series B Preferred Stock	-	-	(1,011)	-
Net loss attributable to common stockholders	<u>\$ (1,510)</u>	<u>\$ (1,133)</u>	<u>\$ (837)</u>	<u>\$ (4,938)</u>
Basic net loss per share	\$ (0.45)	\$ (0.34)	\$ (0.25)	\$ (1.49)
Diluted net loss per share	\$ (0.45)	\$ (0.34)	\$ (0.25)	\$ (1.49)
Basic weighted average shares outstanding	3,374	3,326	3,299	3,317
Diluted weighted average shares outstanding	3,374	3,326	3,299	3,317

Pipeline Report as of September 30, 2017

Project	State	Product Type (1)	Estimated Units at Completion	Units Settled	Backlog (8)	Units		Under Control (2)	Under Control	Total Units Owned, Unsettled and	Average New Order Revenue Per Unit to Date
						Owned	Units Under				
City Homes at the Hampshires	DC	SF	38	38	-	-	-	-	-	\$	747
Townes at the Hampshires (3)	DC	TH	73	73	-	-	-	-	-	\$	551
Estates at Falls Grove	VA	SF	19	19	-	-	-	-	-	\$	545
Townes at Falls Grove	VA	TH	110	110	-	-	-	-	-	\$	304
Townes at Shady Grove Metro	MD	TH	36	27	-	9	-	9	\$	583	
Townes at Shady Grove Metro (4)	MD	SF	3	3	-	-	-	-	\$	-	
Momentum Shady Grove Metro (5)	MD	Condo	110	-	-	110	-	110	\$	-	
Estates at Emerald Farms	MD	SF	84	84	-	-	-	-	\$	426	
Townes at Maxwell Square	MD	TH	45	45	-	-	-	-	\$	421	
Townes at Hallcrest	VA	TH	42	42	-	-	-	-	\$	465	
Estates at Leeland	VA	SF	24	11	2	11	-	13	\$	451	
Villas Preserve at Two Rivers 28'	MD	TH	6	6	-	-	-	-	\$	458	
Villas Preserve at Two Rivers 32'	MD	TH	10	10	-	-	-	-	\$	504	
Marrwood East (7)	VA	SF	35	13	16	6	-	22	\$	638	
Townes at Totten Mews (6)	DC	TH	40	5	3	32	-	35	\$	540	
The Towns at 1333	VA	TH	18	2	-	16	-	16	\$	948	
The Woods at Spring Ridge	MD	SF	21	1	6	14	-	20	\$	674	
Solomons Choice	MD	SF	56	-	-	56	-	56	\$	-	
Townes at Richmond Station	VA	TH	104	-	-	104	-	104	\$	-	
Condominiums at Richmond Station	VA	MF	54	-	-	54	-	54	\$	-	
Total			928	489	27	412	-	439			

(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) 16 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.

Source: Comstock Holding Companies, Inc.

News Provided by Acquire Media