



August 14, 2017

## Comstock Holding Companies Reports Second Quarter 2017 Results

WASHINGTON & RESTON, Va.--(BUSINESS WIRE)-- Comstock Holding Companies, Inc., (NASDAQ:CHCI), announced results for the three and six months ended June 30, 2017:

### Highlights of Second Quarter 2017, as compared to Second Quarter 2016:

- | Net income attributable to common stockholders of \$0.4 million, or \$0.11 per diluted share for the three months ended June 30, 2017, compared to net loss attributable to common stockholders of \$(2.0) million, or \$(0.60) per diluted share for the three months ended June 30, 2016;
- | Total revenue of \$10.5 million, including \$10.2 million from 23 home deliveries during the three months ended June 30, 2017, as compared to \$10.0 million, including \$9.7 million from 21 home deliveries during the three months ended June 30, 2016;
- | G&A expense of \$1.2 million during the three months ended June 30, 2017, as compared to \$1.4 million for the three months ended June 30, 2016;

### Highlights of the first six months of 2017, as compared to the first six months of 2016:

- | Net income attributable to common stockholders of \$0.7 million, or \$0.20 per diluted share for the six months ended June 30, 2017, compared to net loss attributable to common stockholders of \$(3.8) million, or \$(1.15) per diluted share for the six months ended June 30, 2016;
- | Total revenue of \$20.8 million, including \$20.3 million from 48 home deliveries during the six months ended June 30, 2017, as compared to \$19.7 million, including \$19.2 million from 43 home deliveries during the six months ended June 30, 2016;
- | G&A expense of \$2.5 million during the six months ended June 30, 2017, as compared to \$2.9 million for the six months ended June 30, 2016;

Chairman and CEO, Christopher Clemente commented, "Comstock's Second Quarter 2017 results demonstrate our continued focus on improving results. The number of qualified prospects visiting our communities this year has improved when compared to the last few years. With two consecutive quarters of positive results, and generally improved market conditions, I am cautiously optimistic that 2017 will prove successful and that it will position Comstock to pursue new, attractive opportunities to enhance shareholder value."

### COMSTOCK COMMUNITIES NOW OPEN

Comstock currently has 8 communities open for sale in Virginia, Maryland, and Washington, D.C., including townhomes and single-family homes priced from the high \$200s to the \$900s. For further details, see the attached Pipeline Report as of June 30, 2017, the Form 10-Q filed by the company on August 14, 2017 or visit [www.ComstockHomes.com](http://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 \$300s. For further details on the communities in planning, see the attached Pipeline Report as of June 30, 2017 and the Form 10-Q filed by the company on August 14, 2017 or visit [www.ComstockHomes.com](http://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 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.comstockholding.com](http://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 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)

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
	(unaudited)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,619	\$ 5,761
Restricted cash	1,513	1,238
Trade receivables	748	613
Real estate inventories	49,724	49,842
Fixed assets, net	194	255
Other assets, net	1,025	2,112
<b>TOTAL ASSETS</b>	<b>\$ 55,823</b>	<b>\$ 59,821</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	\$ 8,943	\$ 7,721
Notes payable - secured by real estate inventories, net of deferred financing charges	26,883	26,927
Notes payable - due to affiliates, unsecured, net of discount and deferred financing charges	14,757	15,866
Notes payable - unsecured, net of deferred financing charges	850	911
Income taxes payable	-	19
<b>TOTAL LIABILITIES</b>	<b>51,433</b>	<b>51,444</b>
Commitments and contingencies (Note 8)		
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
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 June 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 June 30, 2017 and December 31, 2016, respectively	-	1,280
Class A common stock, \$0.01 par value, 11,038,071 shares authorized, 3,237,468 and 3,035,922 issued, and outstanding, respectively	32	30
Class B common stock, \$0.01 par value, 220,250 and 390,500 shares authorized, issued, and outstanding, at June 30, 2017 and December 31, 2016, respectively	2	4
Additional paid-in capital	177,209	176,251
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(185,038)	(184,778)
<b>TOTAL COMSTOCK HOLDING COMPANIES, INC. DEFICIT</b>	<b>(10,015)</b>	<b>(9,875)</b>

Non-controlling interests	14,405	18,252
TOTAL EQUITY	<u>4,390</u>	<u>8,377</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 55,823</u>	<u>\$ 59,821</u>

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues				
Revenue—homebuilding	\$ 10,235	\$ 9,699	\$ 20,299	\$ 19,222
Revenue—other	285	279	489	462
Total revenue	<u>10,520</u>	<u>9,978</u>	<u>20,788</u>	<u>19,684</u>
Expenses				
Cost of sales—homebuilding	9,221	9,185	18,322	17,830
Cost of sales—other	296	153	520	244
Sales and marketing	340	403	721	886
General and administrative	1,226	1,373	2,472	2,915
Interest and real estate tax expense	-	306	-	522
Operating loss	<u>(563)</u>	<u>(1,442)</u>	<u>(1,247)</u>	<u>(2,713)</u>
Other income, net	28	13	48	21
Loss before income tax expense	<u>(535)</u>	<u>(1,429)</u>	<u>(1,199)</u>	<u>(2,692)</u>
Income tax expense	-	(32)	-	(57)
Net loss	<u>(535)</u>	<u>(1,461)</u>	<u>(1,199)</u>	<u>(2,749)</u>
Net (loss) income attributable to non-controlling interests	<u>(922)</u>	<u>448</u>	<u>(939)</u>	<u>884</u>
Net income (loss) attributable to Comstock Holding Companies, Inc.	387	(1,909)	(260)	(3,633)
Paid-in-kind dividends on Series B Preferred Stock	-	86	78	172
Extinguishment of Series B Preferred Stock	-	-	(1,011)	-
Net income (loss) attributable to common stockholders	<u>\$ 387</u>	<u>\$ (1,995)</u>	<u>\$ 673</u>	<u>\$ (3,805)</u>
Basic net income (loss) per share	\$ 0.12	\$ (0.60)	\$ 0.20	\$ (1.15)
Diluted net income (loss) per share	\$ 0.11	\$ (0.60)	\$ 0.20	\$ (1.15)
Basic weighted average shares outstanding	3,359	3,319	3,351	3,312
Diluted weighted average shares outstanding	3,397	3,319	3,403	3,312

**Pipeline Report as of June 30, 2017**

Project	State	Product Type (1)	Estimated		Units Settled	Backlog (8)	Units Owned	Units Under Control (2)	Total Units Owned, Unsettled and Under Control	Average New Order Revenue Per Unit to Date
			Units at Completion	Units						
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	103	7	-	-	-	7	\$ 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	83	1	-	-	-	1	\$ 426
Townes at Maxwell Square	MD	TH	45	45	-	-	-	-	-	\$ 421
Townes at Hallcrest	VA	TH	42	42	-	-	-	-	-	\$ 465
Estates at Leeland	VA	SF	24	10	4	10	-	-	14	\$ 447
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	5	20	10	-	-	30	\$ 644
Townes at Totten Mews (6)	DC	TH	40	-	3	37	-	-	40	\$ 635

The Towns at 1333	VA	TH	18	1	-	17	-	17	\$	995
The Woods at Spring Ridge	MD	SF	21	-	4	17	-	21	\$	658
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	\$	-
<b>Total</b>			<b>928</b>	<b>465</b>	<b>39</b>	<b>266</b>	<b>158</b>	<b>463</b>		

- (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.

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