# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2024**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from __________ to __________**

**Commission File Number 1-32375**

# Comstock Holding Companies, Inc.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **20-1164345** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**1900 Reston Metro Plaza, 10th Floor**
**Reston, Virginia 20190**
**(703) 230-1985**
(Address, including zip code, and telephone number, including area code, of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Class A Common Stock, $0.01 par value** | **CHCI** | **Nasdaq Capital Market** |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of October 31, 2024, 9,668,778 shares of Class A common stock, par value $0.01 per share, and 220,250 shares of Class B common stock, par value $0.01 per share, of the registrant were outstanding.

**COMSTOCK HOLDING COMPANIES, INC.**
**Form 10-Q**
**For the Quarter Ended September 30, 2024**

## TABLE OF CONTENTS

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

**COMSTOCK HOLDING COMPANIES, INC.**
**Condensed Consolidated Balance Sheets**
(Unaudited; in thousands, except per share data)

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 21,051 | $ 18,788 |
| Accounts receivable, net | 440 | 496 |
| Accounts receivable - related parties | 6,921 | 4,749 |
| Prepaid expenses and other current assets | 402 | 353 |
| Total current assets | 28,814 | 24,386 |
| Fixed assets, net | 587 | 478 |
| Intangible assets | 144 | 144 |
| Leasehold improvements, net | 67 | 89 |
| Investments in real estate ventures | 6,176 | 7,077 |
| Operating lease assets | 6,138 | 6,790 |
| Deferred income taxes, net | 9,750 | 10,885 |
| Deferred compensation plan assets | 470 | 53 |
| Other assets | 18 | 37 |
| Total assets | $ 52,164 | $ 49,939 |
| | | |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accrued personnel costs | $ 2,605 | $ 4,681 |
| Accounts payable and accrued liabilities | 910 | 838 |
| Current operating lease liabilities | 905 | 854 |
| Total current liabilities | 4,420 | 6,373 |
| Deferred compensation plan liabilities | 472 | 77 |
| Operating lease liabilities | 5,585 | 6,273 |
| Total liabilities | 10,477 | 12,723 |
| Commitments and contingencies (Note 6) | | |
| Stockholders' equity: | | |
| Class A common stock; $0.01 par value; 59,780 shares authorized; 9,742 issued and 9,656 outstanding as of September 30, 2024; 9,525 issued and 9,440 outstanding as of December 31, 2023 | 96 | 94 |
| Class B common stock; $0.01 par value; 220 shares authorized, issued, and outstanding as of September 30, 2024 and December 31, 2023 | 2 | 2 |
| Additional paid-in capital | 202,348 | 202,112 |
| Treasury stock, at cost (86 shares of Class A common stock) | (2,662) | (2,662) |
| Accumulated deficit | (158,097) | (162,330) |
| Total stockholders' equity | 41,687 | 37,216 |
| Total liabilities and stockholders' equity | $ 52,164 | $ 49,939 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**COMSTOCK HOLDING COMPANIES, INC.**
**Condensed Consolidated Statements of Operations**
(Unaudited; in thousands, except per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Revenue | $ 12,995 | $ 14,463 | $ 34,386 | $ 33,705 |
| Operating costs and expenses: | | | | |
| Cost of revenue | 9,583 | 8,557 | 27,375 | 24,561 |
| Selling, general, and administrative | 507 | 575 | 1,588 | 1,711 |
| Depreciation and amortization | 77 | 74 | 218 | 212 |
| Total operating costs and expenses | 10,167 | 9,206 | 29,181 | 26,484 |
| Income (loss) from operations | 2,828 | 5,257 | 5,205 | 7,221 |
| Other income (expense): | | | | |
| Interest income | 169 | — | 476 | — |
| Gain (loss) on real estate ventures | (75) | (241) | (369) | (720) |
| Other income (expense), net | 23 | 1 | 56 | 48 |
| Income (loss) from operations before income tax | 2,945 | 5,017 | 5,368 | 6,549 |
| Provision for (benefit from) income tax | 568 | 332 | 1,135 | 635 |
| Net income (loss) | $ 2,377 | $ 4,685 | $ 4,233 | $ 5,914 |
| | | | | |
| Weighted-average common stock outstanding: | | | | |
| Basic | 9,864 | 9,647 | 9,830 | 9,621 |
| Diluted | 10,329 | 10,130 | 10,278 | 10,082 |
| | | | | |
| Net income (loss) per share: | | | | |
| Basic | $ 0.24 | $ 0.49 | $ 0.43 | $ 0.61 |
| Diluted | $ 0.23 | $ 0.46 | $ 0.41 | $ 0.59 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**COMSTOCK HOLDING COMPANIES, INC.**
**Condensed Consolidated Statements of Changes in Stockholders' Equity**
(Unaudited; in thousands)

| | Class A Common Stock | | Class B Common Stock | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | APIC | Treasury stock | Accumulated deficit | Total |
| **Three and Nine Months Ended September 30, 2024** | | | | | | | | |
| Balance as of December 31, 2023 | 9,525 | $ 94 | 220 | $ 2 | $ 202,112 | $ (2,662) | $ (162,330) | $ 37,216 |
| Issuance of common stock, net of shares withheld for taxes | 158 | 2 | — | — | (446) | — | — | (444) |
| Stock-based compensation | 7 | — | — | — | 246 | — | — | 246 |
| Net income (loss) | — | — | — | — | — | — | 910 | 910 |
| Balance as of March 31, 2024 | 9,690 | $ 96 | 220 | $ 2 | $ 201,912 | $ (2,662) | $ (161,420) | $ 37,928 |
| Issuance of common stock, net of shares withheld for taxes | 10 | — | — | — | 3 | — | — | 3 |
| Stock-based compensation | 5 | — | — | — | 290 | — | — | 290 |
| Net income (loss) | — | — | — | — | — | — | 946 | 946 |
| Balance as of June 30, 2024 | 9,705 | $ 96 | 220 | $ 2 | $ 202,205 | $ (2,662) | $ (160,474) | $ 39,167 |
| Issuance of common stock, net of shares withheld for taxes | 34 | — | — | — | (62) | — | — | (62) |
| Stock-based compensation | 3 | — | — | — | 205 | — | — | 205 |
| Net income (loss) | — | — | — | — | — | — | 2,377 | 2,377 |
| Balance as of September 30, 2024 | 9,742 | $ 96 | 220 | $ 2 | $ 202,348 | $ (2,662) | $ (158,097) | $ 41,687 |
| | | | | | | | | |
| **Three and Nine Months Ended September 30, 2023** | | | | | | | | |
| Balance as of December 31, 2022 | 9,337 | $ 93 | 220 | $ 2 | $ 201,535 | $ (2,662) | $ (170,114) | $ 28,854 |
| Issuance of common stock, net of shares withheld for taxes | 137 | 1 | — | — | (294) | — | — | (293) |
| Stock-based compensation | 4 | — | — | — | 238 | — | — | 238 |
| Net income (loss) | — | — | — | — | — | — | 754 | 754 |
| Balance as of March 31, 2023 | 9,478 | $ 94 | 220 | $ 2 | $ 201,479 | $ (2,662) | $ (169,360) | $ 29,553 |
| Issuance of common stock, net of shares withheld for taxes | 28 | — | — | — | (96) | — | — | (96) |
| Stock-based compensation | 5 | — | — | — | 266 | — | — | 266 |
| Net income (loss) | — | — | — | — | — | — | 475 | 475 |
| Balance as of June 30, 2023 | 9,511 | $ 94 | 220 | $ 2 | $ 201,649 | $ (2,662) | $ (168,885) | $ 30,198 |
| Issuance of common stock, net of shares withheld for taxes | — | — | — | — | — | — | — | — |
| Stock-based compensation | 6 | — | — | — | 273 | — | — | 273 |
| Net income (loss) | — | — | — | — | — | — | 4,685 | 4,685 |
| Balance as of September 30, 2023 | 9,517 | $ 94 | 220 | $ 2 | $ 201,922 | $ (2,662) | $ (164,200) | $ 35,156 |

*See accompanying Notes to Condensed Consolidated Financial Statements*

**COMSTOCK HOLDING COMPANIES, INC.**
**Condensed Consolidated Statements of Cash Flows**
(Unaudited; in thousands)

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2024** | **2023** |
| **Operating Activities** | | |
| Net income (loss) | $ 4,233 | $ 5,914 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 218 | 212 |
| Stock-based compensation | 741 | 777 |
| (Gain) loss on real estate ventures | 369 | 720 |
| Distributions from real estate ventures | 14 | 44 |
| Deferred income taxes | 1,135 | 635 |
| Accrued interest income | (58) | — |
| (Gain) loss on deferred compensation plan | 1 | — |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (2,116) | (7,157) |
| Prepaid expenses and other current assets | 9 | (43) |
| Accrued personnel costs | (2,076) | (1,733) |
| Accounts payable and accrued liabilities | 72 | 233 |
| Deferred compensation plan liabilities | 348 | — |
| Other assets and liabilities | 15 | 36 |
| Net cash provided by (used in) operating activities | 2,905 | (362) |
| **Investing Activities** | | |
| Investments in real estate ventures | (49) | (89) |
| Distributions from real estate ventures | 586 | 335 |
| Purchase of deferred compensation plan securities | (371) | — |
| Purchase of fixed assets/leasehold improvements/intangibles | (305) | (281) |
| Net cash provided by (used in) investing activities | (139) | (35) |
| **Financing Activities** | | |
| Proceeds from issuance of common stock related to equity awards | 58 | — |
| Payment of taxes related to the net share settlement of equity awards | (561) | (390) |
| Net cash provided by (used in) financing activities | (503) | (390) |
| Net increase (decrease) in cash and cash equivalents | 2,263 | (787) |
| Cash and cash equivalents, beginning of period | 18,788 | 11,722 |
| Cash and cash equivalents, end of period | $ 21,051 | $ 10,935 |
| **Supplemental Cash Flow Information** | | |
| Net cash paid (received) for: | | |
| Interest | $ (418) | $ — |
| Income taxes | 3 | 9 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**COMSTOCK HOLDING COMPANIES, INC.**
**Notes to Condensed Consolidated Financial Statements**
(Unaudited; in thousands except per share data or otherwise indicated)

### 1. Company Overview

Comstock Holding Companies, Inc. ("Comstock" or the "Company"), founded in 1985 and incorporated in the state of Delaware in 2004, is a leading asset manager, developer, and operator of mixed-use and transit-oriented properties in the Washington, D.C. region.

The Company operates through four primarily real estate-focused subsidiaries – CHCI Asset Management, LC ("CAM"); CHCI Residential Management, LC; CHCI Commercial Management, LC; and Park X Management, LC.

### 2. Summary of Significant Accounting Policies

***Basis of Presentation***

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and the requirements of the U.S. Securities and Exchange Commission (the "SEC"). As permitted, certain information and footnote disclosures have been condensed or omitted. Intercompany balances and transactions have been eliminated and certain prior period amounts have been reclassified to conform to current period presentation.

In management's opinion, the consolidated financial statements include all normal and recurring adjustments that are considered necessary for the fair presentation of the Company's financial position and operating results. The results of operations presented in these interim condensed consolidated financial statements are unaudited and are not necessarily indicative of the results to be expected for the full fiscal year.

These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's fiscal year 2023 Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report") filed with the SEC on March 21, 2024. The consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements contained in the 2023 Annual Report.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Significant items subject to such estimates include, but are not limited to, the valuation of equity method investments, incentive fee revenue recognition, and the valuation of deferred tax assets. Assumptions made in the development of these estimates contemplate both the macroeconomic landscape and the Company's anticipated results, however actual results may differ materially from these estimates.

***Recent Accounting Pronouncements - Adopted***

In March 2023, the FASB issued ASU 2023-01, "*Leases (Topic 842) – Common Control Arrangements*." This guidance amends certain provisions of ASC 842, specifically those that apply to leasing arrangements between related parties under common control. The standard is effective for fiscal years beginning after December 15, 2023, and early adoption was permitted. The Company adopted the standard effective January 1, 2024 and determined that adoption of the standard had no material impact on its consolidated financial statements and related disclosures.

***Recent Accounting Pronouncements - Not Yet Adopted***

In October 2023, the FASB issued ASU 2023-06, "*Disclosure Improvements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*." This guidance affects a wide variety of topics in the Codification. The effective date for each amendment will be the date on which the removal of the respective related disclosures from Regulation S-X or Regulation S-K becomes effective. Early adoption is prohibited. The Company does not expect the adoption of this standard to have a material impact on the Company's consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, "*Segment Reporting (Topic 280): Improving Reportable Segment Disclosures*." This guidance is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The standard requires disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The standard also requires all annual disclosures currently required by ASC Topic 280 to be included in interim periods. This standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted and requires retrospective application to all prior periods presented in the financial statements. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures.*" This guidance is a final standard on improvements to income tax disclosures and requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. This standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted and should be applied prospectively. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

**3. Investments in Real Estate Ventures**

The following table summarizes the Company's investments in real estate ventures that are recorded on the consolidated balance sheets (in thousands):

| Investment | Ownership % | September 30, 2024 | December 31, 2023 | Accounting Method |
|---|---|---|---|---|
| Investors X | 50.0% | $ 391 | $ 976 | Fair Value |
| The Hartford | 2.5% | 493 | 610 | Fair Value |
| BLVD Forty Four | 5.0% | 1,769 | 1,837 | Fair Value |
| BLVD Ansel | 5.0% | 1,930 | 2,090 | Fair Value |
| Total investments recorded at fair value | | 4,583 | 5,513 | |
| Comstock 41 | 100.0% | 1,593 | 1,564 | Consolidated |
| Total investments in real estate ventures | | $ 6,176 | $ 7,077 | |

The Company's maximum loss exposure on each of its investments in real estate ventures is equal to the carrying amount of the investment. Additional details on each investment are as follows:

***Investors X***

In April 2019, the Company entered into a master transfer agreement with CP Real Estate Services, LC ("CPRES"), an entity owned by Comstock's Chief Executive Officer Christopher Clemente, that entitled the Company to priority distribution of residual cash flow from its Class B membership interest in Comstock Investors X, L.C. ("Investors X"), an unconsolidated variable interest entity that owns the Company's residual homebuilding operations. As of September 30, 2024, all residential lots have been sold. The proceeds from the sales will be distributed as land development work associated with these projects is completed. (See Note 12 for additional information).

***The Hartford***

In December 2019, the Company entered into a joint venture with Comstock Partners, LC ("CP"), an entity controlled by Mr. Clemente and wholly owned by Mr. Clemente and certain family members, to acquire The Hartford Building ("The Hartford"), a Class-A office building adjacent to Clarendon Station on Metro's Orange Line in Arlington County, Virginia. Built in 2003, the 211,000 square foot LEED gold-certified, mixed-use building is located in the premier Rosslyn-Ballston corridor. In February 2020, the Company arranged for DivcoWest to purchase a majority ownership stake in The Hartford and secured a $87.0 million loan facility from MetLife. As part of the transaction, the Company entered into asset management and property management agreements to manage the property in exchange for market-rate fees, for which it recognized $0.4 million and $0.8 million of revenue for the three and nine months ended September 30, 2024, respectively. Fair value of the property is determined on a quarterly basis using an income approach model. As of September 30, 2024, the Company's ownership interest in the Hartford was 2.5%. (See Note 12 for additional information).

***BLVD Forty Four***

In October 2021, the Company entered into a joint venture with CP to acquire a stabilized 15-story, luxury high-rise apartment building in Rockville, Maryland that was rebranded as BLVD Forty Four. Built in 2015 and located one block from the Rockville Station on Metro's Red Line in the heart of the I-270 Technology and Life Science Corridor, the 263-unit mixed use property includes approximately 16,000 square feet of retail and a commercial parking garage. In connection with the transaction, the Company received an acquisition fee and is entitled to receive investment related income and promote distributions in connection with its equity interest in the asset. The Company also provides asset, residential, retail and parking property management services for the property in exchange for market-rate fees, for which it recognized $0.4 million and $1.0 million of revenue for the three and nine months ended September 30, 2024, respectively. Fair value of the property is determined on a quarterly basis using an income approach model. As of September 30, 2024, the Company’s ownership interest in BLVD Forty Four was 5.0%. (See Note 12 for additional information).

***BLVD Ansel***

In March 2022, the Company entered into a joint venture with CP to acquire BLVD Ansel, a newly completed 18-story, luxury high-rise apartment building with 250 units located adjacent to the Rockville Metro Station and BLVD Forty Four in Rockville, Maryland. BLVD Ansel features approximately 20,000 square feet of retail space, 611 parking spaces, and expansive amenities including multiple private workspaces designed to meet the needs of remote-working residents. In connection with the transaction, the Company received an acquisition fee and is entitled to receive investment related income and promote distributions in connection with its equity interest in the asset. The Company also provides asset, residential, retail and parking property management services for the property in exchange for market-rate fees, for which it recognized $0.3 million and $0.9 million of revenue for the three and nine months ended September 30, 2024, respectively. Fair value is determined on a quarterly basis using an income approach model. As of September 30, 2024, the Company’s ownership interest in BLVD Ansel was 5.0%. (See Note 12 for additional information).

The following table below summarizes the activity of the Company’s unconsolidated investments in real estate ventures that are reported at fair value (in thousands):

| | | |
|---|---|---|
| Balance as of December 31, 2023 | $ | 5,513 |
| Investments | | 20 |
| Distributions | | (600) |
| Change in fair value | | (350) |
| Balance as of September 30, 2024 | $ | 4,583 |

***Comstock 41***

In December 2023, the Company completed the acquisition of an 18,150 square foot land parcel located at 41 Maryland Avenue in Rockville, Maryland (“Comstock 41”) through a wholly owned subsidiary for $1.5 million. This investment property sits adjacent to BLVD Ansel and BLVD Forty-Four and is currently a surface parking lot. Comstock 41 has existing entitlements for at least 117 dwelling units and approximately 11,000 square feet of retail space. (See Note 12 for additional information).

***Other Investments***

In addition, the Company has a joint venture with Superior Title Services, Inc. ("STS") to provide title insurance to its clients. The Company records this co-investment using the equity method of accounting and adjusts the carrying value of the investment for its proportionate share of net income and distributions. The carrying value of the STS investment is recorded in "other assets" on the Company's consolidated statement of balance sheets. The Company's proportionate share of STS net income and distributions are recorded in gain (loss) on real estate ventures in the consolidated statements of operations and was immaterial for the three and nine months ended September 30, 2024 and 2023.

**4. Leases**

The Company has operating leases for office space leased in various buildings for its own use. The Company's leases typically have terms ranging from 5 to 10 years. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease costs related to the Company's operating leases are primarily reflected in "cost of revenue" in the consolidated statements of operations, as they are a reimbursable cost under the Company's respective asset management agreements. (See Note 12 for additional information).

The following table summarizes operating lease costs, by type (in thousands):

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Operating lease costs | | | | |
| Fixed lease costs | $ 297 | $ 297 | $ 890 | $ 890 |
| Variable lease costs | 97 | 109 | 294 | 348 |
| Total operating lease costs | $ 394 | $ 406 | $ 1,184 | $ 1,238 |

The following table presents supplemental cash flow information related to the Company's operating leases (in thousands):

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Cash paid for lease liabilities: | | | | |
| Operating cash flows from operating leases | $ 395 | $ 391 | $ 1,170 | $ 1,191 |

As of September 30, 2024, the Company's operating leases had a weighted-average remaining lease term of 6.0 years and a weighted-average discount rate of 4.64%.

The following table summarizes future lease payments (in thousands):

| Year Ending December 31, | Operating Leases |
|---|---|
| 2024 (3 months) | $ 292 |
| 2025 | 1,194 |
| 2026 | 1,222 |
| 2027 | 1,203 |
| 2028 | 1,233 |
| Thereafter | 2,336 |
| Total future lease payments | 7,480 |
| Imputed interest | (990) |
| Total lease liabilities | $ 6,490 |

The Company does not have any leases which have not yet commenced as of September 30, 2024.

**5. Debt**

In March 2020, the Company entered into a five-year Revolving Capital Line of Credit Agreement with CPRES, pursuant to which the Company secured a $10.0 million capital line of credit with a variable interest rate of the Wall Street Journal Prime Rate plus 1.00% per annum (the “Credit Facility”). As of September 30, 2024, the full balance of the Credit Facility remained available for use up through the March 19, 2025 expiration date, and the Company had no outstanding debt or financing arrangements for which future payments are due.

**6. Commitments and Contingencies**

The Company maintains certain non-cancelable operating leases that contain various renewal options. (See Note 4 for additional information).

The Company is subject to litigation from time to time in the ordinary course of business; however, the Company does not expect the results, if any, to have a material adverse impact on its results of operations, financial position, or liquidity. The Company records a contingent liability when it is both probable that a liability has been incurred and the amount can be reasonably estimated; however, the Company is not aware of any reasonably possible losses that would have a material impact on its results of operations, financial position, or liquidity. The Company expenses legal defense costs as they are incurred.

**7. Fair Value Disclosures**

As of September 30, 2024, the carrying amount of cash and cash equivalents, accounts receivable, other current assets, and accounts payable approximated fair value because of the short-term nature of these instruments.

As of September 30, 2024, deferred compensation plan assets, which are Company-funded investments that are meant to correlate with participant-directed hypothetical investments in stock and bond mutual funds, are measured using quoted prices in active markets based on the market price per unit multiplied by the number of units held (Level 1). Corresponding deferred compensation plan liabilities reflect the fair value of the aforementioned hypothetical investments and are based on inputs derived principally from observable market data (Level 2) through their direct correlation with the deferred compensation plan assets.

As of September 30, 2024, the Company had certain equity method investments in real estate ventures that it elected to record at fair value using significant unobservable inputs (Level 3). (See Note 3 for additional information).

The Company may also value its non-financial assets and liabilities, including items such as long-lived assets, at fair value on a non-recurring basis if it is determined that impairment has occurred. Such fair value measurements typically use significant unobservable inputs (Level 3), unless a quoted market price (Level 1) or quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, or amounts derived from valuation models (Level 2) are available.

**8. Stockholders' Equity**

***Common Stock***

The Company's certificate of incorporation authorizes the issuance of Class A common stock and Class B common stock, each with a par value of $0.01 per share. Holders of Class A common stock and Class B common stock are entitled to dividends when, as and if, declared by the Company's board of directors, subject to the rights of the holders of all classes of stock outstanding having priority rights to dividends. Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to fifteen votes per share. Shares of our Class B common stock are convertible into an equivalent number of shares of our Class A common stock upon transfer. As of September 30, 2024, the Company had not declared any dividends.

***Stock-based Compensation***

On February 12, 2019, the Company approved the 2019 Omnibus Incentive Plan (the “2019 Plan”), which replaced the 2004 Long-Term Compensation Plan (the “2004 Plan”). The 2019 Plan provides for the issuance of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, dividend equivalents, performance awards, and stock or other stock-based awards. The 2019 Plan mandates that all lapsed, forfeited, expired, terminated, cancelled and withheld shares, including those from the predecessor plan, be returned to the 2019 Plan and made available for issuance. The 2019 Plan originally authorized 2.5 million shares of the Company's Class A common stock for issuance. As of September 30, 2024, there were 1.3 million shares of Class A common stock available for issuance under the 2019 Plan.

During the three and nine months ended September 30, 2024, the Company recorded stock-based compensation expense of $0.2 million and $0.7 million, respectively. During the three and nine months ended September 30, 2023, the Company recorded stock-based compensation expense of $0.3 million and $0.8 million, respectively. Stock-based compensation costs are included in selling, general, and administrative expense on the Company's consolidated statements of operations. As of September 30, 2024, there was $1.0 million of total unrecognized stock-based compensation, which is expected to be recognized over a weighted-average period of 1.9 years.

*Restricted Stock Units*

Restricted stock unit (“RSU”) awards granted to employees are subject to continued employment and generally vest in four annual installments over the four-year period following the grant dates. The Company also grants certain RSU awards to management that contain additional vesting conditions tied directly to a defined performance metric for the Company (“PSUs”). The actual number of PSUs that will vest can range from 60% to 120% of the original grant target amount, depending upon actual Company performance below or above the established performance metric targets. The Company estimates performance in relation to the defined targets when calculating the related stock-based compensation expense.

The following table summarizes all restricted stock unit activity (in thousands, except per share data):

| | RSUs Outstanding | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Balance as of December 31, 2023 | 671 | $ 3.42 |
| Granted | 242 | 4.77 |
| Performance awards [1] | 3 | 3.18 |
| Released | (295) | 3.04 |
| Canceled/Forfeited | (63) | 4.24 |
| Balance as of September 30, 2024 | 558 | $ 4.12 |
| Vested and expected to vest after September 30, 2024 | 556 | 4.11 |

(1) Represents additional restricted stock units that vested and were released as a result of the satisfaction of a performance vesting condition.

The total intrinsic value of RSUs that vested during the nine months ended September 30, 2024 and 2023 was $1.5 million and $1.1 million, respectively.

*Stock Options*

Non-qualified stock options generally expire 10 years after the grant date and, except under certain conditions, the options are subject to continued employment and vest in four annual installments over the four-year period following the grant dates.

The following table summarizes all stock option activity (in thousands, except per share data and time periods):

| | Options Outstanding | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Balance as of December 31, 2023 | 116 | $ 3.07 | 3.9 | $ 192 |
| Granted | — | — | | |
| Exercised | (19) | 3.01 | | |
| Canceled/Forfeited | — | — | | |
| Expired | — | — | | |
| Balance as of September 30, 2024 | 97 | $ 3.09 | 3.2 | $ 667 |
| Exercisable as of September 30, 2024 | 97 | $ 3.09 | 3.2 | $ 667 |

The total intrinsic value of stock options exercised during the nine months ended September 30, 2024 was $0.1 million. There were no stock options exercised in 2023.

**9. Revenue**

All of the Company's revenue for the three and nine months ended September 30, 2024 and 2023 was generated in the United States.

The following tables summarize the Company's revenue by line of business, customer type, and contract fee type (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Revenue by Line of Business** | | | | |
| Asset management | $ 7,380 | $ 10,606 | $ 19,626 | $ 22,502 |
| Property management | 3,253 | 2,605 | 8,701 | 7,731 |
| Parking management | 2,362 | 1,252 | 6,059 | 3,472 |
| Total revenue | $ 12,995 | $ 14,463 | $ 34,386 | $ 33,705 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Revenue by Customer Type** | | | | |
| Related party | $ 12,042 | $ 14,162 | $ 32,196 | $ 32,856 |
| Commercial | 953 | 301 | 2,190 | 849 |
| Total revenue | $ 12,995 | $ 14,463 | $ 34,386 | $ 33,705 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Revenue by Contract Fee Type [1]** | | | | |
| Fixed-price | $ 3,048 | $ 1,299 | $ 6,129 | $ 4,063 |
| Cost-plus | 5,759 | 10,090 | 16,275 | 20,685 |
| Variable | 4,188 | 3,074 | 11,982 | 8,957 |
| Total revenue | $ 12,995 | $ 14,463 | $ 34,386 | $ 33,705 |

(1) Certain contracts contain multiple revenue streams with characteristics that lend to classification in more than one category

Pursuant to the terms of the asset management agreement with CP dated as of June 13, 2022 (the "2022 AMA"), the Company may earn and recognize incentive fee revenue for certain commercial assets in its managed portfolio based on specific dates and measurement criteria that are defined in the agreement. (See Note 12 for additional information).

On September 11, 2024, the Company entered into an amendment to the 2022 AMA that deferred an incentive fee trigger event for seven specified commercial assets in its managed portfolio. The amendment modified the trigger event originally scheduled on October 1, 2024 to be, at the election of the Company upon the occurrence of the event and with consent from CP, either (a) October 1, 2027, (b) upon the sale of the asset, (c) upon the refinance of the asset, or (d) the period of time in which an 85% leased rate has been achieved if the asset is a commercial asset. (See Note 12 for additional information). The Company recognized no revenue from incentive fees for the three and nine months ended September 30, 2024.

For the three and nine months ended September 30, 2023, the Company recognized revenue from incentive fees of $4.8 million, stemming from triggering events for three operating assets on October 1, 2023 pursuant to the original terms of the 2022 AMA. These operating asset triggering events were part of a series of annual operating asset triggering events that began on October 1, 2022 and were scheduled each October 1 through 2024 prior to the aforementioned 2022 AMA amendment. All incentive fees recognized in fiscal year 2023 were related to services performed in prior periods for which revenue recognition criteria were previously constrained.

**10. Income Taxes**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Prior to 2019, the Company had recorded valuation allowances for certain tax attributes and deferred tax assets due to the existence of sufficient uncertainty regarding the future realization of those deferred tax assets through future taxable income. Based on its recent financial performance and current forecasts of future operating results, the Company conducts a quarterly analysis to determine if it is more likely than not that a portion of the deferred tax assets related to its net operating loss carryforwards will be utilized in future periods. The Company's effective tax rate in any given period is directly impacted by the timing and magnitude of any partial valuation allowance releases.

The Company's effective tax rates for the three and nine months ended September 30, 2024 differ from the U.S. federal statutory tax rate of 21%, primarily due to impact of state income taxes and stock compensation shortfall/windfall adjustments. The Company's effective tax rates for the three and nine months ended September 30, 2023 differ from the standard federal tax rate of 21% primarily due to the impact of a $1.4 million valuation release as well as state income taxes and stock compensation shortfall/windfall adjustments.

**11. Net Income (Loss) Per Share**

The following table sets forth the calculation of basic and diluted net income (loss) per share (in thousands, except per share data):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Numerator:** | | | | |
| Net income (loss) - Basic and Diluted | $ 2,377 | $ 4,685 | $ 4,233 | $ 5,914 |
| | | | | |
| **Denominator:** | | | | |
| Weighted-average common shares outstanding - Basic | 9,864 | 9,647 | 9,830 | 9,621 |
| Effect of common share equivalents | 465 | 483 | 448 | 461 |
| Weighted-average common shares outstanding - Diluted | 10,329 | 10,130 | 10,278 | 10,082 |
| | | | | |
| **Net income (loss) per share:** | | | | |
| Basic | $ 0.24 | $ 0.49 | $ 0.43 | $ 0.61 |
| Diluted | $ 0.23 | $ 0.46 | $ 0.41 | $ 0.59 |

The following common share equivalents have been excluded from the computation of diluted net income (loss) per share because their effect was anti-dilutive (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Restricted stock units | 2 | — | 2 | 2 |
| Stock options | 1 | 29 | 2 | 29 |
| Warrants | 2 | 75 | 13 | 74 |

**12. Related Party Transactions**

***Asset Management Agreements***

In June 2022, CHCI Asset Management, L.C. (“CAM”), an entity wholly owned by the Company, entered into a master asset management agreement with CP (the “2022 AMA”) that superseded in its entirety the previous asset management agreement between CAM and CPRES dated April 30, 2019 (the “2019 AMA”). Entry into the 2022 AMA was unanimously approved by the independent directors of the Company.

Consistent with the structure of the 2019 AMA, the 2022 AMA engaged CAM to manage and administer CP’s commercial real estate portfolio (the "Anchor Portfolio") and the day to-day operations of CP and each property-owning subsidiary of CP (collectively, the “CP Entities”). CAM will provide investment advisory, development, and asset management services necessary to build out, stabilize and manage the Anchor Portfolio, which currently consists primarily of two of the larger transit-oriented, mixed-use developments located on Washington D.C. Metro's Silver Line (Reston Station and Loudoun Station) that are owned by CP Entities and ultimately controlled by Mr. Clemente.

Pursuant to the fee structures set forth in the 2022 AMA, CAM is entitled to receive an annual payment equal to the greater of the "Cost-Plus Fee" or the "Market Rate Fee". The Cost-Plus Fee is equal to the sum of (i) the comprehensive costs incurred by or for providing services to the Anchor Portfolio, (ii) the costs and expenses of the Company related to maintaining the listing of its shares on a securities exchange and complying with regulatory and reporting obligations of a public company, and (iii) a fixed annual payment of $1.0 million. The Market Rate Fee calculation is defined in the 2022 AMA as the sum of the fees detailed in the following table:

| Description | 2022 AMA Fees |
|---|---|
| Asset Management Fee | 2.5% of Anchor Portfolio revenue |
| Entitlement Fee | 15% of total re-zoning costs |
| Development and Construction Fee | 5% of development costs (excluding previously charged Entitlement Fees) |
| Property Management Fee | 1% of Anchor Portfolio revenue |
| Acquisition Fee | 1% on first $50 million of purchase price; 0.5% above $50 million |
| Disposition Fee | 1% on first $50 million of sale price; 0.5% above $50 million |

In addition to the annual payment of either the Market Rate Fee or the Cost-Plus Fee, CAM is also entitled on an annual basis to receive certain supplemental fees, as detailed for the respective asset management agreements in the following table:

| Description | 2022 AMA |
|---|---|
| Incentive Fee | When receiving Market Rate Fee:<br>On a mark-to-market basis, equal to 20% of the imputed profit of certain real estate assets comprising the Anchor Portfolio for which a Triggering Event[(1)] has occurred, after calculating a compounding preferred return of 8% on CP invested capital (the "Market Incentive Fee")<br><br>When receiving the Cost-Plus Fee:<br>On a mark-to-market basis, an incentive fee equal to 10% of the imputed profit of certain real estate assets comprising the Anchor Portfolio for which a Triggering Event[1] has occurred, after calculating a compounding preferred return of 8% on CP invested capital (the "Base Incentive Fee") |
| Investment Origination Fee | 1% of raised capital |
| Leasing Fee | $1/per sqft. for new leases and $0.50/per sqft. for lease renewals |
| Loan Origination Fee | 1% of any Financing Transaction or other commercially reasonable and mutually agreed upon fee |

(1) Triggering events are differentiated between operating assets (i.e. those already in service) and assets under development. Operating asset triggering events are scheduled for specific dates, whereas triggering events for assets under development are tied to various metrics that indicate stabilization, such as occupancy and leasing rates.

The 2022 AMA will terminate on January 1, 2035 ("Initial Term"), and will automatically renew for successive additional one year terms (each an "Extension Term") unless CP delivers written notice of non-renewal of the 2022 AMA at least 180 days prior to the termination date of the Initial Term or any Extension Term. Twenty-four months after the effective date of the 2022 AMA, CP is entitled to terminate the 2022 AMA without cause upon 180 days advance written notice to CAM. In the event of such a termination and in addition to the payment of any accrued annual fees due and payable as of the termination date under the 2022 AMA, CP is required to pay a termination fee equal to two times the Cost-Plus Fee or Market Rate Fee paid to CAM for the calendar year immediately preceding the termination.

On September 11, 2024, the Company entered into an amendment to the 2022 AMA with an effective date of July 1, 2024 (the "First Amendment") that included, among others, the following key revised provisions:

- A deferral of the Operating Assets Trigger Event that was originally scheduled on October 1, 2024 (as defined in the original 2022 AMA) to calculate incentive fee revenue for seven specified managed portfolio assets to be, at the election of the Company upon the occurrence of the event and with consent from CP, either (a) October 1, 2027, (b) upon the sale of the asset, (c) upon the refinance of the asset, or (d) the period of time in which an 85% leased rate has been achieved if the asset is a commercial asset;

- A revised definition of the Development and Construction Management Fee to include payment of the fee during delays in delivery caused by a casualty event; and

- A revised definition of Supplemental Fees to include a lease termination fee equal to 3.50% of the gross rental revenue paid by any tenant of a commercial asset in connection with the early termination of a lease.

Except as amended by the First Amendment, the original terms of the 2022 AMA remain in full force and effect.

***Residential, Commercial, and Parking Property Management Agreements***

The Company entered into separate residential property management agreements with properties owned by CP Entities under which the Company receives fees to manage and operate the properties, including tenant communications, leasing of apartment units, rent collections, building maintenance and day-to-day operations, engagement and supervision of contractors and vendors providing services for the buildings, and budget preparation and oversight.

The Company entered into separate commercial property and parking management agreements with several properties owned by CP Entities under which the Company receives fees to manage and operate the office and retail portions of the properties, including tenant communications, rent collections, building maintenance and day-to-day operations, engagement and supervision of contractors and vendors providing services for the buildings, and budget preparation and oversight. These property management agreements each have initial terms of one year with successive, automatic one-year renewal terms. The Company generally receives base management fees under these agreements based upon a percentage of gross rental revenues for the portions of the buildings being managed in addition to reimbursement of specified expenses, including employment expenses of personnel employed by the Company in the management and operation of each property.

***Construction Management Agreements***

The Company has construction management agreements with properties owned by CP Entities under which the Company receives fees to provide certain construction management and supervision services, including management of tenant buildouts and casualty event remediation and restoration. The Company typically receives a construction management fee that is set forth in the applicable tenant’s lease or executed work authorization and based on a percentage of the total costs (or total hard costs) of the project.

***Lease Procurement Agreements***

The Company has lease procurement agreements with properties owned by CP Entities under which the Company receives certain finders' fees in connection with the procurement of new leases for such properties where an external broker is not engaged on behalf of the CP Entities. Such leasing fees are supplemental to the fees generated from the Company's management agreements referenced above and are generally 1-2% of the future lease payments to be received by the CP Entity from the executed lease.

***Business Management Agreements***

On April 30, 2019, CAM entered into a Business Management Agreement with Investors X, whereby CAM provides Investors X with asset and professional services related to the wind down of the Company’s divested homebuilding operations and the continuation of services related to the Company’s divested land development activities. The aggregate fee payable to CAM from Investors X under the Business Management Agreement, which ended on December 31, 2022, was $0.9 million payable in 15 quarterly installments of $0.1 million each. The Company considers Investors X to be a variable interest entity over which it does not have the power to direct activities that most significantly impact economic performance, therefore it is not the primary beneficiary of Investors X and does not have to consolidate the entity into its financial results. (See Note 3 for additional information).

On July 1, 2019, CAM entered into a Business Management Agreement (the “BC Management Agreement”) with CPRES, whereby CAM provides CPRES with professional management and consultation services, including, without limitation, consultation on land development and real estate transactions, for a residential community located in Monteverde, Florida. On January 1, 2023, a successor contract for the BC Management Agreement was executed by DCS Real Estate Investments, LC, an entity controlled by a member of CP. The BC Management Agreement is structured in successive renewable one-year terms. The BC Management Agreement provides that DCS Real Estate Investments, LC will pay CAM an annual management fee equal to $0.4 million that is payable in equal monthly installments and will reimburse CAM for certain expenses.

On February 1, 2024, CAM entered into a Business Management Agreement (the “SH Management Agreement”) with Springfield Holdings, LLC (“Springfield”), an entity controlled by a member of CP, whereby CAM provides Springfield with professional management and consultation on land development and real estate transactions for a residential community located in Ranson, West Virginia. The initial term of the SH Management Agreement expires on December 31, 2024 with automatic one-year renewals. The SH Management Agreement provides that Springfield will reimburse CAM for certain immaterial title, survey, and architectural expenses at cost.

***The Hartford***

In December 2019, the Company made an investment related to the purchase of The Hartford, a stabilized commercial office building located at 3101 Wilson Boulevard in the Clarendon area of Arlington, Virginia. In conjunction with the investment, the Company entered into an operating agreement with CP to form Comstock 3101 Wilson, LC, to purchase The Hartford. Pursuant to the Operating Agreement, the Company held a minority membership interest of The Hartford and the remaining membership interests of The Hartford are held by CP.

In February 2020, the Company, CP and DWF VI 3101 Wilson Member, LLC (“DWF”), an unaffiliated, third party, equity investor in the Hartford, entered into a limited liability company agreement (the “DWC Operating Agreement”) to form DWC 3101 Wilson Venture, LLC (“DWC”) to, among other things, acquire, own and hold all interests in The Hartford. In furtherance thereof, on February 7, 2020, the Original Operating Agreement was amended and restated (the “A&R Operating Agreement”) to memorialize the Company’s and CP’s assignment of 100% of its membership interests in The Hartford to DWC. As a result thereof, DWC is the sole member of the Hartford Owner. The Company and CP, respectively, hold minority membership interests in, and DWF holds the majority membership interest in, DWC. (See Note 3 for additional information).

***BLVD Forty Four/BLVD Ansel***

In October 2021 and March 2022, the Company entered into joint ventures with CP to acquire BLVD Forty Four and BLVD Ansel, respectively, two adjacent mixed-use luxury high-rise apartment buildings located near the Rockville Metro Station in Rockville, Maryland. The Company considers BLVD Forty Four and BLVD Ansel to be variable interest entities upon which it exercises significant influence; however, considering key factors such as the Company’s ownership interest and participation in policy-making decisions by majority equity holders, and oversight of management services by majority equity holders, the Company concluded that the power to direct activities that most significantly impact economic performance is shared. Given that the Company is not the entity most closely associated with the properties, it concluded that it is not the primary beneficiary and does not have a controlling financial interest in either property. (See Note 3 for additional information).

In conjunction with the acquisition of Comstock 41, the Company entered into an amendment to the existing asset management agreement with CP to introduce an acquisition pursuit fee of $0.1 million and contingent entitlement success fee to pursue potential relocation of moderately-priced dwelling units ("MPDUs") from BLVD Forty Four to Comstock 41. The acquisition pursuit fee was earned and recognized as revenue for the year ended December 31, 2023, upon the completion of the Comstock 41 acquisition. The entitlement success fee, if earned, will equal 25% of the economic value created by the relocation of the MPDUs (subject to reasonable agreed upon changes at the time of the calculation) and due upon approval of a finalized amendment to the existing project development plan by local government agencies. (See Note 3 for additional information).

***Corporate Leases***

In November 2020, the Company relocated its corporate headquarters to office space owned and controlled by its Chief Executive Officer Christopher Clemente and his family, pursuant to a ten-year lease agreement. In November 2022, the Company executed a 3,778 square foot lease expansion agreement with terms that align with the original agreement. In January 2022, ParkX Management, LC, a subsidiary of the Company, entered into a separate five-year lease agreement with an affiliate controlled and owned by Mr. Clemente and his family to host ParkX's specialized remote monitoring center operations. (See Note 4 for additional information).

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and the notes thereto and Management's Discussion and Analysis included in our 2023 Annual Report on Form 10-K and our Condensed Consolidated Financial Statements and the notes thereto included elsewhere in this document. Unless otherwise indicated, references to "2024" refer to the three and nine months ended September 30, 2024 and references to "2023" refer to the three and nine months ended September 30, 2023. The following discussion may contain forward-looking statements that reflect our plans and expectations. Our actual results could differ materially from those anticipated by these forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect the occurrence of events or circumstances after the date of such statements except as required by law.*

### Overview

We are a leading asset manager, developer, and operator of mixed-use and transit-oriented properties in the Washington, D.C. region. We have become the area's premier real estate service company by creating extraordinary places, delivering exceptional experiences, and generating excellent results for all stakeholders.

We provide a comprehensive suite of real estate services to our asset-owning clients, including asset management, property management, development and construction management, and more. Our client base is composed primarily of institutional real estate investors, high net worth family offices, financial institutions, and governmental bodies seeking to develop real estate they own through public-private partnerships. We employ a talented staff of real estate professionals that are led by our seasoned management team and are tasked with delivering high-quality services to the premium, strategically located assets in our managed portfolio.

We primarily operate under long-term asset management and property management agreements that provide recurring, fee-based revenue streams. Our asset management services platform is anchored by a long-term, full-service asset management agreement with Comstock Partners, LC ("CP"), an affiliate entity controlled by our Chief Executive Officer Christopher Clemente, which includes a cost-plus fee structure and covers all of the properties in our Anchor Portfolio (the "2022 AMA" - See Note 12 in the Notes to Condensed Consolidated Financial Statements for additional information). As a vertically integrated real estate services company, we perform all property management services through three wholly owned subsidiaries: CHCI Commercial, CHCI Residential, and ParkX Management ("ParkX"). All properties included in our managed portfolio have entered into property management agreements with our operational subsidiaries that provide for market-rate fees related to our services.

Our asset-light, debt-free business model allows us to substantially mitigate risks that are typically associated with real estate development and operation. The fee-based approach we have adopted helps drive consistent, predictable top-line growth and provides us with a streamlined balance sheet that grants us maximum flexibility to explore potential growth opportunities outside of our core business operations.

We distinguish ourselves from industry peers through an established standard of excellence that extends from who we hire to how we deliver our broad suite of real estate services. We are able maintain this high standard because *We Show Up* - every day, in person, in a collaborative environment that is structured to deliver on our mission to make a difference for our customers, our stakeholders, and in the communities that we serve.

### Managed Portfolio

The following table summarizes the operating assets that were included in our managed portfolio as of September 30, 2024:

| Type | # of Assets | Size/Scale | % Leased[(1)] |
|---|---|---|---|
| Commercial[(2)] | 14 | 2.3 million sqft. | 83% |
| Residential | 6 | 1.8 million sqft. / ~1,700 units | 95% |
| ParkX - Garages | 32 | 22,000+ spaces | |
| ParkX - Security & Other | 20 | ~1,700 hrs/week | |
| **Total** | **72** | | |

(1) Includes terminated leases that have been substantially prepaid or prepaid in full

(2) % leased reflects Q124 delivery of a new office tower located in The Row at Reston Station. Excluding this recently delivered property, the % leased for stabilized assets the Commercial portfolio is 94%.

In addition, we manage the following assets that are under construction and scheduled for delivery in the next 12 to 24 months:

- 2 commercial assets that represent approximately 266,000 square feet;
- 1 residential asset with 420 units representing approximately 430,000 square feet;
- 1 JW Marriott-branded hotel/condominium with 243 keys and 94 residential units representing a total of approximately 520,000 square feet; and
- 1 commercial parking garage with approximately 1,300 spaces.

Our development pipeline currently includes 5 commercial assets that represent approximately 1.5 million square feet, 6 residential assets with 2,599 units that represent approximately 2.8 million square feet, and 1 hotel that will include 140 keys. At full build out, our managed portfolio of assets is currently projected to total 89 assets representing nearly 10 million square feet.

The following tables provide further details on the assets that comprise our managed portfolio:

| Anchor Portfolio | | |
|---|---|---|
| **Name** | **Asset Status** | **Description** |
| Reston Station | Operating + Under Construction + In Development | Among the largest mixed-use, transit-oriented developments in the Washington, D.C. region, covering nearly 90 acres spanning the Dulles Toll Road and surrounding the Wiehle Reston-East Metro Station and strategically located mid-way between Tysons, Va. and Dulles International Airport on Metro's Silver Line (Fairfax County, Va.) |
| Loudoun Station | Operating + In Development | Loudoun County’s first fully integrated mixed-use, transit-oriented development located at the terminus station, Metro's Ashburn Station on the Silver Line in Ashburn, Va (Loudoun County, Va.) |
| Herndon Station | In Development | Located in the Historic Downtown District of the Town of Herndon, Va., this planned mixed-use development is subject of a public-private partnership with the Town of Herndon |

| Other Portfolio Assets | | |
|---|---|---|
| **Name** | **Asset Status** | **Description** |
| The Hartford | Operating | Acquired in 2019, this 211,000 square foot mixed-use building is located adjacent to the Clarendon Station on Metro's Orange Line and is the subject of a joint venture with DivcoWest and Comstock Partners, LC. The premier office tower in the Ballston Corridor submarket of Arlington County, Va. |
| BLVD Forty Four | Operating | Acquired in 2021, this 15-story, mixed-use 250-unit, luxury high-rise apartment tower is located adjacent to BLVD Ansel and just 1 block from the Rockville Station on Metro’s Red Line in Rockville, Md (Montgomery County) and is the subject of a joint venture with Comstock Partners, LC. The two-building complex is the premier residential offering in Rockville Town Center. |
| BLVD Ansel | Operating | Acquired in 2022, this 18-story, mixed-use 250-unit, luxury high-rise apartment tower is located adjacent to BLVD Forty Four and just 1 block from the Rockville Station on Metro’s Red Line in Rockville, Md (Montgomery County) and is the subject of a joint venture with Comstock Partners, LC. The two-building complex is the premier residential offering in Rockville Town Center. |
| Comstock 41 | Operating | Acquired in 2023, this 18,150 square foot parcel located at 41 Maryland Ave. in Rockville, Md. and is adjacent to BLVD Forty Four; currently a surface parking lot operated by ParkX Management, LC; provides an excellent opportunity for significant value enhancement through by-right entitlements for approximately 117 residential units |
| Investors X | Operating | Investment in Comstock Investors X, LC that owns legacy homebuilding assets that are currently being monetized through market-rate sales that were completed in March 2024 |
| Parking | Operating | Commercial parking garages & spaces managed by ParkX Management, LC located at affiliated properties and third-party locations |

***Comstock 41 - Additional Information***

Given its proximity to BLVD 44, we plan to explore rezoning opportunities at Comstock 41 that would allow for potential relocation of moderately-priced dwelling units from BLVD 44 to Comstock 41 as well as utilization of excess parking capacity at both BLVD 44 and BLVD Ansel. In conjunction with the acquisition, we entered into a contingent fee agreement with BLVD 44 should these pursuits prove successful. (See Note 12 in the Notes to Condensed Consolidated Financial Statements for additional information).

We intend to maintain a limited financial role in any future development activities that may occur at this site and plan to only offer fee-based development and asset management services to any affiliate or suitable third-party financial sponsor of any potential future developments.

***Outlook***

Our management team is committed to executing our goal to provide exceptional experiences to those we do business with while maximizing shareholder value. We believe that we are properly staffed for current market conditions and the foreseeable future and feel that we will maintain the ability to manage risk and pursue opportunities for additional growth as market conditions warrant. Our real estate development and asset management operations are primarily focused on the greater Washington, D.C. area, where we believe our decades of experience provides us with the best opportunity to continue developing, managing, and investing in high-quality real estate assets and capitalizing on positive growth trends.

We aspire to be among the most admired real estate asset managers, operators, and developers by creating extraordinary places, providing exceptional experiences, and generating excellent results for all stakeholders. Our commitment to this mission drives our ability to expand our managed portfolio of assets, grow revenue, and deliver value to our shareholders.

**Results of Operations**

The following tables set forth consolidated statement of operations data for the periods presented (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | $ 12,995 | $ 14,463 | $ 34,386 | $ 33,705 |
| Operating costs and expenses: | | | | |
| Cost of revenue | 9,583 | 8,557 | 27,375 | 24,561 |
| Selling, general, and administrative | 507 | 575 | 1,588 | 1,711 |
| Depreciation and amortization | 77 | 74 | 218 | 212 |
| Total operating costs and expenses | 10,167 | 9,206 | 29,181 | 26,484 |
| Income (loss) from operations | 2,828 | 5,257 | 5,205 | 7,221 |
| Other income (expense): | | | | |
| Interest income | 169 | — | 476 | — |
| Gain (loss) on real estate ventures | (75) | (241) | (369) | (720) |
| Other income (expense), net | 23 | 1 | 56 | 48 |
| Income (loss) from operations before income tax | 2,945 | 5,017 | 5,368 | 6,549 |
| Provision for (benefit from) income tax | 568 | 332 | 1,135 | 635 |
| Net income (loss) | $ 2,377 | $ 4,685 | $ 4,233 | $ 5,914 |

***Comparison of the Three Months Ended September 30, 2024 and 2023***

*Revenue*

The following table summarizes revenue by line of business (in thousands):

| | Three Months Ended September 30, | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | | |
| | Amount | % | Amount | % | $ | % |
| Asset management | $ 7,380 | 56.8 % | $ 10,606 | 73.3 % | $ (3,226) | (30.4)% |
| Property management | 3,253 | 25.0 % | 2,605 | 18.0 % | 648 | 24.9 % |
| Parking management | 2,362 | 18.3 % | 1,252 | 8.7 % | 1,110 | 88.7 % |
| Total revenue | $ 12,995 | 100.0 % | $ 14,463 | 100.0 % | $ (1,468) | (10.2)% |

Revenue decreased 10.2% in 2024. The $1.5 million comparative decrease was primarily driven by a $4.8 million decrease in incentive fees earned. A previously scheduled October 1, 2024 incentive fee trigger event date for seven specified managed portfolio assets was deferred. (See Note 12 in the Notes to Condensed Consolidated Financial Statements for additional information). Partially offsetting the decrease was a $1.8 million, or 154%, increase in recurring, fee-based revenue from our property and parking management subsidiaries that was driven by the continued expansion of our managed portfolio, as well as a $1.1 million increase in supplemental lease termination fees.

*Operating costs and expenses*

The following table summarizes operating costs and expenses (in thousands):

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| Cost of revenue | $ 9,583 | $ 8,557 | $ 1,026 | 12.0 % |
| Selling, general, and administrative | 507 | 575 | (68) | (11.8)% |
| Depreciation and amortization | 77 | 74 | 3 | 4.1 % |
| Total operating costs and expenses | $ 10,167 | $ 9,206 | $ 961 | 10.4 % |

Operating costs and expenses increased 10.4% in 2024. The $1.0 million comparative increase was primarily due to a $0.9 million net increase in personnel-related expenses stemming from increased headcount and employee compensation.

*Other income (expense)*

The following table summarizes other income (expense) (in thousands):

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| Interest income | $ 169 | $ — | $ 169 | N/M |
| Gain (loss) on real estate ventures | (75) | (241) | 166 | (68.9)% |
| Other income (expense), net | 23 | 1 | 22 | N/M |
| Total other income (expense) | $ 117 | $ (240) | $ 357 | (148.8)% |

Other income (expense) changed by $0.4 million in 2024, primarily driven by a $0.2 million net increase in interest income stemming from interest earned on money market sweep accounts that were not active in 2023 and a combined net $0.2 million improvement in mark-to-market valuation impacts of equity method investments in real estate ventures.

*Income tax*

Provision for income tax was $0.6 million in 2024, compared to $0.3 million in 2023. The $0.3 million increase primarily stems from a significantly higher annualized estimated tax rate in the current period due to the impact of approximately $1.0 million of additional valuation allowance reversals that occurred in 2023. The impact of the rate increase was partially offset by a decrease in taxable income.

***Comparison of the Nine Months Ended September 30, 2024 and 2023***

<u>Revenue</u>

The following table summarizes revenue by line of business (in thousands):

| | Nine Months Ended September 30, | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | | |
| | Amount | % | Amount | % | $ | % |
| Asset management | $ 19,626 | 57.1 % | $ 22,502 | 66.8 % | $ (2,876) | (12.8)% |
| Property management | 8,701 | 25.3 % | 7,731 | 22.9 % | 970 | 12.5 % |
| Parking management | 6,059 | 17.6 % | 3,472 | 10.3 % | 2,587 | 74.5 % |
| Total revenue | $ 34,386 | 100.0 % | $ 33,705 | 100.0 % | $ 681 | 2.0 % |

Revenue increased 2.0% in 2024. The $0.7 million comparative increase was primarily driven by a $3.5 million, or 100%, increase in recurring, fee-based revenue from our property and parking management subsidiaries that was driven by the continued expansion of our managed portfolio. Also contributing to the increase was $1.1 million of additional supplemental lease termination fees and a $0.5 million increase in reimbursable staffing charges. Partially offsetting these increases was a $4.8 million decrease in incentive fees earned. A previously scheduled October 1, 2024 incentive fee trigger event date for seven specified managed portfolio assets was deferred. (See Note 12 in the Notes to Condensed Consolidated Financial Statements for additional information).

*Operating costs and expenses*

The following table summarizes operating costs and expenses (in thousands):

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| Cost of revenue | $ 27,375 | $ 24,561 | $ 2,814 | 11.5 % |
| Selling, general, and administrative | 1,588 | 1,711 | (123) | (7.2)% |
| Depreciation and amortization | 218 | 212 | 6 | 2.8 % |
| Total operating costs and expenses | $ 29,181 | $ 26,484 | $ 2,697 | 10.2 % |

Operating costs and expenses increased 10.2% in 2024. The $2.7 million increase was primarily due to a $1.7 million net increase in personnel expenses stemming from increased headcount and employee compensation and a net $1.0 million increase in reimbursable/billable expenses.

*Other income (expense)*

The following table summarizes other income (expense) (in thousands):

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| Interest income | $ 476 | $ — | $ 476 | N/M |
| Gain (loss) on real estate ventures | (369) | (720) | 351 | (48.8)% |
| Other income (expense), net | 56 | 48 | 8 | 16.7% |
| Total other income (expense) | $ 163 | $ (672) | $ 835 | (124.3)% |

Other income (expense) changed by $0.8 million in 2024, primarily due to a $0.5 million increase in interest income stemming from interest earned on money market sweep accounts that were not active in 2023 and a combined net $0.4 million improvement in mark-to-market valuation impacts of equity method investments in real estate ventures.

*Income taxes*

Provision for income tax was $1.1 million in 2024, compared to $0.6 million in 2023. The $0.5 million increase primarily stems from a significantly higher annualized estimated tax rate in the current period due to the impact of approximately $1.0 million of additional valuation allowance reversals that occurred in 2023. The impact of the rate increase was partially offset by a decrease in taxable income.

**Non-GAAP Financial Measures**

To provide investors with additional information regarding our financial results, we prepare certain financial measures that are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”), specifically Adjusted EBITDA.

We define Adjusted EBITDA as net income (loss) from continuing operations, excluding the impact of interest expense (net of interest income), income taxes, depreciation and amortization, stock-based compensation, and gain (loss) on equity method investments.

We use Adjusted EBITDA to evaluate financial performance, analyze the underlying trends in our business and establish operational goals and forecasts that are used when allocating resources. We expect to compute Adjusted EBITDA consistently using the same methods each period.

We believe Adjusted EBITDA is a useful measure because it permits investors to better understand changes over comparative periods by providing financial results that are unaffected by certain non-cash items that are not considered by management to be indicative of our operational performance.

While we believe that Adjusted EBITDA is useful to investors when evaluating our business, it is not prepared and presented in accordance with GAAP, and therefore should be considered supplemental in nature. Adjusted EBITDA should not be considered in isolation, or as a substitute, for other financial performance measures presented in accordance with GAAP. Adjusted EBITDA may differ from similarly titled measures presented by other companies.

The following table presents a reconciliation of net income (loss), the most directly comparable financial measure as measured in accordance with GAAP, to Adjusted EBITDA (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Net income (loss) | $ 2,377 | $ 4,685 | $ 4,233 | $ 5,914 |
| Interest income | (169) | — | (476) | — |
| Income taxes | 568 | 332 | 1,135 | 635 |
| Depreciation and amortization | 77 | 74 | 218 | 212 |
| Stock-based compensation | 205 | 273 | 741 | 777 |
| (Gain) loss on real estate ventures | 75 | 241 | 369 | 720 |
| Adjusted EBITDA | $ 3,133 | $ 5,605 | $ 6,220 | $ 8,258 |

The decreases in Adjusted EBITDA for the three and nine months ended September 30, 2024 are primarily driven by higher net income in 2023 due to the recognition of material supplemental incentive fee revenue, which was partially offset by the significant increases in recurring fee-based property and parking management revenue in 2024.

**Liquidity and Capital Resources**

Liquidity is defined as the current amount of readily available cash and the ability to generate adequate amounts of cash to meet the current needs for cash. We assess our liquidity in terms of our cash and cash equivalents on hand and the ability to generate cash to fund our operating activities.

Our principal sources of liquidity as of September 30, 2024 were our cash and cash equivalents of $21.1 million and our $10.0 million of available borrowings on our credit facility.

Significant factors which could affect future liquidity include the adequacy of available lines of credit, cash flows generated from operating activities, working capital management and investments.

Our primary capital needs are for working capital obligations and other general corporate purposes, including investments and capital expenditures. Our primary sources of working capital are cash from operations and distributions from investments in real estate ventures. We have historically financed our operations with internally generated funds and, more rarely and only when necessary, borrowings from our credit facilities. (See Note 5 in the Notes to Condensed Consolidated Financial Statements for additional information). We believe we currently have adequate liquidity and availability of capital to fund our present operations.

***Cash Flows***

The following table summarizes our cash flows for the periods indicated (in thousands):

| | Nine Months Ended September 30, | | |
|---|---|---|---|
| | 2024 | 2023 | Change ($) |
| Net cash provided by (used in) operating activities | $ 2,905 | $ (362) | $ 3,267 |
| Net cash provided by (used in) investing activities | (139) | (35) | (104) |
| Net cash provided by (used in) financing activities | (503) | (390) | (113) |
| Net increase (decrease) in cash and cash equivalents | $ 2,263 | $ (787) | $ 3,050 |

*Operating Activities*

The $3.3 million increase in net operating cash activity was primarily driven by a $4.9 million incremental cash inflow stemming from changes to our net working capital, partially offset by $1.6 million decrease in net income after adjustments for non-cash items. The net working capital increase was primarily influenced by increased accounts receivable collections.

*Investing Activities*

The 0.1 million increase in net cash used in investing activities was primarily driven by a $0.4 million increase in purchases of securities to fund non-qualified deferred compensation plan liabilities, partially offset by a $0.3 million increase in distributions received from investments in real estate ventures.

*Financing Activities*

The $0.1 million increase in net cash used in financing activities was due to a $0.2 million increase in cash paid for taxes related to the net share settlement of equity awards, partially offset by $0.1 million of collected proceeds stemming from the issuance of common stock related to equity awards.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not Applicable.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

As of September 30, 2024, management, including the CEO and CFO, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”)).

Based on that evaluation, management, including the CEO and CFO, concluded that as of September 30, 2024, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. We maintain a system of internal control over financial reporting that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

**Changes in Internal Control over Financial Reporting**

There have been no material changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Limitations on the Effectiveness of Controls**

In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. We do not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, therefore internal control over financial reporting may not prevent or detect misstatements.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

Information regarding legal proceedings is incorporated by reference from Note 6 in the Notes to Condensed Consolidated Financial Statements included in Part I of this Quarterly Report on Form 10-Q.

### Item 5. Other Information

**10b5-1 Trading Plans**

None.

## Item 6. Exhibits

| Exhibit Number | Description | Incorporated by Reference Form | Exhibit | Filing Date |
|---|---|---|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation | 10-Q | 3.1 | November 16, 2015 |
| 3.2 | Amended and Restated Bylaws | 10-K | 3.2 | March 31, 2005 |
| 3.3 | Certificate of Designation of Series C Non-Convertible Preferred Stock of Comstock Holding Companies, Inc., filed with the Secretary of the State of Delaware on March 22, 2017 | 8-K | 3.1 | March 28, 2017 |
| 3.4 | Certificate of Amendment of Certificate of Designation of Series C Non-Convertible Preferred Stock of Comstock Holding Companies, Inc. filed with the Secretary of State of the State of Delaware on February 15, 2019 | 8-K | 3.2 | February 19, 2019 |
| 3.5 | Certificate of Amendment of Amended and Restated Certificate of Incorporation of Comstock Holding Companies, Inc. | 8-K | 3.1 | February 19, 2019 |
| 4.1 | Specimen Stock Certificate | S-1 | 4.1 | August 13, 2004 |
| 4.2 | Description of Capital Stock | 10-K | 4.2 | March 31, 2022 |
| 10.1 | First Amendment to Master Asset Management Agreement, dated as of September 11, 2024, and effective as of July 1, 2024, between CHCI Asset Management, LC and Comstock Partners, LC | 8-K | 10.1 | September 17, 2024 |
| 31.1* | Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | |
| 31.2* | Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | |
| 32.1‡ | Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | |
| 101.INS* | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. | | | |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document | | | |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document | | | |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document | | | |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document | | | |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document | | | |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) | | | |

* Filed herewith
‡ Furnished herewith

Pursuant to Rule 405 of Regulation S-T, the following interactive data files formatted in Inline Extensible Business Reporting Language (iXBRL) are attached as Exhibit 101 to this Quarterly Report on Form 10-Q:

(i) Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31 2023;
(ii) Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023;
(iii) Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2024 and 2023;
(iv) Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023; and
(v) Notes to Condensed Consolidated Financial Statements.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | | |
|---|---|---|
| | | **COMSTOCK HOLDING COMPANIES, INC.** |
| Date: November 7, 2024 | By: | /s/ CHRISTOPHER CLEMENTE<br>Christopher Clemente<br>Chairman and Chief Executive Officer |
| Date: November 7, 2024 | By: | /s/ CHRISTOPHER GUTHRIE<br>Christopher Guthrie<br>Chief Financial Officer |

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**
**Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a),**
**as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Christopher Clemente, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Comstock Holding Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ CHRISTOPHER CLEMENTE

Christopher Clemente
Chairman and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**
**Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a),**
**as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Christopher Guthrie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Comstock Holding Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ CHRISTOPHER GUTHRIE

Christopher Guthrie
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**Exhibit 32.1**

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**
**Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Comstock Holding Companies, Inc. (the "Company") for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Christopher Clemente, Chairman and Chief Executive Officer of the Company, and Christopher Guthrie, Executive Vice President and Chief Financial Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

/s/ CHRISTOPHER CLEMENTE
Christopher Clemente
Chairman and Chief Executive Officer

Date: November 7, 2024

/s/ CHRISTOPHER GUTHRIE
Christopher Guthrie
Executive Vice President and Chief Financial Officer

*The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.*