

COMSTOCK

**Comstock Holding Companies, Inc.
NASDAQ: CHCI**

**New Business Model Update
June 12, 2018**



Comstock Holding Companies, Inc.

DISCLAIMER

This release includes "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by use of words such as "anticipate," "believe," "estimate," "may," "intend," "expect," "will," "should," "seeks" or other similar expressions. Forward-looking statements are based largely on our expectations and involve inherent risks and uncertainties, many of which are beyond our control. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. Additional information concerning important risks and uncertainties can be found under the heading "Risk Factors" in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, for the fiscal year ended December 31, 2016. Our actual results could differ materially from these projected or suggested by the forward-looking statements. Comstock claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements contained herein. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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INVESTMENT OVERVIEW

- The commercial and residential capabilities of the Comstock organization are now combined under one public company: Comstock Holding Companies Inc. (NASDAQ: CHCI)
- This combination leverages the diverse capabilities and relationships developed over 30+ years by Comstock Homes (homebuilding subsidiary) and Comstock Partners (private commercial development firm)
- CHCI now operates primarily through two real estate focused platforms – CDS Asset Management (“CAM”) and Comstock Real Estate Services (“CRES”)
 - CAM provides real estate development, asset management, and property management services
 - CRES provides development supply chain services through vertically integrated operations focused on capital market services, CRE mortgage brokerage, environmental consulting and design services
- CHCI is transitioning away from homebuilding to a service focused platform, and its primary reliance upon revenue generated by for-sale homebuilding (with balance sheet risk) will be replaced by revenue generated by providing Commercial Real Estate (“CRE”) development services, including asset management and development of investment-grade, mixed-use and transit-oriented real estate assets
- An anchor Asset Management Agreement (“AMA”) provides a reliable source of revenue and cashflow, positioning CHCI to enhance bottom line results, while also providing a platform for growth
- CHCI’s consolidated management team has significant expertise and a proven track record of successfully completing countless developments encompassing thousands of residential units and millions of square feet of mixed-use buildings, as well as providing environmental remediation and design services related to a wide variety of real estate assets
- Given our decades of experience identifying and investing in successful real estate projects, our significant presence in one of the Washington, DC region’s most sought after markets for commercial real estate assets, and our long standing relationships with institutional and private market (HNW family office) investors, we intend to seek opportunities to leverage our experience, capabilities, and relationships to pursue opportunities to generate above average returns on investment in real estate through our investment management platform while avoiding direct balance sheet exposure
- CHCI’s tax asset (approximately \$143m of available NOLs) will shelter virtually all near term taxable income

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FINANCIAL STABILITY AND SUPPORT

- The revenue shift from being primarily dependent on for-sale, production homebuilding, to a fee-for-service model will enhance profitability and balance sheet stability
- Anchoring the transition is a long term (5-year initial term) Asset Management Agreement between CHCI and privately held entities that own two of the largest transit-oriented, mixed-use developments in the Washington, DC metropolitan area; along with other mixed-use development assets:
 - Reston Station, located at the terminus of Phase I of the Metro's Silver Line in the Dulles Corridor, being developed partly through a public-private partnership with Fairfax County, will encompass approximately 3 million square feet of mixed-use, transit-oriented development, and represent approximately \$1.5B of Assets Under Management ("AUM") at build out
 - Loudoun Station, located at the terminus of Phase II of Metro's Silver Line will encompass approximately 2 million square feet of mixed-use and transit-oriented development, part of which is the subject of a public-private partnership with Loudoun County, and represents approximately \$1.0B of AUM at build out
 - Herndon Downtown Redevelopment, located in the historic downtown of Herndon, VA is being developed through a public-private partnership with the Town of Herndon, and will encompass approximately 0.5 million square feet of mixed-use, urban development
- Approximately 1.8 million square feet of the total of approximately 5.8 million square foot development pipeline is complete, while approximately 4 million square feet is in various stages of entitlement, development, and construction
- Ownership of the anchor assets includes CHCI's CEO and largest individual shareholder, a prominent high net worth (HNW) family office, and Daito Trust, one of the largest publicly traded Japanese developers and managers of multi-family assets - relationship with Comstock represents Daito's entry into U.S. market
- Additionally, since announcing its transforming business model, Comstock has secured Asset Management assignments covering additional stabilized and development assets in strategic locations in VA and MD.
 - Tysons International Gateway, located in the region's largest employment center, includes two Class A office buildings situated in a highly sought after Tysons Corner location.
 - Momentum @ Shady Grove Metro, located adjacent to the terminus station on Metro's Red Line, will include 110 tax credit affordable housing units. As asset manager, Comstock will oversee development commencing in summer 2018

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PURSUING GROWTH OF OPERATING PLATFORMS

- Tim Steffan, a 30+ year veteran of commercial real estate and asset management industry has joined Comstock as member of executive team to lead its Asset Management operations and oversee development operations
- CAM will generate additional expansion of its Asset Under Management (AUM) through:
 - Build out and stabilization of the initial 5+ million square feet of strategically positioned CRE assets
 - Development of new AUM relationships, leveraging Comstock's reputation as a premier developer of a wide variety of real estate products, including transit-oriented and mixed-use developments
 - Development of portfolio assets related to existing public-private partnerships at Reston Station (Fairfax County), Loudoun Station (Loudoun County), and Herndon Downtown Redevelopment (Town of Herndon) and through development of additional relationships with regional municipalities, institutional ownership groups, HNW and other private asset ownership groups
 - Strategic partnerships focused on opportunistic real estate acquisition, development, and asset management opportunities, leveraging institutional relationships of Comstock
- CRES will pursue expansion of its CRE Services business through:
 - Services provided by CRES in connection with the development and stabilization of the anchor portfolio of stabilized and development assets
 - Development of new service based relationships, leveraging Comstock's significant experience in project design and entitlement services, development and construction management, environmental remediation, property management, commercial mortgage brokerage and CRE related services
 - Opportunistic and strategic, value-add acquisitions and/or institutional partnerships
- CHCI will utilize its significant tax asset, approximately \$143 million NOL, to shelter income generated through its new business model and in tax advantageous transaction structuring for integration of future real estate operations and capital raising initiatives.

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DEFERRED TAX ASSET

Tax Asset Attributes

- Comstock has a tax asset that represents approximately \$143 million of NOL's as of December 31, 2017
- NOL represent approximately \$36 million in future cash savings, net deferred tax asset, if fully utilized prior to expiration, which begins in 2028 to the extent unused
- Comstock's deferred tax asset, net, does not show on the Balance Sheet, as the Company has previously assessed a full valuation allowance

Tax Asset Opportunities

- Shelter future earnings, providing greater liquidity, accelerated balance sheet enhancement, greater financial flexibility and a competitive advantage in the marketplace
- The Company is currently exploring various strategies to achieve maximum utilization of the tax asset

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RECENT ACCOMPLISHMENTS AND UPCOMING INITIATIVES

Recent Accomplishments and Upcoming Initiatives:

- Comstock has completed the conversion of approximately \$11 million of short-term debt, representing a majority of Comstock's unsecured liabilities, held by entities owned and/or controlled by our Chief Executive Officer, Christopher Clemente, into Series C preferred Equity
- CHCI has established and staffed a residential property management subsidiary responsible for the on-site management of portfolio residential properties
- Scheduled to commence development of a total of 700+ rental apartments during the next twelve months in Herndon, Ashburn & Shady Grove
- Scheduled to commence development of an approximately 200,000 square feet of office building with ~10,000 square feet of additional retail space in Reston
- Completing design work for multiple additional buildings (residential/office/retail/hotel) in Reston, Herndon & Ashburn

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INVESTMENT MERITS

- CHCI's new focus on commercial development, asset management, and provision of complementary real estate related services provides predictable revenue streams and cash flow
- Transitioning away from for-sale homebuilding as primary revenue source will rapidly de-lever CHCI's existing balance sheet, while the new low-leverage business model will significantly enhance financial stability and performance
- CHCI's new strategy and business plan is anchored by a long-term asset management agreement that provides base-line cash flow and platform for growth
- Management team has significant experience in CRE development and Public-Private Partnerships
- Comstock has strategically added experienced management talent to expand its demonstrated competencies, enhancing the overall value proposition and supporting the Company's new business plan
- Assets Under Management ("AUM") covered by anchor Asset Management Agreement will, at full build out, include more than 5.5 million square feet of investment-grade, mixed-use, transit-oriented assets in highly sought after locations adjacent to key Metro Stations in the Dulles Corridor
 - Existing public-private partnerships with three municipalities demonstrates high regard for Comstock's CRE development capabilities and differentiates Comstock from many of its CRE focused peers
 - Initial AUM encompasses more than 2,500 multi-family rental units, Class A and Trophy office, retail and entertainment buildings, hotels, and commercial parking garages, and represents an estimated AUM value of \$2.5 to \$3.0 Billion at build-out
- Significant cross-ownership of CHCI and anchor AUM portfolio enhances alignment of all stakeholders, including management team, ownership of AUM portfolio properties, and shareholders
- Additional Asset Management Contracts secured in the few months since Comstock announced its new business focus demonstrate the Company's ability to secure additional AUM

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INVESTMENT OVERVIEW – KEY TAKEAWAYS

- The commercial and residential capabilities of the Comstock organization are now combined under one public company: Comstock Holding Companies Inc. (NASDAQ: CHCI)
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 - CAM provides real estate development, asset management, and property management services
 - CRES provides development supply chain services through vertically integrated operations focused on capital market services, CRE mortgage brokerage, environmental consulting and design services
- As CHCI transitions away from homebuilding to a service focused platform, its primary reliance upon revenue generated by for-sale homebuilding (with balance sheet risk) will be replaced by revenue generated by providing Commercial Real Estate (“CRE”) development services, including asset management and development of investment-grade, mixed-use and transit-oriented real estate assets in markets with demonstrated demand and high barriers to entry
- An anchor Asset Management Agreement (“AMA”) provides a reliable source of revenue and cashflow, positioning CHCI to enhance bottom line results, while providing a platform for growth
- CHCI’s consolidated management team has significant expertise and a proven track record of successfully completing countless developments encompassing thousands of residential units and millions of square feet of mixed-use buildings, as well as providing environmental remediation and design services related to a wide variety of real estate assets
- Given our decades of experience identifying and investing in successful real estate projects, our significant presence in one of the Washington, DC region’s most sought after markets for commercial real estate assets, and our long standing relationships with institutional and private market (HNW family office) investors, we intend to seek opportunities to leverage our experience, capabilities, and relationships to pursue opportunities to generate above average returns on investment in real estate through our investment management platform while avoiding direct balance sheet exposure
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KEY ASSETS UNDER MANAGEMENT - LOCATIONS



Momentum @ Shady Grove Metro
Herndon Redevelopment
International Gateway - Tysons



Loudoun Station
Reston Station

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KEY AUM PORTFOLIO DEVELOPMENTS

About Reston Station

Strategically located mid-way between Tysons Corner and Dulles International Airport, Reston Station is among the largest mixed-use, transit-oriented developments in the region. Located at the terminus of Phase I of Metro's Silver Line, Reston Station is already home to more than 1,000 residents, numerous businesses, multiple retail establishments, and several restaurants. With more than 1 million square feet of completed and stabilized buildings, more than 2 million square feet of additional development in various stages of entitlement, development and construction, and a 3,500-space underground parking garage and transit facility adjacent to the Wiehle Reston-East Metro Station, the Reston Station neighborhood is taking shape and quickly becoming one of Fairfax County's urban focal points in the Dulles Corridor. For more information about Reston Station, please visit; www.RestonStation.com

About Loudoun Station

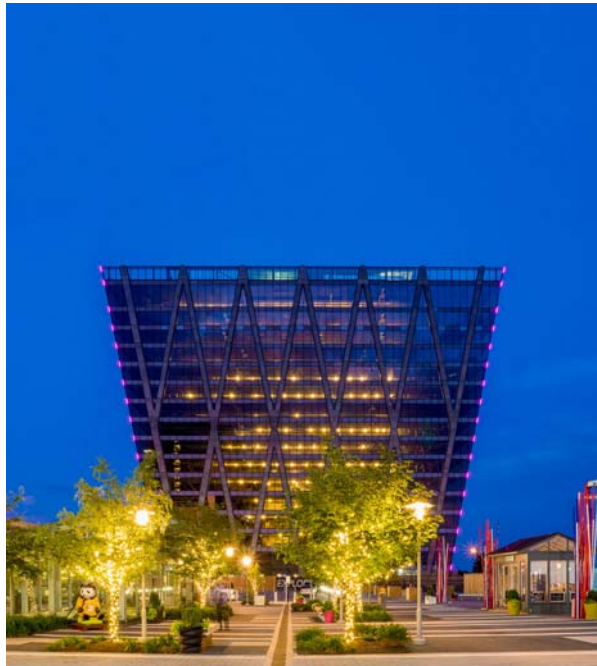
Located at the terminus station on Metro's Silver Line, minutes from Dulles International Airport, Loudoun Station represents Loudoun County's first (and currently its only) Metro-connected development. Loudoun Station has approximately 700,000 square feet of mixed-use development completed, including hundreds of rental apartments, approximately 150,000 square feet of retail, restaurants, and entertainment venues, 50,000 square feet of Class-A office, and a 1,500-space commuter parking garage. More than 2 million square feet of additional development is slated for Loudoun Station. Located adjacent to Metro's Ashburn Station (opening 2020), the Loudoun Station neighborhood represents Loudoun County's beginning transformation into a transit connected community with direct connectivity to Dulles International Airport, Reston, Tysons Corner and downtown Washington, DC. As Loudoun County's first and currently its only transit connected neighborhood, Loudoun Station has a unique status in the Dulles Corridor and in Loudoun County. For more information about Loudoun Station, please visit; www.LoudounStation.com

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ASSETS UNDER MANAGEMENT

RESTON STATION OB1

Sq. Ft. Office: 370,000
Sq. Ft. Retail: 8,600
Stories: 16
Class: Trophy
Green Certification: LEED Silver
First Tenant: Spaces (40,000 sq ft)



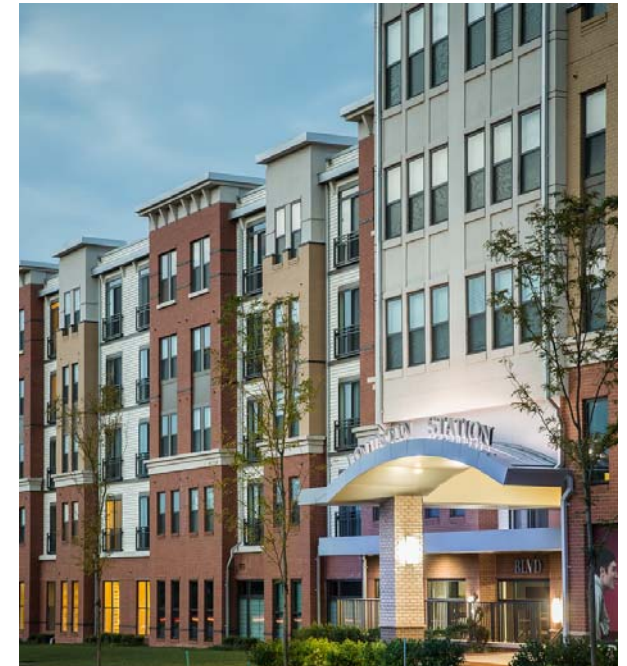
RESTON STATION BLVD I

Units: 448 Luxury Apartments
Leased: 93%
Retail: 8,441 SQ FT
Tenants Include: Starbucks,
Sweetleaf, Founding Farmers



LOUDOUN STATION BLVD I

Units: 357 Luxury Apartments
Leased: 95%
Square Feet Retail: 137,672
Tenants Include: Starplex Cinema,
KUMON, Famous Toastery, Title Boxing,
Nail Society Spa, Burger21, Chai Coffee
Café, Blackfinn, AMC & Senor Tequila's

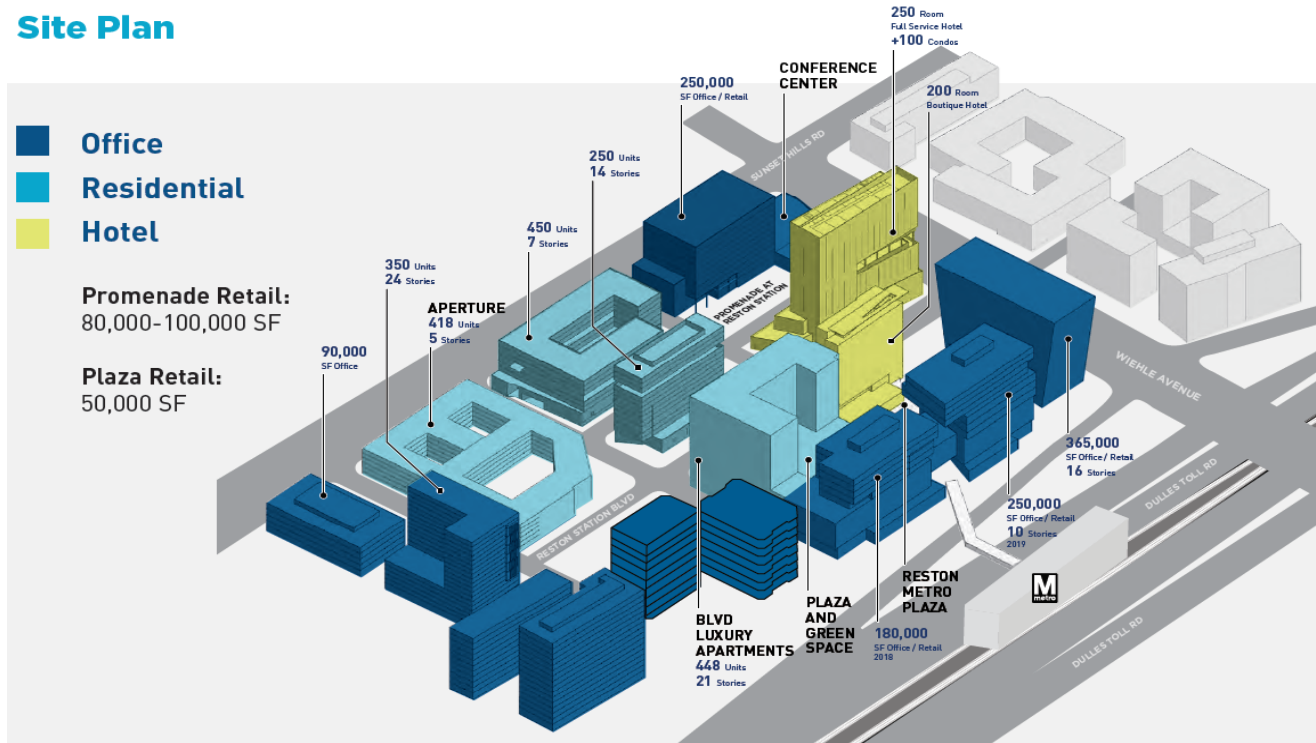


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DEVELOPMENT

RESTON STATION

Site Plan



OB2

Sq. Ft. Office: 200,000
 Sq. Ft. Retail: 14,000
 Construction Start: 2019
 Construction Complete: 2021
 Stabilization: 2022

OB3

Sq. Ft. Office: 155,978
 Sq. Ft. Retail: 8,216
 Construction Start: 2018
 Construction Complete: 2020
 Stabilization: 2022

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DEVELOPMENT

LOUDOUN STATION



BLVD II

Residential Units: 318
Sq. Ft. Retail: 27,000
Construction Start: 2018
Construction Complete: 2020
Stabilization: 2021

BLVD III

Residential Units: 345
Sq. Ft. Retail: 16,500
Construction Start: 2020
Construction Complete: 2022
Stabilization: 2023

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DEVELOPMENT

PROMENADE



Project Area: 8.5 acres
Entitlement: 1.3 Million sq ft
Buildings: 4 high-rise

Office: 550,000 sf
Retail: 160,000 sf
Residential: 330 units
Hotel: 480 keys
Multi: 260 units

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DEVELOPMENT

HERNDON DOWNTOWN



Residential Units: 281
Sq. Ft. Retail: 18,000
Construction Start: 2019
Construction Complete: 2021
Stabilization: 2022

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DEVELOPMENT

MOMENTUM AT SHADY GROVE METRO



Residential Units: 110

Sq. Ft.: 170,432

Construction Start: 2018

Construction Complete: 2019

JV Partnership: SCG Development Partners, LC
(Stratford, 75%) & Comstock Redland Road, LC
(25%)

COMSTOCK

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