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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act Of 1934**

Date of Report (Date of earliest event reported): July 21, 2011

Comstock Homebuilding Companies, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
**(State or Other Jurisdiction
of Incorporation)**

1-32375
**(Commission
File Number)**

20-1164345
**(IRS Employer
Identification No.)**

**11465 SUNSET HILLS ROAD, FOURTH FLOOR
RESTON, VIRGINIA 20910**
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (703) 883-1700

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events

On July 21, 2011, Comstock Potomac Yard, L.C. (“Comstock Potomac Yard”) a subsidiary of Comstock Homebuilding Companies, Inc. (the “Company”), entered into a settlement agreement with Balfour Beatty Construction, L.C., successor in interest to Centex Construction, (“Balfour”) whereby Comstock Potomac Yard agreed to a settlement in the total amount of \$10,293,000 (the “Settlement Agreement”) in satisfaction of certain claims and a previous judgment entered in its favor in the amount of \$11,963,002 in the United States District Court for the Eastern District of Virginia, Alexandria Division, entered on March 19, 2010. Balfour had previously appealed the judgment on March 25, 2010 to the United States Court of Appeals for the Fourth Circuit. The settlement was the result of a voluntary mediation process between Comstock Potomac Yard, Balfour and one of the major subcontractors on the Company’s Eclipse high rise condominium project (the Project”). The judgment resulted from litigation initiated by Comstock Potomac Yard in September of 2008 against Balfour as a result of delays in completion of the Project.

On July 26, 2011, the Company issued a press release regarding the Settlement Agreement, a copy of which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release by Comstock Homebuilding Companies, Inc., dated July 26, 2011

SIGNATURES

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

Date: July 26, 2011

COMSTOCK HOMEBUILDING COMPANIES, INC.

By: /s/ Christopher Clemente
Christopher Clemente,
Chief Executive Officer

NEWS RELEASE

Comstock Reaches Settlement Agreement With Balfour Beatty On Eclipse Condo Litigation**Definitive Settlement Agreement Accelerates Comstock's Receipt of 2010 Award**

RESTON, VA, July 26, 2011 (MARKETWIRE via COMTEX) — Comstock Homebuilding Companies, Inc. (the "Company" or "Comstock") (Nasdaq: CHCI) announced that on July 21, 2011, Comstock Potomac Yard, L.C., ("Comstock Potomac Yard") a subsidiary of the Company entered into a definitive settlement agreement with Balfour Beatty Construction, LLC, successor in interest to Centex Construction ("Balfour") with respect to a \$11,963,002 judgment previously entered in Comstock Potomac Yard's favor by the United States District Court for the Eastern District of Virginia, Alexandria Division (the "Judgment"). The definitive settlement agreement fully resolves the Judgment which Balfour had previously appealed to the United States Court of Appeals, 4th Circuit, on March 25, 2010.

Balfour was the general contractor for Comstock Potomac Yard's Eclipse on Center Park Condominium project (the "Project") in Arlington, Virginia. The judgment resulted from litigation initiated by Comstock Potomac Yard in September of 2008 against Balfour as a result of delays to the Project. The terms of the settlement are confidential except as disclosed in accordance with applicable securities laws pursuant to a Form 8-K filed with the Securities and Exchange Commission by the Company. Comstock Potomac Yard was represented by Stephen Seeger of Seeger, Faughnan and Mendicino, P.C.

"We are excited about this matter being resolved because of the positive impact to our balance sheet," said Christopher Clemente, Comstock's Chairman and Chief Executive Officer. "This settlement, along with other recently announced enhancements to our capital base, positions Comstock to move forward focusing entirely on new opportunities and enhancing shareholder value."

About Comstock Homebuilding Companies, Inc.

Established in 1985, Comstock is a multi-faceted real estate development and services company. Our substantial experience in building a diverse range of products including multi-family, single-family homes, townhouses, mid-rise condominiums, high-rise condominiums and mixed-use (residential and commercial) developments has positioned Comstock as a prominent real estate developer and homebuilder in the Washington, DC market. Comstock Homebuilding Companies, Inc. trades on NASDAQ under the symbol CHCI. For more information on the Company or its projects, please visit

www.comstockhomebuilding.com.

Cautionary Statement Regarding Forward-Looking Statements

This release contains "forward-looking" statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause actual future results to differ materially from those projected or contemplated in the forward-looking statements. Additional information concerning these and other important risks and uncertainties can be found under the heading "Risk Factors" in the Company's most recent Form 10-K, as filed with the Securities and Exchange Commission. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Contact:

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