
**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): August 12, 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 2.02 Results of Operations and Financial Condition.

On August 12, 2011, Comstock Homebuilding Companies, Inc. (the "Company") issued a press release announcing its results for the three months and six months ended June 30, 2011. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated August 12, 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: August 12, 2011

COMSTOCK HOMEBUILDING COMPANIES, INC.

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release by Comstock Homebuilding Companies, Inc., dated August 12, 2011

**COMSTOCK HOMEBUILDING COMPANIES, INC. REPORTS RESULTS FOR
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2011**

NEW CAPITAL AND PARTNERSHIP POSITION COMSTOCK FOR FUTURE GROWTH AND PROFITABILITY

Reston, Virginia (August 12, 2011) – Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) (“Comstock” or the “Company”), a multi-faceted real estate development and services company focused on the Washington, D.C. market, announced a net loss for its second quarter ended June 30, 2011 of \$(1.7) million or \$(0.09) per diluted share. The net loss and diluted loss per share for the second quarter of 2011 compares to net loss of \$(1.8) million or \$(0.10) earnings per diluted share for the comparable 2010 quarter. Total revenue for the second quarter of 2011 was \$5.9 million compared to \$6.4 million for the comparable 2010 quarter. The net loss and diluted loss per share for the six months ended June 30, 2011 was \$(2.7) million or \$(0.15) per share which compares to a net loss of \$(2.7) million and \$(0.15) per share for the same period a year ago. Total revenue for the first half of 2011 was \$10.5 million which compares to \$15.6 million for the comparable 2010 period.

Notable Events

- ***Strategic Alliance with Sunbridge Capital*** – On July 12, Comstock announced that it had formed a strategic alliance with SunBridge Capital Management, LLC (“SunBridge”), a private investment management firm supported by the Bainum family, a prominent Washington, DC family with investment interests that include Choice Hotels International. The purpose of the strategic alliance is to facilitate Comstock’s and SunBridge’s ongoing pursuit of certain homebuilding and multi-family rental projects in the Washington, DC market. The strategic alliance calls for project funding of up to \$25 million from each party to capitalize agreed-upon potential investments. In support of the relationship, SunBridge funded a senior secured loan for approximately \$13.8 million that closed on July 12, 2011, (the “Initial Loan”) and has committed to provide an additional secured loan to refinance the Company’s Penderbrook project. The proceeds of the Initial Loan were used to refinance existing indebtedness on the Company’s Eclipse project and for general corporate purposes.
- ***Resolution of Balfour Beatty Litigation*** - On July 21, 2011, Comstock Potomac Yard, L.C. 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 satisfaction of certain claims and a previous judgment entered in its favor. 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. Comstock received the settlement proceeds on August 4, 2011.
- ***Cascades Apartment Project*** – Comstock began construction on a 103 unit rental project in the Cascades planned community in Loudoun County Virginia in February of 2011. The Company anticipates completing construction in the fall of 2011 with full lease-up expected in early 2012. Leasing activity commenced in June with the first occupancies beginning in July. Strong demand is supporting the Company’s decision to market the property as a stabilized asset upon completion.
- ***Ongoing monetization of real estate assets*** - Comstock continues to monetize inventory units from its Eclipse and Penderbrook projects. Total units delivered in the second quarter of 2011 were 13.

An additional 2 units were delivered during the month of July. There are 37 units remaining for sale at Eclipse and 55 units remaining for sale at Penderbrook.

“We accomplished significant key initiatives during the second quarter that enhance our ability to execute our Washington, DC focused strategy,” said Christopher Clemente, Chairman and Chief Executive Officer. “The added capabilities that our new partnership with SunBridge provides coupled with the new capital obtained through the successful resolution of long pending litigation positions Comstock to pursue attractive development opportunities in the best real estate market in the nation while focusing entirely on restoring profitability and shareholder value”.

About Comstock Homebuilding Companies, Inc.

Comstock is a multi-faceted real estate development and services company. Our substantial experience in building a diverse range of products including 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, D.C. market place. 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 including incurring substantial indebtedness with respect to projects, the diversion of management’s attention and other negative consequences. 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 and other filings 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, except as required by law.

Contact:

Joe Squeri
Chief Financial Officer
703.230.1229

SOURCE: Comstock Homebuilding Companies, Inc.

COMSTOCK HOMEBUILDING COMPANIES, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share data)

	June 30, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	\$ 609	\$ 475
Restricted cash	3,089	5,201
Real estate held for development and sale	26,687	34,008
Construction in process – Variable Interest Entity	8,559	0
Property, plant and equipment, net	40	50
Other assets	3,520	1,194
TOTAL ASSETS	\$ 42,504	\$ 40,928
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 5,925	\$ 5,884
Notes payable - secured by real estate held for development and sale	14,062	18,853
Notes payable - Variable Interest Entity	6,205	0
Notes payable - due to affiliates, unsecured	5,008	5,008
Notes payable - unsecured	4,383	4,515
TOTAL LIABILITIES	35,583	34,260
Commitments and contingencies (Note 9)		
SHAREHOLDERS' EQUITY		
Class A common stock, \$0.01 par value, 77,266,500 shares authorized, 17,405,474 and 17,120,467 issued and outstanding, respectively	174	171
Class B common stock, \$0.01 par value, 2,733,500 shares authorized, 2,733,500 issued and outstanding	27	27
Additional paid-in capital	167,051	166,700
Treasury stock, at cost (391,400 shares Class A common stock)	(2,439)	(2,439)
Accumulated deficit	(160,492)	(157,791)
TOTAL COMSTOCK HOMEBUILDING EQUITY	4,321	6,668
Non-controlling interest – Variable Interest Entity	2,600	0
TOTAL EQUITY	6,921	6,668
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 42,504	\$ 40,928

COMSTOCK HOMEBUILDING COMPANIES, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Revenues				
Revenue - homebuilding	\$ 3,120	\$ 5,919	\$ 6,139	\$ 11,613
Revenue - apartment buildings and real estate services	2,783	509	4,350	3,955
Total revenue	5,903	6,428	10,489	15,568
Expenses				
Cost of sales - homebuilding	2,736	5,673	5,458	11,364
Cost of sales - apartment buildings and real estate services	2,628	413	3,901	3,285
Impairments and write-offs	0	0	0	0
Selling, general and administrative	1,933	1,405	3,318	2,861
Interest, real estate taxes and indirect costs related to inactive projects	451	821	820	1,670
Operating loss	(1,845)	(1,884)	(3,008)	(3,612)
Gain on debt restructuring	0	0	(146)	0
Other (income) loss, net	(287)	(41)	(411)	(877)
Loss before income taxes	(1,558)	(1,843)	(2,451)	(2,735)
Income taxes expense	0	0	0	0
Net loss	(1,558)	(1,843)	(2,451)	(2,735)
Less: Net income attributable to non-controlling interests	118	0	250	0
Net loss attributable to Comstock Homebuilding Co., Inc.	<u>\$ (1,676)</u>	<u>\$ (1,843)</u>	<u>\$ (2,701)</u>	<u>\$ (2,735)</u>
Basic loss per share	\$ (.09)	\$ (.10)	\$ (.15)	\$ (.15)
Diluted loss per share	\$ (.09)	\$ (.10)	\$ (.15)	\$ (.15)
Basic weighted average shares outstanding	<u>18,784</u>	<u>18,365</u>	<u>18,407</u>	<u>18,231</u>
Diluted weighted average shares outstanding	<u>18,784</u>	<u>18,365</u>	<u>18,407</u>	<u>18,231</u>

COMSTOCK HOMEBUILDING COMPANIES, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands, except per share data)

	<u>Six Months Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Net loss	\$ (2,451)	\$ (2,735)
Adjustment to reconcile net loss to net cash provided by operating activities		
Amortization and depreciation	10	84
Gain on M&T note retirement	(146)	0
Gain on trade payable settlements	(150)	(860)
Changes in operating assets and liabilities:		
Restricted cash	12	117
Real estate held for development and sale	4,816	13,338
Other assets	(2,376)	57
Accounts payable and accrued liabilities	3,101	823
Net cash provided by operating activities	<u>2,816</u>	<u>10,824</u>
Cash flows from investing activities:		
Investment in Cascades Apartments – construction in process	(6,054)	0
Purchase of property, plant and equipment	0	(4)
Net cash used in investing activities	<u>(6,054)</u>	<u>(4)</u>
Cash flows from financing activities:		
Proceeds from notes payable	17,273	822
Payments on notes payable	(16,250)	(12,006)
Proceeds from Cascades Private Placement	2,350	26
Net cash provided by (used in) financing activities	<u>3,372</u>	<u>(11,158)</u>
Net increase (decrease) in cash and cash equivalents	134	(338)
Cash and cash equivalents, beginning of period	475	1,085
Cash and cash equivalents, end of period	<u>\$ 609</u>	<u>\$ 747</u>
Supplemental disclosure for non-cash activity:		
Interest incurred but not paid in cash	\$ 457	\$ 1,260
Reduction in notes payable in connection with troubled debt restructuring	\$ 0	\$ 7,689
Increase in additional paid in capital in connection with troubled debt restructuring	\$ 0	\$ 7,689
Reduction in real estate held for development and sale in connection with deconsolidation of subsidiaries	\$ 0	\$ 15,406
Reduction in notes payable in connection with deconsolidation of subsidiaries	\$ 0	\$ 15,893
Reduction in accrued liabilities in connection with deconsolidation of subsidiaries	\$ 0	\$ 449
Increase in opening retained earnings in connection with deconsolidation of subsidiaries	\$ 0	\$ 936
Non-cash stock compensation charges	\$ 388	\$ 619
Increase in class A common stock par value in connection with issuance of stock compensation	\$ 3	\$ 5
Increase in additional paid in capital in connection with issuance of stock compensation	\$ 351	\$ 614
Reduction in accounts payable and restricted cash due to Cascades Private Placement closing	\$ 2,100	\$ 0