

REFINITIV

DELTA REPORT

10-Q

CHCI - COMSTOCK HOLDING COMPANIE
10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	739
CHANGES	108
DELETIONS	313
ADDITIONS	318

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, 2023** **March 31, 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

(State or other jurisdiction of
incorporation or organization)

20-1164345

(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 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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, 2023** **April 30, 2024**, **9,431,508** **9,604,658** 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.

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PART I – FINANCIAL INFORMATION

Item 1. **Condensed Consolidated Financial Statements**

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

		September 30, 2023	December 31, 2022		
		March 31, 2024		March 31, 2024	December 31, 2023
Assets	Assets				
Current assets:	Current assets:				
Current assets:					
Current assets:					
	Cash and cash equivalents				
	Cash and cash equivalents				
Cash and cash equivalents	Cash and cash equivalents	\$ 10,935	\$ 11,722		
Accounts receivable, net	Accounts receivable, net	571	504		
Accounts receivable - related parties	Accounts receivable - related parties	10,381	3,291		

Prepaid expenses and other current assets	Prepaid expenses and other current assets	307	264
Total current assets	Total current assets	22,194	15,781
Fixed assets, net	Fixed assets, net	512	421
Intangible assets	Intangible assets	144	144
Leasehold improvements, net	Leasehold improvements, net	97	119
Investments in real estate ventures	Investments in real estate ventures	5,984	7,013
Operating lease assets	Operating lease assets	7,002	7,625
Deferred income taxes, net	Deferred income taxes, net	10,720	11,355
Deferred compensation plan assets			
Other assets	Other assets	35	15
Total assets	Total assets	\$ 46,688	\$ 42,473
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity		
Liabilities and Stockholders' Equity			
Liabilities and Stockholders' Equity			
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Accrued personnel costs			
Accrued personnel costs			
Accrued personnel costs	Accrued personnel costs	\$ 3,226	\$ 4,959
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	975	742
Current operating lease liabilities	Current operating lease liabilities	838	791
Total current liabilities	Total current liabilities	5,039	6,492
Deferred compensation plan liabilities			
Operating lease liabilities	Operating lease liabilities	6,493	7,127
Total liabilities	Total liabilities	11,532	13,619
Commitments and contingencies (Note 8)			

Commitments and contingencies (Note 6)			
Stockholders' equity:		Commitments and contingencies (Note 6)	
Class A common stock; \$0.01 par value; 59,780 shares authorized; 9,517 issued and 9,432 outstanding as of September 30, 2023; 9,337 issued and 9,252 outstanding as of December 31, 2022		94	93
Class B common stock; \$0.01 par value; 220 shares authorized, issued, and outstanding as of September 30, 2023 and December 31, 2022		2	2
Class A common stock; \$0.01 par value; 59,780 shares authorized; 9,690 issued and 9,605 outstanding as of March 31, 2024; 9,525 issued and 9,440 outstanding as of December 31, 2023			
Class A common stock; \$0.01 par value; 59,780 shares authorized; 9,690 issued and 9,605 outstanding as of March 31, 2024; 9,525 issued and 9,440 outstanding as of December 31, 2023			
Class A common stock; \$0.01 par value; 59,780 shares authorized; 9,690 issued and 9,605 outstanding as of March 31, 2024; 9,525 issued and 9,440 outstanding as of December 31, 2023			
Class B common stock; \$0.01 par value; 220 shares authorized, issued, and outstanding as of March 31, 2024 and December 31, 2023			
Additional paid-in capital	Additional paid-in capital	201,922	201,535
Treasury stock, at cost (86 shares of Class A common stock)	Treasury stock, at cost (86 shares of Class A common stock)	(2,662)	(2,662)
Accumulated deficit	Accumulated deficit	(164,200)	(170,114)
Total stockholders' equity	Total stockholders' equity	35,156	28,854

Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 46,688	\$ 42,473
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See accompanying Notes to **Condensed** Consolidated Financial Statements.

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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,	
		2023	2022	2023	2022
		<div> <div>Three Months Ended March 31,</div> <div>Three Months Ended March 31,</div> <div>Three Months Ended March 31,</div> </div>			
		2024		2024	
				2023	
Revenue	Revenue	\$ 14,463	\$ 12,813	\$ 33,705	\$ 30,011
Operating costs and expenses:	Operating costs and expenses:				
Cost of revenue	Cost of revenue				
Cost of revenue	Cost of revenue	8,557	8,346	24,561	22,112
Selling, general, and administrative	Selling, general, and administrative	575	537	1,711	1,393
Depreciation and amortization	Depreciation and amortization	74	55	212	149
Total operating costs and expenses	Total operating costs and expenses	9,206	8,938	26,484	23,654
Income (loss) from operations	Income (loss) from operations	5,257	3,875	7,221	6,357
Other income (expense):	Other income (expense):				
Interest expense	Interest expense	—	(94)	—	(222)
Interest income	Interest income				
Interest income	Interest income				
Gain (loss) on real estate ventures	Gain (loss) on real estate ventures	(241)	(31)	(720)	238
Other income (expense), net	Other income (expense), net	1	1	48	2

Income (loss) from continuing operations before income tax		5,017	3,751	6,549	6,375
Income (loss) from operations before income tax					
Provision for (benefit from) income tax	Provision for (benefit from) income tax	332	62	635	(42)
Net income (loss) from continuing operations		4,685	3,689	5,914	6,417
Net income (loss) from discontinued operations, net of tax		—	(99)	—	(376)
Net income (loss)	Net income (loss)	\$ 4,685	\$ 3,590	\$ 5,914	\$ 6,041
Impact of Series C preferred stock redemption		—	—	—	2,046
Net income (loss) attributable to common stockholders		\$ 4,685	\$ 3,590	\$ 5,914	\$ 8,087
Weighted-average common stock outstanding:	Weighted-average common stock outstanding:				
Weighted-average common stock outstanding:					
Weighted-average common stock outstanding:					
Basic					
Basic	Basic	9,647	9,464	9,621	8,806
Diluted	Diluted	10,130	10,007	10,082	9,363
Net income (loss) per share:	Net income (loss) per share:				
Basic - Continuing operations		\$ 0.49	\$ 0.39	\$ 0.61	\$ 0.96
Basic - Discontinued operations		—	(0.01)	—	(0.04)
Basic net income (loss) per share		\$ 0.49	\$ 0.38	\$ 0.61	\$ 0.92
Diluted - Continuing operations		\$ 0.46	\$ 0.37	\$ 0.59	\$ 0.90
Diluted - Discontinued operations		—	(0.01)	—	(0.04)
Diluted net income (loss) per share		\$ 0.46	\$ 0.36	\$ 0.59	\$ 0.86
Net income (loss) per share:					
Net income (loss) per share:					
Basic					
Basic					
Basic					
Diluted					

See accompanying Notes to **Condensed** Consolidated Financial Statements.

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

	Series C		Class A		Class B											
	Preferred Stock		Common Stock		Common Stock		Treasury		Accumulated							
	Shares	Amount	Shares	Amount	Shares	Amount	APIC	stock	deficit	Total						
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						
Class A																
Common Stock																
Common Stock																
Common Stock																
Shares																
Shares																
Shares																
Amount Shares Amount																
Three Months Ended March 31, 2024																
Balance as of December 31, 2023																
Balance as of December 31, 2023																
Balance as of December 31, 2023																
Issuance of common stock, net of shares withheld for taxes	Issuance of common stock, net of shares withheld for taxes	—	—	141	1	—	—	(294)	—	—	(293)	Issuance of common stock, net of shares withheld for taxes	165	2	—	(446)
Stock-based compensation	Stock-based compensation	—	—	—	—	—	—	238	—	—	238	Stock-based compensation	—	—	—	246
Net income (loss)	Net income (loss)	—	—	—	—	—	—	—	—	754	754	Net income (loss)	—	—	—	—
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		—	—	33	—	—	—	(96)	—	—	(96)					
Stock-based compensation		—	—	—	—	—	—	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		—	—	6	—	—	—	—	—	—	—					
Stock-based compensation		—	—	—	—	—	—	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					
Balance as of March 31, 2024																
Three and Nine Months Ended September 30, 2022																
Balance as of December 31, 2021		3,441	\$ 6,765	8,102	\$ 81	220	\$ 2	\$ 200,617	\$ (2,662)	\$ (179,507)	\$ 25,296					
Issuance of common stock, net of shares withheld for taxes		—	—	130	1	—	—	(298)	—	—	(297)					
Stock-based compensation		—	—	—	—	—	—	142	—	—	142					
Net income (loss)		—	—	—	—	—	—	—	—	1,747	1,747					
Balance as of March 31, 2022		3,441	\$ 6,765	8,232	\$ 82	220	\$ 2	\$ 200,461	\$ (2,662)	\$ (177,760)	\$ 26,888					

Net income (loss)							
Net income (loss)							
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization							
Depreciation and amortization							
Depreciation and amortization	Depreciation and amortization	212	149		68	67	
Stock-based compensation	Stock-based compensation	777	629	Stock-based compensation	246	238	238
(Gain) loss on real estate ventures	(Gain) loss on real estate ventures	720	(238)	(Gain) loss on real estate ventures	193	411	411
Distributions from real estate ventures		44	—				
Deferred income taxes	Deferred income taxes	635	(149)				
Deferred income taxes							
Deferred income taxes					210		156
Accrued interest income				Accrued interest income	(48)		—
(Gain) loss on deferred compensation plan							
(Gain) loss on deferred compensation plan							
(Gain) loss on deferred compensation plan					(1)		—
Changes in operating assets and liabilities:							
Changes in operating assets and liabilities:							
Accounts receivable							
Accounts receivable							
Accounts receivable	Accounts receivable	(7,157)	(5,814)		(4)	(273)	(273)
Prepaid expenses and other current assets	Prepaid expenses and other current assets	(43)	(143)	Prepaid expenses and other current assets	(208)	(192)	(192)
Accrued personnel costs	Accrued personnel costs	(1,733)	839	Accrued personnel costs	(3,903)	(3,965)	(3,965)
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	233	33	Accounts payable and accrued liabilities	61	225	225
Deferred compensation plan liabilities							
Deferred compensation plan liabilities				Deferred compensation plan liabilities	229		—
Other assets and liabilities	Other assets and liabilities	36	145	Other assets and liabilities	6	13	13
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	(362)	1,868	Net cash provided by (used in) operating activities	(2,241)		(2,566)
Investing Activities - Continuing Operations							
Investing Activities							
Investing Activities							
Investing Activities							
Investments in real estate ventures	Investments in real estate ventures	(89)	(2,694)				
Proceeds from sale of CES		—	1,016				
Investments in real estate ventures							
Investments in real estate ventures					(23)		(33)
Distributions from real estate ventures	Distributions from real estate ventures	335	318	Distributions from real estate ventures	586	334	334

Purchase of deferred compensation plan securities				Purchase of deferred compensation plan securities		(253)			—
Purchase of fixed assets/leasehold improvements/intangibles	Purchase of fixed assets/leasehold improvements/intangibles	(281)	(559)	Purchase of fixed assets/leasehold improvements/intangibles	(191)		(104)		(104)
Net cash provided by (used in) investing activities	Net cash provided by (used in) investing activities	(35)	(1,919)						
Financing Activities - Continuing Operations									
Payments under credit facility - due to affiliates		—	(5,500)						
Redemption of Series C Preferred Stock		—	(4,000)						
Financing Activities									
Financing Activities									
Financing Activities									
Payment of taxes related to the net share settlement of equity awards									
Payment of taxes related to the net share settlement of equity awards									
Payment of taxes related to the net share settlement of equity awards	Payment of taxes related to the net share settlement of equity awards	(390)	(568)		(444)		(294)		(294)
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	(390)	(10,068)	Net cash provided by (used in) financing activities	(444)		(294)		(294)
Discontinued Operations									
Operating cash flows, net		—	(321)						
Investing cash flows, net		—	—						
Financing cash flows, net		—	(26)						
Net cash provided by (used in) discontinued operations		—	(347)						
Net increase (decrease) in cash and cash equivalents									
Net increase (decrease) in cash and cash equivalents									
Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents	(787)	(10,466)		(2,566)		(2,663)		(2,663)
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	11,722	15,823						
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$ 10,935	\$ 5,357						
Supplemental Cash Flow Information									
Cash paid for interest		\$ —	\$ 222						
Cash paid for income tax, net		9	80						
Supplemental Cash Flow Information									
Supplemental Cash Flow Information									
Net cash paid (received) for:									
Net cash paid (received) for:									
Net cash paid (received) for:									
Interest									

Interest		
Interest		
Income taxes		
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Issuance of Series A common stock to redeem Series C preferred stock	\$	— \$ 4,230
Right of use assets and lease liabilities at commencement	—	209

See accompanying Notes to **Condensed** Consolidated Financial Statements.

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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. **metropolitan area**.

On March 31, 2022, the Company completed the sale of Comstock Environmental Services, LLC ("CES"), a wholly owned subsidiary, to August Mack Environmental, Inc. ("August Mack") for approximately \$1.4 million of total consideration. (See Note 3 for additional information).

On June 13, 2022, the Company completed two separate significant transactions to further deleverage its balance sheet and enhance its long-term revenue outlook and growth potential. The first one with CP Real Estate Services, LC ("CPRES"), an entity owned by Christopher Clemente, Comstock's Chief Executive Officer, redeemed all outstanding Series C preferred stock at a significant discount to carrying value. Secondly, the Company executed a new asset management agreement with Comstock Partners, LC ("CP"), an entity controlled by Mr. Clemente and wholly owned by Mr. Clemente and certain family members, which covers its Anchor Portfolio of assets (the "2022 AMA"). (See Notes 10 and 14 for additional information). **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 **2022 2023** Annual Report on Form 10-K for the year ended **December 31, 2022 December 31, 2023** (the "**2022 2023** Annual Report") filed with the SEC on **March 29, 2023 March 21, 2024**. The consolidated balance sheet as of **December 31, 2022 December 31, 2023** was derived from the audited consolidated financial statements contained in the **2022 2023** Annual Report.

The Company has reflected CES as a discontinued operation in its consolidated statements of operations for all periods presented. Unless otherwise noted, all amounts and disclosures throughout these Notes to Consolidated Financial Statements relate to the Company's continuing operations. (See Note 3 for additional information).

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 **June 2016, March 2023**, the FASB issued ASU **2016-13, 2023-01**, "**Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments 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 intended to introduce a revised approach to the recognition effective for fiscal years beginning after December 15, 2023, and measurement of credit

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losses, emphasizing an updated model based on current expected credit losses ("CECL") rather than incurred losses; early adoption was permitted. The Company adopted the standard effective January 1, 2023 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 ASU 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 March November 2023, the FASB issued ASU 2023-01, 2023-07, "Leases Segment Reporting (Topic 842) – Common Control Arrangements 280): Improving Reportable Segment Disclosures." This guidance amends certain provisions of ASC 842, specifically those that apply is intended to leasing arrangements between related parties under common control, improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The standard will become requires disclosures to include significant segment expenses that are

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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 is permitted. permitted and requires retrospective application to all prior periods presented in the financial statements. The Company does not expect is currently evaluating the adoption 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 have Income Tax Disclosures." This guidance is a material 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 the Company's its consolidated financial statements and related disclosures.

3. Discontinued Operations

On March 31, 2022, the Company completed the sale of CES to August Mack in accordance with the Asset Purchase Agreement for approximately \$1.4 million of total consideration, composed of \$1.0 million in cash and \$0.4 million of cash held in escrow that is subject to net working capital and other adjustments. The Company executed this divestiture to enhance its focus and pursue continued growth initiatives for its core asset management business.

The following table reconciles major line items constituting pretax income (loss) from discontinued operations to net income (loss) from discontinued operations as presented in the consolidated statements of operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ —	\$ —	\$ —	\$ 1,460
Cost of revenue	—	—	—	(1,568)
Selling, general, and administrative	—	(34)	—	(375)
Other income (expense)	—	(62)	—	87
Pre-tax income (loss) from discontinued operations	—	(96)	—	(396)
Provision for (benefit from) income tax	—	3	—	(20)
Net income (loss) from discontinued operations	\$ —	\$ (99)	\$ —	\$ (376)

The Company recognized a net loss of \$0.2 million on the divestiture of CES, calculated by comparing the final adjusted purchase price to the carrying value of the net assets sold in the transaction as of March 31, 2022. These amounts reflect the finalized transaction costs and net working capital adjustments.

4. Intangible Assets

On May 6, 2022, the Company purchased the rights to the www.comstock.com domain name for \$0.1 million. The Company has recorded the domain name purchase as an indefinite-lived intangible asset on its consolidated balance sheets that will be tested annually for impairment.

5. Investments in Real Estate Ventures

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

Investment	Ownership %	March 31,	December 31,	Accounting Method
		2024	2023	
Investors X	50.0%	\$ 402	\$ 976	Fair Value
The Hartford	2.5%	599	610	Fair Value
BLVD Forty Four	5.0%	1,798	1,837	Fair Value
BLVD Ansel	5.0%	1,963	2,090	Fair Value
Total investments recorded at fair value		4,762	5,513	
Comstock 41	100.0%	1,566	1,564	Consolidated
Total investments in real estate ventures		\$ 6,328	\$ 7,077	

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Description	September 30,	December 31,
	2023	2022
Investors X	\$ 980	\$ 1,369
The Hartford	769	953
BLVD Forty Four	1,941	2,135
BLVD Ansel	2,294	2,556
Total	\$ 5,984	\$ 7,013

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 CPRES which 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, 2023 March 31, 2024, the residual cash flow primarily relates to anticipated all residential lots have been sold. The proceeds from the sale of rezoned residential lots. The cash sales will be released as land development work associated with these projects is completed and lots are sold. completed. (See Note 14 12 for additional information).

The Hartford

In December 2019, the Company entered into a joint venture with CP 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's premier transit-oriented office market, the Rosslyn-Ballston Corridor. County, Virginia. Built in 2003, the 211,000 square foot LEED gold-certified, mixed-use Leadership in Energy and Environmental Design ("LEED") GOLD building is being leased to multiple high-quality tenants, located in the premier Rosslyn-Ballston corridor. In February 2020, the Company arranged for DivcoWest to purchase a majority ownership stake in the The Hartford Building 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. property in exchange for market-rate fees, for which it recognized \$0.3 million of revenue for the three months ended March 31, 2024. Fair value of the property is determined on a quarterly basis using an income approach and sales comparable approach models. model. As of September 30, 2023 March 31, 2024, the Company's ownership interest in the Hartford was 2.5%. (See Note 14 12 for additional information).

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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 built in 2015, which we rebranded as BLVD Forty Four. Located Built in 2015 and located one block from the Rockville Station on Metro's Red Line and 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. market-rate fees, for which it recognized \$0.3 million of revenue for the three months ended March 31, 2024. Fair value of the property is determined on a quarterly basis using an income approach and sales comparable approach models. model. As of September 30, 2023 March 31, 2024, the Company's ownership interest in BLVD Forty Four was 5.0%. (See Note 14 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 will also provide provides asset, residential, retail and parking property management services for the property in exchange for market rate fees. market-rate fees, for which it recognized \$0.3 million of revenue for the three months ended March 31, 2024. Fair value is determined on a quarterly basis using an income approach and sales comparable approach models. model. As of September 30, 2023 March 31, 2024, the Company's ownership interest in BLVD Ansel was 5.0%. (See Note 14 12 for additional information).

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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, 2022	December 31, 2023	\$	7,013	5,513
Investments			89	20
Distributions			(379)	(586)
Change in fair value			(739)	(185)
Balance as of September 30, 2023	March 31, 2024	\$	5,984	4,762

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. For operations and was immaterial for the three and nine months ended September 30, 2023 the Company's proportionate gains from STS earnings were immaterial. For the three March 31, 2024 and nine months ended September 30, 2022, the Company's proportionate gains from STS earnings were \$0.1 million and immaterial, respectively. 2023.

6.4. 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 14 12 for additional information).

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

		Three Months Ended September 30,		Nine Months Ended September 30,					
		2023	2022	2023	2022				
Three Months Ended March 31,									
Three Months Ended March 31,									
Three Months Ended March 31,									
		2024		2024		2023			
Operating lease costs	Operating lease costs								
Fixed lease costs									
Fixed lease costs									

Fixed lease costs	Fixed lease costs	\$ 297	\$ 255	\$ 890	\$ 763
Variable lease costs	Variable lease costs	109	88	348	264
Total operating lease costs	Total operating lease costs	\$ 406	\$ 343	\$ 1,238	\$ 1,027

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
2024		2024			
		2023			
Cash paid for lease liabilities:	Cash paid for lease liabilities:				
Operating cash flows from operating leases	Operating cash flows from operating leases	\$ 391	\$ 317	\$ 1,191	\$ 970
Operating cash flows from operating leases					
Operating cash flows from operating leases					

As of September 30, 2023 March 31, 2024, the Company's operating leases had a weighted-average remaining lease term of 7.0 6.5 years and a weighted-average discount rate of 4.25% 4.64%.

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

Year Ending December 31,	Year Ending December 31,	Operating Leases	Year Ending December 31,	Operating Leases
2023 (3 months)	\$ 288			
2024	1,167			
2024 (9 months)				
2025	2025	1,194		
2026	2026	1,222		
2027	2027	1,204		

2028		
Thereafter	Thereafter	3,568
Total future lease payments	Total future lease payments	8,643
Imputed interest	Imputed interest	(1,312)
Total lease liabilities	Total lease liabilities	\$ 7,331

The Company does not have any leases which have not yet commenced as of **September 30, 2023** **March 31, 2024**.

7.5. Debt

Credit Facility - Due to Affiliates

On **March 19, 2020**, **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 (the "Credit Facility"). Upon entering the agreement, the Company made an initial \$5.5 million draw. Under the terms, the Credit Facility provides for an initial with a variable interest rate of the Wall Street Journal Prime Rate plus 1.00% per annum on advances made under the Credit Facility, payable monthly in arrears.

On **September 30, 2022**, the Company paid down its \$5.5 million outstanding principal balance on the Credit Facility in full. (the "Credit Facility"). As of **September 30, 2023** **March 31, 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.

8.6. Commitments and Contingencies

The Company maintains certain non-cancelable operating leases that contain various renewal options. (See Note **6**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.

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7. Fair Value Disclosures

As of **September 30, 2023** **March 31, 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, 2023** **March 31, 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 **March 31, 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 **5**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.

10.8. 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,

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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, 2023 March 31, 2024, the Company had not declared any dividends.

Preferred Stock

The Company's certificate of incorporation authorizes the issuance of Series C non-convertible preferred stock with a par value of \$0.01 per share. Series C Preferred Stock has a discretionary, non-cumulative, dividend feature and is redeemable by holders in the event of liquidation or change in control of the Company.

On June 13, 2022, the Company entered into a Share Exchange and Purchase Agreement ("SEPA") with CPRES, pursuant to which the Company acquired from CPRES all outstanding shares of its non-convertible and non-redeemable Series C preferred stock for (i) 1.0 million shares of the Company's Class A common stock, valued at the consolidated closing bid price of the Class A shares on Nasdaq on the business day immediately preceding the entry into the SEPA, and (ii) \$4.0 million in cash. The SEPA was unanimously approved by the independent directors of the Company. Upon completion of the transaction, all of the shares of Series C preferred stock were immediately cancelled and fully retired.

At the time of the transaction, the total carrying value of the Series C preferred stock (including the related additional paid-in capital) was \$10.3 million. The share exchange was accounted for as a redemption; therefore, the \$2.0 million difference between the carrying value and the \$8.3 million fair value of the consideration paid upon redemption was added to net income to arrive at income attributable to common stockholders and calculate net income (loss) per share for the Company's third and fourth quarters of fiscal year 2022.

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, 2023 March 31, 2024, there were 1.4 million 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, 2023 March 31, 2024, the Company recorded stock-based compensation expense of \$0.3 million and \$0.8 million, respectively. During the three and nine months ended September 30, 2022, 2023, the Company recorded stock-based compensation expense of \$0.2 million and \$0.6 million \$0.2 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, 2023 March 31, 2024, there was \$1.1 million \$1.6 million of total unrecognized stock-based compensation, which is expected to be recognized over a weighted-average period of 1.9 2.1 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.

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

RSUs		RSUs	Weighted-Average
Outstanding		Outstanding	Grant Date Fair Value
Balance as of December 31, 2023			
Granted			
Performance awards ⁽¹⁾			
Released			
Canceled/Forfeited			
Balance as of March 31, 2024			
Vested and expected to vest after March 31, 2024			

	RSUs	Weighted-Average
	Outstanding	Grant Date Fair Value
Balance as of		
December 31, 2022	702	\$ 2.95
Granted	279	4.03
Released	(256)	2.71
Canceled/Forfeited	(16)	3.38
Balance as of		
September 30, 2023	709	\$ 3.46

Vested and expected to vest after September 30, 2023	713	3.46
(1)		
(1)		
(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 three months ended September 30, 2023 March 31, 2024 and 2022 2023 was \$1.1 \$1.2 million and \$1.0 \$0.9 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, 2022		131	\$ 4.08	4.4	\$ 172
Options Outstanding		Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2023					
Granted	Granted	—	—		
Exercised	Exercised	—	—		
Exercised					
Exercised					
Canceled/Forfeited					
Canceled/Forfeited					
Canceled/Forfeited	Canceled/Forfeited	—	—		
Expired	Expired	(4)	8.26		
Balance as of September 30, 2023		127	\$ 3.93	3.8	\$ 226
Exercisable as of September 30, 2023		127	\$ 3.93	3.8	\$ 226
Expired					
Expired					
Balance as of March 31, 2024					
Balance as of March 31, 2024					
Balance as of March 31, 2024					
Exercisable as of March 31, 2024					

There were no stock option exercises during the nine three months ended September 30, 2023. The total intrinsic value of stock options exercised during the nine months ended September 30, 2022 was \$0.6 million; March 31, 2024 and 2023.

11.9. Revenue

All of the Company's revenue for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was generated in the United States.

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

Revenue by Line of Business	Three Months Ended March 31,	
	2024	2023
Asset management	\$ 6,255	\$ 6,529
Property management	2,745	2,606
Parking management	1,638	1,140
Total revenue	<u>\$ 10,638</u>	<u>\$ 10,275</u>

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Revenue by Customer Type	Three Months Ended March 31,	
	2024	2023
Related party	\$ 10,174	\$ 9,964
Commercial	464	311
Total revenue	<u>\$ 10,638</u>	<u>\$ 10,275</u>

Revenue by Line of Business	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Asset management	\$ 10,606	\$ 9,391	\$ 22,502	\$ 20,926
Property management	2,605	2,508	7,731	6,831
Parking management	1,252	914	3,472	2,254
Total revenue	<u>\$ 14,463</u>	<u>\$ 12,813</u>	<u>\$ 33,705</u>	<u>\$ 30,011</u>
Revenue by Customer Type	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Related party	\$ 14,162	\$ 12,549	\$ 32,856	\$ 29,477
Commercial	301	264	849	534
Total revenue	<u>\$ 14,463</u>	<u>\$ 12,813</u>	<u>\$ 33,705</u>	<u>\$ 30,011</u>
Revenue by Contract Type ¹	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Fixed-price	\$ 1,299	\$ 1,683	\$ 4,063	\$ 5,222
Cost-plus	10,090	8,503	20,685	17,859
Variable	3,074	2,627	8,957	6,930
Total revenue	<u>\$ 14,463</u>	<u>\$ 12,813</u>	<u>\$ 33,705</u>	<u>\$ 30,011</u>

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

Revenue by Contract Fee Type ⁽¹⁾	Three Months Ended March 31,	
	2024	2023
Fixed-price	\$ 1,587	\$ 1,745
Cost-plus	5,332	5,514
Variable	3,719	3,016
Total revenue	<u>\$ 10,638</u>	<u>\$ 10,275</u>

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

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 terms of the 2022 AMA (see Note 14 for additional information). These operating asset triggering events are part of a series of annual operating asset triggering events that began on October 1, 2022 and are scheduled each October 1 through 2024. All incentive fees

recognized in the current period are related to services performed in prior periods for which revenue recognition criteria were previously constrained. Incentive fee revenue recognized for the three and nine months ended September 30, 2022 was \$3.9 million.

12.10. 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, 2023 March 31, 2024 and 2022 2023 differ from the U.S. federal statutory tax rate of 21%, primarily due to state income taxes and the impact of valuation allowance releases of \$1.4 million and \$1.5 million, respectively, stock compensation shortfall/windfall adjustments.

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13.11. 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,	
	2023	2022	2023	2022
Numerator:				
Net income (loss) from continuing operations - Basic and Diluted	\$ 4,685	\$ 3,689	\$ 5,914	\$ 6,417
Impact of Series C preferred stock redemption	—	—	—	2,046
Net income (loss) from continuing operations attributable to common stockholders - Basic and Diluted	4,685	3,689	5,914	8,463
Net income (loss) from discontinued operations - Basic and Diluted	—	(99)	—	(376)
Net income (loss) attributable to common shareholders - Basic and Diluted	<u>\$ 4,685</u>	<u>\$ 3,590</u>	<u>\$ 5,914</u>	<u>\$ 8,087</u>
Denominator:				
Weighted-average common shares outstanding - Basic	9,647	9,464	9,621	8,806
Effect of common share equivalents	483	543	461	557
Weighted-average common shares outstanding - Diluted	<u>10,130</u>	<u>10,007</u>	<u>10,082</u>	<u>9,363</u>
Net income (loss) per share:				
Basic - Continuing operations	\$ 0.49	\$ 0.39	\$ 0.61	\$ 0.96
Basic - Discontinued operations	—	(0.01)	—	(0.04)
Basic net income (loss) per share	<u>\$ 0.49</u>	<u>\$ 0.38</u>	<u>\$ 0.61</u>	<u>\$ 0.92</u>
Diluted - Continuing operations	\$ 0.46	\$ 0.37	\$ 0.59	\$ 0.90
Diluted - Discontinued operations	—	(0.01)	—	(0.04)
Diluted net income (loss) per share	<u>\$ 0.46</u>	<u>\$ 0.36</u>	<u>\$ 0.59</u>	<u>\$ 0.86</u>

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net income (loss) - Basic and Diluted	\$ 910	\$ 754
Denominator:		
Weighted-average common shares outstanding - Basic	9,794	9,583
Effect of common share equivalents	375	486
Weighted-average common shares outstanding - Diluted	<u>10,169</u>	<u>10,069</u>
Net income (loss) per share:		

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):

14.12. Related Party Transactions

Asset Management Agreements

On June 13, 2022, in June 2022, CHCI Asset Management, L.C. ("CAM"), an entity wholly owned by the Company, entered into a new 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 engages 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.

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Pursuant to the fee structures set forth in both the 2022 AMA and 2019 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 respective asset management agreements 2022 AMA as the sum of the fees detailed in the following table:

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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	<p><u>When receiving Market Rate Fee; Fee:</u> 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")</p> <p><u>When receiving the Cost-Plus Fee; Fee:</u> 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 Event¹ has occurred, after calculating a compounding preferred return of 8% on CP invested capital (the "Base Incentive Fee")</p>
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

(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.

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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.

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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 construction supervision and management of the buildout of certain tenant premises, buildouts and casualty event remediation and restoration. The Company typically receives a flat construction management fee for each engagement under a work authorization based upon the construction management or supervision fee that is set forth in the applicable tenant's lease which fee is generally 1% to 4% or executed work authorization and based on a percentage of the total costs (or total hard costs) of construction of the tenant's improvements in its premises, or as otherwise agreed to by the parties, project.

Lease Procurement Agreements

The Company has lease procurement agreements with properties owned by CP Entities under which the Company receives certain **finders 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 one year renewable one-year terms. The BC Management Agreement provides that CPRES DCS Real Estate Investments, LC will pay CAM an annual management fee equal to \$0.4 million, 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 The Hartford**, a stabilized commercial office building located at 3101 Wilson Boulevard in the Clarendon area of Arlington, **County**, Virginia. In conjunction with the investment, the Company entered into an operating agreement with CP to form Comstock 3101 Wilson, LC, to purchase **the The Hartford**. Pursuant to the Operating Agreement, the Company held a minority membership interest of **the The Hartford** and the remaining membership interests of **the 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 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 The Hartford** to DWC. As a result

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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 **53** 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 **Montgomery County, Md.**

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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 **53** 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

On November 1, 2020, In November 2020, the Company relocated its corporate headquarters to a new office space **owned and controlled by its Chief Executive Officer Christopher Clemente and his family, pursuant to a ten-year lease agreement with an affiliate controlled and owned by Christopher Clemente, its Chief Executive Officer, and his family as**

landlord. On November 1, 2022, agreement. In November 2022, the Company executed a 3,778 square foot lease expansion agreement with terms that align with the original agreement. (See Note 6 for additional information).

On January 1, 2022, In January 2022, ParkX Management, LC, a subsidiary of the Company, entered into a separate five-year lease agreement for its parking operations monitoring center with an affiliate controlled and owned by Christopher Mr. Clemente its Chief Executive Officer, and his family as landlord, to host ParkX's specialized remote monitoring center operations. (See Note 6 for additional information).

Series C Preferred Stock Redemption

On June 13, 2022, the Company entered into the SEPA with CPRES, pursuant to which the Company acquired from CPRES all outstanding shares of its non-convertible and non-redeemable Series C preferred stock at a significant discount to carrying value. (See Note 10 4 for additional information).

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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 2022 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 months ended March 31, 2024 and references to "2023" refer to the three and nine months ended September 30, 2023 and references to "2022" refer to the three and nine months ended September 30, 2022 March 31, 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

Comstock is We are a leading real estate asset manager, developer, and operator of mixed-use and transit-oriented properties in the Washington, D.C. region. Since 1985, we We have acquired, developed, operated, and sold millions of square feet of residential, commercial, and mixed-use properties. We benefit from our market-leading position in Northern Virginia's Dulles Corridor, one of become the nation's fastest growing area's premier real estate markets that is undergoing an urban transformation thanks to the recently completed construction of a Metro commuter rail connecting Dulles International Airport service company by creating extraordinary places, delivering exceptional experiences, and the surrounding areas to Washington, D.C. and beyond. generating excellent results for all stakeholders.

Our fee-based, asset-light, and substantially debt-free business model allows us to mitigate many of the risks that are typically associated with real estate development and ownership. We provide a broad comprehensive suite of real estate services to our asset-owning clients, including asset management, property management, development and construction management, and other real estate services to our asset-owning clients, more. Our client base is composed primarily of institutional real estate investors, high net worth family offices, financial institutions, and governmental bodies with surplus seeking to develop real estate holdings. Our primary focus is 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 continued growth of premium, strategically located assets in our managed portfolio portfolio.

We primarily operate under long-term asset management and associated property management agreements that provide recurring fee-based revenue; however, the fundamental strength of our balance sheet permits us to also explore strategic investment opportunities, typically in the form of a minority capital co-investment in select stabilized assets that complement our existing portfolio.

revenue streams. Our asset management services platform is anchored by a long-term, full-service asset management agreement with an affiliate that includes a Comstock affiliate cost-plus fee structure and covers all of the properties in our Anchor Portfolio (the "2022 AMA" - see below for additional details) that extends through 2035 and covers most of the properties we currently manage, including two of the largest transit-oriented, mixed-use developments in the Washington, D.C. area: Reston Station and Loudoun Station.

. As a vertically integrated real estate services company, we self-perform perform all property management activity services through three wholly owned operational subsidiaries: CHCI Commercial, Management, LC ("CHCI Commercial"); CHCI Residential, Management, LC ("CHCI Residential"); and ParkX Management LC ("ParkX" ("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, including 11 commercial parking garages owned by unaffiliated parties services.

Our asset-light, debt-free business model allows us to substantially mitigate risks that are typically associated with real estate development and managed by ParkX. 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 are included in our managed portfolio:

Type	Type	# of Assets	Size/Scale	% Leased	Type	# of Assets	Size/Scale	% Leased
			2.0 million					
Commercial		13	sqft.	92%				

Commercial ⁽¹⁾				Commercial ⁽¹⁾				2.3 million sqft.	82%
			1.8 million sqft. / ~1,700 units						
Residential	Residential	6	97%	Residential		6	1.8 million sqft. / ~1,700 units		96%
Parking		27	16,000+ spaces						
ParkX - Garages									
ParkX - Security & Other									
ParkX - Security & Other									
ParkX - Security & Other									
Total				Total					
				Total					
				Total					
(1)									
(1)									
(1)				% leased reflects Q124 delivery new office tower located in The Row at Reston Station. Excluding this newly delivered property, the % leased for the Commercial portfolio is 93%.					

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In addition, we manage the following assets that are under construction and scheduled for delivery in our development pipeline we currently have 17 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 5.8 million approximately 520,000 square feet that includes 6 office buildings, approximately 3,100 residential units, 2 hotels with approximately 380 keys, feet; and 2
- 1 commercial parking garages with approximately 2,900 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 65 82 assets representing nearly 10 million square feet.

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

Anchor Portfolio		
Name	Status	Description
Reston Station	Mixed-use development on Metro's Silver Line; 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 Tyson's Corner, Tysons, Va. and Dulles International Airport on Metro's Silver Line (Fairfax County, Va.)
Loudoun Station	Mixed-use Operating + In Development	Loudoun County's first fully integrated mixed-use, transit-oriented development located at the terminus station, Metro's Ashburn Station on Metro's the Silver Line; first Metro-connected development Line in Loudoun Ashburn, Va (Loudoun County, Va.)
Herndon Station	Mixed-use development In Development	Located in the historic downtown portion Historic Downtown District of the Town of Herndon, Va.; focus, this planned mixed-use development is subject of a public-private partnership with the Town of Herndon

Other Portfolio Assets		
Investments and Additional Assets Under Management Name	Status	Description
The Hartford Building	Joint venture; 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	Joint venture; Operating	Acquired in 2021, this 15-story, mixed-use 250-unit, luxury high-rise apartment building near Rockville Metro Station in Montgomery County, Md.; 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	Joint venture; Operating	Acquired in 2022, this 18-story, mixed-use 250-unit, luxury high-rise apartment building near Rockville Metro Station in Montgomery County, Md.; 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 company Comstock Investors X, LC that owns residual legacy homebuilding operations assets that are currently being monetized through market-rate sales expected to be completed in 2024
Parking	Operating	Commercial parking garages & spaces managed by ParkX Management, LC located both at commercial affiliated properties and residential properties we manage and on a stand-alone basis third-party locations

Comstock 41 - Additional Information

Significant Developments

CES Divestiture

On March 31, 2022, Given its proximity to BLVD 44, we completed 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 sale of Comstock Environmental Services, LLC ("CES"), acquisition, we entered into a wholly owned subsidiary, to August Mack Environmental, Inc. ("August Mack"). This strategic divestiture was based on the continued growth and future prospects of our asset management business. Accordingly, we have reflected CES as a discontinued operation in our consolidated financial statements for all periods presented, and unless otherwise noted, all amounts and disclosures relate solely to our continuing operations. contingent fee agreement with BLVD 44 should these pursuits prove successful (See Note 3 12 in the Notes to Consolidated Financial Statements for additional information).

Series C Preferred Stock Redemption and 2022 Asset Management Agreement

On June 13, 2022, we completed two separate significant transactions to further deleverage our balance sheet and enhance our long-term revenue outlook and growth potential. The first one with CP Real Estate Services, LC ("CPRES"), an entity owned by Christopher Clemente, Comstock's Chief Executive Officer, redeemed all outstanding Series C preferred stock at a significant discount to carrying value. Secondly, we executed a new asset management agreement with Comstock Partners, LC ("CP"), an entity controlled by Mr. Clemente and wholly owned by Mr. Clemente and certain family members, which covers our Anchor Portfolio of assets (the "2022 AMA"). The 2022 AMA increased the base fees we collect, expanded the services that qualify for additional supplemental fees, extended the term through 2035, and most notably introduced a mark-to-market incentive fee based on the imputed profit of Anchor Portfolio assets, generally as each is stabilized and as further specified in the agreement. (See Notes 10 and 14 in the Notes to Condensed Consolidated Financial Statements for additional information).

COVID-19 Update

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On May 11, 2023 the U.S. Department of Health and Human Services declared an end to the public health emergency for COVID-19. While we never experienced any significant impacts on our business resulting from COVID-19, future regional or global health emergencies may have a negative impact on our results of operations and limited financial condition. Although the long-term impact of the COVID-19 pandemic on the greater Washington, D.C. area real estate market remains uncertain, we believe that our Anchor Portfolio is well positioned to withstand 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 negative impacts. 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 35-plus years 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.

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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,	
		2023	2022	2023	2022
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		2024		2024	
				2023	
Revenue	Revenue	\$ 14,463	\$ 12,813	\$ 33,705	\$ 30,011
Operating costs and expenses:	Operating costs and expenses:				
Cost of revenue	Cost of revenue				
Cost of revenue	Cost of revenue	8,557	8,346	24,561	22,112
Selling, general, and administrative	Selling, general, and administrative	575	537	1,711	1,393
Depreciation and amortization	Depreciation and amortization	74	55	212	149
Total operating costs and expenses	Total operating costs and expenses	9,206	8,938	26,484	23,654
Income (loss) from operations	Income (loss) from operations	5,257	3,875	7,221	6,357
Other income (expense):	Other income (expense):				
Interest expense	Interest expense	—	(94)	—	(222)
Interest income	Interest income				
Interest income	Interest income				
Interest income	Interest income				

Gain (loss) on real estate ventures	Gain (loss) on real estate ventures	(241)	(31)	(720)	238
Other income (expense), net	Other income (expense), net	1	1	48	2
Income (loss) from continuing operations before income tax		5,017	3,751	6,549	6,375
Income (loss) from operations before income tax					
Provision for (benefit from) income tax	Provision for (benefit from) income tax	332	62	635	(42)
Net income (loss) from continuing operations		4,685	3,689	5,914	6,417
Net income (loss) from discontinued operations, net of tax		—	(99)	—	(376)
Net income (loss)	Net income (loss)	\$ 4,685	\$ 3,590	\$ 5,914	\$ 6,041
Impact of Series C preferred stock redemption		—	—	—	2,046
Net income (loss) attributable to common stockholders		\$ 4,685	\$ 3,590	\$ 5,914	\$ 8,087

Comparison of the Three Months Ended September 30, 2023, March 31, 2024 and September 30, 2022

Revenue

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

Three Months Ended September 30,																	
2023				2022				Change									
Amount		%	Amount		%	\$											
Three Months Ended March 31,																	
2024																	
2024																	
2024																	
						2023		Change									
Amount						Amount	%	Amount	%	\$	%						
Asset management	Asset management	\$10,606	73.3 %	\$ 9,391	73.3 %	\$1,215	12.9 %	Asset management	\$ 6,255	58.8	58.8 %	\$ 6,529	63.5	63.5 %	\$(274)	(4.2)	(4.2) %
Property management	Property management	2,605	18.0 %	2,508	19.6 %	97	3.9 %	Property management	2,745	25.8	25.8 %	2,606	25.4	25.4 %	139	5.3	5.3 %
Parking management	Parking management	1,252	8.7 %	914	7.1 %	338	37.0 %	Parking management	1,638	15.4	15.4 %	1,140	11.1	11.1 %	498	43.7	43.7 %
Total revenue	Total revenue	\$14,463	100.0 %	\$12,813	100.0 %	\$1,650	12.9 %	Total revenue	\$10,638	100.0	100.0 %	\$10,275	100.0	100.0 %	\$ 363	3.5	3.5 %

Revenue increased 12.9% 3.5% in 2023, 2024. The \$1.7 million \$0.4 million comparative increase was primarily driven by the continued expansion of our managed portfolio which that included 620 additional assets in 2023, and 2024, driving a \$0.9 million \$0.5 million, or 44.5%, increase in incentive fees, which were earned pursuant to the terms of the 2022 AMA. Recurring asset management and recurring property management fee-based revenue increased \$0.7 million, or 12.6%, across all lines of business, and a corresponding \$0.2 million increase in reimbursable staffing charges increased \$0.3 million, or 13.8%. charges. Partially offsetting these the revenue increases increase was a combined \$0.3 million net \$0.4 million decrease in supplemental revenue driven by significant finders' fees associated with 2023 leasing acquisition, and development fees due to higher volume of transactional activity in 2022, activity.

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Operating costs and expenses

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

		Three Months Ended																		
		September 30,			Change															
		2023	2022	\$		%														
Three Months Ended						Three Months Ended														
March 31,						March 31,														
2024						2024				2023				Change						
						\$								\$						
Cost of revenue	Cost of revenue	\$	8,557	\$	8,346	\$211	2.5	%	Cost of revenue	\$8,885	\$		\$8,323	\$		\$	562	6.8	6.8	%
Selling, general, and administrative	Selling, general, and administrative		575		537	38	7.1	%	Selling, general, and administrative	535	564		564		(29)		(29)	(5.1)	(5.1)	%
Depreciation and amortization	Depreciation and amortization		74		55	19	34.5	%	Depreciation and amortization	68	67		67		1		1	1.5	1.5	%
Total operating costs and expenses	Total operating costs and expenses	\$	9,206	\$	8,938	\$268	3.0	%	Total operating costs and expenses	\$9,488	\$		\$8,954	\$		\$	534	6.0	6.0	%

Operating costs and expenses increased 3.0% 6.0% in 2023, 2024. The \$0.3 million comparative \$0.5 million increase was primarily due to a \$0.1 million net increase in recoverable costs stemming from our managed properties and a \$0.1 million increase in rent expense stemming from the corporate headquarters lease expansion that was executed in November 2022.

Other income (expense)

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

		Three Months Ended September 30,		Change	
		2023	2022	\$	%
Interest expense		\$ —	\$ (94)	\$ 94	(100.0) %
Gain (loss) on real estate ventures		(241)	(31)	(210)	677.4 %
Other income		1	1	—	N/M
Total other income (expense)		\$ (240)	\$ (124)	\$ (116)	93.5 %

Other income (expense) was relatively flat in 2023, primarily driven by a \$0.2 million net decrease in mark-to-market valuations of equity method investments in real estate ventures, and partially offset by a \$0.1 million decrease in interest expense stemming from the full pay down of our outstanding debt in the third quarter of fiscal year 2022.

Income tax

Provision for income tax was \$0.3 million in 2023, compared to \$0.1 million in 2022. The \$0.2 million increase primarily stems from a \$0.7 million increase in pre-tax income as well as a higher annualized estimated tax rate in the current period.

Comparison of the Nine Months Ended September 30, 2023 and September 30, 2022

Revenue

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

		Nine Months Ended September 30,				Change	
		2023		2022			
		Amount	%	Amount	%	\$	%
Asset management		\$ 22,502	66.8 %	\$ 20,926	69.7 %	\$ 1,576	7.5 %
Property management		7,731	22.9 %	6,831	22.8 %	900	13.2 %
Parking management		3,472	10.3 %	2,254	7.5 %	1,218	54.0 %
Total revenue		\$ 33,705	100.0 %	\$ 30,011	100.0 %	\$ 3,694	12.3 %

Revenue increased 12.3% in 2023. The \$3.7 million comparative increase was primarily driven by the continued expansion of our managed portfolio, which included 6 additional assets in 2023, and a \$0.9 million increase in incentive fees, which were earned pursuant to the terms of the 2022 AMA. Recurring asset management and property management

fee-based revenue increased \$2.2 million, or 12.7%, across all lines of business, and reimbursable staffing charges increased \$1.5 million, or 26.4%. Partially offsetting these revenue increases was a combined \$1.2 million decrease in supplemental leasing, acquisition, and development fees due to higher volume of transactional activity in 2022.

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Operating costs and expenses

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

	Nine Months Ended September 30,		Change	
	2023	2022	\$	%
Cost of revenue	\$ 24,561	\$ 22,112	\$ 2,449	11.1 %
Selling, general, and administrative	1,711	1,393	318	22.8 %
Depreciation and amortization	212	149	63	42.3 %
Total operating costs and expenses	\$ 26,484	\$ 23,654	\$ 2,830	12.0 %

Operating costs and expenses increased 12.0% in 2023. The \$2.8 million comparative increase was primarily due to a \$1.5 million net increase in personnel expenses stemming from increased headcount and employee compensation, as well as a \$0.3 million increase in rent expense stemming from the corporate headquarters lease expansion that was executed in November 2022 and a \$0.2 million increase in regulatory and compliance costs, our overall managed portfolio growth.

Other income (expense)

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

		Nine Months Ended September 30,		Change	
		2023	2022	\$	%
Interest expense		\$ —	\$(222)	\$ 222	(100.0)%

		Three Months Ended March 31,		Change	
		2024	2023	\$	%
Interest income	Interest income	\$141	\$ —	\$ 141	N/M
Gain (loss) on real estate ventures	Gain (loss) on real estate ventures	(720)	238	(958)	(402.5)%
Other income		48	2	46	N/M
Other income (expense), net	Other income (expense), net	22	—	22	N/M
Total other income (expense)	Total other income (expense)	\$(672)	\$ 18	\$(690)	N/M

		Three Months Ended March 31,		Change	
		2024	2023	\$	%
Gain (loss) on real estate ventures	Gain (loss) on real estate ventures	(193)	(411)	(411)	218
Other income		48	2	46	N/M
Other income (expense), net	Other income (expense), net	22	—	22	N/M
Total other income (expense)	Total other income (expense)	\$(30)	\$ (411)	\$ 381	N/M

Other income (expense) changed by \$0.7 million \$0.4 million in 2023, 2024, primarily driven by due to a \$1.0 million net decrease \$0.2 million improvement in mark-to-market valuations of valuation impacts from equity method investments in real estate ventures and partially offset by a \$0.2 million decrease \$0.1 million increase in interest expense income stemming from the full pay down of our outstanding debt interest earned on money market sweep accounts that were not active in 2022, 2023.

Income taxes

Provision for income tax was \$0.6 million \$0.2 million in both 2024 and 2023. The effective tax rates for the three months ended March 31, 2024 and 2023 compared to an immaterial tax benefit in 2022. The \$0.6 million variance was driven by a higher annualized estimated differ from the U.S. federal statutory tax rate in the current period, of 21% primarily due to higher valuation allowance release in relation to pre-tax state income in 2022, taxes and the impact of stock compensation shortfall/windfall adjustments.

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

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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.

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

		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2023	2022	2023	2022
Net income (loss) from continuing operations		\$ 4,685	\$ 3,689	\$ 5,914	\$ 6,417
Interest expense		—	94	—	222
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
2024		2024			
2023		2023			
Net income (loss)					
Interest income					
Income taxes	Income taxes	332	62	635	(42)
Depreciation and amortization	Depreciation and amortization	74	55	212	149
Stock-based compensation	Stock-based compensation	273	212	777	629
(Gain) loss on real estate ventures	(Gain) loss on real estate ventures	241	31	720	(238)
Adjusted EBITDA	Adjusted EBITDA	\$ 5,605	\$ 4,143	\$ 8,258	\$ 7,137

The \$0.1 million decrease in Adjusted EBITDA is primarily driven by higher supplemental revenue from leasing finders' fees in 2023, partially offset by an increase in recurring fee-based property management revenue in the current period.

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, 2023** **March 31, 2024** were our cash and cash equivalents of **\$10.9 million** **\$16.2 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. **On September 30, 2022, we paid down the \$5.5 million outstanding balance of our credit facility in full, primarily to avoid the rising interest costs that would accompany recent interest rate increases.** (See Note **7.5** 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 and meet our commitments on our existing debt. operations.**

Cash Flows

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

	Nine Months Ended September 30,	
	2023	2022
Continuing operations		
Net cash provided by (used in) operating activities	\$ (362)	\$ 1,868
Net cash provided by (used in) investing activities	(35)	(1,919)
Net cash provided by (used in) financing activities	(390)	(10,068)
Total net increase (decrease) in cash - continuing operations	(787)	(10,119)
Discontinued operations, net	—	(347)
Net increase (decrease) in cash and cash equivalents	\$ (787)	\$ (10,466)

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	Three Months Ended March 31,		
	2024	2023	Change (\$)
Net cash provided by (used in) operating activities	\$ (2,241)	\$ (2,566)	\$ 325
Net cash provided by (used in) investing activities	119	197	(78)
Net cash provided by (used in) financing activities	(444)	(294)	(150)
Net increase (decrease) in cash and cash equivalents	\$ (2,566)	\$ (2,663)	\$ 97

Operating Activities

The **\$2.2 million variance** **\$0.3 million decrease** in net cash used in operating cash activities was primarily driven by a **\$3.7 million** **\$0.4 million** incremental cash **outflow** **inflow** stemming from changes to our net working capital, partially offset by a **\$1.5 million increase** **an immaterial decrease** in net income from continuing operations after adjustments for non-cash items. The net working capital **impact** **increase** was primarily influenced by **higher** **increased** accounts receivable collections and non-qualified deferred compensation accruals, partially offset by a comparative decrease in accounts payable and accrued **bonus payouts and increases in related party accounts receivable liabilities** in the current period. **Our first quarter operating cash activity in both periods presented resulted in a net use of cash due to the scheduled payout of year-end bonus accruals.**

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Investing Activities

The **\$1.9** **\$0.1 million** **variance** **decrease** in net cash **used in** **provided** investing activities was primarily driven by a **\$2.6 million decrease** **\$0.3 million increase** in purchases of securities to fund non-qualified deferred compensation plan liabilities and a **\$0.1 million increase** in purchases of fixed assets, partially offset by a **\$0.3 million increase** in distributions received from investments in real estate **ventures**, partially offset by **\$1.0 million** in proceeds received from the CES divestiture that was finalized in the first quarter of **fiscal year 2022. ventures.**

Financing Activities

The **\$9.7 million decrease** **\$0.2 million increase** in net cash used in financing activities was primarily driven by a **\$4.0 million** **\$0.2 million increase** in cash **payment made in 2022** **paid for taxes** related to the **early redemption** **net share settlement** of Series C Preferred Stock and a **\$5.5 million payment made in 2022 to satisfy the outstanding balance of our credit facility. 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, 2023](#) [March 31, 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, 2023](#) [March 31, 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, 2023](#) [March 31, 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.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is incorporated by reference from Note [8](#) [6](#) in the Notes to Condensed Consolidated Financial Statements included in Part I of this Quarterly Report on Form 10-Q.

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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
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, 2023 March 31, 2024 and December 31, 2022 December 31, 2023;
- (ii) Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022; 2023;
- (iii) Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022; 2023;
- (iv) Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022; 2023; and
- (v) Notes to Condensed Consolidated Financial Statements.

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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 9, 2023 May 14, 2024

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

Date: November 9, 2023 May 14, 2024

By: /s/ CHRISTOPHER GUTHRIE
 Christopher Guthrie
 Chief Financial Officer

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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:

- I have reviewed this quarterly report Quarterly Report on Form 10-Q of Comstock Holding Companies, Inc.;
- 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;
- 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 9, 2023** **May 14, 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** **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 9, 2023 May 14, 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 quarter period ended September 30, 2023 March 31, 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 9, 2023 May 14, 2024

/s/ CHRISTOPHER CLEMENTE

Christopher Clemente
Chairman and Chief Executive Officer

Date: November 9, 2023 May 14, 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.

DISCLAIMER

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