



Armada Hoffler Properties Expands Presence in Baltimore's Inner Harbor with Investment in \$93 Million Multifamily Development Project

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VIRGINIA BEACH, Va.--(BUSINESS WIRE)-- Armada Hoffler Properties, Inc. (NYSE: AHH) announced today an initial investment in the \$93 million Point Street Apartments development project in Baltimore's Harbor Point, including an option to purchase a majority stake in the asset once completed.

This Smart News Release features multimedia. View the full release here: <http://www.businesswire.com/news/home/20151103005190/en/>



A rendering of Point Street Apartments (Photo: Business Wire)

Scheduled to open in 2017, Point Street Apartments is expected to be a 17-story building containing 289 residential units and 18,000 square feet of street-level retail and amenity

space. Located within Harbor Point on Baltimore's waterfront, the building will offer some of the highest quality residential rental space in the entire region. Along with spectacular views of the harbor, residents will enjoy pedestrian access to a broad array of shopping and dining options.

Harbor Point is a 27-acre mixed-use, multi-asset development located between the historic Fell's Point neighborhood and the dynamic Inner Harbor East area. This prime parcel is anchored by the 900,000 square foot mixed-use Exelon tower that is currently being developed by Beatty Development Group and built by Armada Hoffler Construction Company, a subsidiary of Armada Hoffler Properties.

For over two decades, Armada Hoffler has worked on Baltimore's waterfront in association with the principals of Beatty Development Group, the developer on the Point Street Apartments project.

"Point Street is yet another signature development project that we are thrilled to add to our pipeline," said Louis Haddad, Chief Executive Officer. "We believe that Harbor Point is the premier development tract in the city and one of the best sites in the Mid-Atlantic. The opportunity to invest in this top-tier institutional grade asset without unduly stressing our balance sheet while maintaining our traditional wholesale to retail spread is a direct result of our track record, strong relationships and broad-based capabilities."

In connection with the Harbor Point development project, Armada Hoffler has entered the following agreements with the developer:

- Mezzanine financing of up to \$23 million provided by Armada Hoffler Properties, which, when combined with proceeds from a construction loan and the developer's equity, will complete the developer's capital stack and
- A purchase option to acquire an 88% interest in the project at the developer's cost, upon completion of construction.

Armada Hoffler Construction Company will also enter into a guaranteed maximum price construction contract with the developer to build Point Street Apartments.

The Company expects to include additional information with respect to the Point Street apartments transaction in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2015.

About Armada Hoffler Properties, Inc.

Armada Hoffler Properties, Inc. is a full-service real estate company with extensive experience developing, building, owning and managing high-quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. The Company has elected to be taxed as a real estate investment trust (REIT) for U.S. federal income tax purposes.

Forward-Looking Statements

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the expected size of the development and the timing of its completion. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements,

please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and other documents filed by the Company with the Securities and Exchange Commission.



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