



Armada Hoffer Properties – New Development Pipeline Project

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Company to Develop Mixed-Use Project in the Town Center of Virginia Beach, Virginia

VIRGINIA BEACH, Va.--(BUSINESS WIRE)-- Armada Hoffer Properties, Inc. (NYSE: AHH) announced today the newest addition to its development pipeline. The Company will develop a \$32 million mixed-use project in the Town Center of Virginia Beach as part of an ongoing public-private partnership with the City of Virginia Beach.

Scheduled to break ground during the second half of 2016, the Company's mixed-use project is expected to include 33,000 square feet of street-level retail space, 5,000 square feet of restaurant space and approximately 120 luxury apartment homes. In addition, Zeiders American Dream Theater will invest approximately \$8 million in a 17,000 square foot performing arts theater, while the City of Virginia Beach will invest approximately \$3 million in public infrastructure including an open-air public plaza on the second level and a pedestrian bridge connecting to the adjacent parking garage. Armada Hoffer Construction Company, a division of Armada Hoffer Properties, will serve as the general contractor for the entire project.

"Later this year, the Company expects to announce two exciting national retailers that have already committed to more than 18,000 square feet of space at the base of the future residential tower," commented Louis Haddad, Chief Executive Officer. "As negotiations continue for the residual retail and restaurant space on this upcoming block, we remain committed to seeking out unique and high-quality shopping, dining and entertainment options that will complement Town Center's premier environment."

This next phase of Town Center, referred to as Phase VI, is part of the 25-acre, 17-block mixed-use development the Company initiated in 2000. This project, located within the city's urban core in the heart of the Central Business District, is the result of a successful multi-decade partnership between Armada Hoffer Properties and the City of Virginia Beach.

"The Town Center of Virginia Beach has been a huge success from its inception and continues to exceed all expectations," said Virginia Beach Mayor William D. Sessoms. "Phase VI will enhance the current retail and entertainment offering, while adding sought-after residential space. This project will reinforce Town Center as the city's emerging downtown core."

About Armada Hoffer Properties, Inc.

Armada Hoffer 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 and Southeastern 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, the timing of its groundbreaking and future tenants. 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, 2015, and other documents filed by the Company with the Securities and Exchange Commission.



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