



## Armada Hoffer Properties Completes Acquisition of Southgate Square in Colonial Heights, Virginia

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VIRGINIA BEACH, Va.--(BUSINESS WIRE)-- Armada Hoffer Properties, Inc. (NYSE: AHH) announced today that it has closed on the acquisition of Southgate Square, a retail center located in Colonial Heights, Virginia. This acquisition adds approximately 220,000 square feet of 100% occupied retail space to the Company's operating property portfolio.

Southgate Square is anchored by a newly opened Burlington store on a 15-year lease. Other tenants include Michaels, Staples, PetSmart, Sleepy's, and Jo-Ann Fabric and Craft Stores, among others. The center is strategically situated within the submarket – adjacent to the 900,000 square foot Southpark Mall as well as a Walmart Supercenter – and across the street from Dimmock Square, a 100,000 square foot retail center the Company acquired in 2014.

The Company acquired 100% of the interests in Southgate Square in exchange for approximately \$21.1 million of debt and the issuance of 1,575,185 units of limited partnership interest in the Company's operating partnership.

The acquisition is expected to be accretive by \$0.01 to 2016 Normalized FFO per share.

"Southgate Square is a strategic addition to our portfolio as it allows us to expand our current footprint in one of our target markets," commented Louis Haddad, Chief Executive Officer. "We are also pleased that the success of the previous operating partnership unit transaction with this property owner has led to yet another meaningful equity position in our company."

### 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, among other things, the impact of the acquisition of Southgate Square on the Company's Normalized FFO per diluted share. 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.

### 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.



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