



## Armada Hoffler Properties Announces Investment in New Development Project in Charleston, South Carolina MSA

October 30, 2018

Company Release - 10/30/2018 6:05 AM ET

VIRGINIA BEACH, Va., Oct. 30, 2018 (GLOBE NEWSWIRE) -- Armada Hoffler Properties, Inc. (NYSE: AHH) announced today that it will invest in Nexton Square, a new open-air lifestyle center currently under construction in Summerville, South Carolina. Located at the entrance to a new 4,500 acre master-planned community, Nexton Square will serve as the retail gateway to over 10,000 new single-family and multifamily residential units with plans for up to 148,000 square feet of space for local retailers, restaurants, and service providers.

Armada Hoffler Properties will provide mezzanine loan financing that, combined with the proceeds from a senior construction loan, will complete the developer's capital stack. The Company will also provide construction management/development services for the project and will have a below market option to purchase the project upon completion. The initial phase of Nexton Square comprises 120,000 square feet across 13 buildings and is over 75% pre-leased or under letter of intent. The initial tenant spaces are anticipated to be delivered in the first quarter of 2019 with full completion by the end of 2020. Subsequent phases for an additional 28,000 square feet remain subject to lease-up. The total estimated cost of the project at full build-out is \$45.0 million.

"We are pleased to announce our fourth project in the growing Charleston MSA," said Louis Haddad, President and Chief Executive Officer of Armada Hoffler Properties. "Centrally located between the Boeing production facility to the south and the new Volvo assembly plant to the north, the Summerville submarket sits squarely along the path of growth in the region. As an integrated component of Summerville's newest residential community, Nexton Square is strategically positioned to capitalize on that growth. We intend to exercise our purchase option upon completion and perhaps use the asset as a replacement property in a tax free exchange."

### About Armada Hoffler Properties, Inc.

Armada Hoffler Properties, Inc. (NYSE: AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with nearly four decades of experience developing, building, acquiring, and managing high-quality, institutional-grade office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. The Company also provides general construction and development services to third-party clients, in addition to developing and building properties to be placed in its stabilized portfolio. The Company has elected to be taxed as a REIT for U.S. federal income tax purposes.

### Forward-Looking Statements

Certain matters within this press release, including with respect to the development, 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 statements. 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, 2017, and the other documents filed by the Company with the Securities and Exchange Commission from time to time.

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Source: Armada Hoffler Properties, Inc.