

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 4, 2022

**ARMADA HOFFLER PROPERTIES, INC.**  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation)

**001-35908**  
(Commission File Number)

**46-1214914**  
(IRS Employer Identification No.)

**222 Central Park Avenue , Suite 2100**  
**Virginia Beach , Virginia**  
(Address of principal executive offices)

**23462**  
(Zip Code)

Registrant's telephone number, including area code: (757) 366-4000

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Securities registered pursuant to Section 12(b) of the Act: Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AHH	New York Stock Exchange
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share	AHHPrA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark 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.

**Item 2.02. Results of Operations and Financial Condition.**

On August 4, 2022, Armada Hoffer Properties, Inc. (the “Company”) issued a press release announcing its financial position as of June 30, 2022, results of operations for the three months ended June 30, 2022, and other related information. Also on August 4, 2022, the Company made available on its website at [www.ArmadaHoffer.com](http://www.ArmadaHoffer.com) certain supplemental information concerning the Company’s financial results and operations for the three months ended June 30, 2022. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**Item 7.01. Regulation FD Disclosure.**

The disclosure contained in Item 2.02 is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press Release, dated August 4, 2022, issued by Armada Hoffer Properties, Inc., providing its financial position as of June 30, 2022 and results of operations for the three months ended June 30, 2022.</a>
<a href="#">99.2</a>	<a href="#">Armada Hoffer Properties, Inc. Second Quarter 2022 Supplemental Information.</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

**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 hereunto duly authorized.

**ARMADA HOFFLER PROPERTIES, INC.**

Date: August 4, 2022

By: /s/ Matthew T. Barnes-Smith  
Matthew T. Barnes-Smith  
Chief Financial Officer, Treasurer and Corporate Secretary



**ARMADA HOFFLER PROPERTIES REPORTS SECOND QUARTER 2022 RESULTS**

**Net Income of \$0.31 Per Diluted Share**

**Normalized FFO of \$0.30 Per Diluted Share**

**Raised 2022 Full-Year Normalized FFO Guidance Range to \$1.16 to \$1.20 Per Diluted Share**

**Increased Third Quarter Cash Dividend on Common Shares By 12%**

VIRGINIA BEACH, VA, August 4, 2022 – Armada Hoffer Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended June 30, 2022 and provided an update on current events.

**Second Quarter and Recent Highlights:**

- Net income attributable to common stockholders and OP Unit holders of \$27.8 million, or \$0.31 per diluted share, compared to \$5.6 million, or \$0.07 per diluted share, for the three months ended June 30, 2021.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$27.0 million, or \$0.31 per diluted share, compared to \$22.9 million, or \$0.28 per diluted share, for the three months ended June 30, 2021. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$26.2 million, or \$0.30 per diluted share, compared to \$23.4 million, or \$0.29 per diluted share, for the three months ended June 30, 2021.
- Raised 2022 full-year Normalized FFO guidance to \$1.16 to \$1.20 per diluted share from the Company's previous guidance range of \$1.15 to \$1.19 per diluted share. This represents a 10% increase over 2021 results.
- Announced a third quarter cash dividend of \$0.19 per common share, a 12% increase over the prior quarter's dividend.
- Stabilized operating property portfolio occupancy increased to 97.3% as of June 30, 2022. Office occupancy was 97.9%, retail occupancy was 97.1%, and multifamily occupancy was 97.2%.
- Same Store net operating income ("NOI") increased 6.0% on a GAAP basis and 7.4% on a cash basis compared to the quarter ended June 30, 2021.
  - Multifamily same store NOI increased 12.5% on a GAAP and cash basis.
  - Commercial same store NOI increased 4.1% on a GAAP basis and 5.8% on a cash basis.
- Third-party construction backlog totaling \$541 million, highest in the Company's history
- Positive releasing spreads during the second quarter of 13.1% on a GAAP basis and 3.0% on a cash basis for office and 9.9% on a GAAP basis and 3.5% on a cash basis for retail.
- Achieved an 8.1% increase in rental rates on apartment trade outs across the multifamily segment.
- Completed \$177 million of sales of noncore assets at a blended 4.1% exit cap rate.
  - The Residences at Annapolis Junction in Baltimore for \$150 million, 4.15% cash cap rate.
  - Two outparcels at North Pointe in Durham, North Carolina for \$24 million, 4.0% cash cap rate.

- Two outparcels at Sandbridge Commons in Virginia Beach for \$3 million, 4.5% cash cap rate.
- Appointed Dennis H. Gartman, renowned investor, economist, and longtime publisher of “The Gartman Letter,” as a member of our board of directors. He is the sixth independent member.
- Executed a new office lease with Franklin Templeton for 60,000 square feet at the Company’s Wills Wharf office building in Baltimore’s Harbor Point neighborhood. The investment management firm has agreed to lease the entire fifth floor and a portion of the fourth floor of Wills Wharf and will bring the building to 91% occupancy.

"We believe the types of assets we own will outperform the competitive set through most any business cycle. High-quality facilities in mixed-use environments located in desirable sub-markets stand the test of time," said Louis Haddad, President & CEO. "When you have premium properties amongst limited peer competition, you have the ability to move rents in a positive direction through virtually any macro-economic backdrop."

#### **Financial Results**

Net income attributable to common stockholders and OP Unit holders for the second quarter increased to \$27.8 million compared to \$5.6 million for the second quarter of 2021. The period-over-period change was primarily due to an increase in property operating income due to acquisitions, gains recognized on dispositions, developments and improved same-store performance, increased general contracting gross profit, and changes in the fair value of interest rate derivatives. The increase was partially offset by a decrease in interest income on our mezzanine loan portfolio, a decrease in income tax benefit, an increase in interest expense, and an increase in loss on extinguishment of debt.

FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$27.0 million compared to \$22.9 million for the second quarter of 2021. Normalized FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$26.2 million compared to \$23.4 million for the second quarter of 2021. The period-over-period changes in FFO and Normalized FFO were due to higher property operating income resulting primarily from leasing activity and property acquisitions and an increase in general contracting gross profit. These increases were partially offset by a decrease in interest income on our mezzanine loan portfolio and an increase in interest expense.

#### **Operating Performance**

At the end of the second quarter, the Company’s office, retail and multifamily stabilized operating property portfolios were 97.9%, 97.1% and 97.2% occupied, respectively.

Total construction contract backlog was \$541.2 million at the end of the second quarter.

#### **Balance Sheet and Financing Activity**

As of June 30, 2022, the Company had \$1.2 billion of total debt outstanding, including \$82.0 million outstanding under its revolving credit facility. Total debt outstanding excludes GAAP adjustments. Approximately 45% of the Company’s debt had fixed interest rates or was subject to interest rate swaps as of June 30, 2022. The Company’s debt was 100% fixed or hedged as of June 30, 2022 after considering interest rate caps with strike prices at or below 300 basis points.

#### **Outlook**

The Company raised its 2022 full-year Normalized FFO guidance range to \$1.16 to \$1.20 per diluted share. The following table updates the Company’s assumptions underpinning this forecast. The Company’s executive management will provide further details regarding its 2022 earnings guidance during today’s webcast and conference call.

Full-year 2022 Guidance <sup>(1)(2)</sup>	Expected Ranges	
Total NOI	\$144.8M	\$145.8M
Construction Segment Gross Profit	\$7.3M	\$8.3M
G&A Expenses	\$16.0M	\$16.5M
Interest Income	\$12.6M	\$13.0M
Interest Expense <sup>(3)</sup>	\$32.9M	\$33.6M
Normalized FFO per diluted share	\$1.16	\$1.20

<sup>(1)</sup> Includes the following assumptions:

- Interest expense, net of interest rate caps, based on the Forward Yield Curve ending 2022 at 3.7%
- No capital markets activity for the remainder of the year
- Acquisition of \$25 to \$35 million of grocery-anchored retail assets
- The Interlock mezzanine loan paid off during the fourth quarter of 2022

<sup>(2)</sup> Ranges exclude certain items per Company's Normalized FFO definition: Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, provision for non-cash unrealized credit losses, certain costs for interest rate caps designated as cash flow hedges, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items. See "Non-GAAP Financial Measures." The Company does not provide a reconciliation for its guidance range of Normalized FFO per diluted share to net income per diluted share, the most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimate of reconciling items and the information is not available without unreasonable effort as a result of the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income per diluted share. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for its guidance range of Normalized FFO per diluted share would imply a degree of precision for its forward-looking net income per diluted share that could be misleading to investors.

<sup>(3)</sup> Includes interest expense on finance leases

#### Supplemental Financial Information

Further details regarding operating results, properties and leasing statistics can be found in the Company's supplemental financial package available at [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com).

#### Webcast and Conference Call

The Company will host a webcast and conference call on Thursday, August 4, 2022 at 8:30 a.m. Eastern Time to review financial results and discuss recent events. The live webcast will be available through the Investors page of the Company's website, [www.ArmadaHoffler.com](http://www.ArmadaHoffler.com). To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through Sunday, September 4, 2022 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13730643.

#### About Armada Hoffler Properties, Inc.

Armada Hoffler Properties (NYSE:AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with four decades of experience developing, building, acquiring and managing high-quality 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 their stabilized portfolio. Founded in 1979 by Daniel A. Hoffler, Armada Hoffler has elected to be taxed as a REIT for U.S. federal income tax purposes. For more information visit [ArmadaHoffler.com](http://ArmadaHoffler.com).

#### 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 current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's mezzanine program, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, as well as acquisitions, dispositions, and the Company's financial outlook, guidance, and expectations. 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, 2021, and the other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

#### **Non-GAAP Financial Measures**

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit defines FFO as net income (loss) (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

FFO is a supplemental non-GAAP financial measure. The Company uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared period-over-period, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effects and could materially impact the Company's results from operations, the utility of FFO as a measure of the Company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the Nareit definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company's performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. Also, FFO should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

Management also believes that the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by the Company's operating property portfolio and affect the comparability of the Company's period-over-period performance. Accordingly, management believes that Normalized FFO is a more useful performance measure that excludes certain items, including but not limited to, acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment of intangible assets and liabilities, mark-to-market adjustments for interest rate derivatives, certain costs for interest rate caps designated as cash flow hedges, provision for unrealized non-cash credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

NOI is the measure used by the Company's chief operating decision-maker to assess segment performance. The Company calculates NOI as property revenues (base rent, expense reimbursements, termination fees and other revenue) less property expenses (rental expenses and real estate taxes). NOI is not a measure of operating income or cash flows from operating activities as measured in accordance with GAAP and is not indicative of cash available to

fund cash needs. As a result, NOI should not be considered an alternative to cash flows as a measure of liquidity. Not all companies calculate NOI in the same manner. The Company considers NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of the Company's real estate and construction businesses. To calculate NOI on a cash basis, we adjust NOI to exclude the net effects of straight line rent and the amortization of lease incentives and above/below market rents.

For reference, as an aid in understanding the Company's computation of NOI, NOI Cash Basis, FFO and Normalized FFO, a reconciliation of net income calculated in accordance with GAAP to NOI, NOI Cash Basis, FFO and Normalized FFO has been included further in this release.



ARMADA HOFFLER PROPERTIES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(dollars in thousands)

	June 30, 2022 (Unaudited)	December 31, 2021
<b>ASSETS</b>		
Real estate investments:		
Income producing property	\$ 1,791,302	\$ 1,658,609
Held for development	6,294	6,294
Construction in progress	71,676	72,535
	1,869,272	1,737,438
Accumulated depreciation	(303,032)	(285,814)
Net real estate investments	1,566,240	1,451,624
Real estate investments held for sale	115,680	80,751
Cash and cash equivalents	69,731	35,247
Restricted cash	6,681	5,196
Accounts receivable, net	32,250	29,576
Notes receivable, net	139,383	126,429
Construction receivables, including retentions, net	29,107	17,865
Construction contract costs and estimated earnings in excess of billings	493	243
Equity method investments	53,260	12,685
Operating lease right-of-use assets	23,387	23,493
Finance lease right-of-use assets	46,433	46,989
Acquired lease intangible assets	107,147	62,038
Other assets	75,743	45,927
<b>Total Assets</b>	<b>\$ 2,265,535</b>	<b>\$ 1,938,063</b>
<b>LIABILITIES AND EQUITY</b>		
Indebtedness, net	\$ 1,080,664	\$ 917,556
Liabilities related to assets held for sale	84,049	41,364
Accounts payable and accrued liabilities	22,886	29,589
Construction payables, including retentions	47,429	31,166
Billings in excess of construction contract costs and estimated earnings	15,075	4,881
Operating lease liabilities	31,645	31,648
Finance lease liabilities	46,325	46,160
Other liabilities	51,126	55,876
<b>Total Liabilities</b>	<b>1,379,199</b>	<b>1,158,240</b>
<b>Total Equity</b>	<b>886,336</b>	<b>779,823</b>
<b>Total Liabilities and Equity</b>	<b>\$ 2,265,535</b>	<b>\$ 1,938,063</b>

ARMADA HOFFLER PROPERTIES, INC.  
CONDENSED CONSOLIDATED INCOME STATEMENTS  
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)			
<b>Revenues</b>				
Rental revenues	\$ 55,224	\$ 47,378	\$ 109,859	\$ 93,119
General contracting and real estate services revenues	45,273	18,408	69,923	53,971
<b>Total revenues</b>	<u>100,497</u>	<u>65,786</u>	<u>179,782</u>	<u>147,090</u>
<b>Expenses</b>				
Rental expenses	12,685	11,292	25,354	22,124
Real estate taxes	5,837	5,465	11,241	10,771
General contracting and real estate services expenses	43,418	18,131	67,239	52,406
Depreciation and amortization	18,781	17,285	37,338	35,351
Amortization of right-of-use assets - finance leases	277	278	555	467
General and administrative expenses	3,617	3,487	8,325	7,508
Acquisition, development and other pursuit costs	26	32	37	103
Impairment charges	286	83	333	3,122
<b>Total expenses</b>	<u>84,927</u>	<u>56,053</u>	<u>150,422</u>	<u>131,852</u>
Gain on real estate dispositions, net	19,493	—	19,493	3,717
<b>Operating income</b>	<u>35,063</u>	<u>9,733</u>	<u>48,853</u>	<u>18,955</u>
Interest income	3,352	6,746	6,920	10,862
Interest expense	(9,371)	(8,418)	(18,402)	(16,393)
Loss on extinguishment of debt	(618)	—	(776)	—
Change in fair value of derivatives and other	2,548	314	6,730	707
Unrealized credit loss provision	(295)	(388)	(900)	(333)
Other income (expense), net	68	7	297	186
Income before taxes	<u>30,747</u>	<u>7,994</u>	<u>42,722</u>	<u>13,984</u>
Income tax benefit	20	461	321	480
<b>Net income</b>	<u>30,767</u>	<u>8,455</u>	<u>43,043</u>	<u>14,464</u>
Net loss attributable to noncontrolling interests in investment entities	(128)	—	(228)	—
Preferred stock dividends	(2,887)	(2,887)	(5,774)	(5,774)
<b>Net income attributable to common stockholders and OP Unitholders</b>	<u>\$ 27,752</u>	<u>\$ 5,568</u>	<u>\$ 37,041</u>	<u>\$ 8,690</u>

ARMADA HOFFLER PROPERTIES, INC.  
RECONCILIATION OF NET INCOME TO FFO & NORMALIZED FFO  
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)			
<b>Net income attributable to common stockholders and OP Unitholders</b>	\$ 27,752	\$ 5,568	\$ 37,041	\$ 8,690
Depreciation and amortization <sup>(1)</sup>	18,509	17,285	36,794	35,351
Gain on operating real estate dispositions, net <sup>(2)</sup>	(19,493)	—	(19,493)	(3,464)
Impairment of real estate assets	201	—	201	3,039
<b>FFO attributable to common stockholders and OP Unitholders</b>	<b>\$ 26,969</b>	<b>\$ 22,853</b>	<b>\$ 54,543</b>	<b>\$ 43,616</b>
Acquisition, development and other pursuit costs	26	32	37	103
Impairment of intangible assets and liabilities	85	83	132	83
Loss on extinguishment of debt	618	—	776	—
Unrealized credit loss provision	295	388	900	333
Amortization of right-of-use assets - finance leases	277	278	555	467
Change in fair value of derivatives not designated as cash flow hedges and other	(2,548)	(314)	(6,730)	(707)
Amortization of interest rate cap premiums on designated cash flow hedges	481	59	523	117
<b>Normalized FFO available to common stockholders and OP Unitholders</b>	<b>\$ 26,203</b>	<b>\$ 23,379</b>	<b>\$ 50,736</b>	<b>\$ 44,012</b>
<b>Net income attributable to common stockholders and OP Unitholders per diluted share and unit</b>	<b>\$ 0.31</b>	<b>\$ 0.07</b>	<b>\$ 0.42</b>	<b>\$ 0.11</b>
<b>FFO attributable to common stockholders and OP Unitholders per diluted share and unit</b>	<b>\$ 0.31</b>	<b>\$ 0.28</b>	<b>\$ 0.62</b>	<b>\$ 0.54</b>
<b>Normalized FFO attributable to common stockholders and OP Unitholders per diluted share and unit</b>	<b>\$ 0.30</b>	<b>\$ 0.29</b>	<b>\$ 0.58</b>	<b>\$ 0.54</b>
Weighted average common shares and units - diluted	88,331	81,262	88,042	80,771

(1) The adjustment for depreciation and amortization for the three and six months ended June 30, 2022 excludes \$0.3 million and \$0.5 million, respectively, of depreciation attributable to our joint venture partners.

(2) The adjustment for gain on operating real estate dispositions for the six months ended June 30, 2021 excludes the gain on sale of easement rights on a non-operating parcel.

ARMADA HOFFLER PROPERTIES, INC.  
RECONCILIATION OF NET INCOME TO SAME STORE NOI, CASH BASIS  
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Office Same Store<sup>(1)</sup></b>				
Same Store NOI, Cash Basis	\$ 6,552	\$ 6,395	\$ 13,163	\$ 12,844
GAAP Adjustments <sup>(2)</sup>	122	368	124	645
Same Store NOI	6,674	6,763	13,287	13,489
Non-Same Store NOI <sup>(3)</sup>	5,005	642	9,771	1,318
Segment NOI	11,679	7,405	23,058	14,807
<b>Retail Same Store<sup>(4)</sup></b>				
Same Store NOI, Cash Basis	13,897	12,931	26,250	24,106
GAAP Adjustments <sup>(2)</sup>	856	898	931	1,220
Same Store NOI	14,753	13,829	27,181	25,326
Non-Same Store NOI <sup>(3)</sup>	1,187	182	4,450	2,077
Segment NOI	15,940	14,011	31,631	27,403
<b>Multifamily Same Store<sup>(5)</sup></b>				
Same Store NOI, Cash Basis	6,665	5,927	13,146	11,463
GAAP Adjustments <sup>(2)</sup>	208	182	426	366
Same Store NOI	6,873	6,109	13,572	11,829
Non-Same Store NOI <sup>(3)</sup>	2,210	3,096	5,003	6,185
Segment NOI	9,083	9,205	18,575	18,014
<b>Total Property NOI</b>	<b>36,702</b>	<b>30,621</b>	<b>73,264</b>	<b>60,224</b>
General contracting & real estate services gross profit	1,855	277	2,684	1,565
Depreciation and amortization	(18,781)	(17,285)	(37,338)	(35,351)
General and administrative expenses	(3,617)	(3,487)	(8,325)	(7,508)
Acquisition, development and other pursuit costs	(26)	(32)	(37)	(103)
Impairment charges	(286)	(83)	(333)	(3,122)
Gain on real estate dispositions, net	19,493	—	19,493	3,717
Interest income	3,352	6,746	6,920	10,862
Loss on extinguishment of debt	(618)	—	(776)	—
Interest expense	(9,371)	(8,418)	(18,402)	(16,393)
Unrealized credit loss provision	(295)	(388)	(900)	(333)
Amortization of right-of-use assets - finance leases	(277)	(278)	(555)	(467)
Change in fair value of derivatives and other	2,548	314	6,730	707
Other income (expense), net	68	7	297	186
Income tax benefit	20	461	321	480
Net income	30,767	8,455	43,043	14,464
Net income attributable to noncontrolling interest in investment entities	(128)	—	(228)	—
Preferred stock dividends	(2,887)	(2,887)	(5,774)	(5,774)
<b>Net income attributable to AHH and OP unitholders</b>	<b>\$ 27,752</b>	<b>\$ 5,568</b>	<b>\$ 37,041</b>	<b>\$ 8,690</b>

(1) Office same-store portfolio excludes Exelon and Wills Wharf.

- (2) GAAP Adjustments include adjustments for straight-line rent, termination fees, deferred rent, recoveries of deferred rent, and amortization of lease incentives.
- (3) Includes expenses associated with the Company's in-house asset management division.
- (4) Retail same-store portfolio excludes Delray Beach Plaza, Greenbrier Square, Overlook Village, and Premier Retail as well as Oakland Marketplace, which was disposed in March 2021.
- (5) Multifamily same-store portfolio excludes Gainesville Apartments, 1305 Dock Street, Summit Place, Hoffler Place, and The Residences at Annapolis Junction.

**Contact:**

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Armada Hoffler Properties, Inc.  
Director of Corporate Communications and Investor Relations  
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Phone: (757) 612-4248

# 2Q22

## SUPPLEMENTAL FINANCIAL PACKAGE



# FORWARD-LOOKING STATEMENTS



*This Supplemental Financial Package should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated August 4, 2022, which has been furnished as Exhibit 99.1 to our Form 8-K filed on August 4, 2022. The Company makes statements in this Supplemental Financial Package that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and, as such, may involve known and unknown risks and 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 current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's Mezzanine program, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, as well as acquisitions, dispositions, and the Company's financial outlook, guidance, and expectations. 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, 2021 and the other documents filed by the Company with the Securities and Exchange Commission (the "SEC") from time to time. The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the SEC from time to time. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.*

**Armada Hoffler Properties, Inc. (NYSE: AHH)** is a vertically-integrated, self-managed real estate investment trust with four decades of experience developing, building, acquiring and managing high-quality 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 their stabilized portfolio. Founded in 1979 by Daniel A. Hoffler, Armada Hoffler has elected to be taxed as a REIT for U.S. federal income tax purposes. For more information visit [ArmadaHoffler.com](http://ArmadaHoffler.com).

## BOARD OF DIRECTORS

**Daniel A. Hoffler**, Executive Chairman of the Board  
**Louis S. Haddad**, Vice Chairman of the Board  
**James C. Cherry**, Lead Independent Director  
**George F. Allen**, Independent Director  
**James A. Carroll**, Independent Director  
**Dennis H. Gartman**, Independent Director  
**Eva S. Hardy**, Independent Director  
**A. Russell Kirk**, Director  
**John W. Snow**, Independent Director

## CORPORATE OFFICERS

**Louis S. Haddad**, President and Chief Executive Officer  
**Matthew T. Barnes-Smith**, Chief Financial Officer  
**Shawn J. Tibbetts**, Chief Operating Officer  
**Eric E. Apperson**, President of Construction  
**Shelly R. Hampton**, President of Asset Management

## ANALYST COVERAGE

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# HIGHLIGHTS

- Net income attributable to common stockholders and OP Unit holders of \$27.8 million, or \$0.31 per diluted share, compared to \$5.6 million, or \$0.07 per diluted share, for the three months ended June 30, 2021.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$27.0 million, or \$0.31 per diluted share, compared to \$22.9 million, or \$0.28 per diluted share, for the three months ended June 30, 2021. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$26.2 million, or \$0.30 per diluted share, compared to \$23.4 million, or \$0.29 per diluted share, for the three months ended June 30, 2021.
- Raised 2022 full-year Normalized FFO guidance to \$1.16 to \$1.20 per diluted share from the Company's previous guidance range of \$1.15 to \$1.19 per diluted share. This represents a 10% increase over 2021 results.
- Announced a third quarter cash dividend of \$0.19 per common share, a 12% increase over the prior quarter's dividend.
- Stabilized operating property portfolio occupancy increased to 97.3% as of June 30, 2022. Office occupancy was 97.9%, retail occupancy was 97.1%, and multifamily occupancy was 97.2%.
- Same Store net operating income ("NOI") increased 6.0% on a GAAP basis and 7.4% on a cash basis compared to the quarter ended June 30, 2021.
  - Multifamily same store NOI increased 12.5% on a GAAP and cash basis.
  - Commercial same store NOI increased 4.1% on a GAAP basis and 5.8% on a cash basis.
- Third-party construction backlog totaling \$541 million, highest in the Company's history.
- Positive releasing spreads during the second quarter of 13.1% on a GAAP basis and 3.0% on a cash basis for office and 9.9% on a GAAP basis and 3.5% on a cash basis for retail.
- Achieved an 8.1% increase in rental rates on apartment trade outs across the multifamily segment.
- Completed \$177 million of sales of noncore assets at a blended 4.1% exit cap rate.
  - The Residences at Annapolis Junction in Baltimore for \$150 million, 4.2% cash cap rate.
  - Two outparcels at North Pointe in Durham, North Carolina for \$24 million, 4.0% cash cap rate.
  - Two outparcels at Sandbridge Commons in Virginia Beach for \$3 million, 4.5% cash cap rate.
- Appointed Dennis H. Gartman, renowned investor, economist, and longtime publisher of "The Gartman Letter," as a member of our board of directors. He is the sixth independent member.
- Executed a new office lease with Franklin Templeton for 60,000 square feet at the Company's Wills Wharf office building in Baltimore's Harbor Point neighborhood. The investment management firm has agreed to lease the entire fifth floor and a portion of the fourth floor of Wills Wharf and will bring the building to 91% occupancy.

# 2022 OUTLOOK & ASSUMPTIONS

\$ IN MILLIONS

OUTLOOK <sup>(1)</sup>	LOW	HIGH
TOTAL NOI	\$144.8M	\$145.8M
CONSTRUCTION SEGMENT GROSS PROFIT	\$7.3M	\$8.3M
G&A EXPENSES	\$16.0M	\$16.5M
INTEREST INCOME	\$12.6M	\$13.0M
INTEREST EXPENSE <sup>(2)</sup>	\$32.9M	\$33.6M
NORMALIZED FFO PER DILUTED SHARE	\$1.16	\$1.20

(1) See appendix for Normalized FFO definitions. Ranges exclude certain items as per definition.

(2) Includes the interest expense on finance leases.

## GUIDANCE ASSUMPTIONS

- Interest expense, net of interest rate caps, based on the forward yield curve ending 2022 at 3.7%
- No capital markets activity for the remainder of the year
- Acquisition of \$25 to \$35 million of grocery-anchored retail assets
- The Interlock mezzanine loan paid off during the fourth quarter 2022

# SUMMARY INFORMATION

\$ IN THOUSANDS, EXCEPT PER SHARE



	Three Months Ended			
	6/30/2022	3/31/2022	12/31/2021	9/30/2021
<b>OPERATIONAL METRICS</b>				
Net Income Attributable to Common Stockholders and OP Unitholders	\$27,752	\$9,289	\$361	\$4,861
Net Income per Diluted Share Attributable to Common Stockholders and OP Unitholders	\$0.31	\$0.11	\$0.00	\$0.06
Normalized FFO Attributable to Common Stockholders and OP Unitholders	26,203	24,533	21,907	21,518
Normalized FFO per Diluted Share Attributable to Common Stockholders and OP Unitholders	\$0.30	\$0.28	\$0.27	\$0.26
Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA	5.5x	5.6x	5.4x	5.8x
Fixed charge coverage ratio	2.5x	2.6x	2.3x	2.3x
<b>CAPITALIZATION</b>				
Common Shares Outstanding	67,730	67,695	63,012	61,324
Operating Partnership Units Outstanding	20,621	20,622	20,633	20,853
Common Shares and Operating Partnership Units Outstanding	88,351	88,317	83,645	82,177
Market Price per Common Share <sup>(1)</sup>	\$12.84	\$14.60	\$15.22	\$13.37
Common Equity Capitalization	1,134,427	1,289,428	1,273,077	1,098,707
Preferred Equity Capitalization	171,085	171,085	171,085	171,085
Total Equity Capitalization	1,305,512	1,460,513	1,444,162	1,269,792
Total Debt <sup>(2)</sup>	1,165,108	1,179,296	957,387	1,017,410
Total Capitalization	\$2,470,620	\$2,639,809	\$2,401,549	\$2,287,202
<b>STABILIZED PORTFOLIO OCCUPANCY<sup>(3)</sup></b>				
Retail	97.1%	96.7%	96.0%	95.2%
Office	97.9%	97.3%	96.8%	96.9%
Multifamily	97.2% <sup>(4)</sup>	97.3% <sup>(4)</sup>	97.4%	97.4%
Weighted Average <sup>(5)</sup>	97.3%	97.1%	96.7%	96.4%
<b>STABILIZED PORTFOLIO</b>				
<b>Commercial</b>				
<i>Retail Portfolio</i>				
Net Operating Income	\$15,940	\$15,691	\$15,389	\$14,853
Number of Properties	37	37	37	38
Net Rentable Square Feet	3,798,868	4,067,360	4,067,355	4,064,391
<i>Office Portfolio</i>				
Net Operating Income	\$11,679	\$11,379	\$7,055	\$6,977
Number of Properties	8	8	7	7
Net Rentable Square Feet	1,792,350	1,792,054	1,301,319	1,301,169
<b>Multifamily</b>				
<i>Multifamily Portfolio</i>				
Net Operating Income	\$9,083	\$9,492	\$9,826	\$9,470
Number of Properties	10	12	11	12
Units	2,447	2,447	2,344	2,344
Beds	-	615	615	1,183

(1) As of market close on last day of period.

(2) Excludes GAAP adjustments.

(3) See appendix for definitions.

(4) See appendix for 2022 multifamily occupancy calculation.

(5) Total occupancy weighted by annualized base rent.

# SUMMARY INCOME STATEMENT

\$ IN THOUSANDS, EXCEPT PER SHARE



	Three Months Ended		Six Months Ended	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Revenues				
Rental Revenues	\$55,224	\$47,378	\$109,859	\$93,119
General Contracting Revenues	45,273	18,408	69,923	53,971
Total Revenues	100,497	65,786	179,782	147,090
Expenses				
Rental Expenses	12,685	11,292	25,354	22,124
Real Estate Taxes	5,837	5,465	11,241	10,771
General Contracting Expenses	43,418	18,131	67,239	52,406
Depreciation and Amortization	18,781	17,285	37,338	35,351
Amortization of Right-of-Use Assets - Finance Leases	277	278	555	467
General & Administrative Expenses	3,617	3,487	8,325	7,508
Acquisition, Development & Pursuit Costs	26	32	37	103
Impairment Charges	286	83	333	3,122
Total Expenses	84,927	56,053	150,422	131,852
Gain on Real Estate Dispositions	19,493	-	19,493	3,717
Operating Income	35,063	9,733	48,853	18,955
Interest Income	3,352	6,746	6,920	10,862
Interest Expense	(9,371)	(8,418)	(18,402)	(16,393)
Loss on Extinguishment of Debt	(618)	-	(776)	-
Change in Fair Value of Derivatives and Other	2,548	314	6,730	707
Provision for Unrealized Credit Losses	(295)	(388)	(900)	(333)
Other Income	68	7	297	186
Income Before Taxes	30,747	7,994	42,722	13,984
Income Tax Provision	20	461	321	480
Net Income	\$30,767	\$8,455	\$43,043	\$14,464
Net Loss Attributable to Noncontrolling Interest in Investment Entities	(128)	-	(228)	-
Preferred Stock Dividends	(2,887)	(2,887)	(5,774)	(5,774)
Net Income Attributable to AHH and OP Unitholders	\$27,752	\$5,568	\$37,041	\$8,690
Net Income per Diluted Share and Unit Attributable to AHH and OP Unitholders	\$0.31	\$0.07	\$0.42	\$0.11
Weighted Average Shares & OP Units - Diluted	88,331	81,262	88,042	80,771

# SUMMARY BALANCE SHEET

\$ IN THOUSANDS



	As Of	
	6/30/2022 (Unaudited)	12/31/2021
<b>Assets</b>		
Real estate investments:		
Income producing property	\$1,791,302	\$1,658,609
Held for development	6,294	6,294
Construction in progress	71,676	72,535
Accumulated depreciation	(303,032)	(285,814)
Net real estate investments	1,566,240	1,451,624
Real estate investments held for sale	115,680	80,751
Cash and cash equivalents	69,731	35,247
Restricted cash	6,681	5,196
Accounts receivable, net	32,250	29,576
Notes Receivable	139,383	126,429
Construction Receivables, Including Retentions	29,107	17,865
Costs in Excess of Earnings	493	243
Equity method investments	53,260	12,685
Operating lease right-of-use assets	23,387	23,493
Finance lease right-of-use assets	46,433	46,989
Acquired Intangibles	107,147	62,038
Other assets	75,743	45,927
<b>Total Assets</b>	<b>\$2,265,535</b>	<b>\$1,938,063</b>
<b>Liabilities and Equity</b>		
Indebtedness, net	\$1,080,664	\$917,556
Liabilities related to assets held for sale	84,049	41,364
Accounts payable and accrued liabilities	22,886	29,589
Construction Payables	47,429	31,166
Billings in Excess	15,075	4,881
Operating lease liabilities	31,645	31,648
Finance lease liabilities	46,325	46,160
Other liabilities	51,126	55,876
<b>Total Liabilities</b>	<b>1,379,199</b>	<b>1,158,240</b>
<b>Total Equity</b>	<b>886,336</b>	<b>779,823</b>
<b>Total Liabilities and Equity</b>	<b>\$2,265,535</b>	<b>\$1,938,063</b>

# FFO, NORMALIZED FFO & AFFO<sup>(1)</sup>

\$ IN THOUSANDS, EXCEPT PER SHARE



	Three Months Ended (Unaudited)				Six Months Ended (Unaudited)	
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2022	6/30/2021
<b>Funds From Operations</b>						
Net Income Attributable to AHH and OP Unitholders	\$27,752	\$9,289	\$361	\$4,861	\$37,041	\$8,690
Net Income per Diluted Share	\$0.31	\$0.11	\$0.00	\$0.06	\$0.42	\$0.11
Depreciation and Amortization <sup>(2)</sup>	18,509	18,285	16,616	16,886	36,794	35,351
Gain (Loss) on Dispositions of Operating Real Estate <sup>(3)</sup>	(19,493)	-	(15,442)	113	(19,493)	(3,464)
Impairment of Real Estate Assets	201	-	18,339 <sup>(4)</sup>	-	201	3,039 <sup>(8)</sup>
FFO	\$26,969	\$27,574	\$19,874	\$21,860	\$54,543	\$43,616
FFO per Diluted Share	\$0.31	\$0.31	\$0.24	\$0.27	\$0.62	\$0.54
<b>Normalized FFO</b>						
Acquisition, Development & Other Pursuit Costs	26	11	1	8	37	103
Loss on Extinguishment of Debt	618	158	3,690	120	776	-
Non-Cash GAAP Adjustments	657	930	(314)	(339)	1,587	883
Change in Fair Value of Derivatives and Other	(2,548)	(4,182)	(1,344)	(131)	(6,730)	(707)
Amortization of Interest Rate Cap Premium on Designated Cash Flow Hedges	481	42	59	59	523	117
Normalized FFO	26,203	24,533	\$21,966	\$21,577	\$50,736	\$44,012
Normalized FFO per Diluted Share	\$0.30	\$0.28	\$0.27	\$0.26	\$0.58	\$0.54
<b>Adjusted FFO</b>						
Non-Cash Stock Compensation	506	1,609	400	390	2,115	1,440
Acquisition, Development & Other Pursuit Costs	(26)	(11)	(1)	(8)	(37)	(103)
Tenant Improvements, Leasing Commissions, Lease Incentives <sup>(6)</sup>	(1,242)	(2,873)	(1,212)	(1,837)	(4,115)	(2,801)
Property-Related Capital Expenditures	(2,296)	(3,735)	(3,145)	(3,457)	(6,031)	(3,278)
Adjustment for Mezz Loan Modification and Exit Fees	(209)	(493)	(493)	(493)	(702)	(986)
Non-Cash Interest Expense <sup>(7)</sup>	1,395	1,509	1,272	1,419	2,904	2,203
Cash Ground Rent Payment - Finance Lease	(635)	(635)	(624)	(624)	(1,270)	(1,039)
GAAP Adjustments	(1,622)	(1,490)	(666)	(645)	(3,112)	(2,993)
AFFO	\$22,074	\$18,414	\$17,497	\$16,322	\$40,488	\$36,455
AFFO per Diluted Share	\$0.25	\$0.21	\$0.21	\$0.20	\$0.46	\$0.45
Weighted Average Common Shares Outstanding	67,710	67,128	61,646	61,083	67,420	59,918
Weighted Average Operating Partnership Units Outstanding	20,621	20,621	20,634	20,853	20,621	20,853
Total Weighted Average Common Shares and OP Units Outstanding	88,331	87,749	82,280	81,936	88,041	80,771

(1) See definitions in appendix.

(2) Adjusted for the depreciation attributable to noncontrolling interests in consolidated investments.

(3) Excludes gain/loss on non-operating parcels.

(4) Related to Hoffer Place and Summit Place.

(5) Excludes gain on the sale of easement rights a non-operating parcel of \$0.3M.

(6) Excludes development, redevelopment, and first-generation space.

(7) Includes non-cash interest expense relating to indebtedness and interest expense on finance leases.

(8) Related to Socastee Commons.

# NET ASSET VALUE COMPONENT DATA

\$ IN THOUSANDS



Stabilized Portfolio NOI (Cash)				Liabilities <sup>(4)</sup>		
	Three months ended 6/30/2022			Total	As of 6/30/2022	
	Office <sup>(1)</sup>	Retail	Multifamily			
<b>Stable Portfolio</b>						
Portfolio NOI <sup>(2)</sup>	\$11,237	\$15,330	\$9,084	\$35,651	Mortgages and Notes Payable <sup>(5)</sup>	\$1,165,108
Non-Stabilized Properties NOI	(618)	-	(239)	(856)	Accounts Payable and Accrued Liabilities	22,886
Signed Leases Not Yet Occupied or In Free Rent Period	260	526	7	793	Construction Payables, Including Retentions	47,429
Stable Portfolio NOI	\$10,879	\$15,856	\$8,852	\$35,588	Other Liabilities <sup>(5)</sup>	64,162
<b>Intra-Quarter Transactions</b>					<b>Total Liabilities</b>	<b>\$1,299,585</b>
Net Acquisitions	-	-	-	-	<b>Preferred Equity</b>	
Net Dispositions	-	(224)	(77)	(301)	Liquidation Value	
Annualized	\$43,517	\$62,529	\$35,101	\$141,146	Series A Cumulative Redeemable Perpetual Preferred Stock	\$171,065
<b>Non-Stabilized Portfolio</b>				<b>As of 6/30/2022</b>	<b>Common Equity</b>	
Projects Under Development				\$68,000	Total Common Shares Outstanding	67,730
Properties in Lease Up				164,000	Total OP Units Outstanding	20,621
Development Opportunities				17,000	Total Common Shares & OP Units Outstanding	88,351
Unconsolidated JV Development				53,000		
Total Non-Stabilized Portfolio				\$302,000		
<b>Third-Party General Contracting and Real Estate Services</b>				<b>Trailing 12 Months</b>		
General Contracting Gross Profit				\$4,955		
<b>Non-Property Assets<sup>(4)</sup></b>				<b>As of 6/30/2022</b>		
Cash and Restricted Cash				\$76,412		
Accounts Receivable				32,250		
Notes Receivable and Other Notes Receivable <sup>(5)</sup>				25,716		
Preferred Equity / Mezzanine Investments <sup>(5)</sup>				113,773		
Construction Receivables, Including Retentions <sup>(5)</sup>				29,291		
Acquired Lease Intangible Assets, Net				107,147		
Other Assets				76,236		
Total Non-Property Assets				\$460,825		

(1) Excludes expenses associated with the Company's in-house asset management division of \$0.7M for the 3 months ended 6/30/2022.

(2) Includes 100% of joint ventures.

(3) Includes leases for spaces occupied by Armada Hoffer which are eliminated for GAAP purposes.

(4) Excludes lease right of use assets and lease liabilities.

(5) Excludes GAAP adjustments.

# STABILIZED PORTFOLIO SUMMARY

AS OF JUNE 30, 2022  
SEE APPENDIX FOR FULL LIST OF PROPERTIES



## COMMERCIAL PORTFOLIO

Retail Properties - Stabilized	# of Properties	Net Rentable SF	Average Age	Occupied SF	Occupancy <sup>(1)</sup>	ABR <sup>(1)</sup>	ABR per Occupied SF
Town Center of Virginia Beach	9	494,132	16	480,134	97.2%	\$11,551,435	\$24.06
Grocery Anchored	15	1,407,797	12	1,378,584	97.9%	22,681,938	\$16.45
Regional Centers	13	1,896,939	17	1,828,271	96.4%	33,923,092	\$18.55
<b>Total Retail Portfolio</b>	<b>37</b>	<b>3,798,868</b>	<b>15</b>	<b>3,686,989</b>	<b>97.1%</b>	<b>\$68,156,465</b>	<b>\$18.49</b>

Office Properties - Stabilized	# of Properties	Net Rentable SF	Average Age	Occupied SF	Occupancy <sup>(1)</sup>	ABR <sup>(1)</sup>	ABR per Occupied SF
Town Center of Virginia Beach	4	788,529	20	780,174	98.9%	\$22,421,901	\$28.74
Harbor Point - Baltimore Waterfront	2	754,161	9	740,619	98.2%	22,431,947	\$30.29
Other	2	249,660	3	233,501	93.5%	6,319,609	\$27.06
<b>Stabilized Office Total</b>	<b>8</b>	<b>1,792,350</b>	<b>13</b>	<b>1,754,294</b>	<b>97.9%</b>	<b>\$51,173,457</b>	<b>\$29.17</b>

## MULTIFAMILY PORTFOLIO

Multifamily Properties - Stabilized	# of Properties	Units	Average Age	Occupied Units	Occupancy <sup>(1)</sup>	AQR <sup>(1)</sup>	Monthly AQR per Occupied Unit
Town Center of Virginia Beach	3	759	9	731	96.3%	\$16,421,297	\$1,873
Harbor Point - Baltimore Waterfront	2	392	5	380	97.0%	11,168,943	2,447
Other	5	1,296	8	1,267	97.7%	27,043,282	1,779
<b>Stabilized Multifamily Total</b>	<b>10</b>	<b>2,447</b>	<b>8</b>	<b>2,378</b>	<b>97.2%</b>	<b>\$54,633,522</b>	<b>\$1,915</b>

(1) See appendix for definitions and portfolio detail.



# SAME STORE NOI BY SEGMENT

\$ IN THOUSANDS (RECONCILIATION TO GAAP LOCATED IN APPENDIX)



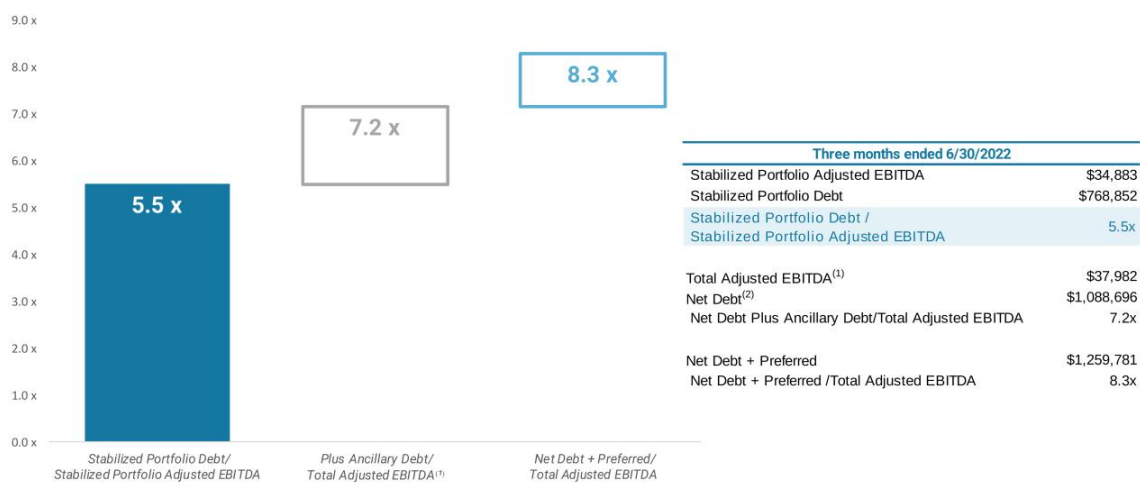
	Three Months Ended				Six Months Ended			
	6/30/2022	6/30/2021	\$ Change	% Change	6/30/2022	6/30/2021	\$ Change	% Change
<b>Office</b>								
Revenue	\$10,371	\$10,290	\$81	0.8%	\$20,546	\$20,500	\$46	0.2%
Rental Expenses <sup>(1)</sup>	2,382	2,233	149	6.7%	4,630	4,423	207	4.7%
Real Estate Taxes	1,315	1,294	21	1.6%	2,629	2,588	41	1.6%
Net Operating Income	\$6,674	\$6,763	(\$89)	-1.3%	\$13,287	\$13,489	(\$202)	-1.5%
GAAP Adjustments	(122)	(368)	246		(124)	(645)	521	
Net Operating Income, Cash	\$6,552	\$6,395	\$157	2.5%	\$13,163	\$12,844	\$319	2.5%
<b>Retail</b>								
Revenue	\$19,736	\$18,686	\$1,050	5.6%	\$36,422	\$34,063	\$2,359	6.9%
Rental Expenses <sup>(1)</sup>	2,867	2,713	154	5.7%	5,340	4,820	520	10.8%
Real Estate Taxes	2,116	2,144	(28)	-1.3%	3,901	3,917	(16)	-0.4%
Net Operating Income	\$14,753	\$13,829	\$924	6.7%	\$27,181	\$25,326	\$1,855	7.3%
GAAP Adjustments	(856)	(898)	42		(931)	(1,220)	289	
Net Operating Income, Cash	\$13,897	\$12,931	\$966	7.5%	\$26,250	\$24,106	\$2,144	8.9%
<b>Multifamily</b>								
Revenue	\$10,958	\$10,131	\$827	8.2%	\$21,679	\$19,775	\$1,904	9.6%
Rental Expenses <sup>(1)</sup>	3,110	3,060	50	1.6%	6,127	6,015	112	1.9%
Real Estate Taxes	975	962	13	1.4%	1,980	1,931	49	2.5%
Net Operating Income	\$6,873	\$6,109	\$764	12.5%	\$13,572	\$11,829	\$1,743	14.7%
GAAP Adjustments	(208)	(182)	(26)		(426)	(366)	(60)	
Net Operating Income, Cash	\$6,665	\$5,927	\$738	12.5%	\$13,146	\$11,463	\$1,683	14.7%
Same Store NOI	\$28,300	\$26,701	\$1,599	6.0%	\$54,040	\$50,644	\$3,396	6.7%
GAAP Adjustments	(1,186)	(1,448)	262		(1,481)	(2,231)	750	
Same Store Portfolio NOI, Cash Basis	\$27,114	\$25,253	\$1,861	7.4%	\$52,559	\$48,413	\$4,146	8.6%

(1) Excludes expenses associated with the Company's in-house asset management division of \$0.7M and \$0.7M for the 3 months ended 6/30/2022 & 6/30/2021, respectively.

# DEBT TO ADJUSTED EBITDA

\$ IN THE THOUSANDS

SEE APPENDIX FOR DEFINITIONS, CALCULATIONS, AND RECONCILIATIONS



(1) Includes income and debt related to development, mezzanine, construction, and other ancillary activities outside of our stabilized portfolio.  
 (2) Total notes payable less GAAP adjustments, cash, restricted cash, and other notes payable.

# DEBT MANAGEMENT<sup>(1)</sup>

\$ IN THOUSANDS



Total Debt Composition <sup>(2)</sup>			
	% of Debt	Weighted Average	
		Interest Rate	Maturity
Variable vs. Fixed-rate Debt			
Variable-Rate Debt <sup>(3)</sup>	55.5%	2.7%	3.5 Yrs
Fixed-Rate Debt <sup>(4)(5)</sup>	44.5%	3.4%	6.9 Yrs
Secured vs. Unsecured Debt			
Unsecured Debt	24.6%	2.8%	2.3 Yrs
Secured Debt	75.4%	3.1%	5.8 Yrs
<b>Total</b>		<b>3.0%</b>	<b>5.0 Yrs</b>

Interest Rate Cap Agreements At or Below 3.00%			
Effective Date	Maturity Date	Strike Rate	Notional Amount
February 2021	February 2023	LIBOR 0.50%	\$100,000
March 2021	April 2023	LIBOR 2.50%	14,479
November 2020	November 2023	SOFR 1.84%	84,375
July 2022 <sup>(6)</sup>	January 2024	SOFR 1.00%-3.00% <sup>(7)</sup>	85,100
April 2022	February 2024	BSBY 1.00%-3.00% <sup>(7)</sup>	175,000
July 2022 <sup>(6)</sup>	March 2024	SOFR 1.00%-3.00% <sup>(7)</sup>	200,000
Total Interest Rate Caps			\$658,954
Fixed-Rate Debt <sup>(4)(5)</sup>			\$518,222
Fixed-Rate and Hedged Debt			\$1,177,176
Total Debt <sup>(5)</sup>			\$1,165,108
% Fixed or Hedged			100%

(1) Includes debt on held for sale properties.

(2) Includes impact of non-designated interest rate caps.

(3) Excludes debt subject to interest rate swap locks.

(4) Includes debt subject to interest rate swap locks.

(5) Excludes GAAP adjustments.

(6) Part of Management's blend and extend transaction executed subsequent to quarter end.

(7) Represents a hedging corridor.

# OUTSTANDING DEBT

\$ IN THOUSANDS



Debt	Stated Rate	Effective Rate of as of 6/30/2022 <sup>(1)</sup>	Maturity Date	Debt Maturities & Principal Payments						Outstanding as of 6/30/2022	
				2022	2023	2024	2025	2026	Thereafter		
<b>Secured Notes Payable - Stabilized Debt</b>											
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	\$9,492							\$9,492
1405 Point	L+2.25%	4.04%	Jan-2023	382	51,532						51,914
249 Central Park Retail	L+1.60%	3.95% <sup>(2)</sup>	Aug-2023	134	16,092						16,226
Fountain Plaza Retail	L+1.60%	3.85% <sup>(2)</sup>	Aug-2023	81	9,684						9,765
South Retail	L+1.60%	3.85% <sup>(2)</sup>	Aug-2023	59	7,065						7,124
One City Center	L+1.85%	3.64%	Apr-2024	335	691	22,734					23,760
Red Mill Central	4.80%	4.80%	Jun-2024	87	175	1,838					2,100
Premier Apartments	L+1.55%	3.34%	Oct-2024	111	234	16,054					16,399
Premier Retail	L+1.55%	3.34%	Oct-2024	55	115	7,907					8,077
Red Mill South	3.57%	3.57%	May-2025	165	338	351	4,502				5,356
Brooks Crossing Office	L+1.60%	3.39%	Jul-2025	132	273	281	13,945				14,631
Market at Mill Creek	L+1.55%	3.34%	Jul-2025	324	647	647	11,200				12,818
Encore Apartments	2.93%	2.93%	Feb-2026	271	556	573	590	22,263			24,253
4525 Main Street	2.93%	2.93%	Feb-2026	348	714	735	757	28,579			31,133
Thames Street Wharf	BSBY+1.30%	2.35% <sup>(2)</sup>	Sep-2026	717	1,433	1,972	3,050	62,872			70,044
Exelon Building	BSBY+1.50%	1.00% <sup>(3)(4)</sup>	Nov-2026	-	-	-	-	175,000			175,000
Southgate Square	L+1.90%	3.69% <sup>(3)</sup>	Dec-2026	201	415	428	447	25,165			26,656
Nexxon Square	SOFPR+1.95%	3.45% <sup>(3)</sup>	Jun-2027	286	589	607	631	653	19,734		22,500
Greenbrier Square	3.74%	3.74%	Oct-2027	60	371	385	399	415	18,370		20,000
Lexington Square	4.50%	4.50%	Sep-2028	142	293	306	320	335	12,638		14,034
Red Mill North	4.73%	4.73%	Dec-2028	56	116	121	127	133	9,582		11,135
Greenside Apartments	3.17%	3.17%	Dec-2029	369	759	780	808	834	28,682		32,332
The Residences at Annapolis Junction <sup>(5)</sup>	SOFPR+2.66%	4.16% <sup>(4)</sup>	Nov-2030	-	147	1,753	1,809	1,860	78,806		84,375
Smith's Landing	4.05%	4.05%	Jun-2035	462	956	994	1,037	1,081	11,467		15,997
Liberty Apartments	5.66%	5.66%	Nov-2043	163	341	361	382	404	11,763		13,414
Edison Apartments	5.30%	5.30%	Dec-2044	184	384	405	427	450	13,897		15,747
The Cosmopolitan	3.35%	3.35%	Jul-2051	427	876	906	937	968	37,556		41,670
<b>Total - Secured Stabilized Debt</b>				<b>15,043</b>	<b>94,796</b>	<b>60,138</b>	<b>41,368</b>	<b>321,012</b>	<b>236,495</b>		<b>768,852</b>
<b>Secured Notes Payable - Development Pipeline</b>											
Wills Wharf	L+2.25%	4.04%	Jun-2023	-	64,288						64,288
Chronicle Mill	L+3.00%	4.79% <sup>(3)</sup>	May-2024	-	-	14,640					14,640
Gainesville Apartments	L+3.00%	4.79% <sup>(3)</sup>	Aug-2024	-	-	30,328					30,328
<b>Total - Development Pipeline</b>					<b>64,288</b>	<b>44,968</b>					<b>109,256</b>
<b>Total Secured Notes Payable</b>				<b>15,043</b>	<b>159,084</b>	<b>105,106</b>	<b>41,368</b>	<b>321,012</b>	<b>236,495</b>		<b>878,108</b>
<b>Unsecured Stabilized Debt</b>											
Senior Unsecured Line of Credit	L+1.30%-1.85%	3.29%	Jan-2024	-	-	82,000					82,000
Senior Unsecured Term Loan	L+1.25%-1.80%	3.24%	Jan-2025	-	-	-	19,500				19,500
Senior Unsecured Term Loan	L+1.25%-1.80%	1.95%-4.47% <sup>(2)</sup>	Jan-2025	-	-	-	185,500				185,500
<b>Total - Unsecured Stabilized Debt</b>						<b>82,000</b>	<b>205,000</b>				<b>287,000</b>
<b>Total Notes Payable Excluding GAAP Adjustments</b>				<b>\$15,043</b>	<b>\$159,084</b>	<b>\$187,106</b>	<b>\$246,368</b>	<b>\$321,012</b>	<b>\$236,495</b>		<b>\$1,165,108</b>
Other Notes Payable											9,204
GAAP Adjustments											(9,599)
Notes Payable Relating to Held for Sale Properties											(84,049)
<b>Total Notes Payable</b>											<b>\$1,080,664</b>

- (1) Excludes non-designated interest rate caps.
- (2) Includes debt subject to interest rate swap locks.
- (3) Subject to a rate floor.
- (4) Includes debt subject to designated interest rate caps.
- (5) Held for sale as of 6/30/22. Disposed subsequent to quarter end.

# CAPITALIZATION & FINANCIAL RATIOS

\$ IN THOUSANDS AS OF JUNE 30, 2022



Debt	% of Total	Principal Balance
Unsecured Credit Facility	7%	\$82,000
Unsecured Term Loans	18%	205,000
Mortgages Payable	75%	878,108
<b>Total Debt</b>		<b>\$1,165,108</b>

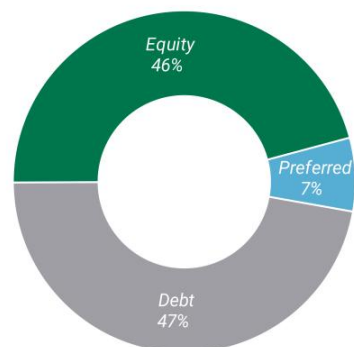
Preferred Equity	Shares	Liquidation Value Per Share	Total Liquidation Value
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock (NYSE: AHHPrA)	6,843	\$25.00	\$171,085

Common Equity	% of Total	Shares/Units	Stock Price <sup>(1)</sup>	Market Value
Common Stock (NYSE: AHH)	77%	67,730	\$12.84	\$869,653
Operating Partnership Units	23%	20,621	\$12.84	264,774
<b>Equity Market Capitalization</b>		<b>88,351</b>		<b>\$1,134,427</b>

<b>Total Capitalization</b>				<b>\$2,470,620</b>
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Financial Ratios	
Debt Service Coverage Ratio <sup>(2)</sup>	3.1x
Fixed Charge Coverage Ratio <sup>(3)</sup>	2.5x
Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA	5.5x
Stabilized Portfolio Debt Plus Ancillary Debt / Total Adjusted EBITDA	7.2x
Net Debt + Preferred / Total Adjusted EBITDA	8.3x
Debt/Total Capitalization	47%

Liquidity <sup>(4)</sup>	
Cash on hand	\$69,731
Availability Under Credit Facility	68,000
<b>Total Liquidity</b>	<b>\$137,731</b>



Unencumbered Properties	
% of Total Properties	58%
% of Annualized Base Rent	35%

(1) As of close of market 6/30/22.

(2) Reflects quarterly Total Adjusted EBITDA divided by total quarterly interest expense and required principal repayment.

(3) Reflects quarterly Total Adjusted EBITDA divided by total quarterly interest expense, required principal repayment, and preferred equity dividends.

(4) Excludes availability under construction loans.

# ACTIVE DEVELOPMENT PROJECTS

\$ IN THOUSANDS

Projects	Property Type	Estimated Size <sup>(1)</sup>	% Leased or LOI	Schedule <sup>(2)</sup>			Estimated Cost <sup>(3)</sup>	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants
				Construction Start	Initial Occupancy	Stabilized Operation <sup>(3)</sup>					
Chronicle Mill Belmont, NC	Multifamily	244 units / 14,700 sf	-	1Q21	3Q22	4Q23	\$56,500	\$35,100	\$44,000	85%	
Southern Post Roswell, GA	Mixed-use	137 units / 137,000 sf	-	4Q21	4Q23	4Q24	118,000	TBD	24,000	100%	
Total Projects Under Development							\$174,500	\$35,100	\$68,000		

## Unconsolidated JV Developments

Projects	Property Type	Estimated Size <sup>(1)</sup>	% Leased or LOI	Construction Start	Initial Occupancy	Stabilized Operation <sup>(2)</sup>	Estimated Cost <sup>(3)</sup>	Equity Requirement	Cost to Date	AHH Ownership %	Anchor Tenants
T. Rowe Price Global HQ Baltimore, MD	Office	535,900 sf office / 40,500 sf retail / 250 parking spaces	93%	2Q22	1Q24	2Q24	\$258,000	\$39,000	\$34,000	50%	T. Rowe Price
Parcel 4 Mixed-Use Baltimore, MD	Mixed-Use/Garage	312 units / 13,000 sf retail / 1,250 parking spaces	-	2Q22	3Q24	2Q26	223,000	100,000	19,000	90%	
Total Unconsolidated JV Development							\$481,000	\$139,000	\$53,000		

	Q2 2022	Year to Date
Capitalized Interest	\$738	\$1,093
Capitalized Overhead	\$749	\$1,326



T. Rowe Price/ Parcel 4  
Baltimore, MD



Chronicle Mill  
Belmont, NC

(1) Represents estimates that may change as the development and redevelopment process proceeds.  
 (2) First fully-stabilized quarter. See same store definition in appendix.  
 (3) Majority interest in joint venture with preferred return.

# PROPERTIES IN LEASE UP

\$ IN THOUSANDS

Projects	Property Type	Estimated Size <sup>(1)</sup>	% Leased or LOI	Schedule <sup>(1)</sup>			Estimated Cost <sup>(1)</sup>	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants	
				Construction Start	Initial Occupancy	Stabilized Operation <sup>(2)</sup>						
Wills Wharf Baltimore, MD	Office	328,000 SF	91%	3Q18	2Q20	2Q23	\$120,000	\$76,000	\$114,000	100%	Canopy by Hilton, Transamerica, RBC, Morgan Stanley, Franklin Templeton	
Gainesville Apartments Gainesville, GA	Multifamily	223 units	98%	3Q20	1Q22	3Q22	52,000	31,000	50,000	95%	<sup>(3)</sup>	
Total Properties in Lease Up							\$172,000	\$107,000	\$164,000			



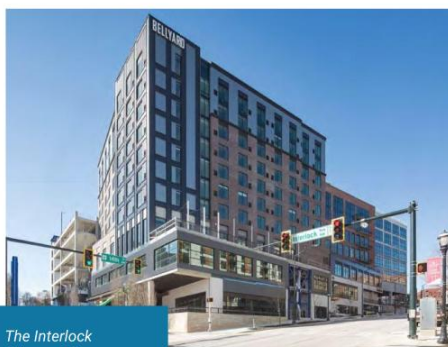
Gainesville Apts  
Gainesville, GA

(1) Represents estimates that may change as the development and stabilization process proceeds.  
 (2) First fully-stabilized quarter. See same store definition in appendix.  
 (3) Majority interest in joint venture with preferred return.

# PREFERRED INVESTMENTS/MEZZANINE

\$ IN THOUSANDS AS OF JUNE 30, 2022

	Property Type	Estimated Size <sup>(1)</sup>	% Leased or LOI	Initial Occupancy <sup>(1)</sup>	Loan Maturity	Interest Rate	Loan Balance	QTD Interest Income <sup>(2)</sup>
<b>Outstanding Investments</b>								
The Interlock Atlanta, GA	Mixed-use	300,000 sf	90%	1Q21	4Q24	15%	\$80,712	\$2,361
Solis Nexton <sup>(3)</sup> Summerville, SC	Multifamily	320 units	NA	4Q22	4Q26	11%	24,853	672
Solis City Park <sup>(3)</sup> Charlotte, NC	Multifamily	250 units	NA	3Q23	1Q28	13%	8,208	206
<b>Total</b>							<b>\$113,773</b>	<b>\$3,239</b>



The Interlock  
Atlanta, GA

(1) Represents estimates that may change as the development process proceeds.  
 (2) Includes amortization of fees.  
 (3) Preferred equity with economic terms and accounting consistent with a loan receivable.



# THIRD-PARTY CONSTRUCTION

\$ IN THOUSANDS

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 4 Quarters
Revenue	\$45,273	\$24,650	\$20,463	\$17,502	\$107,888
Expense	(43,418)	(23,821)	(19,750)	(15,944)	(102,933)
Gross Profit	\$1,855	\$829	\$713	\$1,558	\$4,955
Operating Margin	4.1%	3.4%	3.5%	8.9%	4.6%

## Third-Party Backlog as of Q2 2022

Beginning Backlog	\$419,439
New Contracts	167,143
QTD Work Performed	(45,368)
Ending Backlog	\$541,214



Adams Hill  
Greenville, SC

# ACQUISITIONS & DISPOSITIONS

\$ IN THOUSANDS



ACQUISITIONS						
Properties	Location	Square Feet/Units	Purchase Price	Cash Cap Rate	Purchase Date	Anchor Tenants
<b>2022</b>		482,000 / 103 units	\$273,000	6.1%		
Exelon Building	Baltimore, MD	482,000 / 103 units	273,000 <sup>(1)</sup>	6.1%	1Q22	Exelon Generation / Constellation
<b>2021</b>		412,075	\$64,850	6.9%		
Greenbrier Square	Chesapeake, VA	260,710	36,500	6.3%	3Q21	Kroger, Homegoods, Dick's Sporting Goods
Overlook Village	Asheville, NC	151,365	28,350	7.7%	3Q21	T.J. Maxx Homegoods, Ross
<b>2020</b>		174 units	\$25,700	6.8%		
Edison Apartments	Richmond, VA	174 units	25,700	6.8%	4Q20	
Total/Weighted Average		894,075 / 277 units	\$363,550	6.3%		

DISPOSITIONS						
Properties	Location	Square Feet/Units/Beds	Sale Price	Cash Cap Rate	Disposition Date	Anchor Tenants
<b>2022</b>		275,896 / 1,031 units/beds	\$258,261	4.3%		
Sandbridge Outparcels <sup>(3)</sup>	Virginia Beach, VA	7,233	3,455	4.5%	3Q22	Autozone, Valvoline
Annapolis Junction <sup>(2)</sup>	Annapolis Junction, MD	416 units	150,000	4.2%	3Q22	
North Pointe Outparcels	Durham, NC	268,663	23,931	4.0%	2Q22	Costco, Home Depot
Summit Place	Charleston, SC	357 beds	37,800	4.8%	2Q22	
Hoffler Place	Charleston, SC	258 beds	43,075	4.1%	2Q22	
<b>2021</b>		128,105 / 568 beds	\$90,265	5.2%		
Johns Hopkins Village	Baltimore, MD	568 beds	75,000	5.6%	4Q21	
Courthouse 7-Eleven	Virginia Beach, VA	3,177	3,065	4.5%	4Q21	7-Eleven
Socastee Commons	Myrtle Beach, SC	57,273	3,800	NA <sup>(2)</sup>	3Q21	
Oakland Marketplace	Oakland, TN	64,538	5,500	7.8%	1Q21	Kroger
Hanbury 7-Eleven	Chesapeake, VA	3,117	2,900	5.5%	1Q21	7-Eleven
<b>2020</b>		645,600	\$97,300	7.7%		
Hanbury Walgreens	Chesapeake, VA	14,820	7,300	6.1%	3Q20	Walgreens
Retail Portfolio (7 properties)	Mid-Atlantic	630,780	90,000	7.8%	2Q20	Harris Teeter, Food Lion, Weis Markets, Office Max
Total/Weighted Average		1,049,601 / 1,599 units/beds	\$445,826	5.2%		

(1) Represents 100% of property value of which company owns 90% economic interest.

(2) Anchor tenant vacant at time of sale.

(3) Closed subsequent to quarter end.

# TOP 20 TENANTS BY ABR<sup>(1)</sup>

\$ IN THOUSANDS AS OF JUNE 30, 2022



Commercial Portfolio <sup>(1)</sup>				
Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Total Annualized Base Rent
Exelon (Constellation)	1	2036	\$14,149	8.1%
Morgan Stanley <sup>(2)</sup>	1	2027	5,817	3.3%
Harris Teeter/Kroger	6	2023 - 2035	3,740	2.1%
Clark Nexsen	1	2029	2,746	1.6%
WeWork	1	2034	2,122	1.2%
Lowe's Foods	2	2037 ; 2039	1,976	1.1%
Duke University	1	2029	1,659	1.0%
Huntington Ingalls Industries	1	2029	1,575	0.9%
Dick's Sporting Goods	1	2032	1,553	0.9%
PetSmart	5	2025 - 2027	1,527	0.9%
TJ Maxx/Homegoods	5	2023 - 2027	1,504	0.9%
Mythics	1	2030	1,260	0.7%
Williams-Sonoma, Inc.	4	2026 - 2031	1,195	0.7%
Johns Hopkins Medicine	1	2023	1,180	0.7%
Amazon/Whole Foods	1	2040	1,144	0.7%
Ross Dress for Less	3	2025 - 2027	1,122	0.6%
Apex Entertainment	1	2035	1,092	0.6%
Bed Bath & Beyond	2	2025 ; 2027	1,084	0.6%
Regal Cinemas	2	MTM ; 2024	1,064	0.6%
Pender & Coward	1	2030	974	0.6%
<b>Top 20 Total</b>			<b>\$48,483</b>	<b>27.8%</b>

(1) Excludes leases from the development and redevelopment properties that have been delivered, but not yet stabilized.

(2) Excludes 9.3K SF Morgan Stanley lease at Armada Hoffer Tower expiring in 2023. Inclusive of both leases, Morgan Stanley contributes \$6.0M of ABR.

# LEASE SUMMARY

## OFFICE

Renewals							
Quarter	Number of Leases Signed	Net Rentable SF Signed	GAAP Releasing Spread	Cash Releasing Spread	Wtd Average Lease Term Remaining (yrs)	TI & LC	TI & LC per SF
Q2 2022	3	7,654	13.1%	3.0%	4.6	\$14,127	\$1.85
Q1 2022	5	22,985	11.3%	2.6%	4.9	321,154	13.97
Q4 2021	1	23,267	8.3%	-3.8%	5.3	515,175	22.14
Q3 2021	1	1,400	-5.0%	-13.5%	3.0	2,153	1.54
Trailing 4 Quarters	10	55,306	9.9%	-0.6%	5.0	\$852,609	\$15.42

New Leases <sup>(1)</sup>						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Rent per SF	Wtd Average Lease Term Remaining (yrs)	TI & LC	TI & LC per SF
Q2 2022	4	18,884	\$24.20	6.2	\$595,169	\$31.52
Q1 2022	2	5,407	29.11	7.7	358,633	66.33
Q4 2021	1	1,428	26.00	10.0	45,198	31.65
Q3 2021	3	10,895	26.71	5.9	466,981	42.86
Trailing 4 Quarters	10	36,614	\$25.75	6.5	\$1,465,981	\$40.04

## RETAIL

Renewals							
Quarter	Number of Leases Signed	Net Rentable SF Signed	GAAP Releasing Spread	Cash Releasing Spread	Wtd Average Lease Term Remaining (yrs)	TI & LC	TI & LC per SF
Q2 2022	20	217,381	9.9%	3.5%	7.5	\$416,696	\$1.92
Q1 2022	22	199,653	11.8%	3.5%	6.1	251,045	1.26
Q4 2021	16	126,328	9.0%	6.0%	4.8	166,153	1.32
Q3 2021	10	43,479	13.3%	8.4%	5.0	86,764	2.00
Trailing 4 Quarters	68	586,841	10.7%	5.0%	6.3	\$920,658	\$1.57

New Leases <sup>(1)</sup>						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Rent per SF	Wtd Average Lease Term Remaining (yrs)	TI & LC	TI & LC per SF
Q2 2022	11	40,190	\$18.62	8.2	\$1,248,190	\$31.06
Q1 2022	5	19,680	28.15	11.6	1,753,363	89.09
Q4 2021	17	61,922	18.27	6.8	1,267,703	20.47
Q3 2021	10	34,384	19.09	8.5	898,397	26.13
Trailing 4 Quarters	43	156,176	\$19.78	8.1	\$5,167,653	\$33.09

(1) Excludes leases from properties in development.

# LEASE EXPIRATIONS<sup>(1)</sup>

AS OF JUNE 30, 2022



## OFFICE

Year	Leases Expiring	Square Footage Expiring	% Portfolio Net Rentable Square Feet	ABR	% of Portfolio ABR
Available	-	38,056	2.1%	\$ -	-
M-T-M	2	1,623	0.1%	63,329	0.1%
2022	5	7,332	0.4%	192,684	0.4%
2023	11	91,174	5.1%	2,545,424	5.0%
2024	14	150,495	8.4%	3,652,517	7.1%
2025	18	146,092	8.2%	4,494,673	8.8%
2026	11	54,355	3.0%	1,457,227	2.8%
2027	16	316,397	17.7%	9,168,884	17.9%
2028	12	97,673	5.4%	2,799,877	5.5%
2029	11	261,014	14.6%	6,958,513	13.6%
2030	8	110,690	6.2%	3,257,784	6.4%
2031	2	5,317	0.3%	114,285	0.2%
2032	3	6,214	0.3%	197,335	0.4%
Thereafter	2	505,918	28.2%	16,270,925	31.8%
<b>Total / Weighted Average</b>	<b>115</b>	<b>1,792,350</b>	<b>100.0%</b>	<b>\$51,173,457</b>	<b>100.0%</b>

## RETAIL

Year	Leases Expiring	Square Footage Expiring	% Portfolio Net Rentable Square Feet	ABR	% of Portfolio ABR
Available	-	111,879	2.9%	\$ -	-
M-T-M	4	53,955	1.4%	484,879	0.7%
2022	14	29,123	0.8%	729,939	1.1%
2023	63	303,499	8.0%	6,038,204	8.9%
2024	85	437,029	11.5%	8,211,408	12.0%
2025	90	496,298	13.1%	8,700,521	12.8%
2026	78	389,330	10.2%	7,702,014	11.3%
2027	68	442,998	11.7%	8,043,281	11.8%
2028	35	130,802	3.4%	3,192,659	4.7%
2029	31	116,301	3.1%	2,484,091	3.6%
2030	43	250,210	6.6%	5,569,135	8.2%
2031	29	218,696	5.8%	4,262,704	6.3%
2032	25	304,316	8.0%	4,910,476	7.2%
Thereafter	22	514,432	13.5%	7,827,154	11.4%
<b>Total / Weighted Average</b>	<b>587</b>	<b>3,798,868</b>	<b>100.0%</b>	<b>\$68,156,465</b>	<b>100.0%</b>

(1) Excludes leases from properties in development and delivered, but not yet stabilized.

# APPENDIX

## DEFINITIONS & RECONCILIATIONS



Town Center  
Virginia Beach, VA

## ADJUSTED FUNDS FROM OPERATIONS:

We calculate Adjusted Funds From Operations ("AFFO") as Normalized FFO adjusted for the impact of non-cash stock compensation, tenant improvement, leasing commission and leasing incentive costs associated with second generation rental space, capital expenditures, non-cash interest expense, straight-line rents, cash ground rent payments for finance leases, the amortization of leasing incentives and above (below) market rents, and proceeds from government development grants, and payments made to purchase interest rate caps designated as cash flow hedges.

Management believes that AFFO provides useful supplemental information to investors regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating AFFO or similarly entitled FFO measures and, accordingly, our AFFO may not always be comparable to AFFO or other similarly entitled FFO measures of other REITs.

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## ANNUALIZED BASE RENT:

For the properties in our retail & office portfolios, we calculate annualized base rent ("ABR") by multiplying (a) monthly base rent (defined as cash base rent, before contractual tenant concessions and abatements, and excluding tenant reimbursements for expenses paid by us) as of June 30, 2022, for in-place leases as of such date by (b) 12, and does not give effect to periodic contractual rent increases or contingent rental revenue (e.g., percentage rent based on tenant sales thresholds). ABR per leased square foot is calculated by dividing (a) ABR by (b) square footage under in-place leases as of June 30, 2022. In the case of triple net or modified gross leases, our calculation of ABR does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

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## ANNUALIZED QUARTERLY RENT:

For the properties in our multifamily portfolio, we calculate annualized quarterly rent ("AQR") by multiplying (a) revenue for the quarter ended by (b) 4.

## FUNDS FROM OPERATIONS:

We calculate Funds From Operations ("FFO") in accordance with the standards established by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit defines FFO as net income (loss) (calculated in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared period-over-period, captures trends in occupancy rates, rental rates and operating costs. Other equity REITs may not calculate FFO in accordance with the Nareit definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO.

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## NET OPERATING INCOME:

We calculate Net Operating Income ("NOI") as property revenues (base rent, expense reimbursements, termination fees and other revenue) less property expenses (rental expenses and real estate taxes). Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to such other REITs' NOI. NOI is not a measure of operating income or cash flows from operating activities as measured by GAAP and is not indicative of cash available to fund cash needs. As a result, NOI should not be considered an alternative to cash flows as a measure of liquidity. We consider NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of our real estate business.

To calculate NOI on a cash basis, we adjust NOI to exclude the net effects of straight-line rent and the amortization of lease incentives and above/below market rents.

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## NET RENTABLE SQUARE FOOTAGE:

We define net rentable square footage for each of our retail & office properties as the sum of (a) the square footage of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally consistent with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines



## NORMALIZED FUNDS FROM OPERATIONS:

We calculate Normalized Funds From Operations ("Normalized FFO") as FFO calculated in accordance with the standards established by Nareit, adjusted for certain items, including but not limited to, acquisition, development and other pursuit costs, debt extinguishment losses, prepayment penalties, impairment of intangible assets and liabilities, mark-to-market adjustments on interest rate derivatives not designated as cash flow hedges, certain costs for interest rate caps designated as cash flow hedges, provision for unrealized non-cash credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

Management believes that the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by our operating property portfolio and affect the comparability of our year-over-year performance. Accordingly, management believes that Normalized FFO is a more useful performance measure. Our calculation of Normalized FFO differs from Nareit's definition of FFO. Other equity REITs may not calculate Normalized FFO in the same manner as us, and, accordingly, our Normalized FFO may not be comparable to other REITs' Normalized FFO.

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## OCCUPANCY:

The occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of the last day of the quarter, divided by (b) net rentable square feet, expressed as a percentage.

As of January 1, 2022, occupancy for our multifamily properties is calculated as (a) average of the number of occupied units/beds on the 20th day of each of the trailing three months from the reporting period end date, divided by (b) total units/beds available, as of such date expressed as a percentage. Management believes that this methodology best captures the average monthly occupancy. For periods prior to January 1, 2022, multifamily and student housing occupancy was calculated based on occupied units and beds as a percentage of total units and beds.

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## PROPERTY/STABILIZED PROPERTY ADJUSTED EBITDA:

We calculate Property Adjusted EBITDA as EBITDA coming solely from our operating properties.

When referring to Stabilized Property Adjusted EBITDA, we exclude certain items, including, but not limited to, the impact of redevelopment and development pipeline projects that are still in lease-up. We generally consider a property to be stabilized upon the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Additionally, any property that is fully or partially taken out of service for the purpose of redevelopment is no longer considered stabilized until the redevelopment activities are complete, the asset is placed back into service, and the stabilization criteria above are again met. A property may also be fully or partially taken out of service as a result of a disposition, depending on the significance of the portion of the property disposed. Management believes that Stabilized Property Adjusted EBITDA provides useful supplemental information to investors regarding our properties' recurring operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Stabilized Property Adjusted EBITDA or similarly titled measures.

## **SAME STORE PORTFOLIO:**

We define same store properties as those that we owned and operated and that were stabilized for the entirety of both periods compared. We generally consider a property to be stabilized upon the earlier of: (i) the quarter after the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Additionally, any property that is fully or partially taken out of service for the purpose of redevelopment is no longer considered stabilized until the redevelopment activities are complete, the asset is placed back into service, and the stabilization criteria above are again met. A property may also be fully or partially taken out of service as a result of a disposition, depending on the significance of the portion of the property disposed. Finally, any property classified as Held for Sale is taken out of service for the purpose computing.

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## **STABILIZED PROPERTY DEBT:**

We calculate Stabilized Property Debt as our total debt secured by our stabilized properties, excluding loans associated with our development pipeline and our unsecured line of credit.

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## **TOTAL ADJUSTED EBITDA:**

We calculate Total Adjusted EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes, depreciation and amortization, gains (or losses) from sales of depreciable operating property, impairment of real estate assets, debt extinguishment losses, non-cash stock compensation and mark-to-market adjustments on interest rate derivatives, other one-time adjustments including non-recurring bad debt and termination fees. Management believes Total Adjusted EBITDA is useful to investors in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from our operating results along with other non-comparable items.

# PROPERTY PORTFOLIO

AS OF JUNE 30, 2022



Retail Properties - Stabilized	Location	Year Built / Redeveloped	Net Rentable SF	Occupancy <sup>(1)</sup>	ABR <sup>(1)</sup>	ABR per Occupied SF <sup>(1)</sup>	Anchor Tenant(s)
<b>Town Center of Virginia Beach</b>							
249 Central Park Retail	Virginia Beach, VA	2004	92,571	98.1%	\$2,483,563	\$27.35	Cheesecake Factory, Brooks Brothers
Apex Entertainment	Virginia Beach, VA	2002/2020	103,335	100.0%	1,545,919	14.96	Apex Entertainment, USI
Columbus Village	Virginia Beach, VA	2013/2020	62,207	100.0%	1,896,832	30.49	Barnes & Noble, CAVA, Shake Shack
Columbus Village II	Virginia Beach, VA	1996	92,061	96.7%	1,075,160	12.07	BB&B, Regal
Commerce Street Retail	Virginia Beach, VA	2008	19,173	100.0%	961,827	50.17	Yard House
Fountain Plaza Retail	Virginia Beach, VA	2004	35,961	93.7%	1,101,938	32.69	Ruth's Chris, Nando's
Premier Retail	Virginia Beach, VA	2018	38,715	82.0%	1,079,686	34.00	Williams Sonoma, Pottery Barn
South Retail	Virginia Beach, VA	2002	38,515	100.0%	1,000,503	25.98	Lululemon, free people, CPK
Studio 56 Retail	Virginia Beach, VA	2007	11,594	100.0%	406,008	35.02	Rocket Title, Legal Sea Foods
<b>Grocery Anchored</b>							
Broad Creek Shopping Center <sup>(2)</sup>	Norfolk, VA	2001	121,504	95.7%	\$2,176,851	\$18.72	Food Lion, PetSmart
Broadmoor Plaza	South Bend, IN	1980	115,059	98.2%	1,353,725	11.98	Kroger
Brooks Crossing Retail	Newport News, VA	2016	18,349	78.3%	218,623	15.21	Various Small Shops (grocery shadow)
Delray Beach Plaza <sup>(2)</sup>	Delray Beach, FL	2021	87,207	100.0%	2,994,709	34.34	Whole Foods
Greenbrier Square	Chesapeake, VA	2017	260,710	95.4%	2,486,750	10.00	Kroger, Homegoods, Dick's Sporting Goods
Greentree Shopping Center	Chesapeake, VA	2014	15,719	92.6%	325,080	22.33	Various Small Shops (grocery shadow)
Hanbury Village	Chesapeake, VA	2009	98,638	100.0%	1,997,031	20.25	Harris Teeter
Lexington Square	Lexington, SC	2017	85,440	98.3%	1,849,156	22.01	Lowe's Foods
Market at Mill Creek	Mt. Pleasant, SC	2018	80,319	97.7%	1,836,020	23.39	Lowe's Foods
North Pointe Center	Durham, NC	2009	226,083	100.0%	2,920,109	12.92	Harris Teeter
Parkway Centre	Moultrie, GA	2017	61,200	100.0%	850,761	13.90	Publix
Parkway Marketplace	Virginia Beach, VA	1998	37,804	100.0%	773,526	20.46	Rite Aid (grocery shadow)
Perry Hall Marketplace	Perry Hall, MD	2001	74,256	98.0%	1,244,298	17.10	Safeway
Sandbridge Commons	Virginia Beach, VA	2015	76,650	100.0%	1,095,352	14.29	Harris Teeter
Tyre Neck Harris Teeter <sup>(2)</sup>	Portsmouth, VA	2011	48,859	100.0%	559,948	11.46	Harris Teeter
<b>Regional Centers</b>							
Dimmock Square	Colonial Heights, VA	1998	106,166	79.0%	\$1,549,965	\$18.47	Best Buy, Old Navy
Harrisonburg Regal	Harrisonburg, VA	1999	49,000	100.0%	717,850	14.65	Regal Cinemas
Marketplace at Hilltop <sup>(2)</sup>	Virginia Beach, VA	2001	116,953	100.0%	2,722,215	23.28	Total Wine, Panera, Chick-Fil-A
Nexton Square	Summerville, SC	2020	133,608	100.0%	3,472,955	25.99	Various Small Shops
North Hampton Market	Taylors, SC	2004	114,954	97.9%	1,498,710	13.32	PetSmart, Hobby Lobby
Overlook Village	Asheville, NC	1990	151,365	100.0%	2,194,344	14.50	T.J. Maxx Homegoods, Ross
Patterson Place	Durham, NC	2004	160,942	96.1%	2,403,869	15.55	BB&B, PetSmart, DSW
Providence Plaza	Charlotte, NC	2008	103,118	90.5%	2,744,018	29.39	Cranfill, Sumner & Hartzog, Chipotle
Red Mill Commons	Virginia Beach, VA	2005	373,808	95.3%	6,808,844	19.12	Homegoods, Walgreens
Southgate Square	Colonial Heights, VA	2016	260,131	98.6%	3,672,801	14.32	Burlington, PetSmart, Michaels, Conn's
South Square	Durham, NC	2005	109,590	100.0%	1,962,585	18.09	Ross, Petco, Office Depot
Southshore Shops	Chesterfield, VA	2006	40,307	88.9%	739,797	20.64	Buffalo Wild Wings
Wendover Village	Greensboro, NC	2004	176,997	98.8%	3,415,140	19.54	T.J. Maxx, Petco, Beauty World
<b>Total Retail Portfolio</b>			<b>3,798,868</b>	<b>97.1%</b>	<b>\$68,156,465</b>	<b>\$18.49</b>	

(1) See appendix for definitions.

(2) The Company leases all or a portion of the land underlying this property pursuant to a ground lease.

# PROPERTY PORTFOLIO CONT.

AS OF JUNE 30, 2022



Office Properties- Stabilized	Location	Net Rentable SF	Year Built	Occupancy <sup>(1)</sup>	ABR <sup>(1)</sup>	ABR per Occupied SF	Anchor Tenant(s)
<b>Town Center of Virginia Beach</b>							
4525 Main Street	Virginia Beach, VA	235,088	2014	100.0%	\$7,075,702	\$30.10	Clark Nexsen, Anthropologie, Mythics
Armada Hoffer Tower <sup>(2)</sup>	Virginia Beach, VA	315,916	2002	98.7%	9,367,856	30.04	AHH, Troutman Pepper, Williams Mullen
One Columbus	Virginia Beach, VA	129,066	1984	98.3%	3,230,695	25.46	Truist, HBA
Two Columbus	Virginia Beach, VA	108,459	2009	98.0%	2,747,648	25.85	Hazen & Sawyer, Fidelity
<b>Harbor Point - Baltimore Waterfront</b>							
Exelon Building	Baltimore, MD	490,735	2016	97.2%	\$14,789,914	\$30.99	Exelon Constellation
Thames Street Wharf <sup>(3)</sup>	Baltimore, MD	263,426	2010	100.0%	7,642,032	29.01	Morgan Stanley, JHU Medical
<b>Other</b>							
Brooks Crossing Office	Newport News, VA	98,061	2019	100.0%	\$1,925,168	\$19.63	Huntington Ingalls Industries
One City Center	Durham, NC	151,599	2019	89.3%	4,394,441	32.45	Duke University, WeWork
<b>Stabilized Office Total</b>		<b>1,792,350</b>		<b>97.9%</b>	<b>\$51,173,457</b>	<b>\$29.17</b>	

Multifamily Properties- Stabilized	Location	Units	Year Built / Redeveloped	Occupancy <sup>(1)</sup>	AQR <sup>(1)</sup>	Monthly AQR per Occupied Unit
<b>Town Center of Virginia Beach</b>						
Encore Apartments	Virginia Beach, VA	296	2014	97.1%	\$5,416,728	\$1,625
Premier Apartments	Virginia Beach, VA	131	2018	97.2%	2,740,703	1,794
The Cosmopolitan <sup>(4)</sup>	Virginia Beach, VA	342	2006/2020	95.2%	8,263,866	2,115
<b>Harbor Point - Baltimore Waterfront</b>						
1405 Point <sup>(5)</sup>	Baltimore, MD	289	2018	96.9%	\$8,302,788	\$2,471
1305 Dock Street	Baltimore, MD	103	2016	97.4%	2,866,155	2,381
<b>Other</b>						
Edison Apartments <sup>(4)</sup>	Richmond, VA	174	2014	98.7%	\$3,033,824	\$1,472
Greenside Apartments	Charlotte, NC	225	2018	97.8%	4,453,731	1,687
Liberty Apartments <sup>(4)</sup>	Newport News, VA	197	2013	94.8%	3,296,993	1,471
Smith's Landing <sup>(2)</sup>	Blacksburg, VA	284	2009	98.7%	5,520,964	1,641
The Residences at Annapolis Junction <sup>(5)</sup>	Annapolis Junction, MD	416	2018	98.0%	10,737,770	2,195
<b>Multifamily Total</b>		<b>2,447</b>		<b>97.2%</b>	<b>\$54,633,522</b>	<b>\$1,915</b>

(1) See appendix for definitions.

(2) The Company leases all or a portion of the land underlying this property pursuant to a ground lease.

(3) The Company occupies 55,390 square feet at these two properties at an ABR of \$1.8M, or \$32.23 per leased square foot, which are reflected in this table. The rent paid by us is eliminated in accordance with GAAP in the consolidated financial statements.

(4) The ABR for Liberty, Cosmopolitan, Edison, and 1405 Point excludes approximately \$0.2M, \$1.0M, \$0.3M and \$0.4M, respectively, from ground floor retail leases.

(5) Sold subsequent to quarter end.

# RECONCILIATION OF DEBT & EBITDA



\$ IN THOUSANDS

	Three Months Ended			
	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Property Net Operating Income	\$36,702	\$36,562	\$32,270	\$31,301
Property Other Income (Expense), Net	(190)	104	(74)	(185)
Amortization of Right of Use Assets	(277)	(278)	(278)	(278)
Impairment of Intangible Assets and Liabilities	(85)	(47)	83	-
Property Adjusted EBITDA	\$36,150	\$36,341	\$32,001	\$30,838
Acquisition	-	826	-	598
Disposition	(496)	-	(730)	-
Development	(771)	(674)	(681)	(725)
Stabilized Portfolio Adjusted EBITDA	\$34,883	\$36,493	\$30,590	\$30,711
Construction Gross Profit	1,855	829	713	1,558
Corporate G&A	(3,446)	(4,552)	(3,482)	(3,263)
Non-Cash Stock Comp	506	1,609	400	390
Acquisition, Development & Other Pursuit Costs	(26)	(11)	(1)	(8)
Interest Income	3,350	3,568	3,829	3,765
Other Income (Expense), Net	89	(31)	5	15
Add Back: Unstabilized Development	771	674	681	725
Total Adjusted EBITDA	\$37,982	\$38,579	\$32,735	\$33,893
Stabilized Portfolio Debt	\$768,852	\$812,703	\$664,985	\$710,036
Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA	5.5x	5.6x	5.4x	5.8x
Total Debt <sup>(1)</sup>	1,165,108	1,179,296	957,387	1,017,410
Cash	(76,412)	(39,486)	(40,443)	(33,453)
Net Debt	\$1,088,696	\$1,139,810	\$916,944	\$983,957
Net Debt Plus Ancillary Debt/Total Adjusted EBITDA	7.2x	7.4x	7.0x	7.3x
Preferred	171,085	171,085	171,085	171,085
Net Debt + Preferred	\$1,259,781	\$1,310,895	\$1,088,029	\$1,155,042
Net Debt + Preferred /Total Adjusted EBITDA	8.3x	8.5x	8.3x	8.5x

(1) Excludes GAAP adjustments.

# CAPITAL EXPENDITURES

\$ IN THOUSANDS AS OF JUNE 30, 2022



## QUARTER TO DATE<sup>(1)</sup>

	Leasing Commissions	Lease Incentive	Tenant Improvements	Land Improvements	Building Improvements	Fixtures & Equipment	Total Second Generation Capex
Retail	\$423	-	\$258	\$194	\$575	-	\$1,450
Office	201	-	360	-	197	-	758
Multifamily	-	-	-	68	765	496	1,329
Total Portfolio	\$624	-	\$618	\$262	\$1,537	\$496	\$3,537

## YEAR TO DATE<sup>(1)</sup>

	Leasing Commissions	Lease Incentive	Tenant Improvements	Land Improvements	Building Improvements	Fixtures & Equipment	Total Second Generation Capex
Retail	\$957	-	\$1,845	\$428	\$2,556	-	\$5,786
Office	312	-	787	-	799	-	1,898
Multifamily	2	-	211	117	1,403	727	2,460
Total Portfolio	\$1,271	-	\$2,843	\$545	\$4,758	\$727	\$10,144

(1) Excludes activity related to held for sale, acquired and/or disposed properties.

# RECONCILIATION TO PROPERTY PORTFOLIO NOI

\$ IN THOUSANDS



	Three months ended 6/30		Six Months Ended 6/30	
	2022	2021	2022	2021
<u>Office Same Store</u>				
Rental revenues	\$10,371	\$10,290	\$20,546	\$20,500
Property expenses	3,697	3,527	7,259	7,011
NOI	6,674	6,763	13,287	13,489
Non-Same Store NOI <sup>(1)</sup>	5,005	642	9,771	1,318
Segment NOI	\$11,679	\$7,405	\$23,058	\$14,807
<u>Retail Same Store</u>				
Rental revenues	\$19,736	\$18,686	\$36,422	\$34,063
Property expenses	4,983	4,857	9,241	8,737
NOI	14,753	13,829	27,181	25,326
Non-Same Store NOI <sup>(1)</sup>	1,187	182	4,450	2,077
Segment NOI	\$15,940	\$14,011	\$31,631	\$27,403
<u>Multifamily Same Store</u>				
Rental revenues	\$10,958	\$10,131	\$21,679	\$19,775
Property expenses	4,085	4,022	8,107	7,946
NOI	6,873	6,109	13,572	11,829
Non-Same Store NOI <sup>(1)</sup>	2,210	3,096	5,003	6,185
Segment NOI	\$9,083	\$9,205	\$18,575	\$18,014
Total Property Portfolio NOI	\$36,702	\$30,621	\$73,264	\$60,224

(1) Includes expenses associated with the Company's in-house asset management division.

# RECONCILIATION TO GAAP NET INCOME



\$ IN THOUSANDS

	Three Months Ended 6/30/2022					
				General Contracting & Real Estate Services		Total
	Office	Retail	Multifamily	Total Rental Properties		
Segment revenues	\$ 18,314	\$ 21,544	\$ 15,366	\$ 55,224	\$ 45,273	\$ 100,497
Segment expenses	6,635	5,604	6,283	18,522	43,418	61,940
Net operating income	\$ 11,679	\$ 15,940	\$ 9,083	\$ 36,702	\$ 1,855	\$ 38,557
Depreciation and amortization						(18,781)
General and administrative expenses						(3,617)
Acquisition, development and other pursuit costs						(26)
Impairment charges						(286)
Gain (loss) on real estate dispositions						19,493
Interest income						3,352
Interest expense						(9,371)
Loss on extinguishment of debt						(618)
Unrealized credit loss release (provision)						(295)
Amortization of right-of-use assets - finance leases						(277)
Change in fair value of derivatives and other						2,548
Other income (expense)						68
Income tax benefit						20
Net income						\$ 30,767
Net loss (income) attributable to noncontrolling interest in investment entities						(128)
Preferred stock dividends						(2,887)
Net income attributable to AHH and OP unitholders						\$ 27,752
	Six Months Ended 6/30/2022					
				General Contracting & Real Estate Services		Total
	Office	Retail	Multifamily	Total Rental Properties		
Segment revenues	\$ 35,337	\$ 42,974	\$ 31,548	\$ 109,859	\$ 69,923	\$ 179,782
Segment expenses	12,279	11,343	12,973	36,595	67,239	103,834
Net operating income	\$ 23,058	\$ 31,631	\$ 18,575	\$ 73,264	\$ 2,684	\$ 75,948
Depreciation and amortization						(37,338)
General and administrative expenses						(8,325)
Acquisition, development and other pursuit costs						(37)
Impairment charges						(333)
Gain (loss) on real estate dispositions						19,493
Interest income						6,920
Interest expense						(18,402)
Unrealized credit loss release (provision)						(900)
Amortization of right-of-use assets - finance leases						(555)
Loss on extinguishment of debt						(776)
Change in fair value of derivatives and other						6,730
Other income (expense)						297
Income tax benefit						321
Net income						\$ 43,043
Net loss attributable to noncontrolling interest in investment entities						(228)
Preferred stock dividends						(5,774)
Net income attributable to AHH and OP unitholders						\$ 37,041



# RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA



\$ IN THOUSANDS

	Three Months Ended			
	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Net income attributable to common stockholders and OP unitholders	\$27,752	\$9,289	\$361	\$4,861
Excluding:				
Depreciation and amortization	18,781	18,557	16,616	16,886
Loss (gain) on real estate dispositions	(19,493)	-	(15,436)	113
Impairment of real estate assets	201	-	18,339	-
Income tax provision (benefit)	(20)	(301)	(220)	(42)
Interest expense	9,371	9,031	8,685	8,827
Change in fair value of derivatives and other	(2,548)	(4,182)	(1,344)	(131)
Preferred dividends	2,887	2,887	2,887	2,887
Loss on extinguishment of debt	618	158	3,690	120
Unrealized credit loss provision (release)	295	605	(508)	(617)
Investment Entities	128	100	(5)	-
Non-cash stock compensation	506	1,609	400	390
Adjusted EBITDA	\$38,478	\$37,753	\$33,465	\$33,294
Dispositions	(496)	-	(730)	-
Acquisitions (full quarter)	-	826	-	599
Total Adjusted EBITDA	\$37,982	\$38,579	\$32,735	\$33,893
Construction Gross Profit	(1,055)	(829)	(713)	(1,558)
Corporate G&A	3,446	4,552	3,482	3,263
Non-Cash Stock Comp	(506)	(1,609)	(400)	(390)
Acquisition, Development & Other Pursuit Costs	26	11	1	8
Interest income	(3,350)	(3,568)	(3,829)	(3,765)
Other income (expense), net	(89)	31	(5)	(15)
Add Back: Unstabilized Development	(771)	(674)	(681)	(725)
Stabilized Portfolio Adjusted EBITDA	\$34,883	\$36,493	\$30,590	\$30,711
Acquisition	-	(826)	-	(598)
Disposition	496	-	730	-
Development	771	674	681	725
Property Adjusted EBITDA	\$36,150	\$36,341	\$32,001	\$30,838

