

# COVID-19 IMPACT



Certain matters within this presentation are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result," and similar expressions, which do not relate solely to historical matters, are intended to identify forward-looking statements. The forwarding-looking statements include, but are not limited to, comments relating to the Company's development pipeline, the Company's construction and development businesses, including backlog, timing of deliveries and estimated costs, and the Company's expectations and projections, including the estimated construction segment gross profit range, projected mezzanine loan interest income and expected financing activities such as issuances under the Company's at-the-market equity offering program. 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 Securities and Exchange Commission (the "SEC"). These factors include, without limitation: (a) the impact of the coronavirus (COVID-19) pandemic on macroeconomic conditions and economic conditions in the markets in which the Company operates, including, among others: (i) disruptions in, or a lack of access to, the capital markets or disruptions in the Company's ability to borrow amounts subject to existing construction loan commitments; (ii) adverse impacts to the Company's tenants' and other third parties' businesses and financial condition that adversely affect the ability and willingness of the Company's tenants and other third parties to satisfy their rent and other obligations to the Company, including deferred rent; (iii) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases or to re-lease the Company's properties on the same or better terms in the event of nonrenewal or early termination of existing leases; and (iv) federal, state and local government initiatives to mitigate the impact of the COVID-19 pandemic, including additional restrictions on business activities, shelter-in-place orders and other restrictions, and the timing and amount of economic stimulus or other initiatives; (b) the Company's ability to continue construction on development and construction projects, in each case on the timeframes and on terms currently anticipated; (c) the Company's ability to accurately assess and predict the impact of the COVID-19 pandemic on its results of operations, financial condition, dividend policy, acquisition and disposition activities and growth opportunities; (d) the Company's ability to maintain compliance with the covenants under its existing debt agreements or to obtain modifications to such covenants from the applicable lenders; and (e) the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and in other filings the Company makes from time to time with the SEC, including the Company's Current Report on Form 8-K filed with the SEC on April 2, 2020.

“AT ARMADA HOFFLER, OUR PRIORITY IS THE HEALTH, SAFETY, AND WELL-BEING OF OUR TEAM MEMBERS, TENANTS, AND RESIDENTS. THANK YOU TO OUR LOYAL AND DEDICATED TEAM OF PROFESSIONALS THAT CONTINUES TO ENSURE THAT EACH OF OUR OFFICE BUILDINGS, APARTMENT COMMUNITIES, SHOPPING CENTERS, AND CONSTRUCTION JOB SITES REMAIN SAFE PLACES TO LIVE AND WORK.” –LOUIS HADDAD, PRESIDENT AND CEO

## EMPLOYEES

- Ensured the safety of our employees by transitioning to a remote work environment for all office employees beginning in March
- Transitioned seamlessly, aided by significant IT enhancements to infrastructure and Cloud platform investment over last 18 months
- Instituted company wide travel ban on non-essential travel and maximized use of technology to stay in constant communication

## OPERATIONS

- Regularly communicating with tenants, property managers, and vendors, providing assistance and guidance
- Reviewing relief requests and, if warranted, establishing tenant-tailored deferral/repayment plans
- Enhancing cleaning and sanitizing protocols at all properties while reducing other non-essential activities
- Ensuring our portfolio remains open and operating
- Managing controllable expenses to lessen the CAM burden where possible for tenants

## CONSTRUCTION

- All field workers are considered essential employees under applicable guidelines, and thus, are allowed to continue construction activity
- Protocols for temperature monitoring, communication, and protective equipment and procedures in place
- All recommended containment and notification protocols in place for each site based on local jurisdiction
- No positive COVID-19 tests to date
- Ensuring all job sites are conforming to state and local protocols and using enhanced cleaning and sanitizing

## FINANCIAL

- Suspended common dividend
- Board of Directors elects to reduce compensation by 25%. President and CEO Louis Haddad elects to reduce base salary by 25%
- Withdrew 2020 earnings guidance and deferred the commencement of three development projects
- Suspended non-essential capex spending
- Fully drew credit facility and reduced planned capital and redevelopment spending to preserve liquidity
- Suspended asset recycling initiative and postponed all acquisitions due to adverse market conditions
- Paused interest recognition on two mezzanine notes to allow for extended hold period



## AHH ADVANTAGE

CONSTRUCTION BUSINESS IS ON TRACK FOR ANOTHER STRONG YEAR, HELPING TO MITIGATE THE IMPACT OF THE PANDEMIC ON OUR BUSINESS

### AHH RESPONSE

- All job sites will remain open and operating under current guidelines
- No significant third-party projects have been canceled or indefinitely delayed to date as a result of COVID-19
- All field workers are considered essential employees under state and local guidance, and thus, are allowed to continue construction activity

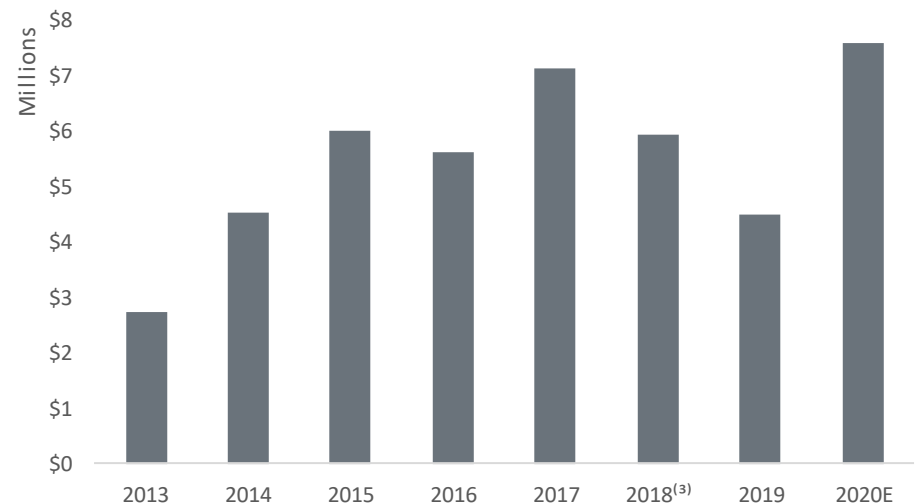
#### Third-Party Construction Backlog

As of 3/31/20

\$236M

	LOW	HIGH
Expected Construction Segment Gross Profit Range <sup>(1)</sup>	\$7.3M	\$8.0M

#### Third-Party Gross Profit<sup>(2)</sup>



(1) Assuming all job sites remain open and operating under current federal, state, and local guidelines

(2) No profit recognized on internal volume

(3) Includes \$3.4M profit from sale of distribution center

# OVERALL RENT COLLECTIONS – APRIL<sup>(1)</sup>

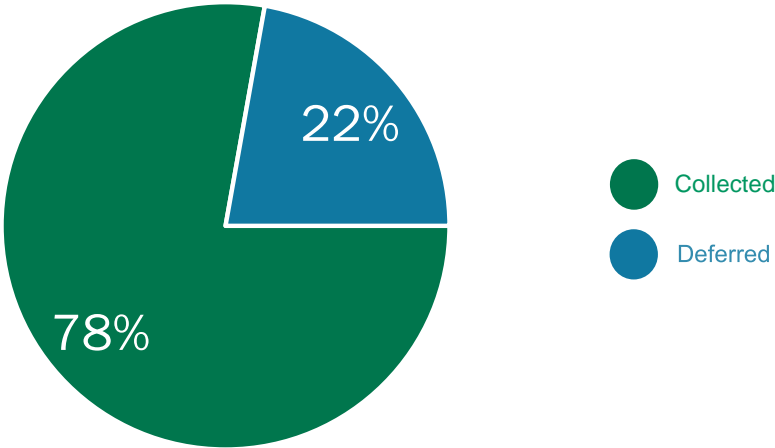
\$ in thousands



78% OF APRIL RENT COLLECTED ACROSS PORTFOLIO

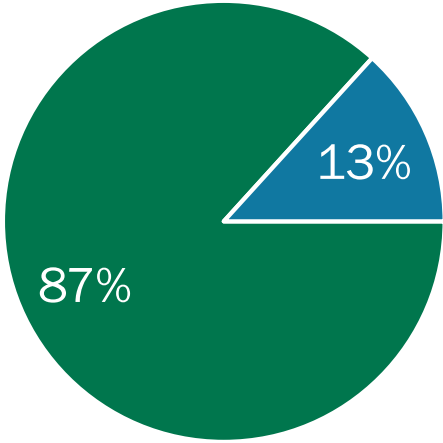
APRIL RENT	COLLECTED	DEFERRED
\$12,997	\$10,113	\$2,854

TOTAL PORTFOLIO<sup>(2)(3)</sup>



APRIL RENT	COLLECTED	DEFERRED
\$ 3,296	\$ 2,859	\$ 437

TOP 20 TENANTS<sup>(2)</sup>



(1) April rent due plus recoveries due and rent collected as of 4/24/20  
 (2) WeWork at One City Center excluded. April rent was not charged due to a loss of elevator service resulting from a fire in an apartment over the office space; anticipating business interruption insurance proceeds to cover April's rent  
 (3) Immaterial \$30K of uncollectable multifamily rent excluded

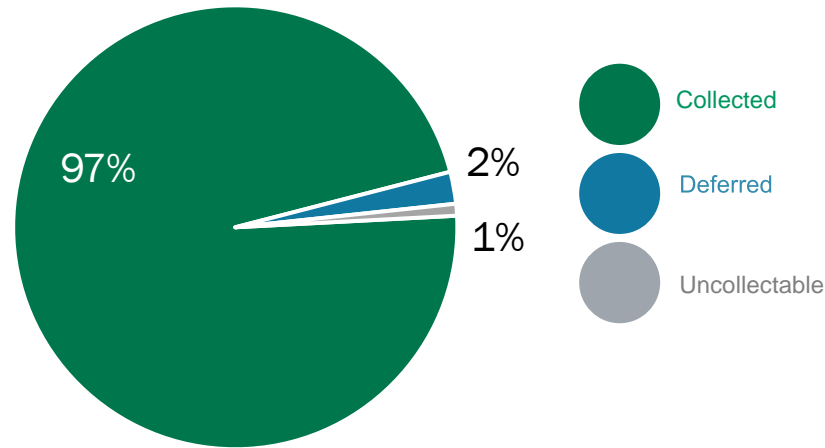
\$ in thousands

## AHH RESPONSE

- Setting up reasonable payment plans for tenants that have asked for rent relief due to loss of employment
- Maximizing the use of technology and limiting interaction with leasing/maintenance staff to essential tasks
- Closing amenities, reducing common area access and implementing enhanced cleaning and sanitizing protocols
- Optimizing marketing and providing flexible lease options to support tenant retention and new leasing

APRIL RENT	COLLECTED	UNCOLLECTABLE	DEFERRED
\$3,479	\$3,368	\$30	\$81

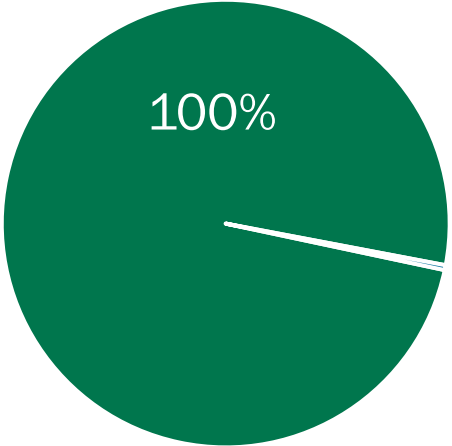
### APRIL RENT COLLECTED



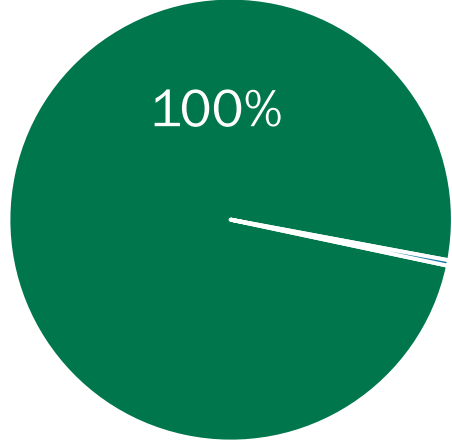
(1) Data reported relates to April rent charges and collections for multifamily tenants through 4/24/20, and does not correspond to the reporting segment classification of the properties as a whole

\$ in thousands

APRIL RENT COLLECTED<sup>(2)</sup>



TOP 10 TENANTS: APRIL RENT COLLECTED<sup>(2)</sup>



APRIL RENT	COLLECTED	DEFERRED
\$3,035	\$3,024	\$11

### AHH RESPONSE

- Communicating regularly with tenants ensuring compliance with state and local guidelines
- Managing controllable expenses to lessen the CAM burden where possible
- Enhancing cleaning and sanitizing protocols at all properties

(1) Data reported relates to April rent charges and collections for office tenants through 4/24/20, and does not correspond to the reporting segment classification of the properties as a whole  
 (2) WeWork at One City Center excluded. April rent was not charged due to a loss of elevator service resulting from a fire in an apartment over the office space; anticipating business interruption insurance proceeds to cover April's rent

\$ in thousands

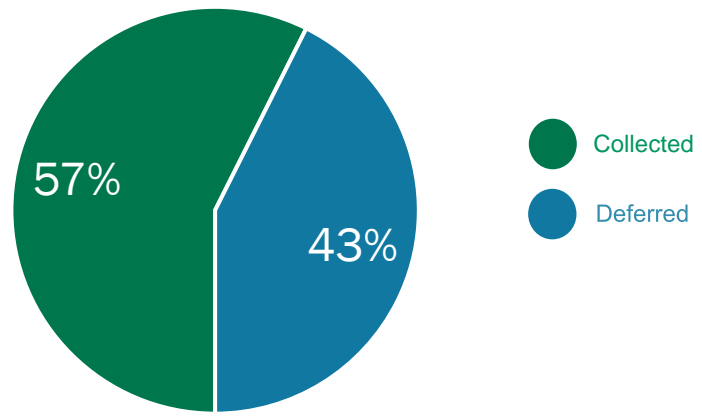
## AHH RESPONSE

- Communicating regularly with tenants and ensuring compliance with state and local guidelines
- Reviewing relief requests and, if warranted, establishing tenant-specific deferral/repayment plans
- Managing controllable expenses to lessen the CAM burden where possible

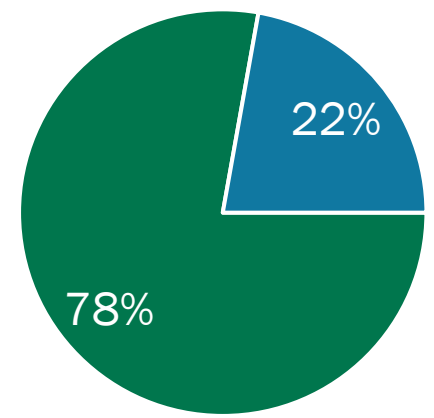
APRIL RENT	COLLECTED	DEFERRED
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\$6,483      \$3,721      \$2,762

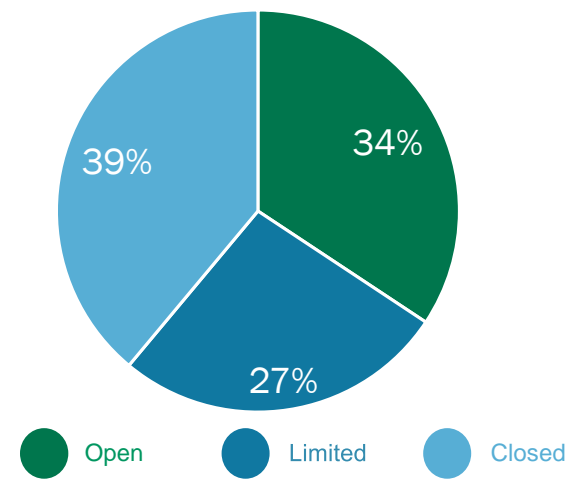
### APRIL RENT COLLECTED



### TOP 10 TENANTS: APRIL RENT COLLECTED<sup>(2)</sup>



### TENANT OPERATING STATUS<sup>(2)</sup>



TENANTS	DEFERRED	% OF TOTAL
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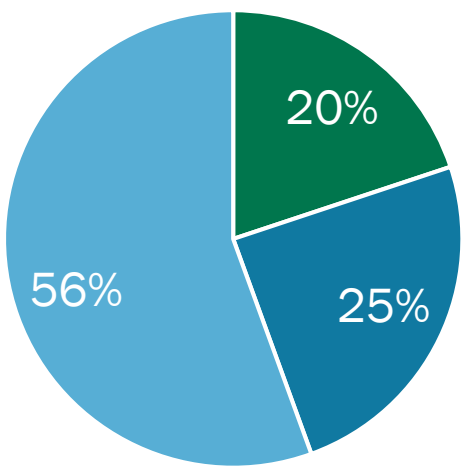
Resolved	115	\$900	33%
Negotiating	194	1,862	67%
	309	\$2,762	

(1) Data reported relates to April rent charges and collections for retail tenants through 4/24/20, and does not correspond to the reporting segment classification of the properties as a whole  
 (2) As a percentage of April rent and recovery charges



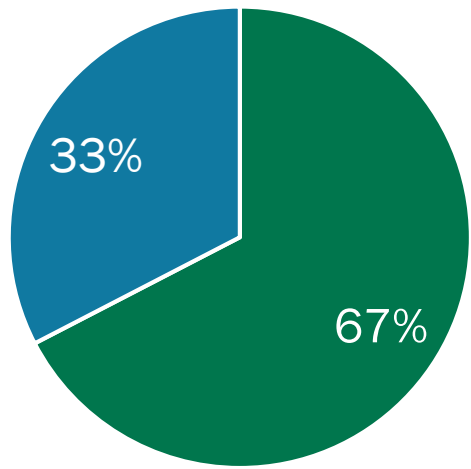
# RETAIL RENT COMPOSITION – APRIL<sup>(1)</sup>

TENANT MIX BASED ON APRIL RENT DUE<sup>(2)</sup>



● Anchor   
 ● Junior Anchor   
 ● In-Line & Outparcel

TENANT MIX BASED ON APRIL RENT DUE<sup>(2)</sup>



● National   
 ● Local/Regional

	Collected	Deferred
Anchors	88%	12%
Junior Anchors	58%	42%
In-Line & Outparcels	46%	54%

	Collected	Deferred
National	58%	42%
Local/Regional	56%	44%

(1) Data reported relates to April rent charges and collections for retail tenants through 4/24/20, and does not correspond to the reporting segment classification of the properties as a whole  
 (2) As a percentage of April rent and recovery charges

# DEVELOPMENT UPDATE

As of 3/31/20

	PROPERTY TYPE	ESTIMATED COST	COST TO DATE	COST TO COMPLETE	CONSTRUCTION LOAN AVAILABLE	CASH REQUIREMENT REMAINING
<b>DEVELOPMENT</b>						
Summit Place (Meeting Street) Charleston, SC	Multifamily	\$56M	\$53M	\$3M	\$3M	\$0M
Wills Wharf Baltimore, MD	Office	\$120M	\$98M	\$22M	\$22M	\$0M
<b>TOTAL DEVELOPMENT</b>		<b>\$176M</b>	<b>\$151M</b>	<b>\$25M</b>	<b>\$25M</b>	<b>\$0M</b>
<b>REDEVELOPMENT</b>						<b>SHORT TERM CASH REQUIREMENT</b>
The Cosmopolitan Virginia Beach, VA	Multifamily	\$10M	\$9M	\$1M <sup>(1)</sup>	NA	\$1M
Columbus Village I Virginia Beach, VA	Mixed-Use	\$8M	\$7M	\$1M <sup>(1)</sup>	NA	\$1M
Apex Entertainment Building (Former Dick's Sporting Goods) Virginia Beach, VA	Mixed-Use	\$8M	\$1M	\$7M	NA	\$7M
<b>TOTAL REDEVELOPMENT</b>		<b>\$26M</b>	<b>\$17M</b>	<b>\$9M</b>		<b>\$9M</b>
<b>DEVELOPMENT ON HOLD</b>						<b>SHORT TERM CASH REQUIREMENT</b>
DEVELOPMENT PROJECTS WITH OUTSTANDING CASH REQUIREMENTS HAVE BEEN PUT ON HOLD						
Chronicle Mill Belmont, NC	Multifamily	TBD	\$4M	NA	NA	\$0M
Southern Post Roswell, GA	Multifamily/Mixed-Use	TBD	\$9M	NA	NA	\$0M
Ten Tryon Charlotte, NC	Mixed-Use	TBD	\$8M	NA	NA	\$0M
<b>TOTAL DEVELOPMENT ON HOLD</b>			<b>\$21M</b>			<b>\$0M</b>
<b>TOTAL DEVELOPMENT, REDEVELOPMENT, &amp; ON HOLD</b>		<b>\$202M</b>	<b>\$189M</b>	<b>\$34M</b>	<b>\$25M</b>	<b>\$9M</b>

(1) Represents the estimated cost to complete work thru 2020

## MEZZANINE LOAN UPDATE



ALL MEZZANINE PROJECTS ARE FULLY FUNDED,  
NO FUTURE CASH REQUIREMENTS

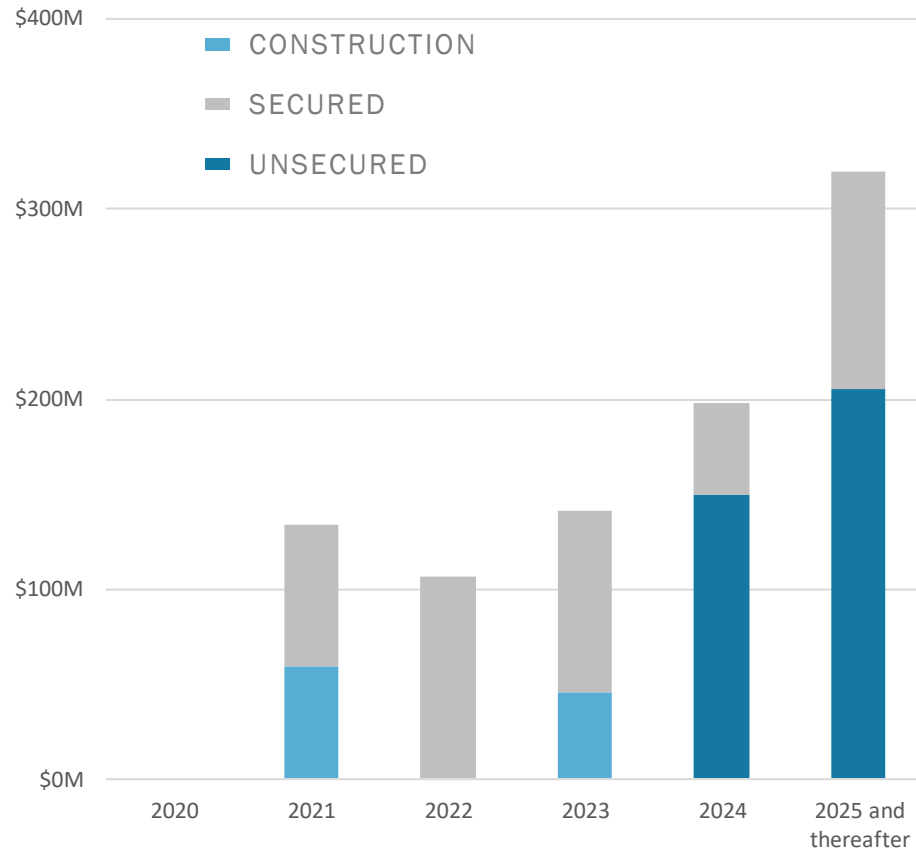
PROJECT	CASH REQUIREMENT REMAINING	ORIGINAL 2020 EXPECTATION	CURRENT 2020 EXPECTATION	VARIANCE
Nexton Square	\$0	\$0.4M	\$1.2M	\$0.8M
The Residences at Annapolis Junction <sup>(1)</sup>	\$0	\$5.2M	\$2.5M	(\$2.7M)
Delray Beach Plaza (Whole Foods) <sup>(1)</sup>	\$0	\$0.5M	\$0.5M	-
Solis Apartments at Interlock	\$0	\$3.3M	\$3.3M	-
The Interlock	\$0	\$12.5M	\$12.5M	-
<b>Total Projected</b>	<b>\$0</b>	<b>\$21.9M</b>	<b>\$20.0M</b>	<b>(\$1.9M)</b>
<b>Total Projected Mezzanine Loan Interest Expense</b>		<b>(\$4.2M)</b>	<b>(\$3.4M)</b> <sup>(2)</sup>	<b>\$0.8M</b>
<b>Total Projected Net Mezzanine Loan Interest Income</b>		<b>\$17.7M</b>	<b>\$16.6M</b>	<b>(\$1.1M)</b>

(1) Stopped GAAP recognition of mezzanine income as of 4/1/20

(2) Based on current projected forward yield interest curve

# DEBT MATURITIES

As of 3/31/20



Property (\$ in thousands)	Stated Rate	Effective Rate as of 3/31/2020	Maturity Date	Balance at Maturity
Hoffler Place	L+3.24%	4.23%	Jan-2021	\$29,589
Summit Place	L+3.24%	4.23%	Jan-2021	30,135
Southgate Square	L+1.60%	2.59%	Apr-2021	19,462
4525 Main Street/Encore Apartments	3.25%	3.25%	Sep-2021	54,780
Total Maturities through 2021				\$133,966

As of 3/31/20 unless otherwise noted

## SWAPS/CAPS

\$145M of 4-year interest rate swaps were entered into during 1Q20

Maturity Date	Notional Amount	Rate
<b>Swaps</b>		
April 1, 2024	\$ 25,000,000	0.496%
April 1, 2024	\$ 25,000,000	0.503%
April 1, 2024	\$ 25,000,000	0.550%
June 26, 2024	\$ 70,000,000	0.512%
Total/WA New Swaps	\$ 145,000,000	0.514%

Maturity Date	Notional Amount	Strike Rate
<b>Caps</b>		
February 1, 2022	\$ 100,000,000	1.750%
March 1, 2022	\$ 100,000,000	1.500%
Total/WA New Caps	\$ 200,000,000	1.625%

WEIGHTED AVERAGE INTEREST RATE

3.2%

TOTAL FIXED/HEDGED

97%

CASH FIXED CHARGE COVERAGE -  
ANNUALIZED APRIL RENT COLLECTION<sup>(1)</sup>

1.6X

(1) Management's anticipated cash EBITDA adjusted to reflect April's rent collection (78%) less capex and mezzanine income divided by fixed charges (inclusive of the preferred dividend)