



**ARMADA HOFFLER**  
**PROPERTIES**

REITweek Investor Presentation  
June 2020

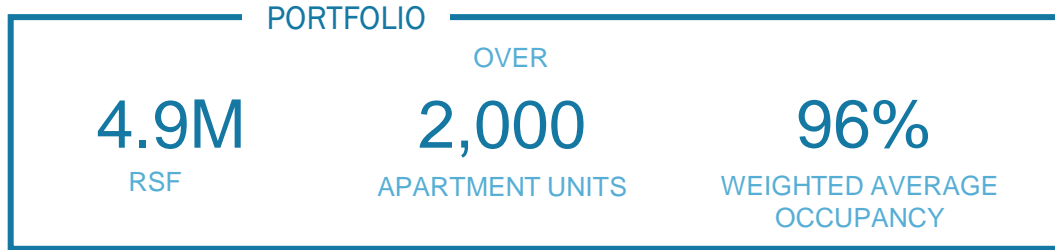


## FORWARD LOOKING STATEMENTS

## Armada Hoffler

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, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

As of 5/27/20 unless otherwise noted



**\$720M**  
EQUITY MARKET CAP

ADDED TO THE  
MSCI US REIT INDEX  
**RMZ**  
as of 11/30/2016

ADDED TO THE  
S&P SMALLCAP  
**600 INDEX**  
as of 6/19/2017

Closed on the sale of  
**7 RETAIL**  
properties on 5/29/20

FOCUSED ON THE  
**MID-ATLANTIC & SOUTHEAST**

MANAGEMENT OWNS **~13%** OF  
OUTSTANDING SHARES & OP UNITS

Armada Hoffer Properties, Inc. (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, institutional-grade office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. In addition to developing and building properties for its own account, the Company also provides development and general contracting construction services to third-party clients. Founded in 1979 by Daniel A. Hoffer, the Company has elected to be taxed as a REIT for U.S. federal income tax purposes. For more information, visit [ArmadaHoffer.com](http://ArmadaHoffer.com).

## ADVANTAGE: Delivers Sustainable, Low Risk Growth



High Occupancy

Consistent Cash Flow

Strong Quality Credit Tenants



Growth Pipeline

Wholesale Equity Creation

Public-Private Partnerships



Third-Party Fee Income

Reduced Development Risk

On-Time Delivery

	COMPONENTS	TOTAL COST	AHH CASH
<b>7 RETAIL PROPERTY DISPOSITION</b>		<b>\$90M</b>	
	Credit Facility Paydown	\$62M	
	Cash	\$26M	\$26M
	Selling Cost	\$2M	
<b>NEXTON SQUARE 1031 ACQUISITION</b>		<b>\$42M</b>	
	Conversion of Existing Mezz - Cash	\$12M	\$12M
	Construction Loan	\$24M	
	Cash	\$6M	-\$6M
<b>TOTAL AHH CASH</b>			<b>\$32M</b>

## DISPOSITIONS: 7 RETAIL PROPERTIES

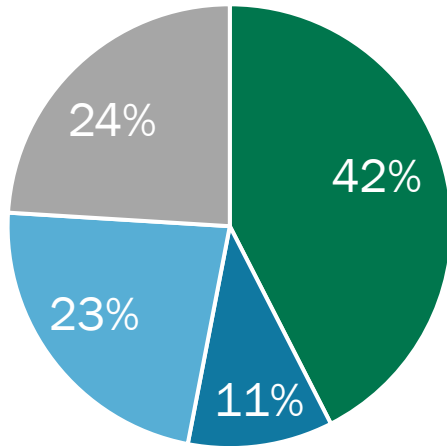
PROPERTY	LOCATION	ANCHOR TENANT(S)
Alexander Pointe	Salisbury, NC	Harris Teeter
Bermuda Crossroads	Chester, VA	Food Lion, Office Max
Gainsborough Square	Chesapeake, VA	Food Lion
Harper Hill Commons	Winston-Salem, NC	Harris Teeter
Indian Lakes Crossing	Virginia Beach, VA	Harris Teeter
Renaissance Square	Davidson, NC	Harris Teeter
Stone House Square	Hagerstown, MD	Weis Markets



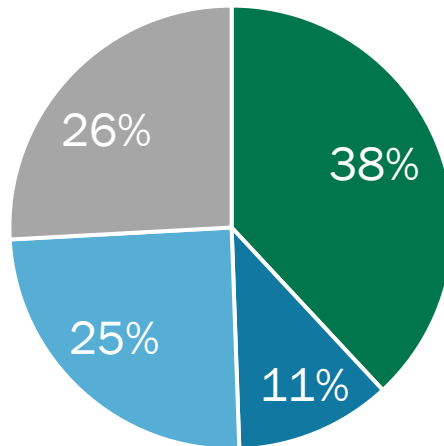
Nexton Square  
Charleston, SC

# PORTFOLIO COMPOSITION BY NOI

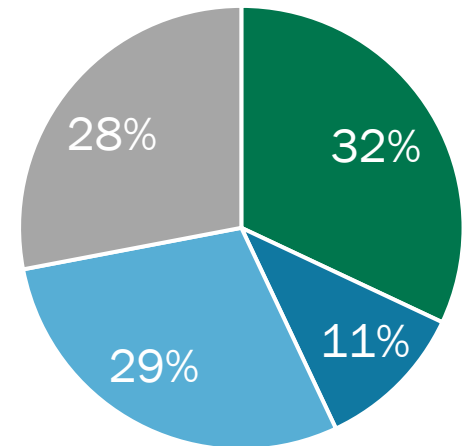
1Q20



1Q20 PROFORMA<sup>(1)</sup>



PROJECTED PORTFOLIO FULLY STABILIZED<sup>(1)(2)</sup>



(1) Excludes 7 retail properties disposed on 5/29/20  
 (2) Assumes the announced pipeline is delivered and stabilized



# NEXTON SQUARE

## ACQUISITION

Nexton Square is an open-air lifestyle center under construction in Summerville, SC, in the greater Charleston MSA.

Located at the entrance to a new 4,500-acre master-planned community, Nexton Square will serve as the retail gateway to over 10,000 new single-family and multifamily residential units with plans for up to 135,000 square feet of space for local retailers, restaurants, and service providers.



135,000

square feet of  
retail space

3Q20

estimated stabilization

99%

Leased or under LOI as of 5/27/20

\$15M

Mezzanine financing earning 10-15% interest income, which includes a below market purchase option

\$42M

Discounted purchase option



AHH PLANS  
POST COVID-19





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>						
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> 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 through 2020

As of 4/30/20



ALL MEZZANINE PROJECTS ARE FULLY FUNDED,  
NO FUTURE CASH REQUIREMENTS

PROJECT	CASH REQUIREMENT REMAINING	ORIGINAL 2020 EXPECTATION	CURRENT 2020 EXPECTATION	VARIANCE
Nexton Square <sup>(1)</sup>	\$0	\$0.4M	\$1.2M	\$0.8M
The Residences at Annapolis Junction <sup>(2)</sup>	\$0	\$5.2M	\$2.5M	(\$2.7M)
Delray Beach Plaza (Whole Foods) <sup>(2)</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>(3)</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) Company intends to exercise purchase option in 3Q20  
(2) Stopped GAAP recognition of mezzanine income as of 4/1/20  
(3) Based on current projected forward yield interest curve

# COLUMBUS VILLAGE II

## REDEVELOPMENT



Columbus Village II is the next phase of redevelopment in the Town Center of Virginia Beach. Currently occupied by Bed, Bath, and Beyond, this 5-acre site is in an ideal location to add to Town Center's existing 750 apartment units. Given the current economic circumstances, the Company expects to capitalize on the ability to free up this land for sooner development.



## Cosmopolitan Apartments

**\$14M** redevelopment cost

**9%** expected return on investment

**2021** anticipated completion

### scope

Renovate all 342 units including upgraded finishes, new cabinetry and flooring, energy efficient appliances, and LED lighting; modernize resident clubhouse, business center, and leasing office.



## Columbus Village I

**\$9M** redevelopment cost

**8%** expected return on investment

**3Q20** anticipated completion

### scope

Reposition 28,250 SF center to better incorporate within Town Center and add Virginia Beach Boulevard small shop frontage along with Shake Shack, Cava, and new Barnes & Noble prototype.



## Apex Entertainment (Former Dick's Sporting Goods)

**\$8M** redevelopment cost

**7%** expected return on investment

**4Q20** anticipated completion

### scope

Revitalize 84,000 SF of big box retail space within Town Center into a destination entertainment concept for a new to market tenant, Apex Entertainment.



## DEVELOPMENT-ON HOLD



**220,000**

square feet of office and retail space

**Fortune 100 Office Tenant**

54,000 square feet of office under LOI

**Publix**

40,000 square feet street-level retail

## North Tryon

The North Tryon Vision Plan centers on creating a district that will attract, retain and strengthen creative industries, innovative arts and cultural and educational institutions. Together, these forces will advance the economy and jobs of the future. Strategically positioned in the heart of Charlotte, North Tryon will connect the thriving core of Uptown to the countless opportunities of the North End and Applied Innovation Corridor, as well as link together the unique and diverse First and Fourth Wards.



# SOUTHERN POST

DEVELOPMENT-ON HOLD



Roswell Town Center is a mixed-use project expected to total 270,000 square feet. The center will include 41,000 square feet of retail, 95,000 square feet of office and 138 multifamily units.

Location

Roswell, GA

Square Feet

270,000

Type

Mixed-use





# CHRONICLE MILL

## DEVELOPMENT-ON HOLD

Chronicle Mill is a 117 year-old mill with a vision of revitalization into a multifamily project. Located just outside of Charlotte, North Carolina, the project will include 239 apartment units and 10,000 square feet of retail space. A portion of the site is expected to be simultaneously developed into townhomes by another developer.



**Belmont, NC**

location

**239**

apartment units

**10,000**

square feet of retail

# COVID-19 UPDATE





## 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 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

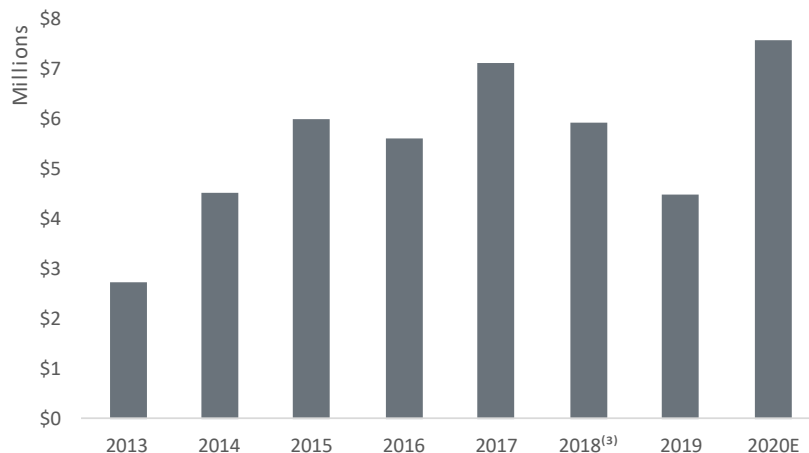
#### Third-Party Construction Backlog

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



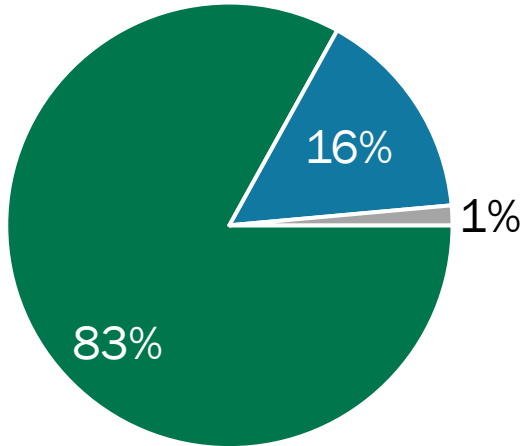
\$ in thousands



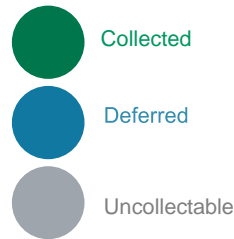
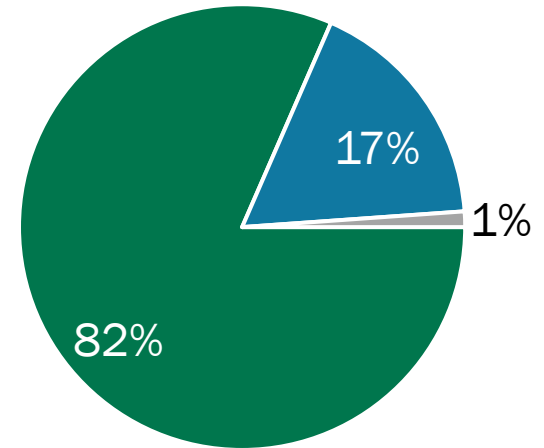
82% OF RENT COLLECTED ACROSS PORTFOLIO IN MAY,  
EXCLUDING THE 7 RETAIL PROPERTIES DISPOSED ON 5/29/20

APRIL RENT	COLLECTED	DEFERRED	UNCOLLECTABLE	MAY RENT	COLLECTED	DEFERRED	UNCOLLECTABLE
\$12,441	\$10,330	\$1,933	\$178	\$12,292	\$10,019	\$2,158	\$115

## OVERALL APRIL COLLECTIONS



## OVERALL MAY COLLECTIONS



(1) Rent due plus recoveries due and rent collected as of 5/27/20

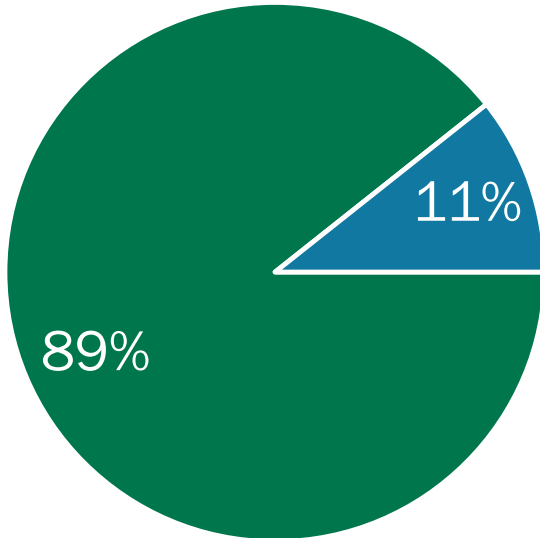
(2) Excludes 7 retail properties disposed on 5/29/20

# TOP 20 TENANT COLLECTIONS<sup>(1)(2)</sup>

\$ in thousands

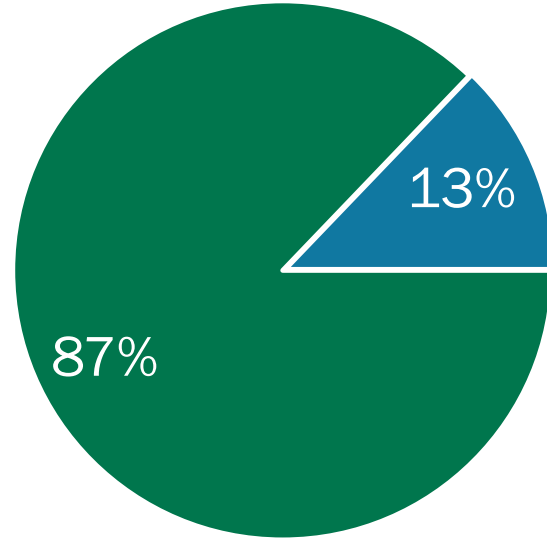
APRIL RENT	COLLECTED	DEFERRED
\$3,188	\$2,848	\$340

## APRIL COLLECTIONS



MAY RENT	COLLECTED	DEFERRED
\$3,221	\$2,807	\$414

## MAY COLLECTIONS

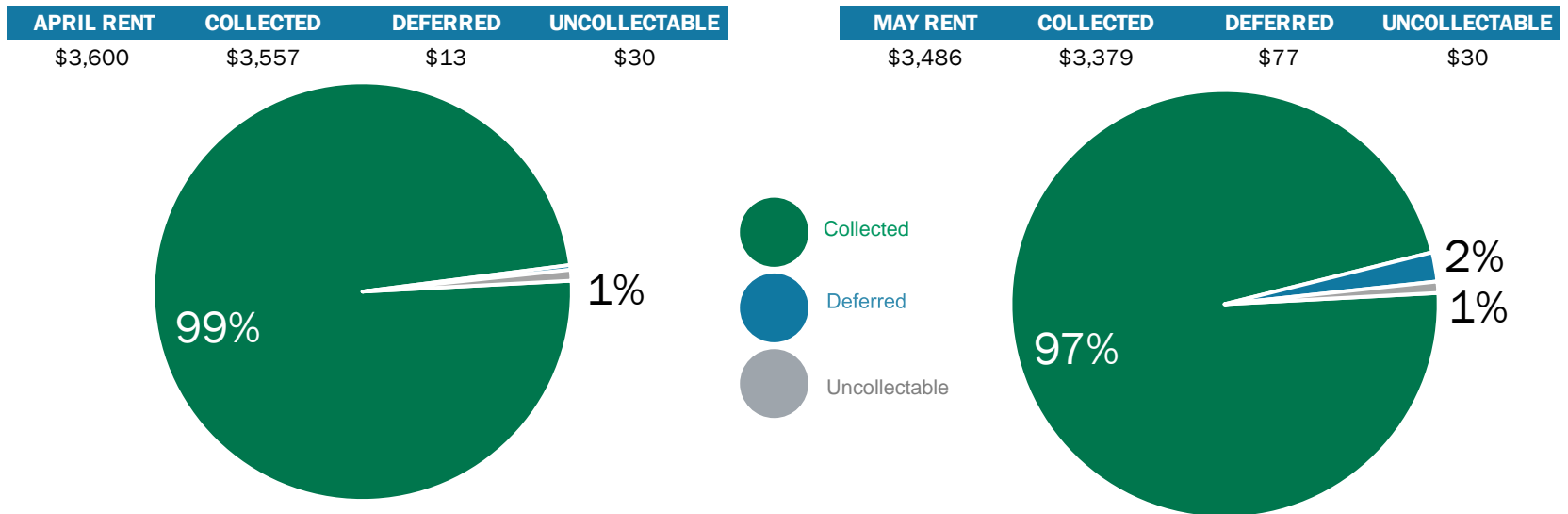


(1) Rent due plus recoveries due and rent collected as of 5/27/20  
 (2) Excludes 7 retail properties disposed on 5/29/20

\$ 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

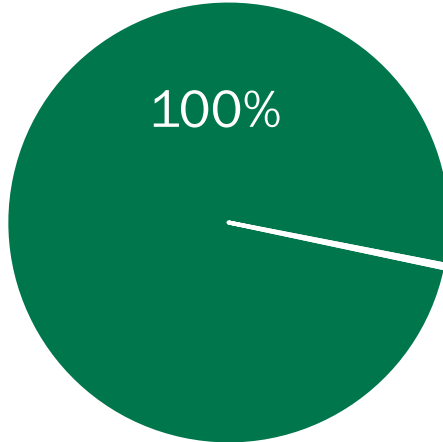


(1) Data reported relates to rent charges and collections for multifamily tenants through 5/27/20, and does not correspond to the GAAP segment reporting classification of the properties as a whole

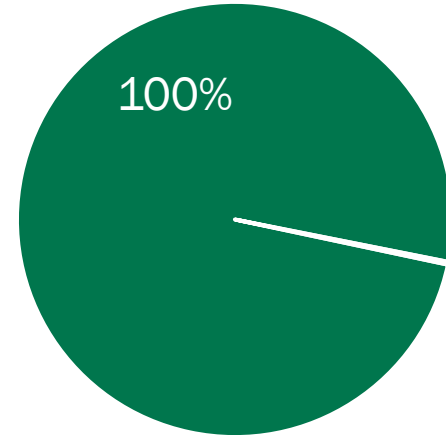


\$ in thousands

## APRIL RENT COLLECTED



## MAY RENT COLLECTED



APRIL RENT	COLLECTED	DEFERRED
\$3,267	\$3,258	\$9

MAY RENT	COLLECTED	DEFERRED
\$3,280	\$3,273	\$7

## 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

**100% OF TOP 10 OFFICE TENANTS RENT COLLECTED**

(1) Data reported relates to rent charges and collections for office tenants through 5/27/20, and does not correspond to the GAAP segment reporting classification of the properties as a whole

# RETAIL RENT COLLECTIONS<sup>(1)(2)</sup>

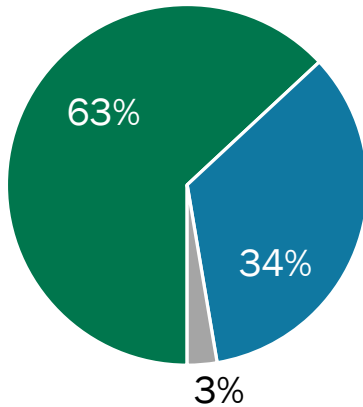
\$ in thousands, excludes 7 retail properties sold on 5/29/20

## 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

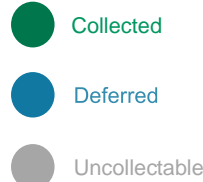
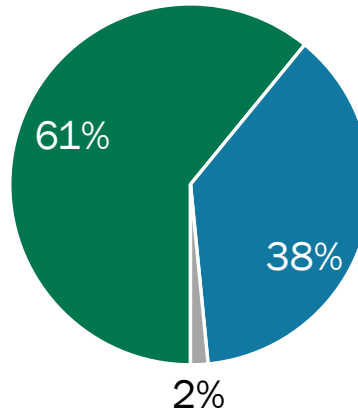
APRIL RENT	COLLECTED	DEFERRED	UNCOLLECTABLE
\$5,574	\$3,515	\$1,911	\$148

### APRIL RENT COLLECTED

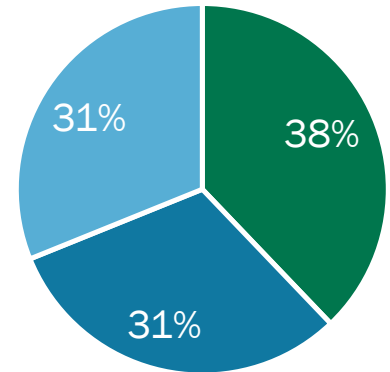


MAY RENT	COLLECTED	DEFERRED	UNCOLLECTABLE
\$5,526	\$3,366	\$2,075	\$85

### MAY RENT COLLECTED



### TENANT OPERATING STATUS<sup>(3)</sup>

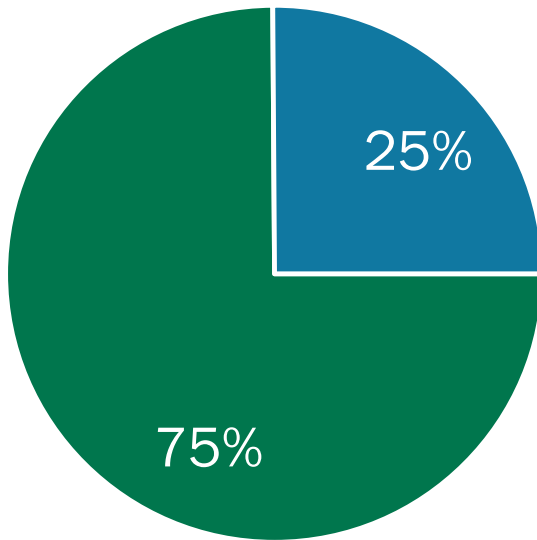


	TENANTS	DEFERRED	% OF TOTAL
Resolved	69	\$616	33%
Negotiating	155	1,459	67%
	224	\$2,075	

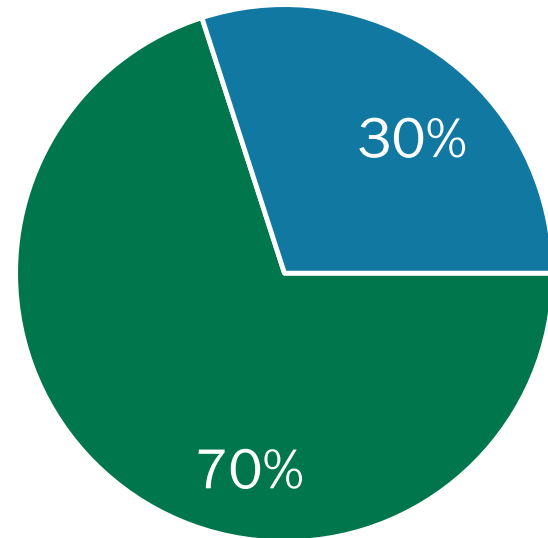
(1) Data reported relates to rent charges and collections for retail tenants through 5/27/20, and does not correspond to the GAAP segment reporting classification of the properties as a whole  
 (2) Excludes 7 retail properties disposed on 5/29/20  
 (3) As a percentage of May rent and recovery charges as of 5/27/20

# RETAIL TOP TENANT RENT COMPOSITION<sup>(1)(2)</sup>

TOP 10 TENANTS: APRIL  
RENT COLLECTED<sup>(3)</sup>



TOP 10 TENANTS: MAY  
RENT COLLECTED<sup>(3)</sup>

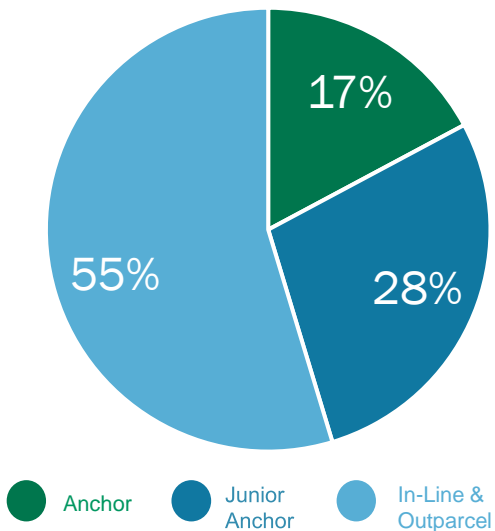


(1) Data reported relates to rent charges and collections for retail tenants through 5/27/20, and does not correspond to the GAAP segment reporting classification of the properties as a whole  
(2) Excludes 7 retail properties disposed on 5/29/20  
(3) As a percentage of rent and recovery charges

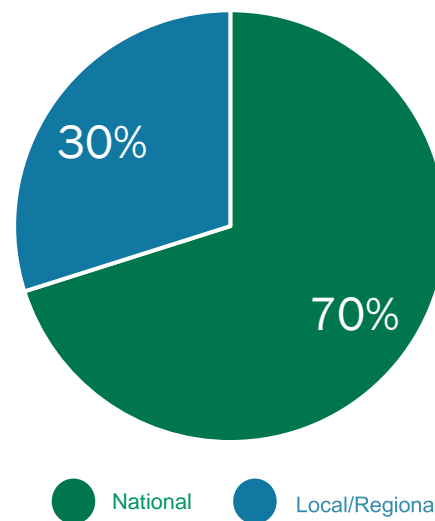


# MAY RETAIL RENT COMPOSITION<sup>(1)(2)</sup>

TENANT MIX BASED ON RENT DUE<sup>(3)</sup>



TENANT MIX BASED ON RENT DUE<sup>(3)</sup>



	COLLECTED	DEFERRED
Anchor	83%	17%
Junior Anchors	60%	40%
In-Line & Outparcels	54%	46%

	COLLECTED	DEFERRED
National	60%	40%
Local/Regional	63%	37%

(1) Data reported relates to April rent charges and collections for retail tenants through 5/27/20, and does not correspond to the GAAP segment reporting classification of the properties as a whole

(2) Excludes 7 retail properties disposed on 5/29/20

(3) As a percentage of May rent and recovery charges

As of 3/31/20 unless otherwise noted



**\$90M**

ASSET SALE FROM UNENCUMBERED BORROWING BASE ENHANCES THE COMPANY'S LIQUIDITY

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

**100%**

CASH FIXED CHARGE COVERAGE - ANNUALIZED APRIL & MAY RENT COLLECTION<sup>(2)</sup>

**1.5X**

## 2020 CASH REQUIREMENTS

REDEVELOPMENT	\$9M
DEVELOPMENT	-
MEZZANINE LENDING	-
<b>TOTAL 2020 CASH REQUIREMENTS REMAINING</b>	<b>\$9M</b>

(1) As of 5/29/20 to include debt paydown from retail disposition

(2) Management's anticipated cash EBITDA for the second quarter adjusted to reflect April & May rent collections less capex and mezzanine income divided by fixed charges (inclusive of the preferred dividend)



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