

**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 3, 2021

**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 3, 2021, Armada Hoffer Properties, Inc. (the “Company”) issued a press release announcing its financial position as of June 30, 2021, results of operations for the three months ended June 30, 2021, and other related information. Also on August 3, 2021, 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, 2021. 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 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 3, 2021, issued by Armada Hoffer Properties, Inc., providing its financial position as of June 30, 2021 and results of operations for the three months ended June 30, 2021.</a>
<a href="#">99.2</a>	<a href="#">Armada Hoffer Properties, Inc. Second Quarter 2021 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 3, 2021

By: /s/ Michael P. O'Hara  
Michael P. O'Hara  
Chief Financial Officer, Treasurer and Secretary



**ARMADA HOFFLER PROPERTIES REPORTS SECOND QUARTER 2021 RESULTS**

**Net Income of \$0.07 Per Diluted Share**

**Normalized FFO of \$0.29 Per Diluted Share**

**Raised 2021 Full-Year Normalized FFO Guidance to \$1.02 to \$1.06 Per Diluted Share**

VIRGINIA BEACH, VA, August 3, 2021 – Armada Hoffer Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended June 30, 2021 and provided an update on current events.

**Second Quarter and Recent Highlights:**

- Net income attributable to common stockholders and OP Unit holders of \$5.6 million, or \$0.07 per diluted share, compared to \$11.2 million, or \$0.14 per diluted share, for the three months ended June 30, 2020.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.9 million, or \$0.28 per diluted share, compared to \$22.0 million, or \$0.28 per diluted share, for the three months ended June 30, 2020. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$23.3 million, or \$0.29 per diluted share, compared to \$22.6 million, or \$0.29 per diluted share, for the three months ended June 30, 2020. Second quarter Normalized FFO included \$0.03 per diluted share attributable to the early repayment of the Solis Apartments at Interlock mezzanine loan that would have been recognized during the second half of 2021, which was included in prior guidance.
- Raised 2021 full-year Normalized FFO guidance to \$1.02 to \$1.06 per diluted share from the Company's previous guidance range of \$0.98 to \$1.02 per diluted share due to higher forecast net operating income ("NOI") from the operating portfolio and acquisitions.
- Stabilized operating property portfolio occupancy increased to 94.1% as of June 30, 2021. Office occupancy was 96.5%, retail occupancy was 94.7%, and multifamily occupancy was 92.2%. Within the multifamily segment, conventional apartment occupancy was 96.6% and student housing occupancy was 83.5%.
- Positive releasing spreads on retail lease renewals during the second quarter of 8.0% on a GAAP basis and 6.9% on a cash basis. There were no office renewals during the second quarter.
- Same Store NOI increased 0.7% on a GAAP basis and 13.5% on a cash basis compared to the quarter ended June 30, 2020. Highlights include:
  - Multifamily Same Store NOI increased 6.6% on a GAAP basis and 1.7% on a cash basis compared to the quarter ended June 30, 2020; excluding student housing, multifamily Same Store NOI increased 14.9% on a GAAP basis and 12.3% on a cash basis.
  - Retail Same Store NOI increased 24.6% on a cash basis compared to the quarter ended June 30, 2020 due to tenants returning to their pre-COVID rent schedules.

- Leased 80,000 square feet of commercial office and retail space since the Company's previous quarterly update, including leases with Transamerica and RBC at Wills Wharf in Harbor Point Baltimore.
- Increased second quarter cash dividend of \$0.16 per common share, resulting in a 45.5% cumulative increase year-to-date.
- Announced the pending off-market acquisition of Greenbrier Square, a Kroger-anchored retail center in Chesapeake, Virginia. In July, completed the off-market acquisition of Overlook Village, a 150,000 square foot retail center in Asheville, North Carolina anchored by T.J. Maxx | Homegoods and Ross.

"Because of outstanding actual and forecasted growth in property NOI, we are pleased to raise earnings guidance for the year," said Lou Haddad, President & CEO. "Leasing activity across all sectors of our core portfolio is at the highest velocity we've seen in years, the development pipeline is well-stocked and proceeding rapidly, an ample supply of off-market acquisition opportunities have been uncovered, third-party construction engagements are shaping up to become high volume contracts later this year, and most importantly, we are in a strong liquidity position with access to additional capital sources from the potential disposition of non-core assets. In short, the building blocks for superior, if not game-changing, performance are in place."

#### **Financial Results**

Net income attributable to common stockholders and OP Unit holders for the second quarter decreased to \$5.6 million compared to \$11.2 million for the second quarter of 2020. The period-over-period change was primarily due to a decrease in gains on real estate dispositions, decrease in general contracting gross profit, and decreases in property net operating income resulting from sales of operating shopping centers. Additionally, we paid more in preferred dividends due to the issuance of additional preferred stock during 2020. These decreases were partially offset by net operating income resulting from property acquisitions and completed development projects, changes in the fair value of interest rate derivatives, and an increase in interest income on our mezzanine loan portfolio, including a \$2.4 million prepayment premium recognized for the Solis Apartments at Interlock mezzanine loan.

FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$22.9 million compared to \$22.0 million for the second quarter of 2020. Normalized FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$23.3 million compared to \$22.6 million for the second quarter of 2020. The period-over-period changes in FFO and Normalized FFO were due to net operating income resulting from property acquisitions and completed development projects and an increase in interest income on our mezzanine loan portfolio, including a \$2.4 million prepayment premium recognized for the Solis Apartments at Interlock mezzanine loan. These increases were partially offset by a decrease in general contracting gross profit and decreases in property net operating income resulting from sales of operating shopping centers. Additionally, we paid more in preferred dividends due to the issuance of additional preferred stock during 2020.

#### **Operating Performance**

At the end of the second quarter, the Company's office, retail and multifamily stabilized operating property portfolios were 96.5%, 94.7% and 92.2% (conventional multifamily was 96.6% and student housing was 83.5%) occupied, respectively.

Total construction contract backlog was \$70.2 million at the end of the second quarter.

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

As of June 30, 2021, the Company had \$963.9 million of total debt outstanding, including \$205.0 million outstanding under its senior unsecured term loan facility. The Company had no balance outstanding under its revolving credit facility as of June 30, 2021. Total debt outstanding excludes GAAP adjustments. Approximately 59% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of June 30, 2021. After giving effect to LIBOR interest rate caps with strike prices at or below 50 basis points as of June 30, 2021, 99% of the Company's debt was either fixed or hedged.

The Company refinanced the loan secured by Southgate Square during the second quarter. The Company has no loans scheduled to mature during the remainder of 2021.

The Company is currently in compliance with all debt covenants.

#### Outlook

The Company issued updated 2021 full-year Normalized FFO guidance in the range to \$1.02 to \$1.06 per diluted share from \$0.98 to \$1.02. The following table updates the Company's assumptions underpinning this forecast. The Company's executive management will provide further details regarding its 2021 earnings guidance during today's webcast and conference call.

Full-year 2021 Guidance <sup>(1)</sup>	Expected Ranges	
Total NOI	\$122.0M	\$123.0M
Construction Segment Gross Profit	\$3.7M	\$4.2M
G&A Expenses	\$14.5M	\$14.8M
Mezzanine Interest Income	\$17.8M	\$18.2M
Interest Expense <sup>(2)</sup>	\$33.2M	\$33.8M
Normalized FFO per diluted share <sup>(3)</sup>	\$1.02	\$1.06

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

- Acquisition of two retail centers, Overlook Village and Greenbrier Square, in the third quarter
- Interest Expense based on Forward LIBOR Curve, which forecasts rates ending the year at 0.19%
- Opportunistic sale of common stock through the ATM program, resulting in a full year weighted average share count of 82M

<sup>(2)</sup> Includes interest expense on finance leases

<sup>(3)</sup> 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 unrealized credit losses, 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.

#### 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 Tuesday, August 3, 2021 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 Friday, September 3, 2021 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13720484.

#### **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. Hoffer, Armada Hoffer 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 construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, and the Company's financial outlook 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, 2020, 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. 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; and (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. The Company expressly disclaims any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by 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.

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, provision for unrealized credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

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



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

	June 30, 2021 (Unaudited)	December 31, 2020
<b>ASSETS</b>		
Real estate investments:		
Income producing property	\$ 1,756,836	\$ 1,680,943
Held for development	11,294	13,607
Construction in progress	37,167	63,367
	1,805,297	1,757,917
Accumulated depreciation	(278,010)	(253,965)
Net real estate investments	1,527,287	1,503,952
Real estate investments held for sale	—	1,165
Cash and cash equivalents	43,493	40,998
Restricted cash	9,749	9,432
Accounts receivable, net	30,227	28,259
Notes receivable, net	112,446	135,432
Construction receivables, including retentions, net	13,823	38,735
Construction contract costs and estimated earnings in excess of billings	85	138
Equity method investment	6,999	1,078
Operating lease right-of-use assets	32,640	32,760
Finance lease right-of-use assets	47,544	23,544
Acquired lease intangible assets	55,807	58,154
Other assets	40,358	43,324
<b>Total Assets</b>	<b>\$ 1,920,458</b>	<b>\$ 1,916,971</b>
<b>LIABILITIES AND EQUITY</b>		
Indebtedness, net	\$ 964,396	\$ 963,845
Accounts payable and accrued liabilities	20,395	23,900
Construction payables, including retentions	18,470	49,821
Billings in excess of construction contract costs and estimated earnings	4,137	6,088
Operating lease liabilities	41,719	41,659
Finance lease liabilities	45,997	17,954
Other liabilities	57,725	56,902
<b>Total Liabilities</b>	<b>1,152,839</b>	<b>1,160,169</b>
<b>Total Equity</b>	<b>767,619</b>	<b>756,802</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,920,458</b>	<b>\$ 1,916,971</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,	
	2021	2020	2021	2020
	(Unaudited)			
<b>Revenues</b>				
Rental revenues	\$ 47,378	\$ 39,915	\$ 93,119	\$ 82,204
General contracting and real estate services revenues	18,408	57,398	53,971	104,666
<b>Total revenues</b>	<u>65,786</u>	<u>97,313</u>	<u>147,090</u>	<u>186,870</u>
<b>Expenses</b>				
Rental expenses	11,292	8,309	22,124	17,684
Real estate taxes	5,465	4,233	10,771	8,566
General contracting and real estate services expenses	18,131	55,342	52,406	100,892
Depreciation and amortization	17,285	13,777	35,351	28,056
Amortization of right-of-use assets - finance leases	278	146	467	293
General and administrative expenses	3,487	2,988	7,508	6,781
Acquisition, development and other pursuit costs	32	502	103	529
Impairment charges	83	—	3,122	158
<b>Total expenses</b>	<u>56,053</u>	<u>85,297</u>	<u>131,852</u>	<u>162,959</u>
Gain on real estate dispositions	—	2,776	3,717	2,776
<b>Operating income</b>	9,733	14,792	18,955	26,687
Interest income	6,746	4,412	10,862	11,638
Interest expense	(8,418)	(7,227)	(16,393)	(15,415)
Change in fair value of derivatives and other	314	(6)	707	(1,742)
Unrealized credit loss release (provision)	(388)	117	(333)	(260)
Other income (expense), net	7	286	186	344
Income before taxes	7,994	12,374	13,984	21,252
Income tax benefit (provision)	461	(65)	480	192
<b>Net income</b>	<u>8,455</u>	<u>12,309</u>	<u>14,464</u>	<u>21,444</u>
Net loss attributable to noncontrolling interests in investment entities	—	44	—	136
Preferred stock dividends	(2,887)	(1,175)	(5,774)	(2,242)
<b>Net income attributable to common stockholders and OP Unitholders</b>	<u>\$ 5,568</u>	<u>\$ 11,178</u>	<u>\$ 8,690</u>	<u>\$ 19,338</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,	
	2021	2020	2021	2020
	(Unaudited)			
<b>Net income attributable to common stockholders and OP Unitholders</b>	\$ 5,568	\$ 11,178	\$ 8,690	\$ 19,338
Depreciation and amortization <sup>(1)</sup>	17,285	13,644	35,351	27,736
Gain on operating real estate dispositions <sup>(2)</sup>	—	(2,776)	(3,464)	(2,776)
Impairment of real estate assets	—	—	3,039	—
<b>FFO attributable to common stockholders and OP Unitholders</b>	<b>\$ 22,853</b>	<b>\$ 22,046</b>	<b>\$ 43,616</b>	<b>\$ 44,298</b>
Acquisition, development and other pursuit costs	32	502	103	529
Impairment of intangible assets and liabilities	83	—	83	158
Unrealized credit loss provision (release)	388	(117)	333	260
Amortization of right-of-use assets - finance leases	278	146	467	293
Change in fair value of derivatives and other	(314)	6	(707)	1,742
<b>Normalized FFO available to common stockholders and OP Unitholders</b>	<b>\$ 23,320</b>	<b>\$ 22,583</b>	<b>\$ 43,895</b>	<b>\$ 47,280</b>
<b>Net income attributable to common stockholders and OP Unitholders per diluted share and unit</b>	<b>\$ 0.07</b>	<b>\$ 0.14</b>	<b>\$ 0.11</b>	<b>\$ 0.25</b>
<b>FFO attributable to common stockholders and OP Unitholders per diluted share and unit</b>	<b>\$ 0.28</b>	<b>\$ 0.28</b>	<b>\$ 0.54</b>	<b>\$ 0.57</b>
<b>Normalized FFO attributable to common stockholders and OP Unitholders per diluted share and unit</b>	<b>\$ 0.29</b>	<b>\$ 0.29</b>	<b>\$ 0.54</b>	<b>\$ 0.61</b>
Weighted average common shares and units - diluted	81,262	77,941	80,771	77,806

(1) The adjustment for depreciation and amortization for the three and six months ended June 30, 2020 excludes \$0.1 million and \$0.3 million, respectively, of depreciation attributable to the Company's 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.

**Contact:**

Michael P. O'Hara  
Armada Hoffer Properties, Inc.  
Chief Financial Officer, Treasurer, and Secretary  
Email: MOHara@ArmadaHoffer.com  
Phone: (757) 366-6684

# 2Q21

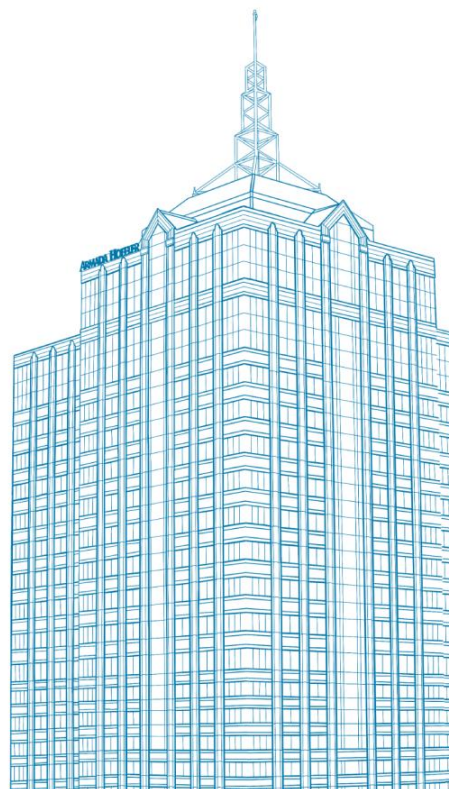
SUPPLEMENTAL  
FINANCIAL PACKAGE



GREENSIDE APARTMENTS

# TABLE OF CONTENTS

03	<i>Forward-Looking Statements</i>
04	<i>Corporate Profile</i>
05	<i>Highlights</i>
06	<i>2021 Outlook &amp; Assumptions</i>
07	<i>Summary Information</i>
08	<i>Net Asset Value Component Data</i>
09	<i>Summary Balance Sheet</i>
10	<i>Summary Income Statement</i>
11	<i>FFO, Normalized FFO &amp; Adjusted FFO</i>
12	<i>Outstanding Debt</i>
13	<i>Debt Information</i>
14	<i>Core Debt to Core EBITDA</i>
15	<i>Capitalization &amp; Financial Ratios</i>
16	<i>Property Portfolio</i>
18	<i>Development Pipeline</i>
20	<i>Mezzanine Investments</i>
21	<i>Acquisitions &amp; Dispositions</i>
22	<i>Construction Business Summary</i>
23	<i>Same Store NOI by Segment</i>
24	<i>Top 10 Tenants by Annualized Base Rent</i>
25	<i>Lease Summary</i>
26	<i>Office Lease Expirations</i>
27	<i>Retail Lease Expirations</i>
28	<i>COVID-19 Deferrals</i>
29	<i>Appendix – Definitions &amp; Reconciliations</i>
33	<i>Same Store vs Non-Same Store</i>
34	<i>Reconciliation to Core EBITDA</i>
35	<i>Reconciliation to Property Portfolio NOI</i>
36	<i>Reconciliation to GAAP Net Income</i>



## 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 3, 2021, which has been furnished as Exhibit 99.1 to our Form 8-K filed on August 3, 2021. 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")). 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 construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, and the Company's financial outlook 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, 2020 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. 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 conditions 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; and (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. The Company expressly disclaims any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by 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  
**Eva S. Hardy**, Independent Director  
**A. Russell Kirk**, Director  
**Dorothy S. McAuliffe**, Independent Director  
**John W. Snow**, Independent Director

## CORPORATE OFFICERS

**Louis S. Haddad**, President and Chief Executive Officer  
**Michael P. O'Hara**, Chief Financial Officer  
**Shawn J. Tibbetts**, Chief Operating Officer  
**Eric E. Apperson**, President of Construction  
**Shelly R. Hampton**, President of Asset Management

## ANALYST COVERAGE

**Janney, Montgomery, & Scott LLC**  
Robert Stevenson  
(646) 840-3217  
[robertstevenson@janney.com](mailto:robertstevenson@janney.com)

**Raymond James & Associates**  
Bill Crow  
(727) 567-2594  
[bill.crow@raymondjames.com](mailto:bill.crow@raymondjames.com)

**Robert W. Baird & Co.**  
David Rodgers  
(216) 737-7341  
[drodgers@rwbaird.com](mailto:drodgers@rwbaird.com)

**Bank of America Merrill Lynch**  
James Feldman/Elvis Rodriguez  
(646) 855-5808/(646) 855-1589  
[james.feldman@bofa.com/rodrigueze@bofa.com](mailto:james.feldman@bofa.com/rodrigueze@bofa.com)

**Jefferies**  
Peter Abramowitz  
(212) 336-7241  
[pabramowitz@jefferies.com](mailto:pabramowitz@jefferies.com)

## HIGHLIGHTS



- Net income attributable to common stockholders and OP Unit holders of \$5.6 million, or \$0.07 per diluted share, compared to \$11.2 million, or \$0.14 per diluted share, for the three months ended June 30, 2020.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.9 million, or \$0.28 per diluted share, compared to \$22.0 million, or \$0.28 per diluted share, for the three months ended June 30, 2020. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$23.3 million, or \$0.29 per diluted share, compared to \$22.6 million, or \$0.29 per diluted share, for the three months ended June 30, 2020. Second quarter Normalized FFO included \$0.03 per diluted share attributable to the early repayment of the Solis Apartments at Interlock mezzanine loan that would have been recognized during the second half of 2021, which was included in prior guidance.
- Raised 2021 full-year Normalized FFO guidance to \$1.02 to \$1.06 per diluted share from the Company's previous guidance range of \$0.98 to \$1.02 per diluted share because of higher forecast net operating income ("NOI") from the operating portfolio and acquisitions.
- Stabilized operating property portfolio occupancy increased to 94.1% as of June 30, 2021. Office occupancy was 96.5%, retail occupancy was 94.7%, and multifamily occupancy was 92.2%. Within the multifamily segment, conventional apartment occupancy was 96.6% and student housing occupancy was 83.5%.
- Positive releasing spreads on retail lease renewals during the second quarter of 8.0% on a GAAP basis and 6.9% on a cash basis. There were no office renewals during the second quarter.
- Same Store NOI increased 0.7% on a GAAP basis and 13.5% on a cash basis compared to the quarter ended June 30, 2020. Highlights include:
  - Multifamily Same Store NOI increased 6.6% on a GAAP basis and 1.7% on a cash basis compared to the quarter ended June 30, 2020; excluding student housing, multifamily Same Store NOI increased 14.9% on a GAAP basis and 12.3% on a cash basis.
  - Retail Same Store NOI increased 24.6% on a cash basis compared to the quarter ended June 30, 2020 due to tenants returning to their pre-COVID rent schedules.
- Leased 80,000 square feet of commercial office and retail space since the Company's previous quarterly update, including leases with Transamerica and RBC at Wills Wharf in Harbor Point Baltimore.
- Increased second quarter cash dividend of \$0.16 per common share, resulting in a 45.5% cumulative increase year-to-date.
- Announced the pending off-market acquisition of Greenbrier Square, a Kroger-anchored retail center in Chesapeake, Virginia. In July, completed the off-market acquisition of Overlook Village, a 150,000 square foot retail center in Asheville, North Carolina anchored by T.J. Maxx | Homegoods and Ross.



## 2021 OUTLOOK & ASSUMPTIONS



<i>OUTLOOK</i>	<i>LOW</i>	<i>HIGH</i>
<i>TOTAL NOI</i>	\$122.0M	\$123.0M
<i>CONSTRUCTION SEGMENT GROSS PROFIT</i>	\$3.7M	\$4.2M
<i>G&amp;A EXPENSES</i>	\$14.5M	\$14.8M
<i>MEZZANINE INTEREST INCOME</i>	\$17.8M	\$18.2M
<i>INTEREST EXPENSE<sup>(1)</sup></i>	\$33.2M	\$33.8M
<i>NORMALIZED FFO PER DILUTED SHARE</i>	\$1.02	\$1.06

(1) Includes the interest expense on finance leases.

### GUIDANCE ASSUMPTIONS

- Acquisition of two retail centers, Overlook Village and Greenbrier Square, in the third quarter
- Interest expense based on Forward LIBOR Curve, which forecasts rates ending the year at 0.19%
- Opportunistic sale of common stock through the ATM program, resulting in a full year weighted average share count of 82M

# SUMMARY INFORMATION

\$ IN THOUSANDS, EXCEPT PER SHARE DATA



OPERATIONAL METRICS	Three months ended			
	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Net income attributable to common stockholders and OP unitholders	\$5,568	\$3,122	\$1,851	\$8,651
Net income per diluted share attributable to common stockholders and OP unitholders	\$0.07	\$0.04	\$0.02	\$0.11
Normalized FFO attributable to common stockholders and OP unitholders	23,320	20,575	19,900	19,039
Normalized FFO per diluted share attributable to common stockholders and OP unitholders	\$0.29	\$0.26	\$0.25	\$0.24
Annualized dividend yield	4.82%	4.78%	3.92%	4.75%
Core debt / Annualized core EBITDA	6.7x	7.0x	6.6x	5.8x
Fixed charge coverage ratio	2.4x	2.4x	2.3x	2.4x

## CAPITALIZATION

Common shares outstanding	60,992	59,894	59,073	57,934
Operating Partnership units outstanding	20,853	20,853	20,865	20,523
Common shares and Operating Partnership units outstanding	81,845	80,747	79,938	78,457
Market price per common share	\$13.29	\$12.54	\$11.22	\$9.26
Common equity capitalization	1,087,720	1,012,568	896,904	726,512
Preferred equity capitalization	171,085	171,085	171,085	171,075
Total equity capitalization	\$1,258,805	\$1,183,653	\$1,067,989	\$897,587
Total debt <sup>(1)</sup>	963,885	975,099	962,812	885,359
Total capitalization	2,222,690	2,158,752	2,030,801	1,782,946
Less: cash	(53,242)	(34,588)	(50,430)	(79,224)
Total enterprise value	\$2,169,448	\$2,124,164	\$1,980,371	\$1,703,722

## STABILIZED PORTFOLIO OCCUPANCY

Retail <sup>(2)</sup>	94.7%	93.9%	94.7%	94.2%
Office <sup>(2)</sup>	96.5%	97.2%	97.0%	96.7%
Multifamily <sup>(3)</sup>	92.2%	92.2%	92.5%	95.9%
Weighted Average <sup>(4)</sup>	94.1%	94.0%	94.4%	95.4%

## PORTFOLIO METRICS (INCLUDING NON-STABILIZED)

Net Operating Income (NOI)	\$30,621	\$29,603	\$28,785	\$24,653
Total Number of Properties	57	57	57	55
Total Rentable Square Feet (RSF)	5,337,669	5,337,657	5,323,441	5,323,442
<b>Retail Portfolio</b>				
Net Operating Income	\$14,011	\$13,392	\$13,500	\$11,243
Number of Properties	37	37	37	37
Net Rentable Square Feet	3,709,490	3,709,478	3,690,375	3,690,376
<b>Office Portfolio</b>				
Net Operating Income	\$7,405	\$7,402	\$7,073	\$7,039
Number of Properties	8	8	8	8
Net Rentable Square Feet	1,628,179	1,628,179	1,633,066	1,633,066
<b>Multifamily Portfolio</b>				
Net Operating Income	\$9,205	\$8,809	\$8,212	\$6,371
Number of Properties	12	12	12	10
Units	2,344	2,344	2,344	1,754
Beds	1,183	1,183	1,183	1,183

(1) Excludes GAAP adjustments.

(2) Office and retail occupancy based on leased square feet as a % of respective total.

(3) Multifamily and student housing occupancy based on occupied units/beds as a % of total.

(4) In 2Q21 conventional multifamily and student housing occupancy was 96.6% and 83.5%, respectively. In the prior quarter multifamily occupancy was 95.8% and student housing 85.0%.

(5) Regal leases which were terminated in October 2020 have been re-signed and included in occupancy for both quarters. Regal at Columbus Village II was re-signed after December 31, 2020.

(6) Total occupancy weighted by annualized base rent.

# NET ASSET VALUE COMPONENT DATA

\$ IN THOUSANDS



Stabilized Portfolio NOI (Cash) <sup>(1)</sup>					Third-Party General Contracting and Real Estate Services	
	Three months ended 6/30/2021			Total	Trailing 12 Months	
	Office <sup>(3)</sup>	Retail	Multifamily			
<b>Stable Portfolio</b>						
Portfolio NOI <sup>(2)</sup>	\$7,240	\$13,403	\$9,177	\$29,820	General Contracting Gross Profit	
Unstabilized Properties NOI	(399)	-	-	(399)	Total	
Signed Leases Not Yet Occupied or In Free Rent Period	85	990	56	1,131	Non-Property Assets <sup>(4)</sup>	
Net Deferrals and Recoveries	69	(415)	(13)	(359)	As of 6/30/2021	
Stable Portfolio NOI	\$6,995	\$13,978	\$9,220	\$30,193	Cash and Retriected Cash	\$53,242
<b>Intra-Quarter Transactions</b>						
Net Acquisitions	-	-	-	-	Accounts Receivable	30,227
Net Dispositions	-	-	-	-	Notes Receivable, Including Mezzanine Investments <sup>(5)</sup>	112,724
Total	-	-	-	-	Construction receivables, including retentions <sup>(5)</sup>	14,006
Annualized	\$27,980	\$55,912	\$36,880	\$120,772	Acquired lease intangible assets, net	55,807
					Other Assets	40,443
					Total Non-Property Assets	\$306,449
<b>Non-Stabilized Portfolio</b>						
				As of 6/30/2021	Liabilities <sup>(4)</sup>	
Projects Under Development at Cost				\$45,000	As of 6/30/2021	
Projects Delivered Not Stabilized at Cost				110,000	Mortgages and Notes Payable <sup>(5)</sup>	\$963,885
Projects Under Predevelopment or On Hold				10,000	Accounts Payable and Accrued Liabilities	20,395
Unconsolidated Joint Ventures				7,000	Construction Payables, Including Retentions	18,470
Total Non-Stabilized Portfolio				\$172,000	Other Liabilities	60,012
					Total Liabilities	\$1,062,762
<b>Management's Estimate of Land Value and Vacancy Opportunities</b>						
		Size	Estimated Value <sup>(6)</sup>		Preferred Equity	
Harrisonburg MF Development Opportunity		228 units	\$20,000-30,000/unit		Liquidation Value	
					Series A Cumulative Redeemable Perpetual Preferred Stock	
					\$171,085	
<b>Vacant Space at Lease</b>						
		Size	Net Rent PSF		Common Equity	
		55,000	\$18.50/sf		As of 6/30/2021	
					Total common shares outstanding	60,992
					Total OP units outstanding	20,853
					Total Common Shares & OP Units Outstanding	81,845

- (1) NOI from non-stabilized portfolio and development pipeline excluded from stabilized portfolio.
- (2) Excludes expenses associated with the Company's in-house asset management division of \$0.7M for the 3 months ended 6/30/2021.
- (3) Includes leases for spaces occupied by Armada Hofferter which are eliminated for GAAP purposes.
- (4) Excludes lease right of use assets and lease liabilities.
- (5) Excludes GAAP adjustments.
- (6) Management's assessment of comparable multifamily assets in the applicable market.

# SUMMARY BALANCE SHEET

\$ IN THOUSANDS



	As of	
	6/30/2021 (Unaudited)	12/31/2020
<b>Assets</b>		
Real estate investments:		
Income producing property	\$1,756,836	\$1,680,943
Held for development	11,294	13,607
Construction in progress	37,167	63,367
Accumulated depreciation	(278,010)	(253,965)
Net real estate investments	1,527,287	1,503,952
Real estate investments held for sale	-	1,165
Cash and cash equivalents	43,493	40,998
Restricted cash	9,749	9,432
Accounts receivable, net	30,227	28,259
Notes receivable, net	112,446	135,432
Construction receivables, including retentions, net	13,823	38,735
Construction contract costs and estimated earnings in excess of billings	85	138
Equity method investments	6,999	1,078
Operating lease right-of-use assets	32,640	32,760
Finance lease right-of-use assets	47,544	23,544
Acquired lease intangible assets	55,807	58,154
Other assets	40,358	43,324
<b>Total Assets</b>	<b>\$1,920,458</b>	<b>\$1,916,971</b>
<b>Liabilities and Equity</b>		
Indebtedness, net	\$964,396	\$963,845
Accounts payable and accrued liabilities	20,395	23,900
Construction payables, including retentions	18,470	49,821
Billings in excess of costs and estimated earnings	4,137	6,088
Operating lease liabilities	41,719	41,659
Finance lease liabilities	45,997	17,954
Other liabilities	57,725	56,902
<b>Total Liabilities</b>	<b>1,152,839</b>	<b>1,160,169</b>
<b>Total Equity</b>	<b>767,619</b>	<b>756,802</b>
<b>Total Liabilities and Equity</b>	<b>\$1,920,458</b>	<b>\$1,916,971</b>

# SUMMARY INCOME STATEMENT

IN THOUSANDS, EXCEPT PER SHARE DATA



	Three months ended		Six months ended	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
<b>Revenues</b>				
Rental revenues	\$47,378	\$39,915	\$93,119	\$82,204
General contracting and real estate services revenues	18,408	57,398	53,971	104,666
<b>Total Revenues</b>	<b>65,786</b>	<b>97,313</b>	<b>147,090</b>	<b>186,870</b>
<b>Expenses</b>				
Rental expenses	11,292	8,309	22,124	17,684
Real estate taxes	5,465	4,233	10,771	8,566
General contracting and real estate services expenses	18,131	55,342	52,406	100,892
Depreciation and amortization	17,285	13,777	35,351	28,056
Amortization of right-of-use assets - finance leases	278	146	467	293
General and administrative expenses	3,487	2,988	7,508	6,781
Acquisition, development and other pursuit costs	32	502	103	529
Impairment charges	83	-	3,122	158
<b>Total Expenses</b>	<b>56,053</b>	<b>85,297</b>	<b>131,852</b>	<b>162,959</b>
Gain on real estate dispositions	-	2,776	3,717	2,776
<b>Operating Income</b>	<b>9,733</b>	<b>14,792</b>	<b>18,955</b>	<b>26,687</b>
Interest income	6,746	4,412	10,862	11,638
Interest expense	(8,418)	(7,227)	(16,393)	(15,415)
Change in fair value of derivatives and other	314	(6)	707	(1,742)
Unrealized credit loss release (provision)	(388)	117	(333)	(260)
Other income (expense), net	7	286	186	344
Income before taxes	7,994	12,374	13,984	21,252
Income tax benefit	461	(65)	480	192
Net Income	\$8,455	\$12,309	\$14,464	\$21,444
Net income attributable to noncontrolling interest in investment entities	-	44	-	136
Preferred stock dividends	(2,887)	(1,175)	(5,774)	(2,242)
Net income attributable to AHH and OP unitholders	\$5,568	\$11,178	\$8,690	\$19,338
Net income per diluted share and unit attributable to AHH and OP unitholders	\$0.07	\$0.14	\$0.11	\$0.25
Weighted Average Shares & OP Units - Diluted	81,262	77,941	80,771	77,806

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

IN THOUSANDS, EXCEPT PER SHARE DATA



	Three months ended (Unaudited)				Six months ended (Unaudited)	
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2021	6/30/2020
<b>Funds From Operations</b>						
<b>Net income attributable to AHH and OP unitholders</b>	<b>\$5,568</b>	<b>\$3,122</b>	<b>\$1,851</b>	<b>\$8,651</b>	<b>\$8,690</b>	<b>\$19,338</b>
Net Income per diluted share	\$0.07	\$0.04	\$0.02	\$0.11	\$0.11	\$0.25
Depreciation and amortization	17,285	18,066	17,678 <sup>(2)</sup>	14,131 <sup>(2)</sup>	35,351	27,736 <sup>(2)</sup>
Gains on dispositions of operating real estate	-	(3,464) <sup>(3)</sup>	-	(3,612)	(3,464) <sup>(3)</sup>	(2,776)
Impairment of real estate assets	-	3,039 <sup>(4)</sup>	-	-	3,039 <sup>(4)</sup>	-
<b>FFO</b>	<b>\$22,853</b>	<b>\$20,763</b>	<b>\$19,529</b>	<b>\$19,170</b>	<b>\$43,616</b>	<b>\$44,298</b>
FFO per diluted share	\$0.28	\$0.26	\$0.25	\$0.24	\$0.54	\$0.57
<b>Normalized FFO</b>						
Acquisition, development & other pursuit costs	32	71	29	26	103	529
Non cash GAAP Adjustments	749	134	636	161	883	711
Change in fair value of derivatives and other	(314)	(393)	(294)	(318)	(707)	1,742
<b>Normalized FFO</b>	<b>\$23,320</b>	<b>\$20,575</b>	<b>\$19,900</b>	<b>\$19,039</b>	<b>\$43,895</b>	<b>\$47,280</b>
Normalized FFO per diluted share	\$0.29	\$0.26	\$0.25	\$0.24	\$0.54	\$0.61
<b>Adjusted FFO</b>						
Non-cash stock compensation	423	1,017	471	456	1,440	1,451
Acquisition, development & other pursuit costs	(32)	(71)	(29)	(26)	(103)	(529)
Tenant improvements, leasing commissions, lease incentives <sup>(5)</sup>	(1,537)	(1,264)	(1,924)	(2,770)	(2,801)	(2,046)
Property related capital expenditures	(2,054)	(1,224)	(2,500)	(1,373)	(3,278)	(3,330)
Adjustment for mezz loan modification and exit fees	(493)	(493)	(493)	(614)	(986)	(2,688)
Non-cash interest expense <sup>(6)</sup>	1,332	988	934	874	2,320	1,311
Cash ground rent payment - finance lease	(624)	(415)	(291)	(291)	(1,039)	(457)
GAAP Adjustments	(1,286)	(1,707)	(1,940)	(684)	(2,993)	(7,279)
<b>AFFO</b>	<b>\$19,049</b>	<b>\$17,406</b>	<b>\$14,128</b>	<b>\$14,611</b>	<b>\$36,455</b>	<b>\$33,713</b>
AFFO per diluted share	\$0.23	\$0.22	\$0.18	\$0.19	\$0.45	\$0.43
Weighted Average Common Shares Outstanding	60,409	59,422	58,304	57,923	59,918	56,533
Weighted Average Operating Partnership Units Outstanding	20,853	20,854	20,867	20,520	20,853	21,273
<b>Total Weighted Average Common Shares and OP Units Outstanding</b>	<b>81,262</b>	<b>80,276</b>	<b>79,171</b>	<b>78,443</b>	<b>80,771</b>	<b>77,806</b>

- (1) See definitions in appendix.
- (2) Adjusted for the depreciation attributable to noncontrolling interests in consolidated investments.
- (3) Excludes gain on the sale of easement rights at a non-operating parcel of \$0.3M.
- (4) Related to Socastee Commons.
- (5) Excludes development, redevelopment, and first-generation space.
- (6) Includes non-cash interest expense relating to indebtedness and interest expense on finance leases.

# OUTSTANDING DEBT

\$ IN THOUSANDS

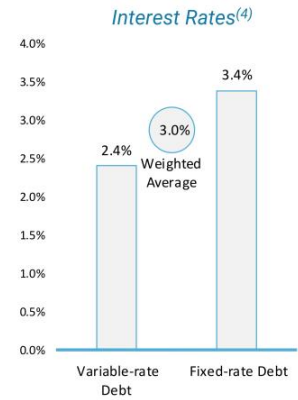
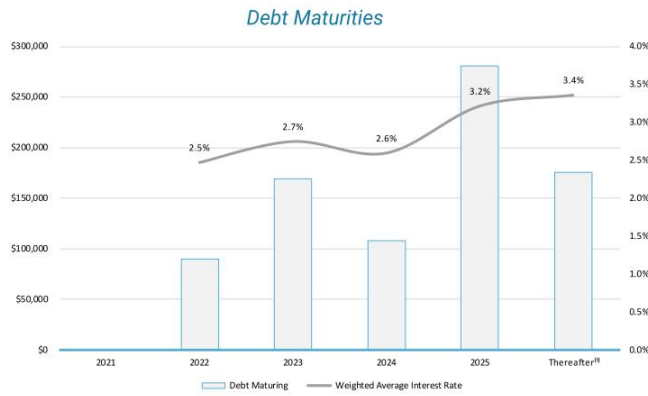


Debt	Stated Rate	Effective Rate as of 6/30/2021	Maturity Date	Debt Maturities & Principal Payments					Outstanding as of 6/30/2021	
				2021	2022	2023	2024	2025		Thereafter
<b>Secured Notes Payable - Core Debt</b>										
Red Mill West	4.23%	4.23%	Jun-2022	\$235	\$10,386					\$10,621
Thames Street Wharf	L+1.30%	1.81% <sup>(1)</sup>	Jun-2022	-	70,000					70,000
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	209	9,707					9,916
1405 Point	L+2.25%	2.35%	Jan-2023	362	754	51,532				52,648
Socastee Commons	4.57%	4.57%	Jan-2023	58	120	4,223				4,401
Newton Square	L+2.25%	2.50% <sup>(2)</sup>	Feb-2023	-	-	20,107				20,107
249 Central Park Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	126	260	16,092				16,478
Fountain Plaza Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	76	156	9,684				9,916
South Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	55	114	7,066				7,235
Hoffler Place	L+2.60%	3.00% <sup>(2)</sup>	Jan-2024	-	-	257	18,143			18,400
Summit Place	L+2.60%	3.00% <sup>(2)</sup>	Jan-2024	-	-	311	22,789			23,100
One City Center	L+1.85%	1.95%	Apr-2024	319	659	691	22,734			24,403
Southgate Square	L+2.25%	3.00% <sup>(2)</sup>	Apr-2024	355	728	750	17,550			19,383
Red Mill Central	4.80%	4.80%	Jun-2024	87	175	175	1,838			2,275
Premier Apartments	L+1.55%	1.65%	Oct-2024	105	221	234	16,053			16,613
Premier Retail	L+1.55%	1.65%	Oct-2024	52	109	115	7,906			8,182
Red Mill South	3.57%	3.57%	May-2025	159	327	338	351	4,502		5,677
Brooks Crossing Office	L+1.60%	1.70%	Jul-2025	253	514	523	531	13,321		15,142
Market at Mill Creek	L+1.55%	1.65%	Jul-2025	324	647	647	647	11,201		13,466
Johns Hopkins Village	L+1.25%	4.19% <sup>(1)</sup>	Aug-2025	496	1,031	1,075	1,116	46,649		50,367
North Point Center Note 2	7.25%	7.25%	Sep-2025	71	151	162	174	1,468		2,026
Encore Apartments	2.93%	2.93%	Feb-2026	264	540	556	573	590	22,265	24,788
4525 Main Street	2.93%	2.93%	Feb-2026	338	693	714	735	757	28,577	31,814
DeFrays Beach Plaza	L+3.00%	3.10%	Mar-2026	289	579	579	579	577	11,726	14,329
Lexington Square	4.50%	4.50%	Sep-2028	135	280	293	306	320	12,973	14,307
Red Mill North	4.73%	4.73%	Dec-2028	53	110	116	121	177	3,715	4,242
Greenside Apartments	3.17%	3.17%	Dec-2029	357	735	759	780	808	29,516	32,955
The Residences at Annapolis Junction	SOFR+2.66%	2.71%	Nov-2030	-	-	147	1,753	1,809	80,666	84,375
Smith's Landing	4.05%	4.05%	Jun-2035	444	917	956	994	1,037	12,547	16,895
Liberty Apartments	5.66%	5.66%	Nov-2043	154	322	341	361	382	12,167	13,727
Edison Apartments	5.30%	5.30%	Dec-2044	175	364	384	405	427	14,346	16,101
The Cosmopolitan	3.35%	3.35%	Jul-2051	413	847	876	906	937	38,524	42,503
<b>Total - Secured Core Debt</b>				<b>5,964</b>	<b>101,446</b>	<b>119,703</b>	<b>117,345</b>	<b>84,912</b>	<b>267,022</b>	<b>696,392</b>
<b>Secured Notes Payable - Development Pipeline</b>										
Wills Wharf	L+2.25%	2.35%	Jun-2023	-	-	61,235				61,235
Chronicle Mill	L+3.00%	3.25% <sup>(2)</sup>	May-2024	-	-	-	1,258			1,258
Gaineville Apartments	L+3.00%	3.75% <sup>(2)</sup>	Aug-2024	-	-	61,235	1,258			62,493
<b>Total - Development Pipeline</b>						<b>61,235</b>	<b>1,258</b>			<b>62,493</b>
<b>Total Secured Notes Payable</b>				<b>5,964</b>	<b>101,446</b>	<b>180,938</b>	<b>118,603</b>	<b>84,912</b>	<b>267,022</b>	<b>758,885</b>
<b>Unsecured Core Debt</b>										
Senior Unsecured Line of Credit	L+1.30%-1.85%	1.70%	Jan-2024	-	-	-	-	-	-	-
Senior Unsecured Term Loan	L+1.25%-1.80%	1.65%	Jan-2025	-	-	-	-	19,500		19,500
Senior Unsecured Term Loan	L+1.25%-1.80%	2.05%-4.57% <sup>(1)</sup>	Jan-2025	-	-	-	-	185,500		185,500
<b>Total - Unsecured Core Debt</b>								<b>205,000</b>		<b>205,000</b>
<b>Total Notes Payable excluding GAAP Adjustments</b>				<b>\$5,964</b>	<b>\$101,446</b>	<b>\$180,938</b>	<b>\$118,603</b>	<b>\$289,912</b>	<b>\$267,022</b>	<b>\$963,885</b>
<b>GAAP Adjustments</b>										
<b>Total Notes Payable</b>										<b>511</b>
										<b>\$964,396</b>

- (1) Includes debt subject to interest rate swap locks.
- (2) Subject to a LIBOR rate floor.

# DEBT INFORMATION

\$ IN THOUSANDS



	Total Debt Composition		
	% of Debt	Weighted Average <sup>(4)</sup>	
		Interest Rate	Maturity
<b>Variable vs. Fixed-rate Debt</b>			
Variable-rate Debt <sup>(1)</sup>	40.7%	2.4%	4.0 Yrs
Fixed-rate Debt <sup>(2)(3)</sup>	59.3%	3.4%	6.9 Yrs
Fixed-rate and Hedged Debt <sup>(2)(3)</sup>	99.3%		
<b>Secured vs. Unsecured Debt</b>			
Unsecured Debt	21.3%	3.1%	3.6 Yrs
Secured Debt	78.7%	3.0%	6.3 Yrs
<b>Total</b>		3.0%	5.7 Yrs

Interest Rate Cap Agreements At or Below 0.50%			
Effective Date	Maturity Date	Strike Rate	Notional Amount
July 2020	July 2023	0.50%	\$100,000
February 2021	February 2023	0.50%	100,000
May 2021	May 2023	0.50%	35,100
June 2021	May 2023	0.50%	50,000
	July 2023	0.50%	100,000
Total Interest Rate Caps			385,100
Fixed-rate Debt <sup>(2)(3)</sup>			\$571,744
Fixed-rate and Hedged Debt			\$956,844
Total Debt <sup>(3)</sup>			\$963,885
% of Total Debt <sup>(3)</sup>			99.3%

- (1) Excludes debt subject to interest rate swap locks.
- (2) Includes debt subject to interest rate swap locks.
- (3) Excludes GAAP adjustments.
- (4) Subject to LIBOR rate as of 6/30/21.



# CORE DEBT TO CORE EBITDA

\$ IN THE THOUSANDS

SEE APPENDIX FOR CALCULATIONS AND RECONCILIATION



	Three months ended				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Net income attributable to common stockholders and OP unitholders	\$5,568	\$3,122	\$1,851	\$8,651	\$11,178
Adjusted EBITDA <sup>(1)(2)(4)(5)</sup>	\$31,918	\$31,922	\$30,603	\$30,045	\$31,178
Other adjustments:					
Development/Redevelopment	(819)	(1,060)	(880)	(2,225)	(1,085)
(Less) Acquisitions/Dispositions completed intra-quarter	-	(447)	(961)	(155)	(1,351)
<b>Core EBITDA<sup>(4)</sup></b>	<b>\$31,099</b>	<b>\$30,415</b>	<b>\$28,762</b>	<b>\$27,665</b>	<b>\$28,742</b>
<b>Annualized Core EBITDA</b>	<b>\$126,756<sup>(6)</sup></b>	<b>\$121,915<sup>(7)</sup></b>	<b>\$115,046</b>	<b>\$110,658</b>	<b>\$114,968</b>
<b>Total debt<sup>(3)</sup></b>	<b>\$963,885</b>	<b>\$975,099</b>	<b>\$962,812</b>	<b>\$885,359</b>	<b>\$956,726</b>
Adjustments to debt:					
(Less) Development/Redevelopment	(62,493)	(69,039)	(67,285)	(143,560)	(137,508)
(Less) Net Acquisitions completed intra-quarter	-	(14,473)	(84,375)	(22,909)	-
(Less) Cash & restricted cash	(53,242)	(34,588)	(50,430)	(79,224)	(75,111)
<b>Core Debt<sup>(4)</sup></b>	<b>\$848,150</b>	<b>\$856,999</b>	<b>\$760,722</b>	<b>\$639,666</b>	<b>\$744,107</b>
<b>Core Debt/Annualized Core EBITDA</b>	<b>6.7x</b>	<b>7.0x</b>	<b>6.6x</b>	<b>5.8x</b>	<b>6.5x</b>

(1) See reconciliation in appendix.

(2) Excludes non-recurring items.

(3) Excludes GAAP adjustments.

(4) See definition in appendix.

(5) Interest expense has been adjusted for the current period and for prior periods to include interest expense relating to finance leases.

(6) Includes the unannualized mezzanine loan prepayment premium of \$2.4M.

(7) Includes the unannualized gain of sale on the non-operating parcel of \$0.3M.

# CAPITALIZATION & FINANCIAL RATIOS

\$ IN THOUSANDS AS OF JUNE 30, 2021

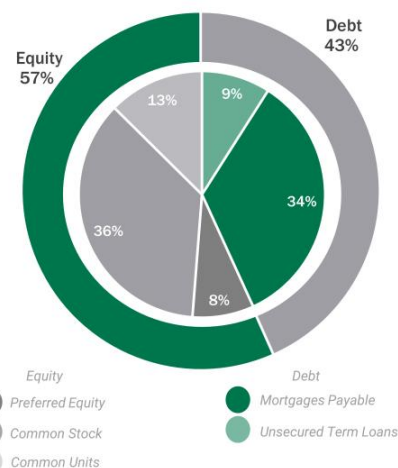
Debt	% of Total	Principal Balance
Unsecured credit facility	0%	\$0
Unsecured term loans	21%	205,000
Mortgages payable	79%	758,885
<b>Total debt</b>		<b>\$963,885</b>

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	Market Value
Common stock (NYSE: AHH)	74.52%	60,992	\$13.29	\$810,584
Operating Partnership Units	25.48%	20,853	\$13.29	277,136
Equity market capitalization		81,845		\$1,087,720
<b>Total capitalization</b>				<b>\$2,222,690</b>

Financial Ratios	
Debt Service Coverage Ratio <sup>(1)</sup>	3.0x
Fixed Charge Coverage Ratio <sup>(2)</sup>	2.4x
Net Debt to Adjusted EBITDA	7.0x
Core Debt to Core EBITDA	6.7x
Core Debt + Preferred Equity to Core EBITDA	8.0x
Debt/Total Capitalization	43%

Liquidity	
Cash on hand	\$53,242
Availability under credit facility	115,000
Availability under construction loans	81,806
	<b>\$250,048</b>



Unencumbered Properties	
% of Total Properties	53%
% of Annualized Base Rent	31%

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

# PROPERTY PORTFOLIO

AS OF JUNE 30, 2021



Retail Properties- Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF <sup>(1)</sup>	Occupancy <sup>(2)</sup>	ABR <sup>(3)</sup>	ABR per Leased SF <sup>(3)</sup>
249 Central Park Retail	Cheesecake Factory, Brooks Brothers	Virginia Beach, VA	✓	-	2004	92,400	97.9%	\$2,432,473	\$26.90
Apex Entertainment	Apex Entertainment, USI	Virginia Beach, VA	✓	100%	2002	103,335	100.0%	1,492,772	14.45
Broad Creek Shopping Center <sup>(6)(9)</sup>	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	96.9%	2,156,852	18.32
Broadmoor Plaza	Kroger	South Bend, IN		100%	1980	115,059	98.2%	1,348,249	11.94
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	18,349	66.3%	170,112	13.98
Columbus Village <sup>(6)</sup>	Barnes & Noble, CAVA, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	62,362	94.8%	1,798,894	30.44
Columbus Village II	BB&B, Regal	Virginia Beach, VA	✓	100%	1995/1996	92,061	96.7%	720,000	8.09
Commerce Street Retail	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	100.0%	894,764	46.67
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,177	100.0%	139,311	43.85
Delray Beach Plaza <sup>(6)(9)</sup>	Whole Foods	Delray Beach, FL		-	2021	87,207	100.0%	2,975,592	34.12
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	75.3%	1,471,687	18.42
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	100.0%	1,008,015	28.03
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	92.6%	339,200	23.30
Hanbury Village <sup>(6)</sup>	Harris Teeter	Chesapeake, VA		100%	2006/2009	98,638	100.0%	1,982,025	20.09
Harrisonburg Regal	Regal Cinemas	Harrisonburg, VA		100%	1999	49,000	100.0%	717,850	14.65
Lexington Square	Lowes Foods	Lexington, SC		-	2017	85,440	98.3%	1,830,239	21.79
Market at Mill Creek <sup>(6)</sup>	Lowes Foods	Mt. Pleasant, SC		-	2018	80,319	97.7%	1,815,278	23.13
Marketplace at Hilltop <sup>(6)(9)</sup>	Total Wine, Panera, Chick-Fil-A	Virginia Beach, VA		-	2000/2001	116,953	96.4%	2,483,156	22.02
Nexton Square	Various Small Shops	Summerville, SC		-	2020	127,208	94.8%	3,140,898	26.04
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,954	97.7%	1,486,338	13.23
North Point Center <sup>(6)</sup>	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	100.0%	3,902,667	7.89
Parkway Centre	Publix	Moultrie, GA		100%	2017	61,200	100.0%	836,604	13.67
Parkway Marketplace	Rite Aid	Virginia Beach, VA		100%	1998	37,804	87.3%	673,164	20.40
Patterson Place	BB&B, PetSmart, DSW	Durham, NC		100%	2004	160,942	80.7%	2,140,213	16.49
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	98.0%	1,247,061	17.14
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	38,715	82.0%	\$1,022,764	32.21
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	89.7%	2,654,530	28.71
Red Mill Commons <sup>(6)</sup>	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	373,808	90.3%	6,258,816	18.55
Sandbridge Commons <sup>(6)</sup>	Harris Teeter	Virginia Beach, VA		100%	2015	76,650	100.0%	1,102,652	14.39
Socastee Commons	Various Small Shops	Myrtle Beach, SC		-	2000/2014	57,273	100.0%	655,145	11.44
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA		-	1991/2016	260,131	95.1%	3,463,258	14.00
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	77.9%	867,559	28.90
South Square	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	100.0%	1,953,988	17.83
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,307	74.1%	630,811	21.12
Studio 56 Retail	Rocket Title	Virginia Beach, VA	✓	100%	2007	11,594	31.0%	92,654	25.78
Tyre Neck Harris Teeter <sup>(6)(9)</sup>	Harris Teeter	Portsmouth, VA		100%	2011	48,859	100.0%	533,285	10.91
Wendover Village	T.J. Maxx, Petco, Beauty World	Greensboro, NC		100%	2004	176,997	99.3%	3,397,128	19.32
<b>Stabilized Retail Total</b>	<b>37 Properties</b>			<b>55%</b>		<b>3,709,490</b>	<b>94.7%</b>	<b>\$61,836,004</b>	<b>\$17.60</b>

# PROPERTY PORTFOLIO CONT.

AS OF JUNE 30, 2021



Office Properties- Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF <sup>(1)</sup>	Occupancy <sup>(2)</sup>	ABR <sup>(3)</sup>	ABR per Leased SF <sup>(3)</sup>
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	99.4%	\$6,972,878	\$29.86
Armada Hoffer Tower <sup>(4)(5)</sup>	AHH, Troutman Pepper, Williams Mullen	Virginia Beach, VA	✓	100%	2002	315,929	97.3%	9,050,986	29.44
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA	-	-	2019	98,061	100.0%	1,887,674	19.25
One Columbus <sup>(5)</sup>	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,770	88.3%	2,917,031	25.64
One City Center	Duke University, WeWork	Durham, NC	-	-	2019	151,599	89.3%	4,286,367	31.65
Thames Street Wharf <sup>(4)</sup>	Morgan Stanley, JHU Medical	Baltimore, MD	-	-	2010	263,426	100.0%	7,443,476	28.26
Two Columbus	Hazen & Sawyer, Fidelity	Virginia Beach, VA	✓	100%	2009	108,459	95.4%	2,603,176	25.15
<b>Stabilized Office Total</b>	<b>7 Properties</b>			<b>41%</b>		<b>1,301,182</b>	<b>96.5%</b>	<b>\$35,161,588</b>	<b>\$28.02</b>

Office Properties- Non-Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF <sup>(1)</sup>	Occupancy <sup>(2)</sup>	ABR <sup>(3)</sup>	ABR per Leased SF <sup>(3)</sup>
Wills Wharf <sup>(5)</sup>	Canopy by Hilton, Transamerica, RBC	Baltimore, MD	-	-	2020	326,997	59.6%	\$5,520,157	\$28.32
<b>Non-Stabilized Office Total</b>	<b>1 Property</b>								

Multifamily Properties- Stabilized	Location	Town Center	Unencumbered AQR	Year Built	Units/Beds	Occupancy <sup>(2)</sup>	AQR <sup>(7)</sup>	Monthly AQR per Occupied Unit/Bed	Monthly AQR per Occupied SF
1405 Point <sup>(8)(9)</sup>	Baltimore, MD	-	-	2018	289	93.8%	\$7,904,705	\$2,431	\$3.24
Encore Apartments	Virginia Beach, VA	✓	-	2014	286	98.3%	4,925,601	1,461	2.02
Edison Apartments <sup>(9)</sup>	Richmond, VA	-	-	2014	174	97.1%	2,672,536	1,318	2.13
Greenside Apartments	Charlotte, NC	-	-	2018	225	94.7%	4,211,333	1,648	2.23
Liberty Apartments <sup>(9)</sup>	Newport News, VA	-	-	2013	197	95.1%	2,962,016	1,318	1.79
Premier Apartments	Virginia Beach, VA	✓	-	2018	131	98.5%	2,597,253	1,678	2.72
Smith's Landing <sup>(9)</sup>	Blacksburg, VA	-	-	2009	284	96.8%	5,228,148	1,584	1.67
The Cosmopolitan <sup>(9)</sup>	Virginia Beach, VA	✓	-	2006	342	97.4%	8,029,484	2,009	2.07
The Residences at Annapolis Junction	Annapolis Junction, MD	-	-	2018	416	97.4%	9,814,520	2,019	2.24
<b>Multifamily Total</b>	<b>9 Properties</b>				<b>2,344</b>	<b>96.6%</b>	<b>48,345,596</b>	<b>1,780</b>	<b>2.20</b>
Hoffer Place <sup>(8)(10)</sup>	Charleston, SC	-	-	2019	258	84.5%	3,179,202	1,215	3.89
Johns Hopkins Village <sup>(8)(9)(10)</sup>	Baltimore, MD	-	-	2016	568	77.1%	6,222,796	1,184	4.03
Summit Place <sup>(9)</sup>	Charleston, SC	-	-	2020	357	93.0%	3,657,529	918	2.57
<b>Student Housing Total</b>	<b>3 Properties</b>				<b>1,183</b>	<b>83.5%</b>	<b>13,059,527</b>	<b>1,102</b>	<b>3.45</b>
<b>Total / Weighted Average Multifamily Portfolio</b>					<b>3,527</b>	<b>92.2%</b>	<b>\$61,405,123</b>	<b>\$1,574</b>	<b>\$2.38</b>

- (1) The net rentable square footage for each of our retail & office properties is 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.
- (2) Occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of June 30, 2021, divided by (b) net rentable square feet, expressed as a percentage. Occupancy for our multifamily properties is calculated as (a) total units/beds occupied as of June 30, 2021, divided by (b) total units/beds available, as of such date expressed as a percentage.
- (3) For the properties in our retail & office portfolios, annualized base rent, or ABR, is calculated 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, 2021 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, 2021. 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.
- (4) The Company occupied 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.
- (5) Includes ABR pursuant to a rooftop lease.
- (6) Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases.
- (7) For the properties in our multifamily portfolio, AQR is calculated by multiplying (a) revenue for the quarter ended June 30, 2021 by (b) 4.
- (8) The ABR for Liberty, Cosmopolitan, Johns Hopkins Village, Hoffer Place, Edison, and 1405 Point excludes approximately \$0.3M, \$0.8M, \$1.2M, \$0.1M, \$0.3M and \$0.4M, respectively, from ground floor retail leases.
- (9) The Company leases all or a portion of the land underlying this property pursuant to a ground lease.
- (10) Student Housing property that is leased by bed. Monthly effective rent per occupied unit is calculated by dividing total base rental payments for the month ended June 30, 2021 by the number of occupied beds.

# DEVELOPMENT PIPELINE

\$ IN THOUSANDS



Projects	Property Type	Estimated <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>					
<b>Under Development</b>											
Chronicle Mill Belmont, NC	Multifamily	238 units / 14,700 sf	-	1Q21	3Q22	2Q24	\$55,000	\$35,100	\$11,000	85% <sup>(3)</sup>	
Harrisonburg Apartments Harrisonburg, VA	Multifamily	228 units	-	2Q22	3Q23	4Q24	49,000	TBD	-	100%	
Gainesville Apartments Gainesville, GA	Multifamily	223 units	-	3Q20	1Q22	3Q23	52,000	31,000	23,000	95% <sup>(3)</sup>	
Southern Post Roswell, GA	Mixed-use	137 units / 137,000 sf	-	1Q22	4Q23	4Q24	104,000	TBD	11,000	100%	
Total Projects Under Development							\$260,000	\$66,100	\$45,000		
<b>Delivered Not Stabilized</b>											
Wills Wharf Baltimore, MD	Office	327,000 sf	70%	3Q18	2Q20	3Q22	\$120,000	\$76,000	\$110,000	100%	Canopy by Hilton, Transamerica, RBC
<b>Predevelopment</b>											
Ten Tryon Charlotte, NC	Mixed-use	220,000 sf	-	TBD	TBD	TBD	TBD	TBD	\$10,000	80% <sup>(3)</sup>	
<b>Unconsolidated JV's</b>											
T. Rowe Price Global HQ Baltimore, MD		see page 19 for details					\$250,000	-	\$7,000	50%	T. Rowe Price
Parcel 4 Mixed-Use Baltimore, MD		see page 19 for details					192,000	-	-	50%	
Total Unconsolidated JV's							\$442,000	-	\$7,000		



	Q2 2021	YTD
Capitalized Interest	\$395	\$810
Capitalized Overhead	\$596	\$1,026

Gainesville Apts  
Gainesville, GA

- (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.

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

UNCONSOLIDATED JOINT-VENTURES- PREDEVELOPMENT: SUBJECT TO CHANGE

\$ IN THOUSANDS

Estimated									
Property Type	Size	Construction Start	Initial Occupancy	Stabilized Operation	Project Cost	AHH Ownership %	AHH Equity Requirement	AHH Investment To Date	Total Construction Fees
<b>T. Rowe Price Global HQ-Baltimore, MD</b>									
Office	450,000 sf	1Q22	1Q24	2Q24	\$250,000	50%	\$30,000	\$7,000	\$4-5M
<b>Parcel 4 Mixed-Use-Baltimore, MD</b>									
Mixed-Use/Garage	310 units / 1,300 parking spaces	4Q21	4Q23	TBD	192,000	50%	30,000	-	4M
<b>Total Joint-Ventures</b>					<b>\$442,000</b>		<b>\$60,000</b>	<b>\$7,000</b>	<b>\$8-9M</b>



(1) All items are estimated based on predevelopment assumptions.



# MEZZANINE INVESTMENTS

AS OF JUNE 30, 2021  
\$ IN THOUSANDS

Schedule <sup>(1)</sup>									
	Property Type	Estimated Size <sup>(1)</sup>	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Loan Balance	Mezzanine Interest QTD	
<b>Outstanding Investments</b>									
	The Interlock Atlanta, GA	Mixed-use 300,000 sf	78%	1Q21	4Q24	15%	\$90,057	\$3,310	
	Solis Nexton <sup>(2)</sup> Summerville, SC	Multifamily 320 units	NA	4Q22	4Q26	11%	11,716	261	
	Solis Apartments at Interlock-loan paid off during quarter (includes loan prepayment premium of \$2.4M)								3,068
							<b>Total</b>	<b>\$101,773</b>	
								<b>\$6,639</b>	
							Mezzanine Interest Expense	(424)	
							Net Mezzanine Interest Income	<b>\$6,215</b>	



(1) Represents estimates that may change as the development process proceeds.  
 (2) 100% preferred equity, with economic terms and accounting consistent with a mezzanine loan.

# ACQUISITIONS & DISPOSITIONS

\$ IN THOUSANDS



ACQUISITIONS						
Properties	Location	Square Feet/Units	Purchase Price <sup>(1)</sup>	Cash Cap Rate	Purchase Date	Anchor Tenants
<b>2021</b>						
Overlook Village	Asheville, NC	151,365	\$28,350	7.7%	3Q21	T.J. Maxx   Homegoods, Ross
<b>2020</b>						
Edison Apartments	Richmond, VA	174 units	25,700	6.8%	4Q20	NA
<b>2019</b>						
Thames Street Wharf	Baltimore, MD	263,426	101,000	7.1%	2Q19	Morgan Stanley, JHU Medical
Red Mill Commons & Marketplace at Hilltop	Virginia Beach, VA	488,865	105,000	7.7%	2Q19	T.J. Maxx, Homegoods, Total Wine, Walgreens
Wendover Village III	Greensboro, NC	5,286	2,783	9.2%	1Q19	Verizon
<b>2018</b>						
		217,751	52,658	6.7%		
<b>2017</b>						
		35,895	14,300	7.7%		
<b>2016</b>						
		1,515,674	261,530	7.0%		
<b>2015</b>						
		409,386	95,380	7.1%		
<b>2014</b>						
		106,166	19,662	7.3%		
<b>Total/Weighted Average</b>		<b>3,193,814 / 174 units</b>	<b>\$706,363</b>	<b>7.2%</b>		

DISPOSITIONS						
Properties	Location	Square Feet/Units	Sale Price	Cash Cap Rate	Disposition Date	Anchor Tenants
<b>2021</b>						
		67,655	\$8,400	7.7%		
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>						
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
<b>2019</b>						
Lightfoot Marketplace	Williamsburg, VA	124,715	30,275 <sup>(2)</sup>	5.8%	3Q19	Harris Teeter
<b>2018</b>						
		6,047	4,400	5.4%		
<b>2017</b>						
		52,454	17,750	5.9%		
<b>2016</b>						
		481,866	97,350	10.5%		
<b>2015</b>						
		203,200 / 203 units	81,075	6.2%		
<b>2014</b>						
		31,000	8,900	6.3%		
<b>Total/Weighted Average</b>		<b>1,612,537 / 203 units</b>	<b>\$345,450</b>	<b>7.2%</b>		

(1) Contractual purchase price.  
(2) Includes JV interest in the property.



# CONSTRUCTION BUSINESS SUMMARY

\$ IN THOUSANDS

Highlighted Projects	Location	Total Contract Value	Work in Place as of 6/30/2021	Backlog	Estimated Date of Completion
27th Street Garage and Apartments	Virginia Beach, VA	\$82,183	\$76,645	\$5,538	3Q 2021
Boulders Lakeview Apartments	Richmond, VA	37,228	9	37,219	1Q 2023
Holly Springs Apartments	Holly Springs, NC	34,739	30,032	4,707	4Q 2021
Subtotal		\$154,150	\$106,686	\$47,464	
All Other Projects		273,798	251,043	22,755	
<b>Total</b>		<b>\$427,948</b>	<b>\$357,729</b>	<b>\$70,219</b>	

Gross Profit Summary

	2Q21	Trailing 12 Months
(Unaudited)		
Revenue	\$18,408	\$166,451
Expense	(18,131)	(160,986)
Gross Profit	\$277	\$5,465



Holly Springs Apartments  
Holly Springs, NC

# SAME STORE NOI BY SEGMENT

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



	Three months ended				Six months ended			
	6/30/2021	6/30/2020	\$ Change	% Change	6/30/2021	6/30/2020	\$ Change	% Change
<b>Summary</b>								
<b>NOI:</b>								
Office	\$6,763	\$6,556	\$207	3.2%	\$13,489	\$13,228	\$261	2.0%
Retail	12,150	12,552	(402)	-3.2%	24,049	25,361	(1,312)	-5.2%
Multifamily	5,781	5,423	358	6.6%	11,322	11,545	(223)	-1.9%
	<u>\$24,694</u>	<u>\$24,531</u>	<u>\$163</u>	<u>0.7%</u>	<u>\$48,860</u>	<u>\$50,134</u>	<u>(\$1,274)</u>	<u>-2.5%</u>
<b>NOI, Cash Basis:</b>								
Office	\$6,395	\$6,009	\$386	6.4%	\$12,844	\$12,245	\$599	4.9%
Retail	12,040	9,664	2,376	24.6%	23,579	22,152	1,427	6.4%
Multifamily	5,531	5,438	93	1.7%	10,805	11,534	(729)	-6.3%
	<u>\$23,966</u>	<u>\$21,111</u>	<u>\$2,855</u>	<u>13.5%</u>	<u>\$47,228</u>	<u>\$45,931</u>	<u>\$1,297</u>	<u>2.8%</u>
<b>Detail by Segment</b>								
<b>Office<sup>(1)</sup></b>								
Revenue	\$10,290	\$9,829	\$461	4.7%	\$20,500	\$20,021	\$479	2.4%
Rental Expenses <sup>(2)</sup>	2,233	2,139	94	4.4%	4,423	4,526	(103)	-2.3%
Real Estate Taxes	1,294	1,134	160	14.1%	2,588	2,267	321	14.2%
Net Operating Income	<u>\$6,763</u>	<u>\$6,556</u>	<u>\$207</u>	<u>3.2%</u>	<u>\$13,489</u>	<u>\$13,228</u>	<u>\$261</u>	<u>2.0%</u>
<b>Retail<sup>(1)</sup></b>								
Revenue	\$16,203	\$16,232	(\$29)	-0.2%	\$32,063	\$33,042	(\$979)	-3.0%
Rental Expenses <sup>(2)</sup>	2,235	1,915	320	16.7%	4,409	4,139	270	6.5%
Real Estate Taxes	1,818	1,765	53	3.0%	3,605	3,542	63	1.8%
Net Operating Income	<u>\$12,150</u>	<u>\$12,552</u>	<u>(\$402)</u>	<u>-3.2%</u>	<u>\$24,049</u>	<u>\$25,361</u>	<u>(\$1,312)</u>	<u>-5.2%</u>
<b>Multifamily<sup>(1)</sup></b>								
Revenue	\$10,087	\$9,114	\$973	10.7%	\$19,777	\$19,131	\$646	3.4%
Rental Expenses <sup>(2)</sup>	3,186	2,920	266	9.1%	6,215	6,008	207	3.4%
Real Estate Taxes	1,120	771	349	45.3%	2,240	1,578	662	42.0%
Net Operating Income	<u>\$5,781</u>	<u>\$5,423</u>	<u>\$358</u>	<u>6.6%</u>	<u>\$11,322</u>	<u>\$11,545</u>	<u>(\$223)</u>	<u>-1.9%</u>
<b>Same Store Net Operating Income (NOI)</b>	<u>\$24,694</u>	<u>\$24,531</u>	<u>\$163</u>	<u>0.7%</u>	<u>\$48,860</u>	<u>\$50,134</u>	<u>(\$1,274)</u>	<u>-2.5%</u>
GAAP Adjustments	(728)	(3,420)	2,692		(1,632)	(4,203)	2,571	
<b>Same Store Portfolio NOI, Cash Basis<sup>(3)</sup></b>	<u>\$23,966</u>	<u>\$21,111</u>	<u>\$2,855</u>	<u>13.5%</u>	<u>\$47,228</u>	<u>\$45,931</u>	<u>\$1,297</u>	<u>2.8%</u>

(1) See appendix for Same Store vs. Non - Same Store Properties.

(2) Excludes expenses associated with the Company's in-house asset management division of \$0.7M and \$0.5M for the 3 months ended 6/30/2021 & 6/30/2020, respectively.

(3) Excludes deferred rent collected of (\$0.3M) and deferred rent of \$2.7M for the three months ended 6/30/2021 & 6/30/2020, respectively.

# TOP 10 TENANTS BY ABR<sup>(1)</sup>

\$ IN THOUSANDS AS OF JUNE 30, 2021



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

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Morgan Stanley <sup>(2)</sup>	1	2027	\$ 5,703	16.2%	3.6%
Clark Nexsen	1	2029	2,692	7.7%	1.7%
WeWork	1	2034	2,065	5.9%	1.3%
Duke University	1	2029	1,618	4.6%	1.0%
Huntington Ingalls	1	2029	1,575	4.5%	1.0%
Mythics	1	2030	1,235	3.5%	0.8%
Johns Hopkins Medicine	1	2023	1,180	3.4%	0.7%
Pender & Coward	1	2030	950	2.7%	0.6%
Kimley-Horn	1	2027	912	2.6%	0.6%
Troutman Pepper Hamilton Sanders	1	2025	907	2.6%	0.6%
<b>Top 10 Total</b>			<b>\$ 18,837</b>	<b>53.7%</b>	<b>11.9%</b>

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

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Harris Teeter/Kroger	5	2023 - 2035	\$ 3,289	5.3%	2.1%
Lowes Foods	2	2037 ; 2039	1,976	3.2%	1.2%
PetSmart	5	2022 - 2025	1,461	2.4%	0.9%
Amazon/Whole Foods	1	2040	1,144	1.9%	0.7%
Apex Entertainment	1	2035	1,050	1.7%	0.7%
Bed Bath & Beyond	2	2025 - 2027	1,047	1.7%	0.7%
Burlington	2	2032 - 2033	946	1.5%	0.6%
Petco	4	2022 - 2030	913	1.5%	0.6%
Regal Cinemas	2	2021 - 2024	838	1.4%	0.5%
Total Wine & More	2	2024 - 2027	765	1.2%	0.5%
<b>Top 10 Total</b>			<b>\$ 13,429</b>	<b>21.8%</b>	<b>8.5%</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

Renewal Lease Summary				GAAP				Cash					
Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Wtd Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2021	-	-	-	-	\$ -	\$ -	-	\$ -	\$ -	-	-	\$ -	\$ -
Q1 2021	1	4,152	1	4,152	23.95	23.56	1.6%	24.00	25.46	-5.7%	2	27,960	6.73
Q4 2020	2	14,745	1	3,024	24.81	22.66	9.5%	24.00	25.35	-5.3%	4	206,383	14.00
Q3 2020	-	-	1	13,316	-	-	-	-	-	-	-	-	-
<b>Office Renewal Total</b>	<b>3</b>	<b>18,897</b>	<b>3</b>	<b>20,492</b>	<b>\$24.62</b>	<b>\$22.86</b>	<b>7.7%</b>	<b>\$24.00</b>	<b>\$25.38</b>	<b>-5.4%</b>	<b>3.90</b>	<b>\$234,343</b>	<b>\$12.40</b>

### New Lease Summary<sup>(1)</sup>

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Wtd Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2021	1	1,700	\$ 29.50	3	\$ 12,583	\$7.40
Q1 2021	1	1,455	23.50	2	4,871	3.35
Q4 2020	2	4,032	25.47	7	238,691	59.20
Q3 2020	2	8,984	24.98	7	525,540	58.50
<b>New Office Total</b>	<b>6</b>	<b>16,171</b>	<b>\$25.44</b>	<b>5.89</b>	<b>\$781,685</b>	<b>\$48.34</b>

## RETAIL

Renewal Lease Summary				GAAP				Cash					
Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2021	15	89,973	13	87,253	\$18.12	\$16.78	8.0%	\$18.13	\$16.95	6.9%	5	\$208,544	\$2.32
Q1 2021	8	21,317	9	22,717	23.78	22.22	7.0%	23.62	23.16	2.0%	4	117,685	5.52
Q4 2020	20	119,351	14	109,544	15.16	15.87	-4.5%	15.00	16.07	-6.7%	7	832,241	6.97
Q3 2020	16	138,355	7	32,336	16.92	16.33	3.6%	17.40	16.55	5.1%	5	98,170	0.71
<b>Retail Renewal Total</b>	<b>59</b>	<b>368,996</b>	<b>43</b>	<b>251,850</b>	<b>\$17.04</b>	<b>\$16.63</b>	<b>2.4%</b>	<b>\$17.16</b>	<b>\$16.88</b>	<b>1.7%</b>	<b>5.71</b>	<b>\$1,256,640</b>	<b>\$3.41</b>

### New Lease Summary<sup>(1)</sup>

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2021	11	55,683	\$16.05	9	\$3,029,735	\$54.41
Q1 2021	7	27,260	19.10	8	612,116	22.45
Q4 2020	10	71,888	16.13	9	1,505,862	20.95
Q3 2020	4	8,425	18.73	5	87,499	10.39
<b>New Retail Total</b>	<b>32</b>	<b>163,256</b>	<b>\$16.73</b>	<b>8.70</b>	<b>\$5,235,212</b>	<b>\$32.07</b>

(1) Excludes leases from properties in development.

# OFFICE LEASE EXPIRATIONS

AS OF JUNE 30, 2021



Year	Number of Leases Expiring	Square Footage of Leases Expiring <sup>(1)</sup>	% Portfolio Net Rentable Square Feet	Annualized Base Rent <sup>(1)</sup>	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	46,138	3.5%	\$ -	-	\$ -
M-T-M	4	1,623	0.1%	45,279	0.1%	27.90
2021	8	19,745	1.5%	533,452	1.5%	27.02
2022	11	48,532	3.7%	1,337,398	3.8%	27.56
2023	14	104,247	8.0%	2,844,686	8.1%	27.29
2024	12	142,077	10.9%	3,560,052	10.1%	25.06
2025	18	142,117	10.9%	4,288,920	12.2%	30.18
2026	9	46,540	3.6%	1,193,574	3.4%	25.65
2027	6	256,477	19.7%	7,524,531	21.4%	29.34
2028	9	79,761	6.1%	2,287,913	6.5%	28.68
2029	7	242,709	18.7%	6,343,321	18.0%	26.14
2030	6	107,801	8.3%	3,099,548	8.8%	28.75
2031	1	1,317	0.1%	37,535	0.1%	28.50
Thereafter	1	62,098	4.9%	2,065,379	6.0%	33.26
<b>Total / Weighted Average</b>	<b>106</b>	<b>1,301,182</b>	<b>100.0%</b>	<b>\$35,161,588</b>	<b>100.0%</b>	<b>\$ 28.02</b>

## Upcoming Expirations Over 20,000 Square Feet Through Dec. 2023

Tenant	Property	Expiration Month	Square Footage Expiring <sup>(1)</sup>	Status
Day & Zimmerman	Armada Hoffer Tower	Apr-2022	23,267	In Negotiation
Johns Hopkins Medicine	Thames Street Wharf	Apr-2023	46,233	

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

# RETAIL LEASE EXPIRATIONS

AS OF JUNE 30, 2021



Year	Number of Leases Expiring	Square Footage of Leases Expiring <sup>(1)</sup>	% Portfolio Net Rentable Square Feet	Annualized Base Rent <sup>(1)</sup>	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	196,693	5.3%	-	-	\$ -
M-T-M	1	2,400	0.1%	54,816	0.1%	22.84
2021	25	147,847	4.0%	1,743,438	2.8%	11.79
2022	67	281,025	7.6%	4,702,587	7.6%	16.73
2023	65	425,630	11.5%	6,868,805	11.1%	16.14
2024	82	396,123	10.7%	7,689,993	12.4%	19.41
2025	85	604,754	16.3%	8,519,110	13.8%	14.09
2026	66	345,204	9.3%	6,784,524	11.0%	19.65
2027	28	198,627	5.4%	3,917,988	6.3%	19.73
2028	22	57,860	1.6%	1,517,049	2.5%	26.22
2029	24	104,871	2.8%	2,209,015	3.6%	21.06
2030	37	227,981	6.1%	5,050,952	8.2%	22.16
2031	27	197,967	5.3%	3,889,719	6.3%	19.65
Thereafter	25	522,508	14.0%	8,888,008	14.3%	17.01
<b>Total / Weighted Average</b>	<b>554</b>	<b>3,709,490</b>	<b>100.0%</b>	<b>\$61,836,004</b>	<b>100.0%</b>	<b>\$ 17.60</b>

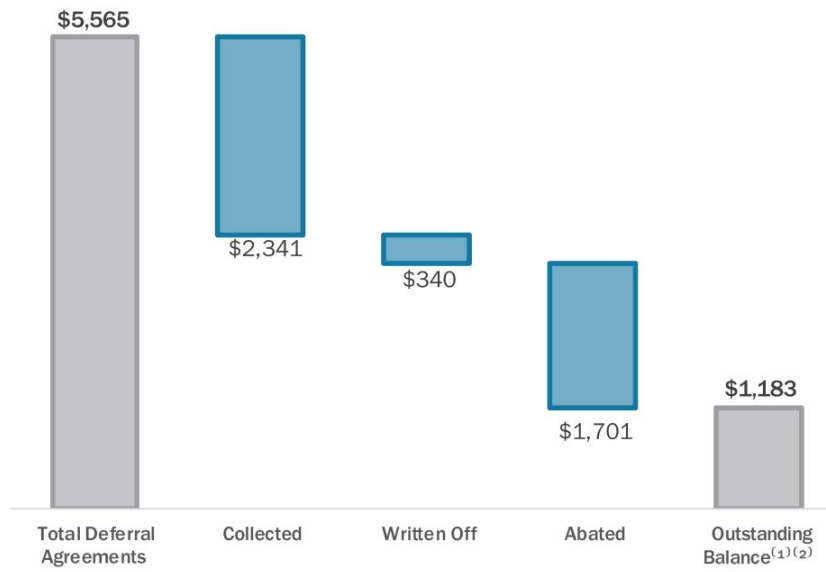
## Upcoming Expirations Over 20,000 Square Feet Through 2023

Tenant	Property	Expiration	Square Footage Expiring <sup>(1)</sup>	Status
BI-LO	Socastee Commons	Jun-2021	46,673	Terminated
Regal Cinemas	Columbus Village II	Dec-2021	51,545	In Negotiation
PetSmart	Broad Creek Shopping Center	Jan-2022	20,114	In Negotiation
PetSmart	Southgate Square	Jan-2022	25,950	In Negotiation
TJ Maxx	Red Mill Commons	Mar-2022	30,000	
Michaels	Red Mill Commons	Jul-2022	23,753	
Food Lion	Broad Creek Shopping Center	Aug-2022	33,000	
Home Depot	North Point Center	Jan-2023	120,000	
Golf Galaxy	Wendover Village	Jun-2023	24,946	
Harris Teeter	North Point Center	Aug-2023	57,590	
TJ Maxx	Wendover Village	Oct-2023	24,903	

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

# COVID-19 DEFERRALS<sup>(1)</sup>

AS OF JUNE 30, 2021  
\$ IN THOUSANDS



(1) Excludes 2 Regal Cinemas leases.  
(2) Deferrals expected to be collected in 2021 & 2022 are \$762 and \$421, respectively.



**APPENDIX**  
DEFINITIONS & RECONCILIATIONS

Town Center  
Virginia Beach, VA





## 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.

---

## 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.

---

## 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 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 on interest rate derivatives, provision for unrealized 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 to Nareit's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. 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.

## 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, proceeds from the sale of a purchase option (in excess of amounts recognized in net income), 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.

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.

## ADJUSTED EBITDA:

We calculate 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 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.

## CORE EBITDA:

We calculate Core EBITDA as Adjusted EBITDA, excluding 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 in lease-up until 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. Management believes that Core EBITDA provides useful supplemental information to investors regarding our reoccurring 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 Core EBITDA or similarly entitled measures and, accordingly, our Core EBITDA may not always be comparable to Core EBITDA or other similarly entitled measures of other REITs.

## CORE DEBT:

We calculate Core Debt as our total debt, excluding loans associated with our development pipeline, cash & cash equivalents, and restricted cash.

# DEFINITIONS

## *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 same store operating results. The following table shows the properties included in the same store and non-same store portfolio for the comparative periods presented.*

# SAME STORE VS. NON-SAME STORE



	Three Months Ended		Six Months Ended			Three Months Ended		Six Months Ended	
	6/30/2021 to 2020		6/30/2021 to 2020			6/30/2021 to 2020		6/30/2021 to 2020	
	Same Store	Non-Same Store	Same Store	Non-Same Store		Same Store	Non-Same Store	Same Store	Non-Same Store
<b>Retail Properties</b>									
249 Central Park Retail	X		X				X		
Apex Entertainment		X						X	
Broad Creek Shopping Center	X		X				X		
Broadmoor Plaza	X		X				X		
Brooks Crossing (Retail)	X		X				X		
Columbus Village	X		X				X		
Columbus Village II	X		X				X		
Commerce Street Retail	X		X				X		
Courthouse 7-Eleven	X		X				X		
Delray Beach Plaza		X						X	
Dimmock Square	X		X				X		
Fountain Plaza Retail	X		X				X		
Greentree Shopping Center	X		X				X		
Hanbury Village	X		X				X		
Harrisonburg Regal	X		X				X		
Lexington Square	X		X				X		
Market at Mill Creek	X		X				X		
Marketplace at Hilltop	X		X				X		
Nexton Square		X						X	
North Hampton Market	X		X				X		
North Point Center	X		X				X		
Parkway Centre	X		X				X		
Parkway Marketplace	X		X				X		
Patterson Place	X		X				X		
Perry Hall Marketplace	X		X				X		
Premier Retail		X						X	
Providence Plaza	X		X				X		
Red Mill Commons	X		X				X		
Sandbridge Commons	X		X				X		
Socastee Commons	X		X				X		
<b>Retail Properties (Continued)</b>									
South Retail		X						X	
South Square		X						X	
Southgate Square		X						X	
Southshore Shops		X						X	
Studio 56 Retail		X						X	
Tyre Neck Harris Teeter		X						X	
Wendover Village		X						X	
<b>Office Properties</b>									
4525 Main Street		X						X	
Armada Hoffer Tower		X						X	
Brooks Crossing (Office)		X						X	
One City Center		X						X	
One Columbus		X						X	
Thames Street Wharf		X						X	
Two Columbus		X						X	
Willis Wharf			X						X
<b>Multifamily Properties</b>									
1405 Point		X						X	
Edison Apartments			X						X
Encore Apartments		X						X	
Greenside Apartments		X						X	
Hoffer Place		X						X	
Johns Hopkins Village		X						X	
Liberty Apartments		X						X	
Premier Apartments		X						X	
Smith's Landing		X						X	
Summit Place			X						X
The Cosmopolitan			X						X
The Residences at Annapolis Junction			X						X

# RECONCILIATION OF ADJUSTED EBITDA, CORE EBITDA, AND CORE DEBT<sup>(1)</sup>



\$ IN THOUSANDS

	Three months ended				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
<b>Net income attributable to common stockholders and OP unitholders</b>	\$5,568	\$3,122	\$1,851	\$8,651	\$11,178
Excluding:					
Depreciation and amortization	17,285	18,066	17,678 <sup>(2)</sup>	14,131 <sup>(2)</sup>	13,644
Gain on real estate dispositions	-	(3,717)	-	(3,612)	(2,776)
Impairment of real estate assets	83	3,039	-	-	-
Income tax provision (benefit)	(461)	(19)	(63)	(28)	65
Interest expense <sup>(7)</sup>	8,418	7,975	8,044	7,478	7,132
Change in fair value of derivatives and other	(314)	(393)	(294)	(318)	6
Preferred dividends	2,887	2,887	2,887	2,220	1,175
Non-recurring bad debt	-	-	-	1,100 <sup>(4)</sup>	450
Mezzanine loan prepayment premium	(2,359)	-	-	-	-
Unrealized credit loss provision (release)	388	(55)	29	(33)	(117)
Non-cash stock compensation	423	1,017	471	456	421
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>\$31,918</b>	<b>\$31,922</b>	<b>\$30,603</b>	<b>\$30,045</b>	<b>\$31,178</b>
Development/Redevelopment:					
Premier Retail	-	(221)	(202)	(223)	(207)
Wills Wharf	(819)	(839)	(678)	(633)	-
The Cosmopolitan Apartments	-	-	-	(981)	(878)
Summit Place	-	-	-	(388)	-
<b>Total Development</b>	<b>(819)</b>	<b>(1,060)</b>	<b>(880)</b>	<b>(2,225)</b>	<b>(1,085)</b>
Dispositions completed intra-quarter	-	(111)	-	(80)	(1,351)
Acquisitions completed intra-quarter	-	(336)	(961)	(75)	-
<b>Core EBITDA</b>	<b>\$31,099</b>	<b>\$30,415</b>	<b>\$28,762</b>	<b>\$27,665</b>	<b>\$28,742</b>
<b>Annualized Core EBITDA</b>	<b>\$126,756<sup>(8)</sup></b>	<b>\$121,915<sup>(9)</sup></b>	<b>\$115,046</b>	<b>\$110,658</b>	<b>\$114,968</b>
<b>Total debt<sup>(6)</sup></b>	<b>\$963,885</b>	<b>\$975,099</b>	<b>\$962,812</b>	<b>\$885,359</b>	<b>\$956,726</b>
(Less) Development/Redevelopment					
Premier Retail	-	(8,208)	(8,241)	(8,250)	(8,250)
Wills Wharf	(61,235)	(60,831)	(59,044)	(57,585)	(53,660)
Solis Gainesville	(1,258)	-	-	-	-
The Cosmopolitan Apartments	-	-	-	(43,110)	(43,309)
Summit Place	-	-	-	(34,615)	(32,289)
<b>Total Development</b>	<b>(62,493)</b>	<b>(69,039)</b>	<b>(67,285)</b>	<b>(143,560)</b>	<b>(137,508)</b>
(Less) Net Acquisitions completed intra-quarter	-	(14,473)	(84,375)	(22,909)	-
(Less) Cash & restricted cash	(53,242)	(34,588)	(50,430)	(79,224)	(75,111)
<b>Core Debt</b>	<b>\$848,150</b>	<b>\$856,999</b>	<b>\$760,722</b>	<b>\$639,666</b>	<b>\$744,107</b>

(1) See definitions in appendix.

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

(3) Excludes non-recurring items.

(4) Bad debt resulting from Company's decision to terminate two defaulted Regal Cinemas leases.

(5) Adjusts bad debt to an annualized \$3 million - Management's Estimates.

(6) Excludes GAAP Adjustments.

(7) Interest expense has been adjusted for the current period and for prior periods to include interest expense relating to finance leases.

(8) Includes the unannualized mezzanine loan prepayment premium of \$2.4M.

(9) Includes the unannualized gain of sale on the non-operating parcel of \$0.3M.

## RECONCILIATION TO PROPERTY PORTFOLIO NOI

\$ IN THOUSANDS



	Three months ended 6/30		Six months ended 6/30	
	2021	2020	2021	2020
<b>Office Same Store<sup>(1)</sup></b>				
Rental revenues	\$10,290	\$9,829	\$20,500	\$20,021
Property expenses	3,527	3,273	7,011	6,793
NOI	6,763	6,556	13,489	13,228
Non-Same Store NOI <sup>(2)</sup>	642	419	1,318	247
Segment NOI	\$7,405	\$6,975	\$14,807	\$13,475
<b>Retail Same Store<sup>(1)</sup></b>				
Rental revenues	\$16,203	\$16,232	\$32,063	\$33,042
Property expenses	4,053	3,680	8,014	7,681
NOI	12,150	12,552	24,049	25,361
Non-Same Store NOI <sup>(2)</sup>	1,861	1,697	3,354	4,113
Segment NOI	\$14,011	\$14,249	\$27,403	\$29,474
<b>Multifamily Same Store<sup>(1)</sup></b>				
Rental revenues	\$10,087	\$9,114	\$19,777	\$19,131
Property expenses	4,306	3,691	8,455	7,586
NOI	5,781	5,423	11,322	11,545
Non-Same Store NOI <sup>(2)</sup>	3,424	726	6,692	1,460
Segment NOI	\$9,205	\$6,149	\$18,014	\$13,005
<b>Total Property Portfolio NOI</b>	<b>\$30,621</b>	<b>\$27,373</b>	<b>\$60,224</b>	<b>\$55,954</b>

(1) See appendix for the Same Store vs. Non-Same Store properties.  
(2) Includes expenses associated with the Company's in-house asset management division.

# RECONCILIATION TO GAAP NET INCOME

\$ IN THOUSANDS



	Three months ended 6/30/2021					
	Office	Retail	Multifamily	Total Rental Properties	General Contracting & Real Estate Services	Total
Segment revenues	\$ 11,756	\$ 19,204	\$ 16,418	\$ 47,378	\$ 18,408	\$ 65,786
Segment expenses	4,351	5,193	7,213	16,757	18,131	34,888
Net operating income	\$ 7,405	\$ 14,011	\$ 9,205	\$ 30,621	\$ 277	\$ 30,898
Depreciation and amortization						(17,285)
General and administrative expenses						(3,487)
Acquisition, development and other pursuit costs						(32)
Impairment charges						(83)
Interest income						6,746
Interest expense						(8,418)
Unrealized credit loss provision						(388)
Amortization of right-of-use assets - finance leases						(278)
Change in fair value of derivatives and other						314
Other income						7
Income tax benefit						461
Net income						\$ 8,455
Preferred stock dividends						(2,887)
<b>Net income attributable to AHH and OP unitholders</b>						<b>\$ 5,568</b>
	Six months ended 6/30/2021					
	Office	Retail	Multifamily	Total Rental Properties	General Contracting & Real Estate Services	Total
Segment revenues	\$ 23,391	\$ 37,459	\$ 32,269	\$ 93,119	\$ 53,971	\$ 147,090
Segment expenses	8,584	10,056	14,255	32,895	52,406	85,301
Net operating income	\$ 14,807	\$ 27,403	\$ 18,014	\$ 60,224	\$ 1,565	\$ 61,789
Depreciation and amortization						(35,351)
General and administrative expenses						(7,508)
Acquisition, development and other pursuit costs						(103)
Impairment charges						(3,122)
Gain on real estate dispositions						3,717
Interest income						10,862
Interest Expense						(16,393)
Unrealized credit loss provision						(333)
Amortization of right-of-use assets - finance leases						(467)
Change in fair value of derivatives and other						707
Other income						186
Income tax benefit						480
Net income						\$ 14,464
Preferred stock dividends						(5,774)
<b>Net income attributable to AHH and OP unitholders</b>						<b>\$ 8,690</b>

