

**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): November 2, 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 November 2, 2021, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of September 30, 2021, results of operations for the three months ended September 30, 2021, and other related information. Also on November 2, 2021, the Company made available on its website at www.ArmadaHoffer.com certain supplemental information concerning the Company's financial results and operations for the three months ended September 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.

Exhibit No.	Description
99.1	Press Release, dated November 2, 2021, issued by Armada Hoffer Properties, Inc., providing its financial position as of September 30, 2021 and results of operations for the three months ended September 30, 2021.
99.2	Armada Hoffer Properties, Inc. Third Quarter 2021 Supplemental Information.
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: November 2, 2021

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



PRESS RELEASE

ARMADA HOFFLER PROPERTIES REPORTS THIRD QUARTER 2021 RESULTS

Net Income of \$0.06 Per Diluted Share

Normalized FFO of \$0.26 Per Diluted Share

Raised 2021 Full-Year Normalized FFO Guidance to \$1.05 to \$1.07 Per Diluted Share

Increased Fourth Quarter Cash Dividend on Common Shares for the Third Time This Year

VIRGINIA BEACH, VA, November 2, 2021 – Armada Hoffer Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended September 30, 2021 and provided an update on current events.

Third Quarter and Recent Highlights:

- Net income attributable to common stockholders and OP Unit holders of \$4.9 million, or \$0.06 per diluted share, compared to \$8.7 million, or \$0.11 per diluted share, for the three months ended September 30, 2020.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$21.9 million, or \$0.27 per diluted share, compared to \$19.2 million, or \$0.24 per diluted share, for the three months ended September 30, 2020. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$21.5 million, or \$0.26 per diluted share, compared to \$19.0 million, or \$0.24 per diluted share, for the three months ended September 30, 2020.
- Raised 2021 full-year Normalized FFO guidance to \$1.05 to \$1.07 per diluted share from the Company's previous guidance range of \$1.02 to \$1.06 per diluted share due to higher forecast net operating income ("NOI") from the operating portfolio.
- Announced a fourth quarter cash dividend of \$0.17 per common share, resulting in the third quarterly increase this year, a 6.25% increase over the prior quarter's dividend, and a 54.5% cumulative increase year-to-date.
- Stabilized operating property portfolio occupancy increased to 96.4% as of September 30, 2021. Office occupancy was 96.9%, retail occupancy was 95.2%, and multifamily occupancy was 97.4%.
- Positive releasing spreads on retail lease renewals during the third quarter of 13.3% on a GAAP basis and 8.4% on a cash basis.
- Same Store NOI increased 10.5% on a GAAP basis and 8.7% on a cash basis compared to the quarter ended September 30, 2020. Highlights include:
 - Multifamily Same Store NOI increased 19.0% on a GAAP basis and 19.5% on a cash basis compared to the quarter ended September 30, 2020.

- Retail Same Store NOI increased 15.3% on a GAAP basis and 9.5% on a cash basis compared to the quarter ended September 30, 2020.
- Leased 90,000 square feet of commercial office and retail space since the Company's previous quarterly update, including 36,000 square feet at Wills Wharf.
- Announced the commencement of construction at mixed-use development project, Southern Post in Roswell, Georgia by the end of 2021.
- Completed the off-market acquisition of Greenbrier Square, a Kroger-anchored retail center in Chesapeake, VA.
- Completed the off-market acquisition of Overlook Village, a 150,000 square foot retail center in Asheville, NC anchored by T.J. Maxx | Homegoods and Ross.

"Leasing activity is at the highest velocity we've seen in years, the development pipeline is well-stocked, off-market acquisition opportunities are on the horizon, and property NOI continues to increase." said Lou Haddad, President & CEO. "All these factors have combined to enable us to again raise our full year guidance. Additionally, as announced in last week's press release, the Board raised the dividend for the third time this year."

Financial Results

Net income attributable to common stockholders and OP Unit holders for the third quarter decreased to \$4.9 million compared to \$8.7 million for the third quarter of 2020. The period-over-period change was primarily due to a decrease in gains on real estate dispositions, a decrease in general contracting gross profit, a decrease in interest income on our mezzanine loan portfolio, and an increase in interest expense. Additionally, we paid more in preferred dividends due to the issuance of additional preferred stock during 2020. These decreases were partially offset by NOI resulting primarily from leasing activity and property acquisitions.

FFO attributable to common stockholders and OP Unit holders for the third quarter increased to \$21.9 million compared to \$19.2 million for the third quarter of 2020. Normalized FFO attributable to common stockholders and OP Unit holders for the third quarter increased to \$21.5 million compared to \$19.0 million for the third quarter of 2020. The period-over-period changes in FFO and Normalized FFO were due to NOI resulting primarily from leasing activity and property acquisitions. These increases were partially offset by a decrease in general contracting gross profit, a decrease in interest income on our mezzanine loan portfolio, and an increase in interest expense. Additionally, we paid more in preferred dividends due to the issuance of additional preferred stock during 2020.

Operating Performance

At the end of the third quarter, the Company's office, retail and multifamily stabilized operating property portfolios were 96.9%, 95.2% and 97.4% (conventional multifamily was 97.4% and student housing was 97.5%) occupied, respectively.

Total construction contract backlog was \$106.9 million at the end of the third quarter.

Balance Sheet and Financing Activity

As of September 30, 2021, the Company had \$1.0 billion of total debt outstanding, including \$30.0 million outstanding under its revolving credit facility. Total debt outstanding excludes GAAP adjustments. Approximately 58% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of September 30, 2021. After giving effect to LIBOR interest rate caps with strike prices at or below 50 basis points as of September 30, 2021, 96% of the Company's debt was either fixed or hedged.

The Company refinanced the loan secured by Thames Street during the third quarter. The new \$71.0 million loan bears interest at a rate of Bloomberg Short-Term Bank Yield Index ("BSBY") plus a spread of 1.30% and will mature on September 30, 2026. The Company simultaneously entered into an interest rate swap agreement that

effectively fixes the interest rate at 2.35% for the term of the loan. The Company has no loans scheduled to mature during the remainder of 2021 and \$19.6 million of loans scheduled to mature in 2022.

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 \$1.05 to \$1.07 per diluted share from \$1.02 to \$1.06. 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 ⁽¹⁾	Expected Ranges	
Total NOI	\$122.5M	\$123.4M
Construction Segment Gross Profit	\$3.6M	\$4.0M
G&A Expenses	\$14.8M	\$15.1M
Mezzanine Interest Income	\$18.2M	\$18.6M
Interest Expense ⁽²⁾	\$33.6M	\$34.0M
Normalized FFO per diluted share ⁽³⁾	\$1.05	\$1.07

⁽¹⁾ Includes the following assumptions:

- Interest Expense based on Forward LIBOR Curve, which forecasts rates ending the year at 0.10%
- Opportunistic sale of common stock through the ATM program, resulting in a full year weighted average share count of 82M
- Disposition of Johns Hopkins Village during the fourth quarter

⁽²⁾ Includes interest expense on finance leases

⁽³⁾ 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.

Webcast and Conference Call

The Company will host a webcast and conference call on Tuesday, November 2, 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. 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 Thursday, December 2, 2021 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13723130.

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.

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.

NOI is the measure used by the Company's chief operating decision-maker to assess segment performance. The Company calculates NOI as property revenues (base rent, expense reimbursements, termination fees and other revenue) less property expenses (rental expenses and real estate taxes). NOI is not a measure of operating income or cash flows from operating activities as measured in accordance with GAAP and is not indicative of cash available to fund cash needs. As a result, NOI should not be considered an alternative to cash flows as a measure of liquidity. Not all companies calculate NOI in the same manner. The Company considers NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of the Company's real estate and construction businesses. To calculate NOI on a cash basis, we adjust NOI to exclude the net effects of straight line rent and the amortization of lease incentives and above/below market rents.

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

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

	September 30, 2021 (Unaudited)	December 31, 2020
ASSETS		
Real estate investments:		
Income producing property	\$ 1,744,124	\$ 1,680,943
Held for development	11,294	13,607
Construction in progress	54,871	63,367
	1,810,289	1,757,917
Accumulated depreciation	(278,218)	(253,965)
Net real estate investments	1,532,071	1,503,952
Real estate investments held for sale	68,762	1,165
Cash and cash equivalents	28,038	40,998
Restricted cash	5,415	9,432
Accounts receivable, net	30,576	28,259
Notes receivable, net	118,164	135,432
Construction receivables, including retentions, net	13,753	38,735
Construction contract costs and estimated earnings in excess of billings	370	138
Equity method investment	9,174	1,078
Operating lease right-of-use assets	23,547	32,760
Finance lease right-of-use assets	47,266	23,544
Acquired lease intangible assets	65,197	58,154
Other assets	42,051	43,324
Total Assets	\$ 1,984,384	\$ 1,916,971
LIABILITIES AND EQUITY		
Indebtedness, net	\$ 968,424	\$ 963,845
Liabilities related to assets held for sale	60,021	—
Accounts payable and accrued liabilities	26,549	23,900
Construction payables, including retentions	22,078	49,821
Billings in excess of construction contract costs and estimated earnings	2,674	6,088
Operating lease liabilities	31,607	41,659
Finance lease liabilities	46,078	17,954
Other liabilities	62,197	56,902
Total Liabilities	1,219,628	1,160,169
Total Equity	764,756	756,802
Total Liabilities and Equity	\$ 1,984,384	\$ 1,916,971

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Unaudited)			
Revenues				
Rental revenues	\$ 49,560	\$ 39,636	\$ 142,679	\$ 121,840
General contracting and real estate services revenues	17,502	58,617	71,473	163,283
Total revenues	<u>67,062</u>	<u>98,253</u>	<u>214,152</u>	<u>285,123</u>
Expenses				
Rental expenses	12,717	10,223	34,841	27,907
Real estate taxes	5,543	4,760	16,314	13,326
General contracting and real estate services expenses	15,944	56,509	68,350	157,401
Depreciation and amortization	16,886	14,176	52,237	42,232
Amortization of right-of-use assets - finance leases	278	147	745	440
General and administrative expenses	3,449	2,601	10,957	9,382
Acquisition, development and other pursuit costs	8	26	111	555
Impairment charges	—	47	3,122	205
Total expenses	<u>54,825</u>	<u>88,489</u>	<u>186,677</u>	<u>251,448</u>
Gain (loss) on real estate dispositions, net	(113)	3,612	3,604	6,388
Operating income	<u>12,124</u>	<u>13,376</u>	<u>31,079</u>	<u>40,063</u>
Interest income	3,766	4,417	14,628	16,055
Interest expense	(8,827)	(7,523)	(25,220)	(22,938)
Change in fair value of derivatives and other	131	318	838	(1,424)
Unrealized credit loss release (provision)	617	33	284	(227)
Other income (expense), net	(105)	177	81	521
Income before taxes	7,706	10,798	21,690	32,050
Income tax benefit	42	28	522	220
Net income	<u>7,748</u>	<u>10,826</u>	<u>22,212</u>	<u>32,270</u>
Net loss attributable to noncontrolling interests in investment entities	—	45	—	181
Preferred stock dividends	(2,887)	(2,220)	(8,661)	(4,462)
Net income attributable to common stockholders and OP Unitholders	<u>\$ 4,861</u>	<u>\$ 8,651</u>	<u>\$ 13,551</u>	<u>\$ 27,989</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Unaudited)			
Net income attributable to common stockholders and OP Unitholders	\$ 4,861	\$ 8,651	\$ 13,551	\$ 27,989
Depreciation and amortization ⁽¹⁾	16,886	14,131	52,237	41,867
Loss (gain) on operating real estate dispositions, net ⁽²⁾	113	(3,612)	(3,351)	(6,388)
Impairment of real estate assets	—	—	3,039	—
FFO attributable to common stockholders and OP Unitholders	\$ 21,860	\$ 19,170	\$ 65,476	\$ 63,468
Acquisition, development and other pursuit costs	8	26	111	555
Impairment of intangible assets and liabilities	—	47	83	205
Loss on extinguishment of debt	120	—	120	—
Unrealized credit loss provision (release)	(617)	(33)	(284)	227
Amortization of right-of-use assets - finance leases	278	147	745	440
Change in fair value of derivatives and other	(131)	(318)	(838)	1,424
Normalized FFO available to common stockholders and OP Unitholders	\$ 21,518	\$ 19,039	\$ 65,413	\$ 66,319
Net income attributable to common stockholders and OP Unitholders per diluted share and unit	\$ 0.06	\$ 0.11	\$ 0.17	\$ 0.36
FFO attributable to common stockholders and OP Unitholders per diluted share and unit	\$ 0.27	\$ 0.24	\$ 0.81	\$ 0.81
Normalized FFO attributable to common stockholders and OP Unitholders per diluted share and unit	\$ 0.26	\$ 0.24	\$ 0.81	\$ 0.85
Weighted average common shares and units - diluted	81,936	78,443	81,164	78,020

(1) The adjustment for depreciation and amortization for the three and nine months ended September 30, 2020 excludes \$0.1 million and \$0.4 million, respectively, of depreciation attributable to the Company's joint venture partners.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Office Same Store⁽¹⁾				
Same Store NOI, Cash Basis	\$ 6,357	\$ 6,298	\$ 19,201	\$ 18,543
GAAP Adjustments ⁽²⁾	70	286	714	1,269
Same Store NOI	6,427	6,584	19,915	19,812
Non-Same Store NOI ⁽³⁾	550	455	1,869	702
Segment NOI	6,977	7,039	21,784	20,514
Retail Same Store⁽⁴⁾				
Same Store NOI, Cash Basis	12,092	11,046	35,350	32,879
GAAP Adjustments ⁽²⁾	163	(415)	636	2,784
Same Store NOI	12,255	10,631	35,986	35,663
Non-Same Store NOI ⁽³⁾	2,598	612	6,270	5,054
Segment NOI	14,853	11,243	42,256	40,717
Multifamily Same Store⁽⁵⁾				
Same Store NOI, Cash Basis	4,565	3,821	13,465	12,542
GAAP Adjustments ⁽²⁾	184	170	557	98
Same Store NOI	4,749	3,991	14,022	12,640
Non-Same Store NOI ⁽³⁾	4,721	2,380	13,462	6,736
Segment NOI	9,470	6,371	27,484	19,376
Total Property NOI	31,300	24,653	91,524	80,607
General contracting & real estate services gross profit	1,558	2,108	3,123	5,882
Depreciation and amortization	(16,886)	(14,176)	(52,237)	(42,232)
General and administrative expenses	(3,449)	(2,601)	(10,957)	(9,382)
Acquisition, development and other pursuit costs	(8)	(26)	(111)	(555)
Impairment charges	—	(47)	(3,122)	(205)
Gain (loss) on real estate dispositions, net	(113)	3,612	3,604	6,388
Interest income	3,766	4,417	14,628	16,055
Interest expense	(8,827)	(7,523)	(25,220)	(22,938)
Unrealized credit loss release (provision)	617	33	284	(227)
Amortization of right-of-use assets - finance leases	(278)	(147)	(745)	(440)
Change in fair value of derivatives and other	131	318	838	(1,424)
Other income (expense), net	(105)	177	81	521
Income tax benefit	42	28	522	220
Net income	7,748	10,826	22,212	32,270
Net loss attributable to noncontrolling interest in investment entities	—	45	—	181
Preferred stock dividends	(2,887)	(2,220)	(8,661)	(4,462)
Net income attributable to AHH and OP unitholders	\$ 4,861	\$ 8,651	\$ 13,551	\$ 27,989

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

(2) GAAP Adjustments include adjustments for straight-line rent, termination fees, deferred rent, recoveries of deferred rent, and amortization of lease incentives.

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

(4) Retail same-store portfolio excludes Apex Entertainment, Delray Beach Plaza, Greenbrier Square, Nexton Square, Overlook Village, and Premier Retail. In addition, retail same store results exclude the seven-property retail portfolio that was disposed in May 2020 (Alexander Pointe, Bermuda Crossroads, Gainsborough Square, Harper Hill Commons, Indian Lakes Crossing, Renaissance Square, and Stone House Square) and Oakland Marketplace and Socastee Commons, each of which were disposed in 2021.

(5) Multifamily same-store portfolio excludes The Residences at Annapolis Junction, Edison Apartments, Johns Hopkins Village, Summit Place, and The Cosmopolitan.

Contact:

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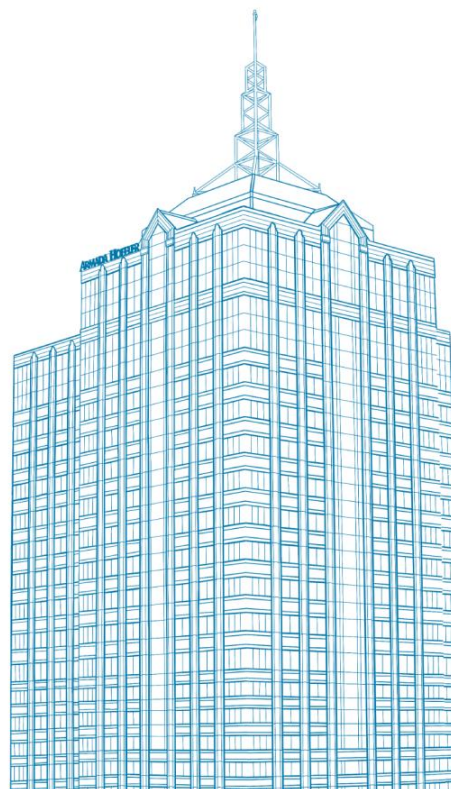
SUPPLEMENTAL
FINANCIAL PACKAGE



Premier Apartments, Town Center of Virginia Beach

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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 November 2, 2021, which has been furnished as Exhibit 99.1 to our Form 8-K filed on November 2, 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.

CORPORATE PROFILE



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.

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

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HIGHLIGHTS



- Net income attributable to common stockholders and OP Unit holders of \$4.9 million, or \$0.06 per diluted share, compared to \$8.7 million, or \$0.11 per diluted share, for the three months ended September 30, 2020.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$21.9 million, or \$0.27 per diluted share, compared to \$19.2 million, or \$0.24 per diluted share, for the three months ended September 30, 2020. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$21.5 million, or \$0.26 per diluted share, compared to \$19.0 million, or \$0.24 per diluted share, for the three months ended September 30, 2020.
- Raised 2021 full-year Normalized FFO guidance to \$1.05 to \$1.07 per diluted share from the Company's previous guidance range of \$1.02 to \$1.06 per diluted share due to higher forecast net operating income ("NOI") from the operating portfolio.
- Announced a fourth quarter cash dividend of \$0.17 per common share, resulting in the third quarterly increase this year, a 6.25% increase over the prior quarter's dividend, and a 54.5% cumulative increase year-to-date.
- Stabilized operating property portfolio occupancy increased to 96.4% as of September 30, 2021. Office occupancy was 96.9%, retail occupancy was 95.2%, and multifamily occupancy was 97.4%.
- Positive releasing spreads on retail lease renewals during the third quarter of 13.3% on a GAAP basis and 8.4% on a cash basis.
- Same Store NOI increased 10.5% on a GAAP basis and 8.7% on a cash basis compared to the quarter ended September 30, 2020. Highlights include:
 - Multifamily Same Store NOI increased 19.0% on a GAAP basis and 19.5% on a cash basis compared to the quarter ended September 30, 2020.
 - Retail Same Store NOI increased 15.3% on a GAAP basis and 9.5% on a cash basis compared to the quarter ended September 30, 2020.
- Leased 90,000 square feet of commercial office and retail space since the Company's previous quarterly update, including 36,000 square feet at Wills Wharf.
- Announced the commencement of construction at mixed-use development project, Southern Post in Roswell, Georgia by the end of 2021.
- Completed the off-market acquisition of Greenbrier Square, a Kroger-anchored retail center in Chesapeake, Virginia.
- 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>	\$122.5M	\$123.4M
<i>CONSTRUCTION SEGMENT GROSS PROFIT</i>	\$3.6M	\$4.0M
<i>G&A EXPENSES</i>	\$14.8M	\$15.1M
<i>MEZZANINE INTEREST INCOME</i>	\$18.2M	\$18.6M
<i>INTEREST EXPENSE⁽¹⁾</i>	\$33.6M	\$34.0M
<i>NORMALIZED FFO PER DILUTED SHARE</i>	\$1.05	\$1.07

(1) Includes the interest expense on finance leases.

GUIDANCE ASSUMPTIONS

- Interest expense based on Forward LIBOR Curve, which forecasts rates ending the year at 0.10%
- Opportunistic sale of common stock through the ATM program, resulting in a full year weighted average share count of 82M
- Disposition of Johns Hopkins Village during the fourth quarter

SUMMARY INFORMATION

\$ IN THOUSANDS, EXCEPT PER SHARE DATA



	Three months ended			
	9/30/2021	6/30/2021	3/31/2021	12/31/2020
OPERATIONAL METRICS				
Net income attributable to common stockholders and OP unitholders	\$4,861	\$5,568	\$3,122	\$1,851
Net income per diluted share attributable to common stockholders and OP unitholders	\$0.06	\$0.07	\$0.04	\$0.02
Normalized FFO attributable to common stockholders and OP unitholders	21,518	23,320	20,575	19,900
Normalized FFO per diluted share attributable to common stockholders and OP unitholders	\$0.26	\$0.29	\$0.26	\$0.25
Annualized dividend yield	5.09%	4.82%	4.78%	3.92%
Core debt / Annualized core EBITDA	6.9x	6.7x	7.0x	6.6x
Fixed charge coverage ratio	2.3x	2.4x	2.4x	2.3x
CAPITALIZATION				
Common shares outstanding	61,324	60,992	59,894	59,073
Operating Partnership units outstanding	20,853	20,853	20,853	20,865
Common shares and Operating Partnership units outstanding	82,177	81,845	80,747	79,938
Market price per common share	\$13.37	\$13.29	\$12.54	\$11.22
Common equity capitalization	1,098,707	1,087,720	1,012,568	896,904
Preferred equity capitalization	171,085	171,085	171,085	171,085
Total equity capitalization	\$1,269,792	\$1,258,805	\$1,183,653	\$1,067,989
Total debt ⁽¹⁾	1,017,410	963,885	975,099	962,812
Total capitalization	2,287,202	2,222,690	2,158,752	2,030,801
Less: cash	(33,453)	(53,242)	(34,588)	(50,430)
Total enterprise value	\$2,253,749	\$2,169,448	\$2,124,164	\$1,980,371
STABILIZED PORTFOLIO OCCUPANCY				
Retail ⁽²⁾	95.2%	94.7%	93.9%	94.7%
Office ⁽²⁾	96.9%	96.5%	97.2%	97.0%
Multifamily ⁽³⁾	97.4%	92.2%	92.2%	92.5%
Weighted Average ⁽⁶⁾	96.4%	94.1%	94.0%	94.4%
PORTFOLIO METRICS (INCLUDING NON-STABILIZED)				
Net Operating Income (NOI)	\$31,300	\$30,621	\$29,603	\$28,785
Total Number of Properties	58	57	57	57
Total Rentable Square Feet (RSF)	5,693,551	5,337,669	5,337,657	5,323,441
Retail Portfolio				
Net Operating Income	\$14,853	\$14,011	\$13,392	\$13,500
Number of Properties	38	37	37	37
Net Rentable Square Feet	4,064,391	3,709,490	3,709,478	3,690,375
Office Portfolio				
Net Operating Income	\$6,977	\$7,405	\$7,402	\$7,073
Number of Properties	8	8	8	8
Net Rentable Square Feet	1,629,160	1,628,179	1,628,179	1,633,066
Multifamily Portfolio				
Net Operating Income	\$9,470	\$9,205	\$8,809	\$8,212
Number of Properties	12	12	12	12
Units	2,344	2,344	2,344	2,344
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) Regal leases which were terminated in October 2020 have been re-signed and included in occupancy for this quarter. Regal at Columbus Village II was re-signed after December 31, 2020.

(5) Conventional: 97.4%
Student Housing: 97.5%

(6) Total occupancy weighted by annualized base rent.

NET ASSET VALUE COMPONENT DATA

\$ IN THOUSANDS



Stabilized Portfolio NOI (Cash) ⁽¹⁾					Third-Party General Contracting and Real Estate Services	
	Three months ended 9/30/2021				Trailing 12 Months	
	Office ⁽²⁾	Retail	Multifamily	Total		
Stable Portfolio						
Portfolio NOI ⁽²⁾	\$7,533	\$14,297	\$9,422	\$31,252	General Contracting Gross Profit	\$4,915
Unstabilized Properties NOI	(658)	-	-	(658)	Non-Property Assets⁽⁴⁾	
Signed Leases Not Yet Occupied or In Free Rent Period	35	697	137	869	As of 9/30/2021	
Net Deferrals and Recoveries	(18)	(308)	(19)	(345)	Cash and Restricted Cash	\$33,453
Stable Portfolio NOI	\$6,892	\$14,686	\$9,540	\$31,118	Accounts Receivable	30,576
Intra-Quarter Transactions						
Net Acquisitions	-	505	-	505	Notes Receivable, including Mezzanine Investments ⁽⁵⁾	117,927
Net Dispositions	-	-	-	-	Construction receivables, including retentions ⁽⁵⁾	13,936
Total	-	505	-	505	Acquired lease intangible assets, net	65,197
Annualized	\$27,568	\$60,763	\$38,160	\$126,491	Other Assets	42,421
					Total Non-Property Assets	\$303,510
Non-Stabilized Portfolio						
				As of 9/30/2021	Liabilities⁽⁴⁾	
Projects Under Development at Cost				\$62,000	As of 9/30/2021	
Projects Delivered Not Stabilized at Cost				112,000	Mortgages and Notes Payable ⁽⁵⁾	\$1,017,410
Projects Under Predevelopment or On Hold				10,000	Accounts Payable and Accrued Liabilities	26,549
Unconsolidated Joint Ventures				10,000	Construction Payables, Including Retentions	22,078
Total Non-Stabilized Portfolio				\$194,000	Other Liabilities	63,122
					Total Liabilities	\$1,129,159
Management's Estimate of Land Value and Vacancy Opportunities						
					Preferred Equity	
		Size	Estimated Value ⁽⁶⁾		Liquidation Value	
Harrisonburg MF Development Opportunity		266 units	\$20,000-30,000/unit		Series A Cumulative Redeemable Perpetual Preferred Stock	
					\$171,085	
					Common Equity	
		Size	Net Rent PSF		As of 9/30/2021	
Vacant Space at Lease or signed subsequent to 9/30		61,000 sf	\$18.40		Total common shares outstanding	
					61,324	
					Total OP units outstanding	
					20,853	
					Total Common Shares & OP Units Outstanding	
					82,177	

- (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 9/30/2021.
 (3) Includes leases for spaces occupied by Armada Hoffer which are eliminated for GAAP purposes.
 (4) Excludes lease right of use assets and lease liabilities.
 (5) Excludes GAAP adjustments.
 (6) Management's assessment of comparable multifamily assets in the applicable market.

SUMMARY BALANCE SHEET

\$ IN THOUSANDS



	As of	
	9/30/2021 (Unaudited)	12/31/2020
Assets		
Real estate investments:		
Income producing property	\$1,744,124	\$1,680,943
Held for development	11,294	13,607
Construction in progress	54,871	63,367
Accumulated depreciation	(278,218)	(253,965)
Net real estate investments	1,532,071	1,503,952
Real estate investments held for sale	68,762	1,165
Cash and cash equivalents	28,038	40,998
Restricted cash	5,415	9,432
Accounts receivable, net	30,576	28,259
Notes receivable, net	118,164	135,432
Construction receivables, including retentions, net	13,753	38,735
Construction contract costs and estimated earnings in excess of billings	370	138
Equity method investments	9,174	1,078
Operating lease right-of-use assets	23,547	32,760
Finance lease right-of-use assets	47,266	23,544
Acquired lease intangible assets	65,197	58,154
Other assets	42,051	43,324
Total Assets	\$1,984,384	\$1,916,971
Liabilities and Equity		
Indebtedness, net	\$968,424	\$963,845
Liabilities related to assets held for sale	60,021	-
Accounts payable and accrued liabilities	26,549	23,900
Construction payables, including retentions	22,078	49,821
Billings in excess of costs and estimated earnings	2,674	6,088
Operating lease liabilities	31,607	41,659
Finance lease liabilities	46,078	17,954
Other liabilities	62,197	56,902
Total Liabilities	1,219,628	1,160,169
Total Equity	764,756	756,802
Total Liabilities and Equity	\$1,984,384	\$1,916,971

SUMMARY INCOME STATEMENT

\$ IN THOUSANDS, EXCEPT PER SHARE DATA



	Three months ended		Nine months ended	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Revenues				
Rental revenues	\$49,560	\$39,636	\$142,679	\$121,840
General contracting and real estate services revenues	17,502	58,617	71,473	163,283
Total Revenues	67,062	98,253	214,152	285,123
Expenses				
Rental expenses	12,717	10,223	34,841	27,907
Real estate taxes	5,543	4,760	16,314	13,326
General contracting and real estate services expenses	15,944	56,509	68,350	157,401
Depreciation and amortization	16,886	14,176	52,237	42,232
Amortization of right-of-use assets - finance leases	278	147	745	440
General and administrative expenses	3,449	2,601	10,957	9,382
Acquisition, development and other pursuit costs	8	26	111	555
Impairment charges	-	47	3,122	205
Total Expenses	54,825	88,489	186,677	251,448
Gain (loss) on real estate dispositions	(113)	3,612	3,604	6,388
Operating Income	12,124	13,376	31,079	40,063
Interest income	3,766	4,417	14,628	16,055
Interest expense	(8,827)	(7,523)	(25,220)	(22,938)
Change in fair value of derivatives and other	131	318	838	(1,424)
Unrealized credit loss release (provision)	617	33	284	(227)
Other income (expense), net	(105)	177	81	521
Income before taxes	7,706	10,798	21,690	32,050
Income tax benefit	42	28	522	220
Net Income	\$7,748	\$10,826	\$22,212	\$32,270
Net income attributable to noncontrolling interest in investment entities	-	45	-	181
Preferred stock dividends	(2,887)	(2,220)	(8,661)	(4,462)
Net income attributable to AHH and OP unitholders	\$4,861	\$8,651	\$13,551	\$27,989
Net income per diluted share and unit attributable to AHH and OP unitholders	\$0.06	\$0.11	\$0.17	\$0.36
Weighted Average Shares & OP Units - Diluted	81,936	78,443	81,164	78,020

FFO, NORMALIZED FFO & ADJUSTED FFO⁽¹⁾

\$ IN THOUSANDS, EXCEPT PER SHARE DATA



	Three months ended (Unaudited)				Nine months ended (Unaudited)	
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2021	9/30/2020
Funds From Operations						
Net income attributable to AHH and OP unitholders	\$4,861	\$5,568	\$3,122	\$1,851	\$13,551	\$27,989
Net Income per diluted share	\$0.06	\$0.07	\$0.04	\$0.02	\$0.17	\$0.36
Depreciation and amortization	16,886	17,285	18,066	17,678 ⁽²⁾	52,237	41,867 ⁽²⁾
Loss (gain) on dispositions of operating real estate	113	-	(3,464) ⁽³⁾	-	(3,351) ⁽³⁾	(6,388) ⁽²⁾
Impairment of real estate assets	-	-	3,039 ⁽⁴⁾	-	3,039 ⁽⁴⁾	-
FFO	\$21,860	\$22,853	\$20,763	\$19,529	\$65,476	\$63,468
FFO per diluted share	\$0.27	\$0.28	\$0.26	\$0.25	\$0.81	\$0.81
Normalized FFO						
Acquisition, development & other pursuit costs	8	32	71	29	111	555
Loss on extinguishment of debt	120	-	-	-	120	-
Non cash GAAP Adjustments	(339)	749	134	636	544	872
Change in fair value of derivatives and other	(131)	(314)	(393)	(294)	(838)	1,424
Normalized FFO	\$21,518	\$23,320	\$20,575	\$19,900	\$65,413	\$66,319
Normalized FFO per diluted share	\$0.26	\$0.29	\$0.26	\$0.25	\$0.81	\$0.85
Adjusted FFO						
Non-cash stock compensation	390	423	1,017	471	1,830	1,907
Acquisition, development & other pursuit costs	(8)	(32)	(71)	(29)	(111)	(555)
Tenant improvements, leasing commissions, lease incentives ⁽⁵⁾	(1,837)	(1,537)	(1,264)	(1,924)	(4,638)	(4,816)
Property related capital expenditures	(3,457)	(2,054)	(1,224)	(2,500)	(6,735)	(4,703)
Adjustment for mezz loan modification and exit fees	(493)	(493)	(493)	(493)	(1,479)	(3,302)
Non-cash interest expense ⁽⁶⁾	1,478	1,332	988	934	3,798	2,185
Cash ground rent payment - finance lease	(624)	(624)	(415)	(291)	(1,663)	(748)
GAAP Adjustments	(645)	(1,286)	(1,707)	(1,940)	(3,638)	(7,963)
AFFO	\$16,322	\$19,049	\$17,406	\$14,128	\$52,777	\$48,324
AFFO per diluted share	\$0.20	\$0.23	\$0.22	\$0.18	\$0.65	\$0.62
Weighted Average Common Shares Outstanding	61,083	60,409	59,422	58,304	60,310	57,000
Weighted Average Operating Partnership Units Outstanding	20,853	20,853	20,854	20,867	20,854	21,020
Total Weighted Average Common Shares and OP Units Outstanding	81,936	81,262	80,276	79,171	81,164	78,020

- (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 Maturities & Principal Payments

Debt	Stated Rate	Effective Rate as of 9/30/2021	Maturity Date	Debt Maturities & Principal Payments						Outstanding as of 9/30/2021	
				2021	2022	2023	2024	2025	Thereafter		
Secured Notes Payable - Core Debt											
Red Mill West	4.23%	4.23%	Jun-2022	\$118	\$10,386						\$10,504
MarblePlace at Hilltop	4.42%	4.42%	Oct-2022	105	9,706						9,811
1405 Point	L+2.25%	2.33%	Jan-2023	182	754	51,532					52,468
Neston Square	L+2.25%	2.50% (2)	Feb-2023	-	-	20,107					20,107
249 Central Park Retail	L+1.60%	3.85% (1)	Aug-2023	63	260	16,093					16,416
Fountain Plaza Retail	L+1.60%	3.85% (1)	Aug-2023	38	156	9,684					9,878
South Retail	L+1.60%	3.85% (1)	Aug-2023	28	114	7,065					7,207
Hoffler Place	L+2.60%	3.00% (2)	Jan-2024	-	-	257	18,143				18,400
Summit Place	L+2.60%	3.00% (2)	Jan-2024	-	-	311	22,789				23,100
One City Center	L+1.85%	1.93%	Apr-2024	160	659	691	22,734				24,244
Southern Square	L+2.25%	3.00% (2)	Apr-2024	179	728	750	17,550				19,207
Red Mill Central	4.80%	4.80%	Jun-2024	44	175	175	1,838				2,232
Premier Apartments	L+1.55%	1.63%	Oct-2024	54	221	234	16,053				16,542
Premier Retail	L+1.55%	1.63%	Oct-2024	26	109	115	7,907				8,157
Red Mill South	3.57%	3.57%	May-2025	80	327	338	351	4,502			5,598
Brooks Crossing Office	L+1.60%	1.68%	Jul-2025	128	517	526	534	13,305			15,010
Market at Mill Creek	L+1.55%	1.63%	Jul-2025	162	647	647	647	11,200			13,303
Johns Hopkins Village (3)	L+1.25%	4.19% (1)	Aug-2025	252	1,031	1,075	1,116	46,649			50,123
North Point Center Note 2	7.25%	7.25%	Sep-2025	36	152	163	175	1,452			1,978
Encore Apartments	2.93%	2.93%	Feb-2026	133	540	556	573	590	22,264		24,656
4525 Main Street	2.93%	2.93%	Feb-2026	170	693	714	735	757	28,576		31,645
Delray Beach Plaza	L+3.00%	3.08%	Mar-2026	145	579	579	579	579	11,723		14,184
Thames Street Wharf	BSB+1.30%	2.35% (1)	Sep-2026	358	1,433	1,433	1,972	3,050	62,754		71,000
Greenbrier Square	3.74%	3.74%	Oct-2027	-	60	371	385	399	18,785		20,000
Langston Square	4.50%	4.50%	Sep-2028	68	280	293	306	320	12,973		14,240
Red Mill North	4.73%	4.73%	Dec-2028	27	110	116	121	127	3,715		4,216
Greenside Apartments	3.17%	3.17%	Dec-2029	181	735	759	780	808	29,515		32,778
The Residences at Annapolis Junction	SOFR+2.66%	2.71%	Nov-2030	-	-	147	1,753	1,809	80,665		84,374
Smith's Landing	4.05%	4.05%	Jun-2035	224	917	956	994	1,037	12,548		16,676
Liberty Apartments	5.66%	5.66%	Nov-2043	78	322	341	361	382	12,166		13,650
Edison Apartments	5.30%	5.30%	Dec-2044	88	364	384	405	427	14,347		16,015
The Cosmopolitan	3.35%	3.35%	Jul-2051	207	847	876	906	937	38,524		42,297
Total - Secured Core Debt				3,334	32,822	117,288	119,707	88,330	348,555		710,036
Secured Notes Payable - Development Pipeline											
Wills Wharf	L+2.25%	2.33%	Jun-2023	-	-	62,601					62,601
Chronicle Mill	L+3.00%	3.25% (1)	May-2024	-	-	-					-
Gainesville Apartments	L+3.00%	3.75% (1)	Aug-2024	-	-	-	9,773				9,773
Total - Development Pipeline						62,601	9,773				72,374
Total Secured Notes Payable				3,334	32,822	179,889	129,480	88,330	348,555		782,410
Unsecured Core Debt											
Senior Unsecured Line of Credit	L+1.30%-1.85%	1.58%	Jan-2024	-	-	-	30,000				30,000
Senior Unsecured Term Loan	L+1.25%-1.80%	1.53%	Jan-2025	-	-	-	-	19,500			19,500
Senior Unsecured Term Loan	L+1.25%-1.80%	1.95% - 4.47% (1)	Jan-2025	-	-	-	-	185,500			185,500
Total - Unsecured Core Debt							30,000	205,000			235,000
Total Notes Payable excluding GAAP Adjustments				\$3,334	\$32,822	\$179,889	\$159,480	\$293,330	\$348,555		\$1,017,410
GAAP Adjustments											1,137
Total Notes Payable											\$1,018,547

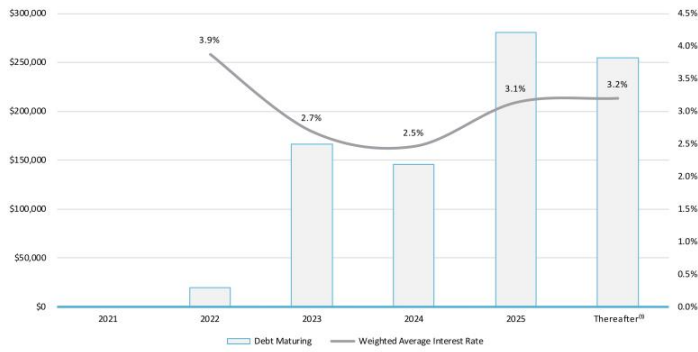
- (1) Includes debt subject to interest rate swap locks.
- (2) Subject to a LIBOR rate floor.
- (3) Held for sale as of 9/30/21.

DEBT INFORMATION

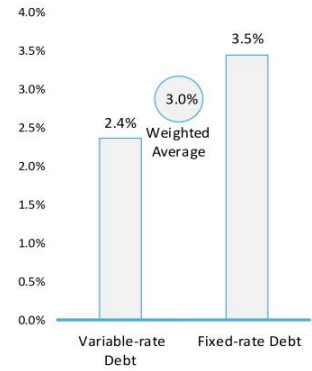
\$ IN THOUSANDS



Debt Maturities



Interest Rates⁽⁴⁾



Total Debt Composition				Interest Rate Cap Agreements At or Below 0.50%			
	% of Debt	Weighted Average ⁽⁴⁾		Effective Date	Maturity Date	Strike Rate	Notional Amount
		Interest Rate	Maturity				
Variable vs. Fixed-rate Debt							
Variable-rate Debt ⁽¹⁾	42.4%	2.4%	3.7 Yrs	July 2020	July 2023	0.50%	\$100,000
Fixed-rate Debt ⁽²⁾⁽³⁾	57.6%	3.5%	7.2 Yrs	February 2021	February 2023	0.50%	100,000
Fixed-rate and Hedged Debt ⁽²⁾⁽³⁾	95.5%			May 2021	May 2023	0.50%	35,100
				June 2021	May 2023	0.50%	50,000
				July 2023	July 2023	0.50%	100,000
				Total Interest Rate Caps			385,100
Secured vs. Unsecured Debt							
Unsecured Debt	23.1%	2.8%	3.2 Yrs	Fixed-rate Debt ⁽²⁾⁽³⁾			\$586,420
Secured Debt	76.9%	3.0%	6.4 Yrs	Fixed-rate and Hedged Debt			\$971,520
Total		3.0%	5.7 Yrs	Total Debt⁽³⁾			\$1,017,410
				% of Total Debt⁽³⁾			95.5%

(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 9/30/21.

CORE DEBT TO CORE EBITDA

\$ IN THE THOUSANDS

SEE APPENDIX FOR CALCULATIONS AND RECONCILIATION



	Three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Net income attributable to common stockholders and OP unitholders	\$4,861	\$5,568	\$3,122	\$1,851	\$8,651
Adjusted EBITDA⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾	\$33,294	\$31,918	\$31,922	\$30,603	\$30,045
Other adjustments:					
Development/Redevelopment	(725)	(819)	(1,060)	(880)	(2,225)
(Less) Acquisitions/Dispositions completed intra-quarter	(238)	-	(447)	(961)	(155)
Core EBITDA⁽⁴⁾	\$32,331	\$31,099	\$30,415	\$28,762	\$27,665
Annualized Core EBITDA	\$129,324	\$126,756 ⁽⁶⁾	\$121,915 ⁽⁷⁾	\$115,046	\$110,658
Total debt⁽³⁾	\$1,017,410	\$963,885	\$975,099	\$962,812	\$885,359
Adjustments to debt:					
(Less) Development/Redevelopment	(72,374)	(62,493)	(69,039)	(67,285)	(143,560)
(Less) Net Acquisitions completed intra-quarter	(20,000)	-	(14,473)	(84,375)	(22,909)
(Less) Cash & restricted cash	(33,453)	(53,242)	(34,588)	(50,430)	(79,224)
Core Debt⁽⁴⁾	\$891,583	\$848,150	\$856,999	\$760,722	\$639,666
Core Debt/Annualized Core EBITDA	6.9x	6.7x	7.0x	6.6x	5.8x

(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 SEPTEMBER 30, 2021



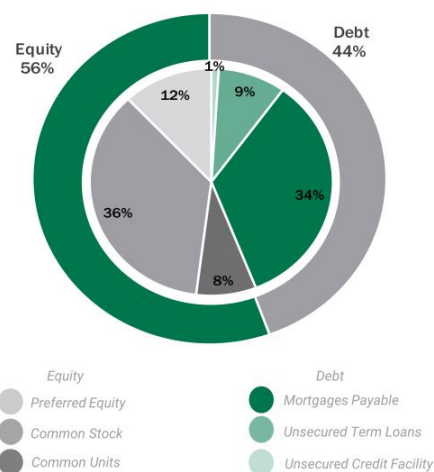
Debt	% of Total	Principal Balance
Unsecured credit facility	3%	\$30,000
Unsecured term loans	20%	205,000
Mortgages payable	77%	782,410
Total debt		\$1,017,410

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)	75%	61,324	\$13.37	\$819,902
Operating Partnership Units	25%	20,853	\$13.37	278,805
Equity market capitalization		82,177		\$1,098,707
Total capitalization				\$2,287,202

Financial Ratios	
Debt Service Coverage Ratio ⁽¹⁾	2.8x
Fixed Charge Coverage Ratio ⁽²⁾	2.3x
Net Debt to Adjusted EBITDA	7.4x
Core Debt to Core EBITDA	6.9x
Core Debt + Preferred Equity to Core EBITDA	8.2x
Debt/Total Capitalization	44%

Liquidity	
Cash on hand	\$33,453
Availability under credit facility	89,000
Availability under construction loans	71,925
	\$194,378



Unencumbered Properties	
Cash on hand	\$33,453
Availability under credit facility	89,000
Availability under construction loans	71,925
	\$194,378

(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 SEPTEMBER 30, 2021



Retail Properties- Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽¹⁾
249 Central Park Retail	Cheesecake Factory, Brooks Brothers	Virginia Beach, VA	✓	-	2004	92,400	94.0%	\$2,280,845	\$26.26
Apex Entertainment	Apex Entertainment, USI	Virginia Beach, VA	✓	100%	2002	103,335	100.0%	1,492,772	14.45
Broad Creek Shopping Center ⁽⁶⁾⁽⁹⁾	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	96.9%	2,151,171	18.27
Broadmoor Plaza	Kroger	South Bend, IN		100%	1980	115,059	98.2%	1,349,460	11.95
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	18,349	78.3%	205,312	14.29
Columbus Village ⁽⁶⁾	Barnes & Noble, CAVA, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	62,362	94.8%	1,798,786	30.44
Columbus Village II	BB&B, Regal	Virginia Beach, VA	✓	100%	1995/1996	92,061	96.7%	831,490	9.34
Commerce Street Retail	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	100.0%	896,395	46.75
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,276	100.0%	143,653	43.85
Delray Beach Plaza ⁽⁶⁾⁽⁹⁾	Whole Foods	Delray Beach, FL		-	2021	87,207	100.0%	2,979,440	34.17
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	75.3%	1,472,634	18.43
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	100.0%	1,008,015	28.03
Greenbrier Square ⁽⁶⁾	Kroger, Homegoods, Dick's Sporting Goods	Chesapeake, VA		-	2017	260,710	95.4%	2,428,432	9.76
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719		321,936	22.12
Hanbury Village ⁽⁶⁾	Harris Teeter	Chesapeake, VA		100%	2006/2009	98,638	100.0%	1,990,910	20.18
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 ⁽⁶⁾	Lowes Foods	Mt. Pleasant, SC		-	2018	80,319	97.7%	1,824,408	23.24
Marketplace at Hilltop ⁽⁶⁾⁽⁹⁾	Total Wine, Panera, Chick-Fil-A	Virginia Beach, VA		-	2000/2001	116,953	98.6%	2,549,976	22.11
Nexton Square	Various Small Shops	Summerville, SC		-	2020	127,208	100.0%	3,305,723	25.99
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,954	99.0%	1,524,486	13.40
North Point Center ⁽⁶⁾	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	100.0%	3,904,179	7.89
Overlook Village	T.J. Maxx Homegoods, Ross	Ashville, NC		100%	1990	151,365	100.0%	2,193,217	14.49
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	94.4%	730,175	20.45
Patterson Place	BB&B, PetSmart, DSW	Durham, NC		100%	2004	160,942	82.7%	2,202,146	16.54
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	98.0%	1,248,621	17.16
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	38,715	82.0%	\$1,012,014	31.87
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	89.7%	2,643,891	28.59
Red Mill Commons ⁽⁶⁾	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	373,808	90.3%	6,302,258	18.68
Sandbridge Commons ⁽⁶⁾	Harris Teeter	Virginia Beach, VA		100%	2015	76,650	100.0%	1,094,883	14.28
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA		-	1991/2016	260,131	94.3%	3,435,991	14.01
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	77.9%	867,475	28.90
South Square	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	100.0%	1,955,197	17.84
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,307	78.6%	648,139	20.47
Studio 56 Retail	Rocket Title	Virginia Beach, VA	✓	100%	2007	11,594	31.0%	92,654	25.78
Tyre Neck Harris Teeter ⁽⁶⁾⁽⁹⁾	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	98.8%	3,335,136	19.08
Stabilized Retail Total	38 Properties			55%		4,064,391	95.2%	\$66,139,798	\$17.09

PROPERTY PORTFOLIO CONT.

AS OF SEPTEMBER 30, 2021



Office Properties- Stabilized										
	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽⁴⁾	
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	99.4%	\$6,994,090	\$29.96	
Armada Hoffer Tower ⁽⁴⁾⁽⁵⁾	AHH, Troutman Pepper, Williams Mullen	Virginia Beach, VA	✓	100%	2002	315,916	99.5%	9,309,925	29.63	
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA		-	2019	98,061	100.0%	1,887,674	19.25	
One Columbus ⁽⁵⁾	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,770	88.3%	2,896,314	25.46	
One City Center	Duke University, WeWork	Durham, NC		-	2019	151,599	89.3%	4,287,825	31.66	
Thames Street Wharf ⁽⁶⁾	Morgan Stanley, JHU Medical	Baltimore, MD		-	2010	263,426	99.5%	7,443,476	28.41	
Two Columbus	Hazen & Sawyer, Fidelity	Virginia Beach, VA	✓	100%	2009	108,459	95.4%	2,614,174	25.26	
Stabilized Office Total	7 Properties			42%		1,301,169	96.9%	\$35,433,478	\$28.11	

Office Properties- Non-Stabilized										
	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽⁴⁾	
Willis Wharf ⁽⁹⁾	Canopy by Hilton, Transamerica, RBC	Baltimore, MD		-	2020	327,991	59.8%	\$5,569,221	\$28.39	
Non-Stabilized Office Total	1 Property									

Multifamily Properties- Stabilized										
		Location	Town Center	Unencumbered AQR	Year Built	Units/beds	Occupancy ⁽²⁾	AQR ⁽⁷⁾	Monthly AQR per Occupied Unit/bed	Monthly AQR per Occupied SF
1405 Point ⁽¹⁰⁾		Baltimore, MD		-	2018	289	98.6%	\$7,851,258	\$2,296	\$3.07
Encore Apartments		Virginia Beach, VA	✓	-	2014	286	95.8%	5,104,027	1,952	2.16
Edison Apartments ⁽⁸⁾		Richmond, VA		-	2014	174	98.9%	2,857,074	1,384	2.25
Greenside Apartments		Charlotte, NC		-	2018	225	97.8%	4,282,434	1,622	2.19
Liberty Apartments ⁽⁸⁾		Newport News, VA		-	2013	197	96.4%	3,170,227	1,391	1.91
Premier Apartments		Virginia Beach, VA	✓	-	2018	131	95.4%	2,729,466	1,820	2.96
Smith's Landing ⁽⁹⁾		Blacksburg, VA		-	2009	284	99.6%	5,409,282	1,593	1.67
The Cosmopolitan ⁽⁸⁾		Virginia Beach, VA	✓	-	2006	342	97.7%	8,730,467	2,178	2.25
The Residences at Annapolis Junction		Annapolis Junction, MD		-	2018	416	96.2%	10,006,392	2,085	2.32
Multifamily Total	9 Properties					2,344	97.4%	\$0,140,628	1,830	2.26
Hoffer Place ⁽⁸⁾⁽¹⁰⁾		Charleston, SC		-	2019	258	97.3%	3,399,358	1,129	3.61
Johns Hopkins Village ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾		Baltimore, MD		-	2016	568	98.1%	7,659,776	1,146	3.90
Summit Place ⁽¹⁰⁾		Charleston, SC		-	2020	357	96.6%	3,831,718	926	2.59
Student Housing Total	3 Properties					1,183	97.5%	14,890,852	1,076	3.40
Total / Weighted Average Multifamily Portfolio						3,527	97.4%	\$65,031,480	\$1,577	\$2.45

- (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 September 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 September 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 September 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 September 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 September 30, 2021 by (b) 4.
- (8) The ABR for Liberty, Cosmopolitan, Johns Hopkins Village, Hoffer Place, Edison, and 1405 Point excludes approximately \$0.3M, \$0.9M, \$1.3M, \$0.2M, \$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 September 30, 2021 by the number of occupied beds.

DEVELOPMENT PIPELINE

\$ IN THOUSANDS

Projects	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Schedule ⁽¹⁾				Estimated Cost ⁽¹⁾	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants
				Construction Start	Initial Occupancy	Stabilized Operation ⁽²⁾						
Under Development												
Chronicle Mill Belmont, NC	Multifamily	238 units / 14,700 sf	-	1Q21	3Q22	4Q23	\$55,000	\$35,100	\$18,000	85% ⁽³⁾		
Harrisonburg Apartments Harrisonburg, VA	Multifamily	266 units	-	2Q22	3Q23	4Q24	70,000	TBD	-	100%		
Gainesville Apartments Gainesville, GA	Multifamily	223 units	-	3Q20	1Q22	2Q23	52,000	31,000	33,000	95% ⁽³⁾		
Southern Post Roswell, GA	Mixed-use	137 units / 137,000 sf	-	1Q22	4Q23	4Q24	110,000	TBD	11,000	100%		
Total Projects Under Development							\$287,000	\$66,100	\$62,000			
Delivered Not Stabilized												
Wills Wharf Baltimore, MD	Office	328,000 sf	70%	3Q18	2Q20	3Q22	\$120,000	\$76,000	\$112,000	100%	Canopy by Hilton, Transamerica, RBC, Morgan Stanley	
Predevelopment												
Ten Tryon Charlotte, NC	Mixed-use	220,000 sf	-	TBD	TBD	TBD	TBD	TBD	\$10,000	80% ⁽³⁾		
Unconsolidated JV's												
T. Rowe Price Global HQ Baltimore, MD		see page 19 for details					\$250,000	-	\$9,000	50%	T. Rowe Price	
Parcel 4 Mixed-Use Baltimore, MD		see page 19 for details					192,000	-	1,000	50%		
Total Unconsolidated JV's							\$442,000	-	\$10,000			



	Q3 2021	YTD
Capitalized Interest	\$272	\$1,082
Capitalized Overhead	\$500	\$1,526

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⁽¹⁾

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
T. Rowe Price Global HQ-Baltimore, MD									
Office	450,000 sf	1Q22	1Q24	2Q24	\$250,000	50%	\$30,000	\$9,000	\$4-5M
Parcel 4 Mixed-Use-Baltimore, MD									
Mixed-Use/Garage	310 units / 15,000 sf retail / 1,300 parking spaces	1Q22	1Q24	TBD	192,000	50%	30,000	1,000	4M
Total Joint-Ventures					\$442,000		\$60,000	\$10,000	\$8-9M



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

MEZZANINE INVESTMENTS

AS OF SEPTEMBER 30, 2021
\$ IN THOUSANDS

Schedule ⁽¹⁾								
	Property Type	Estimated Size ⁽¹⁾	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Loan Balance	Mezzanine Interest QTD
Outstanding Investments								
The Interlock Atlanta, GA	Mixed-use	300,000 sf	81%	1Q21	4Q24	15%	\$92,254	\$3,260
Solis Nexton ⁽²⁾ Summerville, SC	Multifamily	320 units	NA	4Q22	4Q26	11%	18,549	397
							Total	\$110,803
								\$3,657
							Mezzanine Interest Expense	(349)
							Net Mezzanine Interest Income	<u>\$3,308</u>



(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 ⁽¹⁾	Cash Cap Rate	Purchase Date	Anchor Tenants
2021		412,075	\$64,850	6.9%		
Greenbrier Square	Chesapeake, VA	260,710	\$36,500	6.3%	3Q21	Kroger, Homegoods, Dick's Sporting Goods
Overlook Village	Asheville, NC	151,365	\$28,350	7.7%	3Q21	T.J. Maxx Homegoods, Ross
2020		174 units	25,700	6.8%		
Edison Apartments	Richmond, VA	174 units	25,700	6.8%	4Q20	NA
2019		757,577	208,783	7.4%		
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
2018		217,751	52,658	6.7%		
2017		35,895	14,300	7.7%		
2016		1,515,674	261,530	7.0%		
2015		409,386	95,380	7.1%		
2014		106,166	19,662	7.3%		
Total/Weighted Average		3,454,524 / 174 units	\$742,863	7.1%		

DISPOSITIONS

Properties	Location	Square Feet/Units	Sale Price	Cash Cap Rate	Disposition Date	Anchor Tenants
2021		128,105	\$15,265	6.3%		
Courthouse 7-Eleven	Virginia Beach, VA	3,177	3,065	4.5%	4Q21	7-Eleven
Socastee Commons	Myrtle Beach, SC	57,273	3,800	NA ⁽³⁾	3Q21	
Oakland Marketplace	Oakland, TN	64,538	5,500	7.8%	1Q21	Kroger
Hanbury 7-Eleven	Chesapeake, VA	3,117	2,900	5.5%	1Q21	7-Eleven
2020		645,600	97,300	7.7%		
Hanbury Walgreens	Chesapeake, VA	14,820	7,300	6.1%	3Q20	Walgreens
Retail Portfolio (7 properties)	Mid-Atlantic	630,780	90,000	7.8%	2Q20	Harris Teeter, Food Lion, Weis Markets, Office Max
2019		124,715	30,275	5.8%		
Lightfoot Marketplace	Williamsburg, VA	124,715	30,275 ⁽²⁾	5.8%	3Q19	Harris Teeter
2018		6,047	4,400	5.4%		
2017		52,454	17,750	6.3%		
2016		481,866	97,350	8.4%		
2015		203,200 / 203 units	81,075	6.2%		
2014		31,000	8,900	6.3%		
Total/Weighted Average		1,672,987 / 203 units	\$352,315	7.2%		

- (1) Contractual purchase price.
(2) Includes JV interest in the property.
(3) Anchor tenant vacant at time of sale.

CONSTRUCTION BUSINESS SUMMARY

\$ IN THOUSANDS

Highlighted Projects	Location	Total Contract Value	Work in Place as of 9/30/2021	Backlog	Estimated Date of Completion
Adams Hill Apartments	Greenville, SC	\$51,689	\$468	\$51,221	3Q 2023
Boulders Lakeview Apartments	Richmond, VA	37,228	1,244	35,984	1Q 2023
Interlock Rooftop	Atlanta, GA	14,775	6,719	8,056	1Q 2022
Subtotal		\$103,692	\$8,431	\$95,261	
All Other Projects		377,846	366,242	11,604	
Total		\$481,538	\$374,673	\$106,865	

Gross Profit Summary

	Q3 2021	Trailing 12 Months
	(Unaudited)	
Revenue	\$17,502	\$125,336
Expense	(15,944)	(120,421)
Gross Profit	\$1,558	\$4,915



Holly Springs Apartments
Holly Springs, NC

SAME STORE NOI BY SEGMENT

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



	Three months ended				Nine months ended			
	9/30/2021	9/30/2020	\$ Change	% Change	9/30/2021	9/30/2020	\$ Change	% Change
Summary								
NOI:								
Office	\$6,427	\$6,584	(\$157)	-2.4%	\$19,915	\$19,812	\$103	0.5%
Retail	12,255	10,631	1,624	15.3%	35,986	35,663	323	0.9%
Multifamily	4,749	3,991	758	19.0%	14,022	12,640	1,382	10.9%
	<u>\$23,431</u>	<u>\$21,206</u>	<u>\$2,225</u>	<u>10.5%</u>	<u>\$69,923</u>	<u>\$68,115</u>	<u>\$1,808</u>	<u>2.7%</u>
NOI, Cash Basis:								
Office	\$6,357	\$6,298	\$59	0.9%	\$19,201	\$18,543	\$658	3.5%
Retail	12,092	11,046	1,046	9.5%	35,350	32,879	2,471	7.5%
Multifamily	4,565	3,821	744	19.5%	13,465	12,542	923	7.4%
	<u>\$23,014</u>	<u>\$21,165</u>	<u>\$1,849</u>	<u>8.7%</u>	<u>\$68,016</u>	<u>\$63,964</u>	<u>\$4,052</u>	<u>6.3%</u>
Detail by Segment								
Office⁽¹⁾								
Revenue	\$10,252	\$10,232	\$20	0.2%	\$30,752	\$30,253	\$499	1.6%
Rental Expenses ⁽²⁾	2,510	2,361	149	6.3%	6,934	6,887	47	0.7%
Real Estate Taxes	1,315	1,287	28	2.2%	3,903	3,554	349	9.8%
Net Operating Income	<u>\$6,427</u>	<u>\$6,584</u>	<u>(\$157)</u>	<u>-2.4%</u>	<u>\$19,915</u>	<u>\$19,812</u>	<u>\$103</u>	<u>0.5%</u>
Retail⁽¹⁾								
Revenue	\$16,317	\$14,586	\$1,731	11.9%	\$47,976	\$47,224	\$752	1.6%
Rental Expenses ⁽²⁾	2,371	2,217	154	6.9%	6,742	6,327	415	6.6%
Real Estate Taxes	1,691	1,738	(47)	-2.7%	5,248	5,234	14	0.3%
Net Operating Income	<u>\$12,255</u>	<u>\$10,631</u>	<u>\$1,624</u>	<u>15.3%</u>	<u>\$35,986</u>	<u>\$35,663</u>	<u>\$323</u>	<u>0.9%</u>
Multifamily⁽¹⁾								
Revenue	\$8,217	\$7,580	\$637	8.4%	\$23,847	\$22,270	\$1,577	7.1%
Rental Expenses ⁽²⁾	2,683	2,619	64	2.4%	7,448	7,200	248	3.4%
Real Estate Taxes	785	970	(185)	-19.1%	2,377	2,430	(53)	-2.2%
Net Operating Income	<u>\$4,749</u>	<u>\$3,991</u>	<u>\$758</u>	<u>19.0%</u>	<u>\$14,022</u>	<u>\$12,640</u>	<u>\$1,382</u>	<u>10.9%</u>
Same Store Net Operating Income (NOI)	<u>\$23,431</u>	<u>\$21,206</u>	<u>\$2,225</u>	<u>10.5%</u>	<u>\$69,923</u>	<u>\$68,115</u>	<u>\$1,808</u>	<u>2.7%</u>
GAAP Adjustments	(417)	(41)	(376)		(1,907)	(4,151)	2,244	
Same Store Portfolio NOI, Cash Basis⁽³⁾	<u>\$23,014</u>	<u>\$21,165</u>	<u>\$1,849</u>	<u>8.7%</u>	<u>\$68,016</u>	<u>\$63,964</u>	<u>\$4,052</u>	<u>6.3%</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 9/30/2021 & 9/30/2020, respectively.

(3) Excludes deferred rent collected of (\$0.3M) and (\$0.1M) for the three months ended 9/30/2021 & 9/30/2020, respectively.

TOP 10 TENANTS BY ABR⁽¹⁾

\$ IN THOUSANDS AS OF SEPTEMBER 30, 2021



Office Portfolio ⁽¹⁾						
Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent	
Morgan Stanley ⁽²⁾	1	2027	\$ 5,703	16.1%	3.4%	
Clark Nexsen	1	2029	2,746	7.7%	1.6%	
WeWork	1	2034	2,065	5.8%	1.2%	
Duke University	1	2029	1,618	4.6%	1.0%	
Huntington Ingalls	1	2029	1,575	4.4%	0.9%	
Mythics	1	2030	1,235	3.5%	0.7%	
Johns Hopkins Medicine	1	2023	1,180	3.3%	0.7%	
Pender & Coward	1	2030	950	2.7%	0.6%	
Kimley-Horn	1	2027	930	2.6%	0.6%	
Troutman Pepper Hamilton Sanders	1	2025	907	2.6%	0.5%	
Top 10 Total			\$ 18,909	53.3%	11.2%	

Retail Portfolio ⁽¹⁾						
Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent	
Harris Teeter/Kroger	6	2023 - 2035	\$ 3,739	5.7%	2.2%	
Lowe's Foods	2	2037 ; 2039	1,976	3.0%	1.2%	
Dick's Sporting Goods	1	2032	1,508	2.3%	0.9%	
TJ Maxx/Homegoods ⁽³⁾	5	2022 - 2026	1,504	2.3%	0.9%	
PetSmart	5	2022 - 2027	1,461	2.2%	0.9%	
Amazon/Whole Foods	1	2040	1,144	1.7%	0.7%	
Ross Dress for Less	3	2025 - 2027	1,122	1.7%	0.7%	
Apex Entertainment	1	2035	1,050	1.6%	0.6%	
Bed Bath & Beyond	3	2025 - 2027	1,047	1.6%	0.6%	
Regal Cinemas	2	2021 - 2024	949	1.4%	0.6%	
Top 10 Total			\$ 15,500	23.5%	9.3%	

(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.
 (3) 2022 expiration at Red Mill Commons was renewed for five years subsequent to quarter end.

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
Q3 2021	1	1,400	4	16,017	\$25.86	\$27.22	-5.0%	\$25.00	\$28.90	-13.5%	3	\$2,153	\$1.54
Q2 2021	-	-	-	-	-	-	0.0%	-	-	0.0%	-	-	-
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
Office Renewal Total	4	20,297	6	23,193	\$24.71	\$23.16	6.7%	\$24.07	\$25.62	-6.0%	3.84	\$236,496	\$11.65

New Lease Summary⁽¹⁾

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
Q3 2021	3	10,895	\$26.71	6	\$466,981	\$42.86
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
New Office Total	7	18,082	\$26.44	5.55	\$723,126	\$39.99

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
Q3 2021	10	43,479	7	21,163	\$24.96	\$22.04	13.3%	\$24.86	\$22.94	8.4%	5	\$86,764	\$2.00
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
Retail Renewal Total	53	274,120	43	240,677	\$18.36	\$17.64	4.0%	\$18.26	\$18.00	1.4%	5.99	\$1,245,234	\$4.54

New Lease Summary⁽¹⁾

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
Q3 2021	10	34,384	\$19.09	9	\$898,397	\$26.13
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
New Retail Total	38	189,215	\$17.07	8.83	\$6,046,109	\$31.95

(1) Excludes leases from properties in development.

OFFICE LEASE EXPIRATIONS

AS OF SEPTEMBER 30, 2021



Year	Number of Leases Expiring	Square Footage of Leases Expiring ⁽¹⁾	% Portfolio Net Rentable Square Feet	Annualized Base Rent ⁽¹⁾	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	40,747	3.1%	\$ -	-	\$ -
M-T-M	5	2,743	0.2%	88,399	0.2%	32.23
2021	2	1,410	0.1%	37,983	0.1%	26.94
2022	10	47,132	3.6%	1,316,942	3.7%	27.94
2023	14	104,247	8.0%	2,852,112	8.0%	27.36
2024	12	142,077	10.9%	3,569,119	10.1%	25.12
2025	19	143,517	11.0%	4,329,313	12.2%	30.17
2026	11	54,089	4.2%	1,376,844	3.9%	25.46
2027	7	262,397	20.2%	7,702,641	21.7%	29.35
2028	11	86,228	6.6%	2,482,298	7.0%	28.79
2029	8	245,366	18.9%	6,471,877	18.3%	26.38
2030	6	107,801	8.3%	3,103,037	8.8%	28.78
2031	1	1,317	0.1%	37,535	0.1%	28.50
Thereafter	1	62,098	4.8%	2,065,378	5.9%	33.26
Total / Weighted Average	107	1,301,169	100.0%	\$35,433,478	100.0%	\$28.11

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

Tenant	Property	Expiration Month	Square Footage Expiring ⁽¹⁾	Status
Day & Zimmerman	Armada Hoffler Tower	Apr-2022	23,267	In Negotiation
Johns Hopkins Medicine	Thames Street Wharf	Apr-2023	46,233	Expected to Vacate

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

RETAIL LEASE EXPIRATIONS

AS OF SEPTEMBER 30, 2021



Year	Number of Leases Expiring	Square Footage of Leases Expiring ⁽¹⁾	% Portfolio Net Rentable Square Feet	Annualized Base Rent ⁽¹⁾	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	194,770	4.8%	\$ -	-	\$ -
M-T-M	3	7,500	0.2%	165,281	0.2%	22.04
2021	14	77,696	1.9%	793,758	1.2%	10.22
2022	62	250,235	6.2%	4,162,768	6.3%	16.64
2023	66	449,605	11.1%	7,153,876	10.8%	15.91
2024	85	455,391	11.2%	8,500,765	12.9%	18.67
2025	83	628,377	15.5%	8,830,421	13.4%	14.05
2026	71	376,367	9.3%	7,174,271	10.8%	19.06
2027	35	242,510	6.0%	4,765,508	7.2%	19.65
2028	28	73,347	1.8%	1,885,414	2.9%	25.71
2029	25	107,527	2.6%	2,278,204	3.4%	21.19
2030	40	239,821	5.9%	5,301,900	8.0%	22.11
2031	30	217,842	5.4%	4,171,619	6.3%	19.15
Thereafter	29	743,403	18.1%	10,956,013	16.6%	14.74
Total / Weighted Average	571	4,064,391	100.0%	\$66,139,798	100.0%	\$17.09

Upcoming Expirations Over 20,000 Square Feet Through 2023					Renewals During the Quarter Over 20,000 Square Feet				
Tenant	Property	Expiration	Square Footage Expiring ⁽¹⁾	Status	Tenant	Property	Square Footage	Prior Expiration	New Expiration
Regal Cinemas	Columbus Village II	Dec-2021	51,545	In Negotiation	PetSmart	Broad Creek	20,114	Jan-2022	Jan-2027
PetSmart	Southgate Square	Jan-2022	25,950	In Negotiation					
TJ Maxx	Red Mill Commons	Mar-2022	30,000	Renewed for 5 years					
Michaels	Red Mill Commons	Jul-2022	23,753	In Negotiation					
Food Lion	Broad Creek Shopping Center	Aug-2022	33,000						
Jo-Ann Fabric	Overlook Village	Jan-2023	22,835						
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.



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, recognition of mezzanine loan exit fees 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, mark-to-market adjustments on interest rate derivatives, mezzanine loan prepayment premiums, and 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 9/30/2021 to 2020		Nine Months Ended 9/30/2021 to 2020			Three Months Ended 9/30/2021 to 2020		Nine Months Ended 9/30/2021 to 2020	
	Same Store	Non-Same Store	Same Store	Non-Same Store		Same Store	Non-Same Store	Same Store	Non-Same Store
Retail Properties					Retail Properties (Continued)				
249 Central Park Retail	X		X		Sandbridge Commons	X		X	
Apex Entertainment		X		X	South Retail	X		X	
Broad Creek Shopping Center	X		X		South Square	X		X	
Broadmoor Plaza	X		X		Southgate Square	X		X	
Brooks Crossing (Retail)	X		X		Southshore Shops	X		X	
Columbus Village	X		X		Studio 56 Retail	X		X	
Columbus Village II	X		X		Tyre Neck Harris Teeter	X		X	
Commerce Street Retail	X		X		Wendover Village	X		X	
Courthouse 7-Eleven	X		X		Office Properties				
Delray Beach Plaza		X		X	4525 Main Street	X		X	
Dimmock Square	X		X		Armada Hoffler Tower	X		X	
Fountain Plaza Retail	X		X		Brooks Crossing (Office)	X		X	
Greentree Shopping Center	X		X		One City Center	X		X	
Greenbrier Square		X		X	One Columbus	X		X	
Hanbury Village	X		X		Thames Street Wharf	X		X	
Harrisonburg Regal	X		X		Two Columbus	X		X	
Lexington Square	X		X		Wills Wharf		X		X
Market at Mill Creek	X		X		Multifamily Properties				
Marketplace at Hilltop	X		X		1405 Point	X		X	
Nexton Square		X		X	Edison Apartments		X		X
North Hampton Market	X		X		Encore Apartments	X		X	
North Point Center	X		X		Greenside Apartments	X		X	
Overlook Village		X		X	Hoffler Place	X		X	
Parkway Centre	X		X		Johns Hopkins Village		X		X
Parkway Marketplace	X		X		Liberty Apartments	X		X	
Patterson Place	X		X		Premier Apartments	X		X	
Perry Hall Marketplace	X		X		Smith's Landing	X		X	
Premier Retail		X		X	Summit Place		X		X
Providence Plaza	X		X		The Cosmopolitan		X		X
Red Mill Commons	X		X		The Residences at Annapolis Junction		X		X

RECONCILIATION OF ADJUSTED EBITDA, CORE EBITDA, AND CORE DEBT⁽¹⁾



\$ IN THOUSANDS

	Three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Net income attributable to common stockholders and OP unitholders	\$4,861	\$5,568	\$3,122	\$1,851	\$8,651
Excluding:					
Depreciation and amortization	16,886	17,285	18,066	17,678 ⁽²⁾	14,131 ⁽²⁾
Loss (gain) on real estate dispositions	113	-	(3,717)	-	(3,612)
Impairment of real estate assets	-	83	3,039	-	-
Income tax provision (benefit)	(42)	(461)	(19)	(63)	(28)
Interest expense ⁽³⁾	8,827	8,418	7,975	8,044	7,478
Change in fair value of derivatives and other	(131)	(314)	(393)	(294)	(318)
Preferred dividends	2,887	2,887	2,887	2,887	2,220
Loss on extinguishment of debt	120	-	-	-	-
Non-recurring bad debt	-	-	-	-	1,100 ⁽⁴⁾
Mezzanine loan prepayment premium	-	(2,359)	-	-	-
Unrealized credit loss provision (release)	(617)	388	(55)	29	(33)
Non-cash stock compensation	390	423	1,017	471	456
Adjusted EBITDA⁽¹⁾	\$33,294	\$31,918	\$31,922	\$30,603	\$30,045
Development/Redevelopment:					
Premier Retail	-	-	(221)	(202)	(223)
Wills Wharf	(725)	(819)	(839)	(678)	(633)
The Cosmopolitan Apartments	-	-	-	-	(981)
Summit Place	-	-	-	-	(388)
Total Development	(725)	(819)	(1,060)	(880)	(2,225)
Dispositions completed intra-quarter	-	-	(111)	-	(80)
Acquisitions completed intra-quarter	(238)	-	(336)	(961)	(75)
Core EBITDA	\$32,331	\$31,099	\$30,415	\$28,762	\$27,665
Annualized Core EBITDA	\$129,324	\$126,756⁽⁷⁾	\$121,915⁽⁸⁾	\$115,046	\$110,658
Total debt⁽⁶⁾	\$1,017,410	\$963,885	\$975,099	\$962,812	\$885,359
(Less) Development/Redevelopment:					
Premier Retail	-	-	(8,208)	(8,241)	(8,250)
Wills Wharf	(62,601)	(61,235)	(60,831)	(59,044)	(57,585)
Solis Gainesville	(9,773)	(1,258)	-	-	-
The Cosmopolitan Apartments	-	-	-	-	(43,110)
Summit Place	-	-	-	-	(34,615)
Total Development	(72,374)	(62,493)	(69,039)	(67,285)	(143,560)
(Less) Net Acquisitions completed Intra-quarter	(20,000)	-	(14,473)	(84,375)	(22,909)
(Less) Cash & restricted cash	(33,453)	(53,242)	(34,588)	(50,430)	(79,224)
Core Debt	\$891,583	\$848,150	\$856,999	\$760,722	\$639,666
Core Debt/Annualized Core EBITDA	6.9x	6.7x	7.0x	6.6x	5.8x

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

(6) Excludes GAAP Adjustments.

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

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

CAPITAL EXPENDITURES

AS OF SEPTEMBER 30, 2021



QUARTER TO DATE⁽¹⁾

	Leasing Commissions	Lease Incentive	Tenant Improvements	Land Improvements	Building Improvements	Furniture Fixtures & Equipment	Total Second Generation Capex
Retail	\$530	\$ -	\$805	\$367	\$862	\$ -	\$2,564
Office	56	-	254	19	265	-	594
Multifamily	192	-	-	49	1,466	429	2,136
Total Portfolio	\$778	\$0	\$1,059	\$435	\$2,593	\$429	\$5,294

YEAR TO DATE⁽¹⁾

	Leasing Commissions	Lease Incentive	Tenant Improvements	Land Improvements	Building Improvements	Furniture Fixtures & Equipment	Total Second Generation Capex
Retail	\$1,494	\$ -	\$1,844	\$793	\$1,441	\$ -	\$5,572
Office	174	-	857	19	1,187	-	2,237
Multifamily	270	-	-	111	2,335	849	3,565
Total Portfolio	\$1,938	\$0	\$2,701	\$923	\$4,963	\$849	\$11,374

(1) Excludes acquired, disposed, under development, and held for sale properties.

RECONCILIATION TO PROPERTY PORTFOLIO NOI

\$ IN THOUSANDS



	Three months ended 9/30		Nine months ended 9/30	
	2021	2020	2021	2020
Office Same Store⁽¹⁾				
Rental revenues	\$10,252	\$10,232	\$30,752	\$30,253
Property expenses	3,825	3,648	10,837	10,441
NOI	6,427	6,584	19,915	19,812
Non-Same Store NOI ⁽²⁾	550	455	1,869	702
Segment NOI	\$6,977	\$7,039	\$21,784	\$20,514
Retail Same Store⁽¹⁾				
Rental revenues	\$16,317	\$14,586	\$47,976	\$47,224
Property expenses	4,062	3,955	11,990	11,561
NOI	12,255	10,631	35,986	35,663
Non-Same Store NOI ⁽²⁾	2,598	612	6,270	5,054
Segment NOI	\$14,853	\$11,243	\$42,256	\$40,717
Multifamily Same Store⁽¹⁾				
Rental revenues	\$8,217	\$7,580	\$23,847	\$22,270
Property expenses	3,468	3,589	9,825	9,630
NOI	4,749	3,991	14,022	12,640
Non-Same Store NOI ⁽²⁾	4,721	2,380	13,462	6,736
Segment NOI	\$9,470	\$6,371	\$27,484	\$19,376
Total Property Portfolio NOI	\$31,300	\$24,653	\$91,524	\$80,607

- (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 9/30/2021					
	Office	Retail	Multifamily	Total Rental Properties	General Contracting & Real Estate Services	Total
Segment revenues	\$ 11,933	\$ 20,223	\$ 17,404	\$ 49,560	\$ 17,502	\$ 67,062
Segment expenses	4,956	5,370	7,934	18,260	15,944	34,204
Net operating income	\$ 6,977	\$ 14,853	\$ 9,470	\$ 31,300	\$ 1,558	\$ 32,858
Depreciation and amortization						(16,886)
General and administrative expenses						(3,449)
Acquisition, development and other pursuit costs						(8)
Gain (loss) on real estate dispositions						(113)
Interest income						3,766
Interest expense						(8,827)
Unrealized credit loss release (provision)						617
Amortization of right-of-use assets - finance leases						(278)
Change in fair value of derivatives and other						131
Other income (expense)						(105)
Income tax benefit						42
Net income						\$ 7,748
Preferred stock dividends						(2,887)
Net income attributable to AHH and OP unitholders						\$ 4,861
	Nine months ended 9/30/2021					
	Office	Retail	Multifamily	Total Rental Properties	General Contracting & Real Estate Services	Total
Segment revenues	\$ 35,324	\$ 57,682	\$ 49,673	\$ 142,679	\$ 71,473	\$ 214,152
Segment expenses	13,540	15,426	22,189	51,155	68,350	119,505
Net operating income	\$ 21,784	\$ 42,256	\$ 27,484	\$ 91,524	\$ 3,123	\$ 94,647
Depreciation and amortization						(52,237)
General and administrative expenses						(10,957)
Acquisition, development and other pursuit costs						(111)
Impairment charges						(3,122)
Gain (loss) on real estate dispositions						3,604
Interest income						14,628
Interest Expense						(25,220)
Unrealized credit loss release (provision)						284
Amortization of right-of-use assets - finance leases						(745)
Change in fair value of derivatives and other						838
Other income (expense)						81
Income tax benefit						522
Net income						\$ 22,212
Preferred stock dividends						(8,661)
Net income attributable to AHH and OP unitholders						\$ 13,551

