

**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): **April 29, 2019**

**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))

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 1.01. Entry into a Material Definitive Agreement.

On April 29, 2019, a wholly owned subsidiary of Armada Hoffler, L.P. (the “Operating Partnership”), the operating partnership subsidiary of Armada Hoffler Properties, Inc. (the “Company” and, together with the Operating Partnership, the “Armada Hoffler Parties”), entered into contribution agreements (the “Agreements”) to acquire Red Mill Commons and Marketplace at Hilltop in Virginia Beach, VA (the “Properties”) in an off-market transaction with Venture Realty Group, an unrelated third party (the “Transaction”).

The Agreements provide that the Operating Partnership will acquire both Properties for total consideration of \$105 million, which is comprised of an aggregate of 4.1 million units of limited partnership interest in the Operating Partnership valued at \$15.55 per unit, the assumption of \$36 million of mortgage debt and \$5 million of cash. The Company anticipates completing both acquisitions in the second quarter of 2019, subject to the satisfaction of certain customary closing conditions.

The following table sets forth certain information with respect to the Properties as of April 29, 2019:

Property	Square Feet	Occupancy	Key Tenants
Red Mill Commons	373,808	98.0%	T.J. Maxx, Homegoods, Dollar Tree, Outback Steakhouse, Walgreens, Panera, Buffalo Wild Wings, Starbucks and Chipotle
Marketplace at Hilltop	117,753	100.0%	Total Wine, Michaels, Panera, Chick-fil-A and Arby’s
<b>Total/Weighted Average</b>	<b>491,561</b>	<b>98.5%</b>	

In connection with the Transaction, the Armada Hoffler Parties expect to enter into a tax protection agreement with the contributors pursuant to which the Armada Hoffler Parties will agree, subject to certain exceptions, to indemnify the contributors for up to 10 years against certain tax liabilities incurred by them, if such liabilities result from a transaction involving a direct or indirect taxable disposition of either or both Properties or if the Operating Partnership fails to maintain and allocate to such holders for taxation purposes minimum levels of Operating Partnership liabilities.

### Item 7.01. Regulation FD Disclosure.

On April 30, 2019, the Company issued a press release announcing the Transaction, which is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in Item 7.01 of this Current Report on Form 8-K, including exhibit 99.1 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 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Press Release, dated April 30, 2019.</a>

### Cautionary Note Regarding Forward-Looking Statements

*Certain matters within this Current Report on Form 8-K, including with respect to the details of the acquisition and the scheduled timing of closing, are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. 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, 2018, and the other documents filed by the Company with the Securities and Exchange Commission from time to time.*

**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: April 30, 2019

By: /s/ Michael P. O'Hara

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Michael P. O'Hara

Chief Financial Officer, Treasurer and Secretary



PRESS RELEASE

## Armada Hoffler Properties to Acquire Two Prominent Retail Centers in Virginia Beach, Virginia

### *Transaction Expected to be Immediately Accretive to Earnings*

VIRGINIA BEACH, VA, April 30, 2019 – Armada Hoffler Properties, Inc. (NYSE:AHH) announced today that it has agreed to acquire Red Mill Commons and Marketplace at Hilltop in an off-market transaction with Venture Realty Group, a well-respected local developer. The transaction will add nearly a half million square feet of prime real estate located in desirable and high barrier-to-entry areas of Virginia Beach, VA to the Company’s portfolio. The Company anticipates completing both acquisitions in the second quarter of 2019.

The Company has agreed to acquire both assets in exchange for aggregate consideration of \$105 million composed of 4.1 million Operating Partnership units each valued at \$15.55, assumed mortgage debt of \$36 million, and \$5 million in cash. The transaction is expected to add \$8.1 million of annual net operating income and be immediately accretive to Normalized FFO per share. Because of its low-levered economics, the transaction is also expected to reduce overall near-term leverage, providing additional balance sheet strength and flexibility. Management will discuss the expected impact of these transactions on the Company’s 2019 guidance during the first quarter conference call on Thursday, May 2.

Red Mill Commons is the dominant retail center in the submarket and has consistently been voted Best Shopping Center in Virginia Beach by the Virginian-Pilot’s readers. The center is currently 98% occupied and boasts a diverse mix of over 90 tenants across 374,000 square feet including T.J.Maxx, Homegoods, Dollar Tree, Outback Steakhouse, Walgreens, Panera, Buffalo Wild Wings, Starbucks, and Chipotle alongside shadow anchors Walmart, Target, and Home Depot. Located less than five miles from both Sandbridge Beach and Naval Station Oceana - the second largest employer in the city - Red Mill Commons is ideally positioned to serve both the significant resident and daytime population as well as the millions of tourists that visit the area during the summer months.

Marketplace at Hilltop is located in one of the most densely populated and affluent areas of Virginia Beach with 145,000 residents and average household incomes of \$100,000 within a 5-mile radius. The 118,000 square foot retail center sits squarely in the heart of this high barrier-to-entry submarket less than three miles from the Virginia Beach oceanfront and adjacent to the only Whole Foods in the city. The tenant lineup includes a high-volume Total Wine store in addition to Michaels, Panera, Chick-fil-A, and Arby’s. The center is currently 100% occupied.

“We are pleased to add both Red Mill and Hilltop to our portfolio,” said Louis Haddad, President & Chief Executive Officer of Armada Hoffler Properties. “Both are high-quality, well-located retail centers with long histories of healthy rental rate growth, high occupancy, and strong sales volume. We look forward to completing the transaction and creating significant value for both our current shareholders as well as our new OP unitholders.”

“On behalf of the Red Mill and Hilltop ownership entities, we are delighted to enter into this transaction with Armada Hoffler Properties,” said John Gibson III of Venture Realty Group. Venture Realty Group will continue to lease and manage the assets.

### **Forward-Looking Statements**

Certain matters within this press release, including with respect to the details of the acquisition, timing of closing, and its financial impact on the Company are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties, and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. 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, 2018, and the other documents filed by the Company with the Securities and Exchange Commission from time to time.

#### **About Armada Hoffler Properties, Inc.**

Armada Hoffler Properties, Inc. (NYSE: AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with four decades of experience developing, building, acquiring, and managing high-quality, institutional-grade office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. In addition to developing and building properties for its own account, the Company also provides development and general contracting construction services to third-party clients. Founded in 1979 by Daniel A. Hoffler, the Company has elected to be taxed as a REIT for U.S. federal income tax purposes.

#### **About Venture Realty Group**

Venture Realty Group formed in 2016 when Commercial Real Estate Services and Ellis-Gibson Development Group, both of Virginia Beach, joined forces following a long, successful relationship as real estate development partners. Together, the group has developed six million square feet of projects worth more than \$600 million in the Hampton Roads market. Venture Realty Group leverages decades of expertise in four key areas: strategic mixed-use developments, single tenant build-to-suit transactions, regional shopping center projects, and joint venture partnerships with various prominent landowners throughout Southeast Virginia.

#### **Contact:**

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