

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 1, 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AHH	New York Stock Exchange
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share	AHHprA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 1, 2019, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of June 30, 2019, results of operations for the three months ended June 30, 2019, and other related information. Also on August 1, 2019, 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 June 30, 2019. 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.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated August 1, 2019, issued by Armada Hoffer Properties, Inc., providing its financial position as of June 30, 2019 and results of operations for the three months ended June 30, 2019.
99.2	Armada Hoffer Properties, Inc. Second Quarter 2019 Supplemental Information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARMADA HOFFLER PROPERTIES, INC.

Date: August 1, 2019

/s/ Michael P. O'Hara

Michael P. O'Hara

Chief Financial Officer, Treasurer and Secretary



ARMADA HOFFLER PROPERTIES REPORTS SECOND QUARTER 2019 RESULTS

Net Income of \$0.08 Per Diluted Share

Normalized FFO of \$0.30 Per Diluted Share

Raised 2019 Full-Year Normalized FFO Guidance

VIRGINIA BEACH, VA, August 1, 2019 – Armada Hoffler Properties, Inc. (NYSE:AHH) today announced its results for the quarter ended June 30, 2019 and provided an update on current events.

Highlights include:

- Net income attributable to common stockholders and OP Unit holders of \$6.0 million, or \$0.08 per diluted share, compared to \$5.9 million, or \$0.09 per diluted share, for the three months ended June 30, 2018.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$19.1 million, or \$0.27 per diluted share, compared to \$15.1 million, or \$0.24 per diluted share, for the three months ended June 30, 2018. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$21.1 million, or \$0.30 per diluted share, compared to \$15.2 million, or \$0.24 per diluted share, for the three months ended June 30, 2018.
- Raised 2019 full-year Normalized FFO guidance to \$1.15 to \$1.19 per diluted share up from \$1.11 to \$1.17 per diluted share.
- Core operating property portfolio occupancy at 95.6% as of June 30, 2019 compared to 96.0% as of March 31, 2019.
- Same Store Net Operating Income ("NOI") increased for the 5th consecutive quarter. Same Store NOI increased 6.4% on a GAAP basis and 6.0% on a cash basis compared to the quarter ended June 30, 2018. Same Store NOI increased across all segments; multifamily Same Store NOI increased over 20% on both a GAAP and cash basis primarily due to the performance of the Johns Hopkins Village student housing project.
- Exercised our at-cost purchase option to acquire a 79% controlling interest in 1405 Point, the 17-story luxury high-rise apartment building located in the Harbor Point area of the Baltimore waterfront, in exchange for the Company's mezzanine loan investment and the assumption of existing debt.
- Completed the acquisitions of Red Mill Commons and Marketplace at Hilltop in Virginia Beach, Virginia for aggregate consideration of \$105.0 million, including \$63.8 million in Operating Partnership units.
- Completed the acquisition of Thames Street Wharf, a certified LEED Gold, trophy office building located on the waterfront in the Harbor Point development of Baltimore, Maryland, for \$101.0 million.
- Announced Southern Post, a new 240,000 square foot mixed-use development in historic downtown Roswell, Georgia. The Company will be the majority partner in a joint venture to develop the project and

anticipates commencing construction in the first quarter of 2020. Estimated development and construction costs for the project are expected to total approximately \$80 million.

- Raised \$61.3 million of net proceeds before estimated offering expenses through an underwritten public offering of 2.5 million shares of 6.75% Series A Cumulative Redeemable Perpetual Preferred Stock at a public offering price of \$25.00 per share.
- Raised \$7.6 million of gross proceeds through our at-the-market equity offering program at an average price of \$16.89 per share during the quarter ended June 30, 2019.

"Accretive acquisitions and robust Same Store NOI growth across all segments helped to produce another strong quarter of financial results," said Louis Haddad, President & CEO. "Accordingly, we've increased our Normalized FFO guidance range for the year. With both a promising development pipeline and organic growth in our core portfolio, we remain extremely optimistic about our ability to create value well into the future."

Financial Results

Net income attributable to common stockholders and OP Unit holders for the second quarter increased to \$6.0 million compared to \$5.9 million for the second quarter of 2018. The period-over-period change was primarily due to increased operating income from the property portfolio as a result of property acquisitions and the completion of development projects. Interest income also increased period over period. This was partially offset by increases in interest expense and changes in the fair value of interest rate derivatives.

Normalized FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$21.1 million compared to \$15.2 million for the second quarter of 2018. FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$19.1 million compared to \$15.1 million for the second quarter of 2018. The period-over-period changes in Normalized FFO and FFO were positively impacted by property acquisitions, completion of development projects, and higher interest income. These increases in Normalized FFO and FFO were partially offset by increased interest expense.

Operating Performance

At the end of the second quarter, the Company's office, retail and multifamily core operating property portfolios were 94.6%, 96.6% and 94.7% occupied, respectively.

Total construction contract backlog was \$178.6 million at the end of the second quarter.

Balance Sheet and Financing Activity

As of June 30, 2019, the Company had \$956.1 million of total debt outstanding, including \$122.0 million outstanding under its revolving credit facility. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 47.8% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of June 30, 2019. After considering LIBOR interest rate caps with strike prices at or below 250 basis points as of June 30, 2019, 89.7% of the Company's debt was either fixed or hedged.

There is no debt maturing during the remainder of 2019.

Outlook

The Company is raising its 2019 full-year Normalized FFO guidance range to \$1.15 to \$1.19 per diluted share up from \$1.11 to \$1.17 per diluted share. The following table updates the Company's assumptions underpinning this forecast. The Company's executive management will provide further details regarding its 2019 earnings guidance during today's webcast and conference call.

Full-year 2019 Guidance ^[1]	Expected Ranges	
Total NOI	\$101.6M	\$102.5M
Construction Segment Gross Profit	\$4.9M	\$5.7M
Mezzanine Interest Income (Net of Interest Expense) ^{[2][3]}	\$15.5M	\$16.1M
G&A Expenses	\$11.8M	\$12.2M
Interest Expense (Net of Mezzanine Interest Expense)	\$25.0M	\$26.0M
Normalized FFO per diluted share ^[4]	\$1.15	\$1.19

^[1] Includes the following assumptions:

- Sale of Lightfoot Marketplace, a Harris Teeter grocery-anchored shopping center, at a 5.8% cap rate with expected proceeds of approximately \$28 million in the third quarter of 2019.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 1.90%.
- The opportunistic sale of an additional \$10 million through the ATM program, for a full year total of \$50 million, assuming favorable market conditions.
- Full year weighted average share count of 72.0 million.

^[2] Includes \$4.5 million of Annapolis Junction loan modification fee.

^[3] Net of \$5.4 million of interest expense associated with funding the Company's mezzanine program.

^[4] Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, 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 Thursday, August 1, 2019 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 Sunday, September 1, 2019 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the pass code 13691838.

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.

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, financing activities, as well as acquisitions, dispositions 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, 2018, and the other documents filed by the Company with the Securities and Exchange Commission from time to time.

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, severance related costs, and other non-comparable items.

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

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

	June 30, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Real estate investments:		
Income producing property	\$ 1,407,224	\$ 1,037,917
Held for development	2,752	2,994
Construction in progress	156,695	135,675
	1,566,671	1,176,586
Accumulated depreciation	(205,650)	(188,775)
Net real estate investments	1,361,021	987,811
Real estate investments held for sale	—	929
Cash and cash equivalents	23,109	21,254
Restricted cash	2,852	2,797
Accounts receivable, net	20,713	19,016
Notes receivable	144,743	138,683
Construction receivables, including retentions	13,696	16,154
Construction contract costs and estimated earnings in excess of billings	461	1,358
Equity method investments	—	22,203
Operating lease right-of-use assets	33,268	—
Finance lease right-of-use assets	24,415	—
Other assets	105,749	55,177
Total Assets	\$ 1,730,027	\$ 1,265,382
LIABILITIES AND EQUITY		
Indebtedness, net	\$ 949,345	\$ 694,239
Accounts payable and accrued liabilities	15,983	15,217
Construction payables, including retentions	37,798	50,796
Billings in excess of construction contract costs and estimated earnings	1,789	3,037
Operating lease liabilities	41,300	—
Finance lease liabilities	17,862	—
Other liabilities	59,508	46,203
Total Liabilities	1,123,585	809,492
Total Equity	606,442	455,890
Total Liabilities and Equity	\$ 1,730,027	\$ 1,265,382

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(Unaudited)			
Revenues				
Rental revenues	\$ 36,378	\$ 28,598	\$ 67,287	\$ 57,297
General contracting and real estate services revenues	21,444	20,654	38,480	43,704
Total revenues	<u>57,822</u>	<u>49,252</u>	<u>105,767</u>	<u>101,001</u>
Expenses				
Rental expenses	8,027	6,522	14,752	12,946
Real estate taxes	3,451	2,735	6,579	5,548
General contracting and real estate services expenses	20,123	20,087	36,409	42,501
Depreciation and amortization	13,478	9,179	23,382	18,457
General and administrative expenses	2,951	2,764	6,352	5,725
Acquisition, development and other pursuit costs	57	9	457	93
Impairment charges	—	98	—	98
Total expenses	<u>48,087</u>	<u>41,394</u>	<u>87,931</u>	<u>85,368</u>
Operating income	9,735	7,858	17,836	15,633
Interest income	5,593	2,375	10,912	4,607
Interest expense	(7,603)	(4,497)	(13,489)	(8,870)
Equity in income of unconsolidated real estate entities	—	—	273	—
Change in fair value of interest rate derivatives	(1,933)	(11)	(3,396)	958
Other income	4	54	64	168
Income before taxes	5,796	5,779	12,200	12,496
Income tax benefit	30	166	140	432
Net income	5,826	5,945	12,340	12,928
Net loss attributable to noncontrolling interests in investment entities	320	—	320	—
Preferred stock dividends	(154)	—	(154)	—
Net income attributable to common stockholders and OP Unit holders	<u>\$ 5,992</u>	<u>\$ 5,945</u>	<u>\$ 12,506</u>	<u>\$ 12,928</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(Unaudited)			
Net income attributable to common stockholders and OP Unit holders	\$ 5,992	\$ 5,945	\$ 12,506	\$ 12,928
Depreciation and amortization ⁽¹⁾	13,118	9,179	23,247	18,457
FFO attributable to common stockholders and OP Unit holders	\$ 19,110	\$ 15,124	\$ 35,753	\$ 31,385
Acquisition, development and other pursuit costs	57	9	457	93
Impairment of intangible assets and liabilities	—	98	—	98
Change in fair value of interest rate derivatives	1,933	11	3,396	(958)
Normalized FFO available to common stockholders and OP Unit holders	\$ 21,100	\$ 15,242	\$ 39,606	\$ 30,618
Net income attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.08	\$ 0.09	\$ 0.18	\$ 0.21
FFO per diluted share and unit attributable to common stockholders and OP Unit holders	\$ 0.27	\$ 0.24	\$ 0.51	\$ 0.50
Normalized FFO per diluted share and unit attributable to common stockholders and OP Unit holders	\$ 0.30	\$ 0.24	\$ 0.57	\$ 0.49
Weighted average common shares and units - diluted	71,232	63,214	69,584	62,878

(1) The adjustment for depreciation and amortization for the six months ended June 30, 2019 includes \$0.2 million of depreciation attributable to the Company's investment in One City Center from January 1, 2019 to March 14, 2019, which was an unconsolidated real estate investment during this period. Additionally, the adjustment for depreciation and amortization for both the three and six month periods ended June 30, 2019 excludes \$0.4 million of depreciation attributable to the Company's joint venture partner at 1405 Point.

Contact:

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

2Q19 Supplemental Financial Package



Thames Street Wharf

Table of Contents

Forward Looking Statements	03
Corporate Profile	04
Highlights	05
2019 Outlook & Assumptions	06
Summary Information	07
Net Asset Value Component Data	08
Summary Balance Sheet	09
Summary Income Statement	10
FFO, Normalized FFO & Adjusted FFO	11
Outstanding Debt	12
Debt Information	13
Core Debt to Core EBITDA	14
Capitalization & Financial Ratios	15
Property Portfolio	16
Development & Redevelopment Pipeline	18
Mezzanine Investments	19
Acquisitions & Dispositions	20
Thames Street Wharf	21
Harbor Point Investment	22
Construction Business Summary	23
Same Store NOI by Segment	24
Top 10 Tenants by Annualized Base Rent	25
Office Lease Summary	26
Office Lease Expirations	27
Retail Lease Summary	28
Retail Lease Expirations	29
Appendix – Definitions & Reconciliations	30
Same Store vs Non-Same Store Properties	34
Reconciliation to Property Portfolio NOI	35
Reconciliation to GAAP Net Income	37





FORWARD-LOOKING STATEMENTS

Armada Hoffler

This Supplemental Financial Package should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated August 1, 2019, which has been furnished as Exhibit 99.1 to our Form 8-K filed on August 1, 2019. 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")). In particular, statements pertaining to our capital resources, portfolio performance, mezzanine loan program, development pipeline and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth of our funds from operations, normalized funds from operations, adjusted funds from operations, and net operating income are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions or indications of future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, estimates, data or methods which may be incorrect or imprecise, and actual results may vary materially from those anticipated, estimated or projected. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). For further discussion of risk factors and other events that could impact our future results, please refer to the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), and the documents subsequently filed by us from time to time with the SEC.

Corporate Profile

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 managing 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 federal income tax purposes.

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
John W. Snow, Independent Director

Corporate Officers

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

Investor Relations

Michael P. O'Hara, Chief Financial Officer
757-366-6684
mohara@armadahoffler.com

Analyst Coverage

Bank of America Merrill Lynch
James Feldman
(646) 855-5808
james.feldman@baml.com

Janney, Montgomery, & Scott LLC
Robert Stevenson
(646) 840-3217
robertstevenson@janney.com

Raymond James & Associates
Bill Crow
(727) 567-2594
bill.crow@raymondjames.com

Stifel, Nicolaus & Company
John Guinee
(443) 224-1307
jwguinee@stifel.com

D. A. Davidson & Co.

B. Riley FBR
Craig Kucera
(540) 277-3366
craigkucera@brileyfbr.com

Robert W. Baird & Co.
David Rodgers
(216) 737-7341
drodgers@rwbaird.com

Highlights

- Net income attributable to common stockholders and OP Unit holders of \$6.0 million, or \$0.08 per diluted share, compared to \$5.9 million, or \$0.09 per diluted share, for the three months ended June 30, 2018.
 - Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$19.1 million, or \$0.27 per diluted share, compared to \$15.1 million, or \$0.24 per diluted share, for the three months ended June 30, 2018. See "Non-GAAP Financial Measures."
 - Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$21.1 million, or \$0.30 per diluted share, compared to \$15.2 million, or \$0.24 per diluted share, for the three months ended June 30, 2018.
 - Raised 2019 full-year Normalized FFO guidance to \$1.15 to \$1.19 per diluted share up from \$1.11 to \$1.17 per diluted share.
 - Core operating property portfolio occupancy at 95.6% as of June 30, 2019 compared to 96.0% as of March 31, 2019.
 - Same Store Net Operating Income ("NOI") increased for the 5th consecutive quarter. Same Store NOI increased 6.4% on a GAAP basis and 6.0% on a cash basis compared to the quarter ended June 30, 2018. Same Store NOI increased across all segment multifamily Same Store NOI increased over 20% on both a GAAP and cash basis primarily due to the performance of the Johns Hopkins Village student housing project.
 - Exercised our at-cost purchase option to acquire a 79% controlling interest in 1405 Point, the 17-story luxury high-rise apartment building located in the Harbor Point area of the Baltimore waterfront, in exchange for the Company's mezzanine loan investment and the assumption of existing debt.
 - Completed the acquisitions of Red Mill Commons and Marketplace at Hilltop in Virginia Beach, Virginia for aggregate consideration of \$105.0 million, including \$63.8 million in Operating Partnership Units.
 - Completed the acquisition of Thames Street Wharf, a certified LEED Gold, trophy office building located on the waterfront in the Harbor Point development of Baltimore, Maryland, for \$101.0 million.
 - Announced Southern Post, a new 240,000 square foot mixed-use development in historic downtown Roswell, Georgia. The Company will be the majority partner in a joint venture to develop the project and anticipates commencing construction in the quarter of 2020. Estimated development and construction costs for the project are expected to total approximately \$80 million.
 - Raised \$61.3 million of net proceeds before estimated offering expenses through an underwritten public offering of 2.5 million shares of 6.75% Series A Cumulative Redeemable Perpetual Preferred Stock at a public offering price of \$25.00 per share.
 - Raised \$7.6 million of gross proceeds through our at-the-market equity offering program at an average price of \$16.89 per share during the quarter ended June 30, 2019.
-

2019 Outlook & Assumptions

Outlook	Low	High
Total NOI	\$101.6M	\$102.5M
Construction Segment Gross Profit	\$4.9M	\$5.7M
Mezzanine Interest Income (Net of Interest Expense) ⁽¹⁾⁽²⁾	\$15.5M	\$16.1M
G&A expenses	\$11.8M	\$12.2M
Interest Expense (Net of Mezzanine Interest Expense)	\$25.0M	\$26.0M
Normalized FFO per diluted share	\$1.15	\$1.19

(1) Includes \$4.5M of Annapolis Junction Loan Modification Fee.

(2) Net of \$5.4M of interest expense associated with funding the Company's mezzanine program.



GUIDANCE ASSUMPTIONS

- Sale of Lightfoot Marketplace, a Harris Teeter grocery-anchored shopping center at a 5.8% cap rate for expected proceeds of approximately \$28M in the third quarter of 2019.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 1.90%.
- The opportunistic sale of an additional \$10M through the ATM program, for a full year total of \$50M, assuming favorable market conditions.
- Full-year weighted average share count of 72.0M.

Summary Information

\$ in thousands, except per share data

	Three months ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
OPERATIONAL METRICS					
Net income attributable to AHH and OP Unitholders	\$5,992	\$6,514	\$4,895	\$5,669	\$5,992
Net income attributable to AHH and OP Unitholders per diluted share	\$0.08	\$0.10	\$0.07	\$0.09	\$0.08
Rental properties Net Operating Income (NOI)	24,900	21,056	20,563	18,987	19,341
General contracting and real estate services gross profit	1,321	750	551	977	511
Adjusted EBITDA ⁽¹⁾	28,800	24,038	25,110 ⁽²⁾	20,124	19,411
Funds From Operations (FFO) attributable to common stockholders and OP unit holders	19,110	16,643	17,089	15,865	15,111
FFO per diluted share attributable to common stockholders and OP unit holders	\$0.27	\$0.25	\$0.26	\$0.24	\$0.23
Normalized FFO attributable to common stockholders and OP unit holders	21,100	18,506	20,190	15,650	15,241
Normalized FFO per diluted share attributable to common stockholders and OP unit holders	\$0.30	\$0.27	\$0.30	\$0.24	\$0.23
Annualized dividend yield	5.08%	5.39%	5.69%	5.29%	5.3%
CAPITALIZATION					
Common shares outstanding	52,794	52,327	50,014	49,576	48,711
Operating Partnership units outstanding	21,178	16,992	17,110	17,167	17,211
Common shares and OP units outstanding	73,972	69,319	67,124	66,743	66,011
Market price per common share	\$16.55	\$15.59	\$14.06	\$15.11	\$14.51
Common equity capitalization ⁽³⁾	\$1,224,237	\$1,080,683	\$943,763	\$1,008,487	\$984,211
Preferred equity capitalization	63,250	-	-	-	-
Total equity capitalization	\$1,287,487	\$1,080,683	\$943,763	\$1,008,487	\$984,211
Total debt ⁽⁴⁾	956,068	744,123	700,722	660,608	586,811
Total capitalization	2,243,555	1,824,806	1,644,485	1,669,095	1,571,111
Less: cash	(25,961)	(18,959)	(24,051)	(20,648)	(15,411)
Total enterprise value	\$2,217,594	\$1,805,847	\$1,620,434	\$1,648,447	\$1,555,611
BALANCE SHEET METRICS					
Core debt / enterprise value	29.0%	32.5%	36.7%	34.9%	34.0%
Core debt + preferred equity / enterprise value	31.8%	32.5%	36.7%	34.9%	34.0%
Fixed charge coverage ratio	2.8x	3.3x	3.7x	3.5x	3.0x
Core debt / Annualized core EBITDA	6.3x	6.3x	6.6x	7.1x	6.0x
Core debt + preferred equity / Annualized core EBITDA	6.9x	6.3x	6.6x	7.1x	6.0x
CORE PORTFOLIO OCCUPANCY					
Office ⁽⁵⁾	94.6%	94.9%	93.3%	93.8%	93.0%
Retail ⁽⁵⁾	96.6%	96.1%	96.2%	96.6%	96.0%
Multifamily ⁽⁶⁾	94.7% ⁽⁷⁾	97.2%	97.3%	97.1%	89.0%
Weighted Average ⁽⁸⁾	95.6%	96.0%	95.8%	96.1%	94.0%

(1) See definition on page 32.

(2) Includes gain on non-operating real estate of \$3.4M and approximately \$688K of severance for the three months ended 12/31/18.

(3) Includes common shares and OP units.

(4) Excludes GAAP adjustments.

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

(6) Multifamily occupancy based on occupied units as a % of respective total.

(7) Includes impact of seasonality, attributed to the reduced summer occupancy at the JHU student housing property.

(8) Total occupancy weighted by annualized base rent.

Net Asset Value Component Data

In thousands

Stabilized Portfolio NOI (Cash) ⁽¹⁾		
	Three months ended	Annualized
	6/30/2019	6/30/2019
Stabilized Virginia Beach (VB) Town Center⁽¹⁾		
Office ⁽²⁾	\$3,332	\$13,328
Retail ⁽²⁾	2,195	8,780
Multifamily	1,976	7,904
Total Stabilized VB Town Center NOI	\$7,503	\$30,012
Stabilized Portfolio (Excludes VB Town Center)⁽¹⁾		
Office ⁽²⁾	\$591	\$2,364
Retail	11,543	46,172
Multifamily	3,172	12,688
Total Stabilized Portfolio (Excludes VB Town Center)	\$15,306	\$61,224
Combined Stabilized Portfolio NOI	\$22,809	\$91,236
Run Rate Adjustments⁽¹⁾		
Signed Leases Not Yet Occupied or In Free Rent Period	\$1,161	\$4,644
Net Acquisitions/Dispositions Completed Intra-Quarter	3,241	12,964
Total Run Rate Adjustments	\$4,402	\$17,607
Total	\$27,211	\$108,843
Non-Stabilized Portfolio and Development Pipeline (Cost Basis)⁽³⁾		
See page 18 for a list of properties		
		As of 6/30/2019
Income Producing Properties		\$103,000
Construction In Process		149,000
Other Assets		3,000
Total Non-Stabilized Development Portfolio		255,000
Redevelopment in Process		6,600
Total Non-Stabilized Redevelopment and Development Portfolio		\$261,600

Third-Party General Contracting and Real Estate Services	
	Trailing 12 Months
General Contracting Gross Profit ⁽⁴⁾	\$7,015
Non-Property Assets⁽⁵⁾	
	As of 6/30/2019
Cash and Cash Equivalents	\$23,109
Restricted cash	2,852
Accounts Receivable	20,713
Notes Receivable, Including Mezzanine Investments ⁽⁶⁾	143,505
Construction receivables, including retentions	13,696
Other Assets	106,210
Land Held for Development (Book Value)	2,752
Total Non-Property Assets	\$312,837
Liabilities⁽⁵⁾	
	As of 6/30/2019
Mortgages and Notes Payable ⁽⁶⁾	\$956,068
Accounts Payable and Accrued Liabilities	15,983
Construction Payables, Including Retentions	37,798
Other Liabilities	61,297
Total Liabilities	\$1,071,146
Preferred Equity	
	Liquidation Value
Series A Cumulative Redeemable Perpetual Preferred Stock	\$63,250
Common Equity	
	As of 6/30/2019
Total common shares outstanding	52,794
Total OP units outstanding	21,178
Total Common Shares & OP Units Outstanding	73,972

- (1) NOI from non-stabilized portfolio and development pipeline excluded from stabilized portfolio.
- (2) Includes leases for space occupied by Armada Hoffer which are eliminated for GAAP purposes.
- (3) NOI not included in Stabilized Portfolio.
- (4) Includes \$3.4 million from the sale of a distribution center.
- (5) Lease right of use assets and lease liabilities excluded.
- (6) Excludes GAAP adjustments.

Summary Balance Sheet

\$ in thousands

	As of	
	6/30/2019 (Unaudited)	12/31/2018
Assets		
Real estate investments:		
Income producing property	\$1,407,224	\$1,037,917
Held for development	2,752	2,994
Construction in progress	156,695	135,675
Accumulated depreciation	(205,650)	(188,775)
Net real estate investments	<u>1,361,021</u>	<u>987,811</u>
Real estate investments held for sale	-	929
Cash and cash equivalents	23,109	21,254
Restricted cash	2,852	2,797
Accounts receivable, net	20,713	19,016
Notes receivable	144,743	138,683
Construction receivables, including retentions	13,696	16,154
Costs and estimated earnings in excess of billings	461	1,358
Equity method investments	-	22,203
Operating lease right-of-use assets	33,268	-
Finance lease right-of-use assets	24,415	-
Other assets	<u>105,749</u>	<u>55,177</u>
Total Assets	<u>\$1,730,027</u>	<u>\$1,265,382</u>
Liabilities and Equity		
Indebtedness, net	\$949,345	\$694,239
Accounts payable and accrued liabilities	15,983	15,217
Construction payables, including retentions	37,798	50,796
Billings in excess of costs and estimated earnings	1,789	3,037
Operating lease liabilities	41,300	-
Finance lease liabilities	17,862	-
Other liabilities	<u>59,508</u>	<u>46,203</u>
Total Liabilities	<u>1,123,585</u>	<u>809,492</u>
Total Equity	<u>606,442</u>	<u>455,890</u>
Total Liabilities and Equity	<u>\$1,730,027</u>	<u>\$1,265,382</u>

Summary Income Statement

In thousands, except per share data

	Three months ended		Six months ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
	(Unaudited)			
Revenues				
Rental revenues	\$36,378	\$28,598	\$67,287	\$55,444
General contracting and real estate services revenues	21,444	20,654	38,480	44,800
Total Revenues	57,822	49,252	105,767	100,244
Expenses				
Rental expenses	8,027	6,522	14,752	13,100
Real estate taxes	3,451	2,735	6,579	6,579
General contracting and real estate services expenses	20,123	20,087	36,409	36,409
Depreciation and amortization	13,478	9,179	23,382	23,382
General and administrative expenses	2,951	2,764	6,352	6,352
Acquisition, development & other pursuit costs	57	9	457	457
Impairment charges	-	98	-	-
Total Expenses	48,087	41,394	87,931	86,279
Operating Income	9,735	7,858	17,836	13,965
Interest income	5,593	2,375	10,912	10,912
Interest expense	(7,603)	(4,497)	(13,489)	(13,489)
Equity in income of unconsolidated real estate entities	-	-	273	273
Change in fair value of interest rate derivatives	(1,933)	(11)	(3,396)	(3,396)
Other income	4	54	64	64
Income before taxes	5,796	5,779	12,200	12,200
Income tax benefit	30	166	140	140
Net Income	\$5,826	\$5,945	\$12,340	\$12,340
Net loss attributable to noncontrolling interest in investment entities	320	-	320	-
Preferred stock dividends	(154)	-	(154)	-
Net income attributable to AHH and OP Unitholders	\$5,992	\$5,945	\$12,506	\$12,340
Net income per diluted share and unit attributable to AHH and OP Unitholders	\$0.08	\$0.09	\$0.18	\$0.18

AHH
LISTED
NYSE

FFO, Normalized FFO & AFFO⁽¹⁾

\$ in thousands, except per share data

	Three months ended (Unaudited)				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Funds From Operations					
Net income attributable to AHH and OP Unitholders	\$5,992	\$6,514	\$4,895	\$5,669	\$5,945
Earnings per diluted share	\$0.08	\$0.10	\$0.07	\$0.09	\$0.09
Depreciation and amortization ⁽²⁾	13,118	10,129	11,525	10,196	9,179
Gains on dispositions of operating real estate ⁽³⁾	-	-	(833)	-	-
Impairment of real estate assets ⁽⁴⁾	-	-	1,502	-	-
FFO	\$19,110	\$16,643	\$17,089	\$15,865	\$15,124
FFO per diluted share	\$0.27	\$0.25	\$0.26	\$0.24	\$0.24
Normalized FFO					
Acquisition, development & other pursuit costs	57	400	190	69	9
Loss on extinguishment of debt	-	-	-	11	-
Impairment of intangible assets and liabilities	-	-	16	3	98
Severance related costs	-	-	688	-	-
Change in fair value of interest rate derivatives	1,933	1,463	2,207	(298)	11
Normalized FFO	\$21,100	\$18,506	\$20,190	\$15,650	\$15,242
Normalized FFO per diluted share	\$0.30	\$0.27	\$0.30	\$0.24	\$0.24
Adjusted FFO					
Non-cash stock compensation	327	689	55	252	271
Acquisition, development & other pursuit costs	(57)	(400)	(190)	(69)	(9)
Tenant improvements, leasing commissions, lease incentives ⁽⁵⁾	(841)	(809)	(2,447)	(899)	(1,102)
Property related capital expenditures	(1,983)	(1,494)	(2,961)	(884)	(1,098)
Adjustment for Annapolis Junction loan modification fee	(1,238)	(1,118)	4,489	-	-
Non-cash interest expense	397	304	289	270	231
GAAP Adjustments	(1,337)	(850)	(944)	(752)	(461)
AFFO	\$16,368	\$14,828	\$18,481	\$13,568	\$13,074
AFFO per diluted share	\$0.23	\$0.22	\$0.28	\$0.20	\$0.21
Weighted Average Common Shares Outstanding	52,451	50,926	49,726	49,194	45,928
Weighted Average Operating Partnership ("OP") Units Outstanding	18,781	16,993	17,110	17,168	17,286
Total Weighted Average Common Shares and OP Units Outstanding	71,232	67,919	66,836	66,362	63,214

(1) See definitions on pages 31-32.

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

(3) Excludes gain on non-operating real estate of \$3.4M for the three months ended 12/31/18.

(4) Impairment of Waynesboro Commons, which was disposed on 4/1/19.

(5) Excludes development, redevelopment, and first generation space.

Outstanding Debt

\$ in thousands

Debt	Stated Rate	Effective Rate as of 6/30/2019	Maturity Date	Debt Maturities & Principal Payments						Outstanding as of 6/30/2019	
				2019	2020	2021	2022	2023	Thereafter		
Secured Notes Payable - Core Debt											
1405 Point	L+2.75%	5.15%	May-2020		\$64,902						\$64,902
Southgate Square	L+1.60%	4.00%	Apr-2021	440	880	19,682					21,002
Encore Apartments	3.25%	3.25%	Sep-2021	124	504	24,338					24,966
4525 Main Street	3.25%	3.25%	Sep-2021	158	646	31,230					32,034
Red Mill West	4.23%	4.23%	Jun-2022	216	445	465	10,386				11,512
Thames Street Wharf	L+1.30%	3.70%	Jun-2022				70,000				70,000
Hanbury Village	3.78%	3.78%	Aug-2022	253	522	544	17,449				18,768
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	192	397	414	9,706				10,709
Socastee Commons	4.57%	4.57%	Jan-2023	53	109	115	120	4,222			4,619
Sandbridge Commons	L+1.75%	4.15%	Jan-2023	119	247	257	268	7,248			8,139
249 Cental Park Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	111	230	245	260	16,093			16,939
South Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	49	101	107	114	7,066			7,437
Fountain Plaza Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	68	139	147	156	9,684			10,194
Lightfoot Marketplace	L+1.75%	4.77% ⁽²⁾	Oct-2023					17,900			17,900
Red Mill Central	4.80%	4.80%	Jun-2024	87	175	175	175	175	1,838		2,625
One City Center	L+1.85%	4.25%	Apr-2024	254	574	628	659	691	22,734		25,540
Red Mill South	3.57%	3.57%	May-2025	148	304	315	327	338	4,853		6,285
Johns Hopkins Village	L+1.25%	4.19% ⁽¹⁾	Aug-2025	456	941	988	1,031	1,075	47,765		52,256
North Point Center Note 2	7.25%	7.25%	Sep-2025	62	130	140	151	162	1,642		2,287
Lexington Square	4.50%	4.50%	Sep-2028	124	256	268	280	293	13,599		14,820
Red Mill North	4.73%	4.73%	Dec-2028	48	100	105	110	116	3,964		4,443
Smith's Landing	4.05%	4.05%	Jun-2035	415	856	891	928	966	14,527		18,583
Liberty Apartments	5.66%	5.66%	Nov-2043	138	288	304	332	341	12,900		14,303
The Cosmopolitan	3.35%	3.35%	Jul-2051	386	792	819	847	876	40,368		44,088
Total - Secured Core Debt				\$3,901	\$73,538	\$82,177	\$113,299	\$67,246	\$164,190		\$504,351
Secured Notes Payable - Development Pipeline											
Greenside Apartments	L+2.95%	5.35%	Feb-2020		\$28,154						\$28,154
Premier	L+2.75%	5.15%	Jun-2020		21,830						21,830
Summit Place	L+3.24%	5.64%	Jan-2021			24,035					24,035
Hoffler Place	L+3.24%	5.64%	Jan-2021			22,818					22,818
Wills Wharf	L+2.25%	4.65%	Jun-2023								-
Market at Mill Creek	L+1.55%	3.95%	Jul-2025	136	338	353	368	383	12,700		14,278
Brooks Crossing Office	L+1.60%	4.00%	Jul-2025				360	381	12,386		13,602
Total - Development Pipeline				136	50,456	47,547	728	764	25,086		124,717
Total Secured Notes Payable				\$4,037	\$123,994	\$129,724	\$114,027	\$68,010	\$189,276		\$629,068
Unsecured Core Debt											
Senior unsecured line of credit	L+1.40% - 2.00%	3.95%	Oct-2021			122,000					122,000
Senior unsecured term loan	L+1.35% - 1.95%	3.90%	Oct-2022				55,000				55,000
Senior unsecured term loan	L+1.35% - 1.95%	3.50% - 4.28% ⁽¹⁾	Oct-2022				150,000				150,000
Total - Unsecured Core Debt						122,000	205,000				327,000
Total Notes Payable excluding GAAP Adjustments				\$4,037	\$123,994	\$251,724	\$319,027	\$68,010	\$189,276		\$956,068
GAAP Adjustments											
Total Notes Payable											(6,723)
											\$949,345

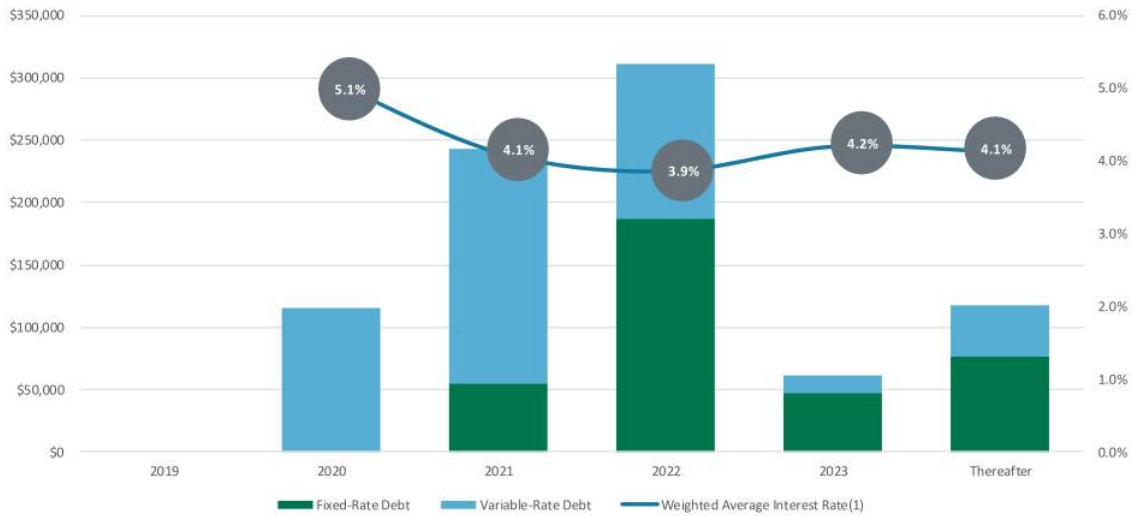
(1) Includes debt subject to interest rate swap locks.

(2) Includes \$10.5 million of debt subject to interest rate swap locks.

Debt Information

\$ in thousands

Debt Maturities



Total Debt Composition

	% of Debt	Weighted Average	
		Interest Rate	Maturity
Secured vs. Unsecured Debt			
Unsecured Debt	34.2%	3.9%	3.0 Yrs
Secured Debt	65.8%	4.3%	6.1 Yrs
Variable vs. Fixed-rate Debt			
Variable-rate Debt ⁽²⁾	52.2%	4.4%	2.4 Yrs
Fixed-rate Debt ⁽¹⁾⁽³⁾	47.8%	3.9%	7.9 Yrs
Fixed-rate and Hedged Debt ⁽¹⁾⁽³⁾	89.7%		
Total		4.2%	5.0 Yrs

Interest Rate Cap Agreements

Effective Date	Maturity Date	Strike Rate	Notice Amount
June 2017	July 2019	1.50%	\$500,000
September 2017	October 2019	1.50%	500,000
November 2017	December 2019	1.50%	500,000
March 2018	April 2020	2.25%	500,000
July 2018	August 2020	2.50%	500,000
December 2018	January 2021	2.75%	500,000
May 2019	June 2022	2.50%	1,000,000
Total Interest Rate Caps			\$4,000,000
Fixed-rate Debt ⁽²⁾⁽³⁾			4%
Fixed-rate and Hedged Debt			\$850,000
% of Total Debt⁽³⁾			10%

(1) Includes debt subject to interest rate swap locks.
(2) Excludes debt subject to interest rate swap locks.
(3) Excludes GAAP adjustments.

Core Debt to Core EBITDA⁽¹⁾

\$ in thousands

	Three months ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Net income available to be allocated to AHH and OP Unitholders	\$5,992	\$6,514	\$4,895	\$5,669	\$5,992
Excluding:					
Change in fair value of interest rate derivatives	1,933	1,463	2,207	(298)	-
Depreciation and amortization ⁽²⁾	13,118	10,129	11,525	10,196	9,100
(Gain) Loss on operating real estate dispositions	-	-	(833)	-	-
Impairment of real estate assets	-	-	1,502	-	-
Income tax provision (benefit)	(30)	(110)	523	(120)	(1)
Interest expense ⁽²⁾	7,460	6,042	5,692	4,677	4,400
Loss on extinguishment of debt	-	-	-	11	-
Non-cash stock compensation	327	689	55	252	2
Adjusted EBITDA	\$28,800	\$24,727	\$25,566⁽³⁾	\$20,387	\$19,700
Other adjustments:					
Development pipeline ⁽²⁾	(1,182)	(1,362)	(1,129)	(94)	(1)
(Less) Net Acquisitions/Dispositions Completed Intra-Quarter	(1,978)	-	-	-	-
Core EBITDA	\$25,640	\$23,365	\$24,437	\$20,293	\$19,699
Total Debt⁽⁴⁾	\$956,068	\$744,123	\$719,179	\$660,608	\$586,800
Adjustments to debt:					
(Less) Development pipeline ⁽⁴⁾	(117,440)	(138,501)	(100,268)	(64,365)	(40,200)
(Less) Net Acquisitions/Dispositions Completed Intra-Quarter ⁽⁵⁾	(170,476)	-	-	-	-
(Less) Cash & restricted cash	(25,961)	(18,959)	(24,051)	(20,648)	(15,400)
Core Debt	\$642,191	\$586,663	\$594,860	\$575,595	\$531,100
Core Debt/Annualized Core EBITDA	6.3x	6.3x	6.6x	7.1x	6.6x

(1) See definitions on page 32.

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

(3) Includes gain on non-operating real estate of \$3.4M and approximately \$688K of severance for the three months ended 12/31/18. These amounts are not annualized in the Core Debt/Annualized Core EBITDA calculation.

(4) Excludes GAAP Adjustments.

(5) Properties include Thames Street (closed on 6/26/19), Marketplace at Hilltop (closed on 5/23/19), Red Mill Commons (closed on 5/23/19), and 1405 Point (closed on 4/24/19).

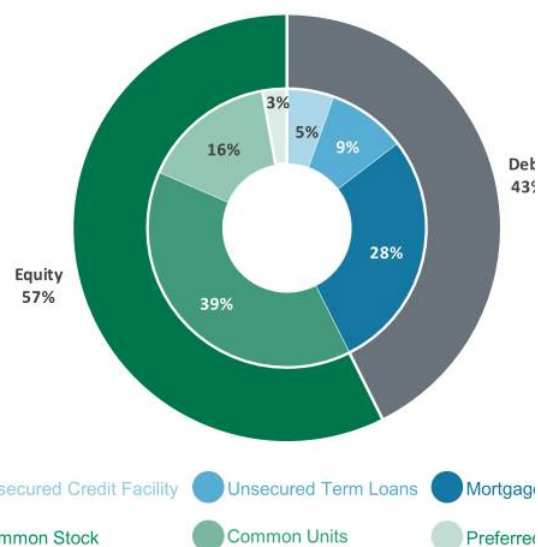
Capitalization & Financial Ratios

\$ in thousands
As of June 30, 2019

Debt	% of Total	Principal Balance
Unsecured credit facility	13%	\$122,000
Unsecured term loans	21%	205,000
Mortgages payable	66%	629,068
Total debt		\$956,068

Preferred Equity	Shares	Liquidation Value Per Share	Total Liquidation Value
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock (NYSE: AHHPrA)	2,530	\$25.00	\$63,250

Common Equity	% of Total	Shares/Units	Stock Price	Market Value
Common stock (NYSE: AHH)	71%	52,794	\$16.55	\$873,741
Common units	29%	21,178	\$16.55	350,496
Equity market capitalization		73,972		\$1,224,237
Total capitalization				\$2,243,555



Financial Ratios	
Debt Service Coverage Ratio ⁽¹⁾	3.2x
Fixed Charge Coverage Ratio ⁽²⁾	2.8x
Net Debt to Adjusted EBITDA	8.3x
Core Debt to Core EBITDA	6.3x
Core Debt + Preferred Equity to Core EBITDA	6.9x
Debt/Market capitalization	43%

Unencumbered Properties	
% of Total Properties	59
% of Annualized Base Rent	41

Liquidity	
Cash on hand	\$25,961
Availability under credit facility	27,691
Availability under construction loan	104,341
Total	\$157,991

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

Property Portfolio

As of June 30, 2019

Property	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/Redevelopment Properties	Total	Core Occupancy ⁽²⁾	Development/Redevelopment Leased ⁽²⁾	ABR ⁽¹⁾
Retail Properties											
249 Central Park Retail ⁽⁴⁾	Cheesecake Factory, Brooks Brothers, Gordon Biersch	Virginia Beach, VA	✓	-	2004	92,710	-	92,710	97.9%	-	\$2,615,411
Alexander Pointe	Harris Teeter	Salisbury, NC		100%	1997	57,710	-	57,710	95.1%	-	636,621
Bermuda Crossroads ⁽⁶⁾	Food Lion, OfficeMax	Chester, VA		100%	2001	122,566	-	122,566	98.4%	-	1,718,670
Broad Creek Shopping Center ⁽⁶⁾⁽⁹⁾	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	-	121,504	95.5%	-	2,055,229
Broadmoor Plaza	Kroger	South Bend, IN		100%	1980	115,059	-	115,059	97.5%	-	1,382,022
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	-	18,349	18,349	-	66.3%	169,380
Columbus Village ⁽⁸⁾	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	-	62,362	62,362	-	83.6%	1,544,613
Columbus Village II	Regal Cinemas, BB&B	Virginia Beach, VA	✓	100%	1995/1996	92,061	-	92,061	96.7%	-	1,595,334
Commerce Street Retail ⁽⁵⁾	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	-	19,173	100.0%	-	869,292
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,177	-	3,177	100.0%	-	139,311
Dick's at Town Center	Dick's Sporting Goods, USI	Virginia Beach, VA	✓	100%	2002	103,335	-	103,335	100.0%	-	1,261,503
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	-	106,166	97.2%	-	1,774,212
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	-	35,961	100.0%	-	1,036,401
Gainsborough Square	Food Lion	Chesapeake, VA		100%	1999	88,862	-	88,862	91.1%	-	1,240,660
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	-	15,719	83.7%	-	269,209
Hanbury Village ⁽⁶⁾	Harris Teeter, Walgreens	Chesapeake, VA		32%	2006/2009	116,635	-	116,635	98.6%	-	2,508,753
Harper Hill Commons ⁽⁸⁾	Harris Teeter	Winston-Salem, NC		100%	2004	96,914	-	96,914	86.9%	-	958,658
Harrisonburg Regal	Regal Cinemas	Harrisonburg, VA		100%	1999	49,000	-	49,000	100.0%	-	683,550
Indian Lakes Crossing ⁽⁸⁾	Harris Teeter	Virginia Beach, VA		100%	2008	64,973	-	64,973	95.0%	-	843,073
Lexington Square	Lowes Foods	Lexington, SC		-	2017	85,531	-	85,531	93.3%	-	1,698,782
Lightfoot Marketplace ⁽⁸⁾	Harris Teeter, CHKD	Williamsburg, VA		-	2016	124,715	-	124,715	85.6%	-	1,833,003
Market at Mill Creek	Lowes Foods	Mt. Pleasant, SC		-	2018	-	72,553	72,553	-	94.3%	1,637,522
Marketplace at Hilltop ⁽⁶⁾⁽⁹⁾	Total Wine, Panera	Virginia Beach, VA		-	2000-2001	117,753	-	117,753	100.0%	-	2,675,711
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,935	-	114,935	100.0%	-	1,477,315
North Point Center ⁽⁶⁾	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	-	494,746	100.0%	-	3,829,020
Oakland Marketplace ⁽⁶⁾	Kroger	Oakland, TN		100%	2004	64,538	-	64,538	100.0%	-	475,448
Parkway Centre	Publix	Moultrie, GA		100%	2017	61,200	-	61,200	98.0%	-	812,760
Parkway Marketplace	Rite Aid	Virginia Beach, VA		100%	1998	37,804	-	37,804	94.4%	-	720,178
Patterson Place	BB&B, PetSmart, DSW, AC Moore	Durham, NC		100%	2004	160,942	-	160,942	96.1%	-	2,449,878
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	-	74,256	100.0%	-	1,263,806
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	-	38,798	38,798	-	75.4%	957,730
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	-	103,118	98.8%	-	2,778,247
Red Mill Commons ⁽⁶⁾	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	371,112	-	371,112	98.8%	-	6,513,649
Renaissance Square	Harris Teeter	Davidson, NC		100%	2008	80,467	-	80,467	88.0%	-	1,225,345
Sandbridge Commons ⁽⁶⁾	Harris Teeter	Virginia Beach, VA		-	2015	77,993	-	77,993	100.0%	-	1,072,546
Socastee Commons	Bi-Lo	Myrtle Beach, SC		-	2000/2014	57,273	-	57,273	96.7%	-	631,327
Southgate Square	Burlington, PetSmart, Michaels	Colonial Heights, VA		-	1991/2016	220,131	-	220,131	89.7%	-	2,711,680
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	-	38,515	100.0%	-	977,399
South Square ⁽⁶⁾	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	-	109,590	95.3%	-	1,794,385
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,333	-	40,333	88.8%	-	737,161
Stone House Square ⁽⁶⁾	Weis Markets	Hagerstown, MD		100%	2008	112,274	-	112,274	93.1%	-	1,767,874
Studio 56 Retail	McCormick & Schmick's	Virginia Beach, VA	✓	100%	2007	11,594	-	11,594	100.0%	-	472,156
Tyre Neck Harris Teeter ⁽⁶⁾	Harris Teeter	Portsmouth, VA		100%	2011	48,859	-	48,859	100.0%	-	533,285
Wendover Village	BB&B, T.J. Maxx, Petco	Greensboro, NC		100%	2004	176,939	-	176,939	99.3%	-	3,470,355
Total / Weighted Avg Retail Portfolio				62%		4,086,143	192,062	4,278,205	96.6%		\$67,818,264

Property Portfolio Cont.

As of June 30, 2019

Office Properties	Anchor Tenant	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development Properties	Total	Core Occupancy ⁽⁷⁾	Development Leased ⁽⁸⁾	ABR ⁽⁹⁾	ABR per Leased ⁽¹⁰⁾
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	-	234,938	98.1%	-	\$6,615,084	\$2
Armada Hoffer Tower ⁽⁴⁾⁽⁵⁾	AHH, Troutman Sanders, Williams Mullen	Virginia Beach, VA	✓	100%	2002	324,473	-	324,473	91.5%	-	8,680,395	2
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA	-	-	2019	-	98,061	98,061	-	100.0%	1,814,129	1
One Columbus ⁽³⁾	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,876	-	128,876	92.2%	-	2,988,491	2
One City Center	Duke University, WeWork	Durham, NC	-	-	2019	153,666	-	153,666	84.7%	-	4,142,424	3
Thames Street Wharf ⁽⁴⁾	Morgan Stanley, JHU Medical	Baltimore, MD	-	-	2010	263,426	-	263,426	100.0%	-	7,128,202	2
Two Columbus	Hazen and Sawyer	Virginia Beach, VA	✓	100%	2009	108,459	-	108,459	100.0%	-	2,906,020	2
Total / Weighted Average Office Portfolio				43%		1,213,838	98,061	1,311,899	94.6%		\$34,274,745	\$2

Units

Multifamily	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/ Redevelopment Properties	Total	Core Occupancy ⁽⁷⁾	Development/ Redevelopment Occupancy ⁽¹¹⁾	ABR ⁽⁷⁾	Monthly Rent Occupied Units	
1405 Point ⁽¹⁰⁾	Baltimore, MD	-	-	2018	289	-	289	95.8%	-	\$7,172,189	\$2.15	
Encore Apartments	Virginia Beach, VA	✓	-	2014	286	-	286	97.6%	-	4,398,852	1.31	
Greenside Apartments	Charlotte, NC	-	-	2018	-	225	225	-	80.4%	3,463,104	1.59	
Johns Hopkins Village ⁽¹⁰⁾⁽¹¹⁾	Baltimore, MD	-	-	2016	157	-	157	84.0%	-	6,561,132	1.14	
Liberty Apartments ⁽¹⁰⁾⁽¹¹⁾	Newport News, VA	-	-	2013	197	-	197	93.1%	-	2,343,868	1.06	
Premier Apartments	Virginia Beach, VA	✓	-	2018	131	-	131	99.2%	-	2,234,256	1.43	
Smith's Landing ⁽¹¹⁾	Blacksburg, VA	-	-	2009	284	-	284	95.4%	-	3,933,962	1.20	
The Cosmopolitan ⁽¹¹⁾	Virginia Beach, VA	✓	-	2006	-	342	342	-	93.0% ⁽¹¹⁾	5,323,099	1.60	
Total / Weighted Avg Multifamily Portfolio						1,344	567	1,911	94.7%		\$35,430,462	\$1.47

(1) The net rentable square footage for each of our retail & office properties is the sum of (a) the square footage of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally consistent with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines.

(2) Occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of June 30, 2019, divided by (b) net rentable square feet, expressed as a percentage. Occupancy for our multifamily properties is calculated as (a) total units occupied as of June 30, 2019, divided by (b) total units available, as of such date expressed as a percentage.

(3) For the properties in our office and retail portfolios, annualized base rent, or ABR, is calculated by multiplying (a) monthly base rent (defined as cash base rent, before contractual tenant concessions and abatements, and excluding tenant reimbursements for expenses paid by us) as of June 30, 2019 for in-place leases as of such date by (b) 12, and does not give effect to periodic contractual rent increases or contingent rental revenue (e.g., percentage rent based on tenant sales thresholds). ABR per leased square foot is calculated by dividing (a) ABR by (b) square footage under in-place leases as of June 30, 2019. 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) As of June 30, 2019, the Company occupied 50,583 square feet at these three properties at an ABR of \$1.6M, or \$30.82 per leased square foot, which amounts 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 in the table to the right:

Properties with Tenants Subject to Ground Lease	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	ABR
Bermuda Crossroads	2	11,000	\$179,685
Broad Creek Shopping Center	6	23,825	639,988
Columbus Village	1	3,403	200,000
Hanbury Village	2	55,586	1,082,118
Harper Hill Commons	1	41,520	373,680
Indian Lakes	1	50,311	592,385
Lightfoot Marketplace	3	60,442	660,375
Marketplace at Hilltop	2	5,011	178,843
North Point Center	4	280,556	1,146,700
Oakland Marketplace	1	45,000	186,347
Red Mill Commons	8	33,961	773,639
Sandbridge Commons	3	61,864	738,500
South Square	1	1,778	60,000
Stone House Square	1	3,650	181,500
Tyre Neck Harris Teeter	1	48,859	533,285
Total / Weighted Avg	37	726,766	\$7,527,045

(7) For the properties in our multifamily portfolio, ABR is calculated by multiplying (a) base payments for the month ended June 30, 2019 by (b) 12.

(8) The ABR for Liberty, Cosmopolitan, Johns Hopkins Village, and 1405 Point excludes \$293 \$1.1M, and \$259K from ground floor retail leases, respectively.

(9) The Company leases all of a portion of the land underlying this property pursuant to a (10) Monthly rent per occupied unit is calculated by dividing total base rental payments for ended June 30, 2019 by the number of occupied beds.

(11) Excludes 44 units offline for redevelopment for occupancy.

Development and Redevelopment Pipeline

\$ in thousands

Schedule ⁽¹⁾											
Projects	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Construction Start	Initial Occupancy	Stabilized Operation ⁽²⁾	Estimated Cost ⁽¹⁾	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants
Under Development											
Hoffler Place (King Street) Charleston, SC	Multifamily	74 units	86%	3Q17	3Q19	4Q19	\$48,000	\$31,750	\$45,000	93%	NA
Summit Place (Meeting Street) Charleston, SC	Multifamily	114 units	-	3Q17	3Q20	4Q20	55,000	34,750	47,000	90%	NA
Wills Wharf Baltimore, MD	Office	325,000 sf	68%	3Q18	1Q20	3Q20	120,000	76,000	53,000	100%	WeWork, Canopy by Hilton
Total Projects Under Development							223,000	142,500	145,000		
Delivered Not Stabilized											
Brooks Crossing - Office Newport News, VA	Office	100,000 sf	100%	1Q18	2Q19	3Q19	\$20,000	\$15,625	\$20,000	100%	Huntington Ingalls Industries
Brooks Crossing - Retail Newport News, VA	Retail	18,000 sf	66%	3Q15	3Q16	2Q20	3,000	-	3,000	65% ⁽³⁾	Misc. small shops
Greenside (Harding Place) Charlotte, NC	Multifamily	225 Units	92%	3Q16	3Q18	3Q19	51,000	29,750	51,000	80% ⁽³⁾	NA
Market at Mill Creek Mt. Pleasant, SC	Retail	73,000 sf	93%	1Q18	1Q19	3Q19	23,000	16,185	23,000	70% ⁽³⁾	Lowes Foods
Premier Retail (Town Center Phase VI) Virginia Beach, VA	Retail	39,000 sf	75%	4Q16	3Q18	3Q20	15,000	8,334	13,000	100%	Williams-Sonoma, Pottery Ba
Total Projects Delivered Not Stabilized							112,000	69,894	110,000		
Total							\$335,000	\$212,394	\$255,000		
Redevelopment											
The Cosmopolitan Virginia Beach, VA	Multifamily	44 units	93%	1Q18	4Q20	4Q21	\$10,000	NA	\$3,100		NA
Columbus Village I Virginia Beach, VA	Retail	28,264 sf	85%	2Q19	4Q20	4Q21	8,753	NA	3,500		Shake Shack, Barnes and Nobl
Total							\$18,753		\$6,600		



	Q2 2019	YTD
Capitalized Interest	\$1,462	\$3,011
Capitalized Overhead	\$841	\$1,505

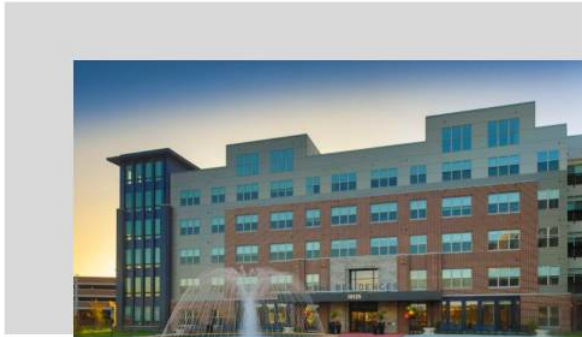
- (1) Represents estimates that may change as the development process progresses.
- (2) First fully-stabilized quarter. See same store definition on page 33.
- (3) AHH earns a preferred return on equity prior to any distributions to JV Partners.

Mezzanine Investments

\$ in thousands

Schedule⁽¹⁾

	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Principal Mezzanine Financing	Mezzanine Interest QTD	Mezzanine Interest YTD	Option Purchase
Investments with Discounted Purchase Options										
Nexton Square-Phase I Summerville, SC	Retail	118,000	80%	2Q19	4Q20	15%	\$14,000	\$524	\$1,033	\$42
Short Term Investments										
The Residences at Annapolis Junction Annapolis Junction, MD	Multifamily	416 units	89%	3Q17	4Q19	10%	38,000	935	1,840	
\$5M Annapolis Junction Loan Modification Fee							-	1,238	2,356	
North Decatur Square (Whole Foods) Decatur, GA- Loan was paid off on 7/22/19	Retail	86,000 sf	100%	4Q18	2Q22	15%	20,000	693	1,331	
Delray Plaza (Whole Foods) Delray Beach, FL	Retail	83,000 sf	94%	3Q19	4Q20	15%	12,000	414	724	
Solis Apartments at Interlock Atlanta, GA	Multifamily	345 units	NA	3Q20	3Q22	13%	17,000	508	972	
The Interlock Atlanta, GA	Mixed-use	300,000 sf	64%	3Q20	3Q22	15%	38,000	1,086	1,830	
							Total ⁽²⁾	\$139,000	\$5,398	\$10,086
							Mezzanine Interest Expense		(1,444)	(2,765)
							Net Mezzanine Interest Income		\$3,954	\$7,321



(1) Represents estimates that may change as the development process proceeds.
(2) Excludes GAAP adjustments.

Acquisitions & Dispositions

\$ in thousands

ACQUISITIONS

Properties	Location	Square Feet	Purchase Price ⁽¹⁾	Reinvested 1031 Proceeds	\$ Value of OP Units/Stock ⁽²⁾	Cash Cap Rate	Purchase Date	Anchor Tenants
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	-	63,755	7.7%	2Q19	T.J. Maxx, Homegoods, Total Wine, Walgreens
Wendover Village III	Greensboro, NC	5,286	2,783	2,424	-	9.2%	1Q19	Verizon
Lexington Square ⁽³⁾	Lexington, SC	85,531	26,758	-	2,624	6.7%	3Q18	Lowes Foods
Parkway Centre	Moultrie, GA	61,200	11,200	-	1,624	6.4%	1Q18	Publix
Indian Lakes	Virginia Beach, VA	71,020	14,700	-	-	7.1%	1Q18	Harris Teeter, Wawa
Wendover Village Outparcel	Greensboro, NC	35,895	14,300	7,900	-	7.7%	3Q17	Panera, Rooms to Go Kids
Renaissance Square	Davidson, NC	80,468	17,085	-	-	7.1%	4Q16	Harris Teeter
Columbus Village II	Virginia Beach, VA	92,061	26,200	-	26,200	5.6%	4Q16	Regal, Bed Bath & Beyond
Southshore Shops	Midlothian, VA	40,333	9,160	-	2,475	7.8%	3Q16	Buffalo Wild Wings
Southgate Square	Colonial Heights, VA	220,131	38,585	-	17,485	7.3%	2Q16	PetSmart, Michael's, Burlington
Retail Portfolio (11 properties)	Mid-Atlantic	1,082,681	170,500	87,000	-	7.2%	1Q16	Harris Teeter, Bed Bath & Beyond
Providence Plaza	Charlotte, NC	103,118	26,200	14,000	-	7.3%	3Q15	Chipotle
Socastee Commons	Myrtle Beach, SC	57,573	8,600	3,600	-	7.3%	3Q15	BiLo
Columbus Village	Virginia Beach, VA	65,746	21,025	-	14,025	6.4%	3Q15	Barnes & Noble
Perry Hall Marketplace & Stone House Square	Maryland	182,949	39,555	15,200	4,155	7.4%	2Q15	Safeway & Weis Markets
Dimmock Square	Colonial Heights, VA	106,166	19,662	-	9,662	7.3%	3Q14	Old Navy, Best Buy, Pier 1
Total/Weighted Average		3,042,449	\$652,313	\$130,124	\$142,005	7.2%		

DISPOSITIONS

Properties	Location	Square Feet/Units	Sale Price	Cash Proceeds	Gain on Sale	Cash Cap Rate	Disposition Date	Anchor Tenants
Indian Lakes Wawa	Virginia Beach, VA	6,047	\$4,400	\$4,400	\$ -	5.4%	2Q18	Wawa
Commonwealth of VA Buildings	Virginia Beach & Chesapeake, VA	47,366	13,150	8,000	4,194	6.8%	3Q17	Commonwealth of VA
Greentree Wawa	Chesapeake, VA	5,088	4,600	4,400	3,396	5.0%	1Q17	Wawa
Oyster Point ⁽⁴⁾	Newport News, VA	100,139	6,500	-	3,793	16.4%	3Q16	GSA
Non-Core Retail Portfolio	Various	174,758	12,850	12,600	(27)	7.1%	2Q16 - 3Q16	Kroger, Family Dollar
Richmond Tower	Richmond, VA	206,969	78,000	77,000	26,674	7.9%	1Q16	Williams Mullen
Oceaneering	Chesapeake, VA	154,000	30,000	10,000	4,987	6.7%	4Q15	Oceaneering International
Whetstone Apartments	Durham, NC	203 units	35,625	17,600	7,210	5.7%	2Q15	NA
Sentara Williamsburg	Williamsburg, VA	49,200	15,450	15,200	6,197	6.3%	1Q15	Sentara
Virginia Natural Gas	Virginia Beach, VA	31,000	8,900	7,400	2,211	6.3%	4Q14	Virginia Natural Gas
Total/Weighted Average		774,567 sf/ 203 units	\$209,475	\$156,600	\$58,635	7.2%		

(1) Contractual purchase price.

(2) Value of OP Units/Stock at issuance.

(3) Units are issuable contingent on the achievement of certain further occupancy requirements.

(4) Anchor tenant vacated 12/31/16, which would represent a 2.5% Cash Cap Rate.

Thames Street Wharf

As of June 26, 2019

Investment Summary

- Class A, LEED Gold multi-tenant office asset located on the waterfront in Baltimore's Harbor Point submarket.
- Acquired by AHH on 6/26/2019 at a cost of \$101 million funded by a combination of preferred equity and new debt.
- Built by AHH Construction in 2010 with AHH still a tenant renting ~7,500 square feet.
- Attractive rent roll with only 25% of leased space expiring before 2028, including space leased by AHH.
- Live / work / play environment with 24/7 amenities within walking distance, including retail and residential product.
- Continues Armada Hoffler's expansion into one of the best-performing submarkets in Baltimore.

- 1 Acquisition accretive to FFO, NAV and portfolio quality**
- 2 Consistent with long-term plan to build scale in Baltimore's Harbor Point submarket**
- 3 Strong credit tenant base with weighted average remaining lease term of 7.4 years**

Property Highlights



LEAD TENANT



WALT



NET RE



OCCUPANCY



GREEN



YEAR BU



Harbor Point Investment



Harbor Point Entitled Master Plan Highlights⁽¹⁾

3M	1.6M	250K	500+	1
square feet of mixed-use space	square feet of office space	square feet of retail space	hotel rooms	residential units

- High-quality credit tenants have recently migrated to the Harbor Point area, Exelon Corporation, Morgan Stanley and Johns Hopkins University
- AHH acts as investment partner, co-developer and general contractor for Harbor Point lead developer Beatty Development Group
- AHH's long-term goal is the development and ownership of a transformative vibrant urban core similar to the Town Center of Virginia Beach

AHH's Harbor Point Timeline

- **2010:** AHH completes construction of Thames Street
- **2016:** AHH completes construction of the Exelon Building, a 21-story, 900,000 square foot mixed-use development
- **2018:** AHH commences development of Wills Wharf
- **2019:** AHH acquires 79% of 1405 Point and Thames Street Wharf
- **2020:** AHH expects to complete development of Wills Wharf and acquire remaining 21% of 1405 Point

⁽¹⁾ Source: Beatty Development, "Harbor Point." <http://beattydevelopment.com/harbor-point/>

Construction Business Summary

\$ in thousands

Highlighted Projects	Location	Total Contract Value	Work in Place as of 6/30/2019	Backlog	Estimated of Compl
Interlock Commercial	Atlanta, GA	\$87,441	\$20,167	\$67,274	3Q 20:
Solis Apartments at Interlock	Atlanta, GA	63,166	919	62,247	1Q 20:
Boulders Lakeside Apartments	Chesterfield, VA	35,150	468	34,682	1Q 20:
Sub Total		185,757	21,554	164,203	
All Other Projects		368,689	354,260	14,429	
Total		\$554,446	375,814	\$178,632	

Gross Profit Summary

	Q2 2019	Trailing 12 Months ⁽¹⁾
	(Unaudited)	
Revenue	\$21,444	\$74,551
Expense	(20,123)	(67,536)
Gross Profit	\$1,321	\$7,015



(1) Includes gain on non-operating real estate of \$3.4M for the three months ended 12/31/18.

Same Store NOI by Segment

\$ in thousands

(Reconciliation to GAAP located in appendix on pg. 37)

	Three months ended				Six months ended			
	6/30/2019	6/30/2018	\$ Change	% Change	6/30/2019	6/30/2018	\$ Change	% Change
Office⁽¹⁾	(Unaudited)				(Unaudited)			
Revenue	\$5,428	\$5,287	\$141	2.7%	\$10,754	\$10,387	\$367	3.5%
Expenses ⁽²⁾	1,863	1,839	24	1.3%	3,721	3,698	23	0.6%
Net Operating Income	3,565	3,448	117	3.4%	7,033	6,689	344	5.1%
Retail⁽¹⁾								
Revenue	15,146	14,627	519	3.5%	28,820	28,247	573	2.0%
Expenses ⁽²⁾	3,368	3,278	90	2.7%	6,590	6,411	179	2.8%
Net Operating Income	11,778	11,349	429	3.8%	22,230	21,836	394	1.8%
Multifamily⁽¹⁾								
Revenue	5,376	4,843	533	11.0%	10,825	9,878	947	9.6%
Expenses ⁽²⁾	2,044	2,086	(42)	-2.0%	4,129	4,037	92	2.3%
Net Operating Income	3,332	2,757	575	20.9%	6,696	5,841	855	14.6%
Same Store Net Operating Income (NOI)	\$18,675	\$17,554	\$1,121	6.4%	\$35,959	\$34,366	\$1,593	4.6%
GAAP Adjustments	(607)	(512)	(95)		(1,137)	(1,009)	(128)	
Same store portfolio NOI, cash basis	\$18,068	\$17,042	\$1,026	6.0%	\$34,822	\$33,357	\$1,465	4.4%
NOI, Cash Basis:								
Office	\$3,192	\$3,153	\$39	1.2%	\$6,328	\$6,084	\$244	4.0%
Retail	11,642	11,202	440	3.9%	21,996	21,567	429	2.0%
Multifamily	3,234	2,687	547	20.4%	6,498	5,706	792	13.9%
	\$18,068	\$17,042	\$1,026	6.0%	\$34,822	\$33,357	\$1,465	4.4%
NOI:								
Office	3,565	3,448	\$117	3.4%	7,033	6,689	\$344	5.1%
Retail	11,778	11,349	429	3.8%	22,230	21,836	394	1.8%
Multifamily	3,332	2,757	575	20.9%	6,696	5,841	855	14.6%
	\$18,675	\$17,554	\$1,121	6.4%	\$35,959	\$34,366	\$1,593	4.6%

(1) See page 34 for Same Store vs. Non - Same Store Properties.

(2) Excludes expenses associated with the Company's in house asset management division of \$700K and \$499K for the 3 months ended 6/30/2019 & 6/30/2018 and \$1.2M and \$1.0M for the 6 months ended 6/30/2019 & 6/30/2018.

Top 10 Tenants by ABR⁽¹⁾

\$ in thousands
As of June 30, 2019

Office Portfolio

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Morgan Stanley	2	2023 ; 2027	\$ 5,761	16.8%	4.2%
Clark Nexsen	1	2029	2,588	7.6%	1.9%
WeWork	1	2034	2,204	6.4%	1.6%
Duke University	1	2029	1,540	4.5%	1.1%
Huntington Ingalls	1	2029	1,513	4.4%	1.1%
Mythics	1	2030	1,187	3.5%	0.9%
Johns Hopkins Medicine	1	2023	1,118	3.3%	0.8%
Hampton University	2	2019 ; 2024	1,085	3.2%	0.8%
Pender & Coward	1	2030	904	2.6%	0.7%
Kimley-Horn	1	2027	876	2.6%	0.6%
Top 10 Total			\$ 18,776	54.9%	13.7%

Retail Portfolio

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Harris Teeter/Kroger	11	2020 - 2036	\$ 6,188	9.1%	4.5%
Lowe's Foods	2	2037 ; 2039	1,976	2.9%	1.4%
Regal Cinemas	2	2022 ; 2024	1,679	2.5%	1.2%
Bed, Bath, & Beyond	4	2022 - 2025	1,677	2.5%	1.2%
PetSmart	5	2020 - 2022	1,438	2.1%	1.0%
Food Lion	3	2022 - 2024	1,291	1.9%	0.9%
Petco	4	2020 - 2027	877	1.3%	0.6%
Dick's Sporting Goods ⁽²⁾	1	2020	840	1.2%	0.6%
Weis Markets	1	2028	802	1.2%	0.6%
Ross Dress for Less	2	2022 ; 2025	762	1.1%	0.6%
Top 10 Total			\$ 17,530	25.8%	12.6%

(1) Includes leases from the development properties that have been delivered, but not stabilized.

(2) Dick's Sporting Goods notified the Company it will not renew its lease beyond January 31, 2020.

Office Lease Summary

Renewal Lease Summary				GAAP			Cash			Weighted			
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	Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2019	1	30,009	1	5,253	\$20.37	\$21.71	-6.1%	\$19.00	\$23.77	-20.1%	5.00	\$114,589	\$3
Q1 2019	1	11,995	3	15,865	24.92	21.30	17.0%	23.76	23.18	2.5%	5.00	164,879	13
Q4 2018	3	5,490	2	1,915	26.13	24.97	4.6%	26.50	26.27	0.9%	3.86	165,800	30
Q3 2018	-	-	1	9,337	-	-	0.0%	-	-	0.0%	-	-	-

New Lease Summary ⁽¹⁾						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term	TI & LC	TI & LC per SF
Q2 2019	4	22,712	\$27.11	8.60	\$ 1,122,865	\$49.44
Q1 2019	4	15,889	25.07	4.88	498,213	31.36
Q4 2018	1	1,242	24.00	5.21	13,585	10.94
Q3 2018	1	1,806	26.00	5.00	14,958	8.28

(1) Excludes leases from properties in development.



Office Lease Expirations

As of June 30, 2019

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	-	65,520	5.0%	\$ -	-	\$ -
M-T-M	3	1,120	0.1%	43,840	0.1%	39.14
2019	7	35,383	2.7%	1,072,211	3.1%	30.30
2020	10	29,014	2.2%	863,889	2.5%	29.77
2021	11	60,456	4.6%	1,695,099	4.9%	28.04
2022	10	75,547	5.8%	2,140,463	6.2%	28.33
2023	13	115,580	8.8%	3,106,377	9.1%	26.88
2024	8	128,822	9.8%	3,242,602	9.5%	25.17
2025	7	70,062	5.3%	1,961,020	5.7%	27.99
2026	7	34,500	2.6%	877,469	2.6%	25.43
2027	4	244,864	18.7%	6,903,527	20.1%	28.19
2028	6	63,319	4.8%	1,737,011	5.1%	27.43
2029	8	244,498	18.6%	6,136,308	17.9%	25.10
Thereafter	5	143,214	11.0%	4,494,928	13.2%	31.39
Total / Weighted Average	99	1,311,899	100.0%	\$ 34,274,744	100.0%	\$ 27.50



Square Feet Under Lease	% of Portfolio ABR
2,500 or less	3%
2,501-10,000	13%
10,001-20,000	17%
20,001-40,000	21%
40,001-100,000	30%
Greater than 100,000	16%
Office Portfolio Total	100%

(1) Includes leases from the development properties that have been delivered, but not stabilized.

Retail Lease Summary

Renewal Lease Summary

Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	GAAP			Cash			Weighted Average Lease Term (yrs)	TI & LC
					Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread		
Q2 2019	19	193,546	12	36,364	\$13.37	\$12.64	5.7%	\$13.37	\$12.84	4.1%	4.87	\$137,547
Q1 2019	24	128,088	11	30,729	16.08	15.25	5.5%	15.96	15.43	3.4%	5.36	123,414
Q4 2018	23	169,261	13	67,429	15.91	15.14	5.0%	15.78	15.36	2.8%	3.98	175,816
Q3 2018	10	28,101	11	19,775	29.36	27.23	7.8%	29.95	28.19	6.2%	5.23	115,732

New Lease Summary⁽¹⁾

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2019	7	31,696	\$27.36	9.41	\$1,857,154	\$58.59
Q1 2019	3	4,001	16.10	4.89	22,127	5.53
Q4 2018	7	60,363	15.09	10.83	2,710,665	44.91
Q3 2018	7	10,444	19.60	5.95	366,032	35.05



(1) Excludes leases from properties in development.

Retail Lease Expirations

As of June 30, 2019

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	-	171,052	4.0%	\$ -	-	\$ -
M-T-M	3	5,300	0.1%	118,571	0.2%	22.37
2019	31	77,272	1.8%	1,740,061	2.6%	22.52
2020	82	538,736	12.6%	7,866,656	11.6%	14.60
2021	87	366,099	8.6%	6,943,765	10.2%	18.97
2022	90	522,320	12.2%	8,804,593	13.0%	16.86
2023	83	495,066	11.6%	8,002,807	11.8%	16.17
2024	76	509,318	11.9%	8,049,588	11.9%	15.80
2025	36	398,818	9.3%	4,938,651	7.3%	12.38
2026	27	190,053	4.4%	3,444,132	5.1%	18.12
2027	21	149,213	3.5%	3,206,834	4.7%	21.49
2028	30	274,971	6.4%	4,137,191	6.1%	15.05
2029	23	110,976	2.6%	2,245,204	3.3%	20.23
Thereafter	27	469,011	11.0%	8,320,212	12.2%	17.74
Total / Weighted Average	616	4,278,205	100.0%	\$ 67,818,266	100.0%	\$16.51



Square Feet Under Lease	% of Portfolio ABR
2,500 or less	15%
2,501-10,000	33%
10,001-20,000	15%
20,001-40,000	14%
40,001-100,000	22%
Greater than 100,000	1%
Retail Portfolio Total	100%

(1) Includes leases from properties in development.



Appendix

Definitions & Reconciliations

Definitions

NET OPERATING INCOME:

We calculate Net Operating Income ("NOI") as property revenues (base rent, expense reimbursements 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, 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.

Definitions

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, the amortization of leasing incentives and above (below) market rents and proceeds from government development grants.

Management believes that AFFO provides useful supplemental information to investors regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating AFFO or similarly entitled FFO measures and, accordingly, our AFFO may not always be comparable to AFFO or other similarly entitled FFO measures of other REITs.

ADJUSTED EBITDA:

We calculate Adjusted EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes, depreciation and amortization, gains (or losses) from sales of depreciable operating property, impairment of real estate assets, debt extinguishment losses, non-cash stock compensation and mark-to-market adjustments on interest rate derivatives. 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 EBITDA, excluding certain items, including, but not limited to, the impact of 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 ongoing 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 Properties

	Three Months Ended 6/30/2019 to 2018		Six Months Ended 6/30/2019 to 2018	
	Same Store	Non-Same Store	Same Store	Non-Same Store
Retail Properties				
249 Central Park Retail	X		X	
Alexander Pointe	X		X	
Bermuda Crossroads	X		X	
Broad Creek Shopping Center		X		X
Broadmoor Plaza	X		X	
Brooks Crossing (Retail)		X		X
Columbus Village		X		X
Columbus Village II	X		X	
Commerce Street Retail	X		X	
Courthouse 7-Eleven	X		X	
Dick's at Town Center	X		X	
Dimmock Square	X		X	
Greentree Shopping Center	X		X	
Fountain Plaza Retail	X		X	
Gainsborough Square	X		X	
Hanbury Village	X		X	
Harper Hill Commons	X		X	
Harrisonburg Regal	X		X	
Indian Lakes Crossing	X			X
Lexington Square		X		X
Lightfoot Marketplace		X		X
Market at Mill Creek		X		X
Marketplace at Hilltop		X		X
North Hampton Market	X		X	
North Point Center	X		X	
Oakland Marketplace	X		X	
Parkway Centre	X			X
Parkway Marketplace	X		X	
Patterson Place	X		X	
Perry Hall Marketplace	X		X	
Premier Retail		X		X
Providence Plaza	X		X	

	Three Months Ended 6/30/2019 to 2018		Six Months Ended 6/30/2019 to 2018	
	Same Store	Non-Same Store	Same Store	Non-Same Store
Retail Properties (Continued)				
Red Mill Commons		X		X
Renaissance Square	X		X	
Sandbridge Commons	X		X	
Socastee Commons	X		X	
South Retail	X		X	
South Square	X		X	
Southgate Square	X		X	
Southshore Shops	X		X	
Stone House Square	X		X	
Studio 56 Retail	X		X	
Tyre Neck Harris Teeter	X		X	
Wendover Village	X		X	
Wendover Village II	X		X	
Wendover Village III		X		X
Office Properties				
4525 Main Street	X		X	
Armada Hoffer Tower	X		X	
Brooks Crossing (Office)		X		X
One City Center		X		X
One Columbus	X		X	
Thames Street Wharf		X		X
Two Columbus	X		X	
Multifamily Properties				
1405 Point		X		X
Encore Apartments	X		X	
Greenside Apartments		X		X
Johns Hopkins Village	X		X	
Liberty Apartments	X		X	
Premier Apartments		X		X
Smith's Landing	X		X	
The Cosmopolitan		X		X

Reconciliation to Property Portfolio NOI

\$ in thousands

	Three months ended 6/30		Six months ended 6/30	
	2019	2018	2019	2018
Office Same Store⁽¹⁾				
Rental revenues	\$5,428	\$5,287	\$10,754	\$10,387
Property expenses	1,863	1,839	3,721	3,698
NOI	3,565	3,448	7,033	6,689
Non-Same Store NOI ⁽²⁾	1,311	(98)	1,387	(189)
Segment NOI	\$4,876	\$3,350	\$8,420	\$6,500
Retail Same Store⁽¹⁾				
Rental revenues	\$15,146	\$14,627	\$28,820	\$28,247
Property expenses	3,368	3,278	6,590	6,411
NOI	11,778	11,349	22,230	21,836
Non-Same Store NOI ⁽²⁾	2,671	1,046	5,065	2,931
Segment NOI	\$14,449	\$12,395	\$27,295	\$24,767
Multifamily Same Store⁽¹⁾				
Rental revenues	\$5,376	\$4,843	\$10,825	\$9,878
Property expenses	2,044	2,086	4,129	4,037
NOI	3,332	2,757	6,696	5,841
Non-Same Store NOI ⁽²⁾	2,243	839	3,545	1,694
Segment NOI	\$5,575	\$3,596	\$10,241	\$7,535
Total Property Portfolio NOI	\$24,900	\$19,341	\$45,956	\$38,802

(1) See page 34 for the Same Store vs. Non-Same Store properties

(2) Includes expenses associated with the company's in house asset management division.

Reconciliation to Property Portfolio NOI

\$ in thousands

Three months ended 6/30/2019

	Office	Retail	Multifamily	Total
<u>Diversified Portfolio</u>				
NOI - Cash Basis	\$591	\$11,543	\$3,172	\$15,306
GAAP Adjustments	411	406	136	953
NOI	\$1,002	\$11,949	\$3,308	\$16,259
<u>Town Center of Virginia Beach</u>				
NOI - Cash Basis	\$3,332	\$2,195	\$1,976	\$7,503
GAAP Adjustments	373	(46)	(8)	319
Elimination of intercompany rent	(245)	(104)	-	(349)
NOI	\$3,460	\$2,045	\$1,968	\$7,473
<u>NOI</u>				
Diversified Portfolio	\$1,002	\$11,949	\$3,308	\$16,259
Town Center of Virginia Beach	3,460	2,045	1,968	7,473
Unstabilized Properties	414	455	299	1,168
Total Property Portfolio NOI	\$4,876	\$14,449	\$5,575	\$24,900

