

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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): February 6, 2020

**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 February 6, 2020, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of December 31, 2019, results of operations for the three and twelve months ended December 31, 2019, and other related information. Also on February 6, 2020, the Company made available on its website at [www.ArmadaHoffer.com](http://www.ArmadaHoffer.com) certain supplemental information concerning the Company's financial results and operations for the three and twelve months ended December 31, 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.

On February 6, 2020, the Company made available a presentation regarding its 2020 full-year guidance, which is furnished as Exhibit 99.3 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 this Current Report on Form 8-K, including exhibits 99.1, 99.2, and 99.3 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.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Press Release, dated February 6, 2020, issued by Armada Hoffer Properties, Inc., providing its financial position as of December 31, 2019 and results of operations for the three and twelve months ended December 31, 2019.</a>
<a href="#">99.2</a>	<a href="#">Armada Hoffer Properties, Inc. Fourth Quarter 2019 Supplemental Information.</a>
<a href="#">99.3</a>	<a href="#">Armada Hoffer Properties, Inc. 2020 Guidance Presentation.</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

**SIGNATURES**

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

**ARMADA HOFFLER PROPERTIES, INC.**

Date: February 6, 2020

By: /s/ Michael P. O'Hara

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Michael P. O'Hara  
Chief Financial Officer, Treasurer, and Secretary



**ARMADA HOFFLER PROPERTIES REPORTS FOURTH QUARTER AND FULL YEAR 2019 RESULTS**

**Net Income of \$0.09 per Diluted Share for the Fourth Quarter  
and \$0.41 per Diluted Share for the Full Year**

**Normalized FFO of \$0.30 per Diluted Share for the Fourth Quarter  
and \$1.17 per Diluted Share for the Full Year**

**Company Introduces 2020 Full-Year Normalized FFO Guidance of \$1.16 to \$1.20 per Diluted Share**

VIRGINIA BEACH, VA, February 6, 2020 – Armada Hoffer Properties, Inc. (NYSE: AHH) today announced its results for the quarter and year ended December 31, 2019 and provided an update on current events.

**Highlights include:**

- Net income attributable to common stockholders and OP Unit holders of \$7.2 million, or \$0.09 per diluted share, for the quarter ended December 31, 2019 compared to \$4.9 million, or \$0.07 per diluted share, for the quarter ended December 31, 2018. Net income attributable to common stockholders and OP Unit holders of \$29.6 million, or \$0.41 per diluted share, for the year ended December 31, 2019 compared to \$23.5 million, or \$0.36 per diluted share, for the year ended December 31, 2018.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.5 million, or \$0.29 per diluted share, for the quarter ended December 31, 2019 compared to \$17.1 million, or \$0.26 per diluted share, for the quarter ended December 31, 2018. FFO of \$80.0 million, or \$1.10 per diluted share, for the year ended December 31, 2019 compared to \$64.3 million, or \$0.99 per diluted share, for the year ended December 31, 2018.
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$22.9 million, or \$0.30 per diluted share, for the quarter ended December 31, 2019 compared to \$20.2 million, or \$0.30 per diluted share, for the quarter ended December 31, 2018. Normalized FFO of \$85.1 million, or \$1.17 per diluted share, for the year ended December 31, 2019 compared to Normalized FFO of \$66.5 million, or \$1.03 per diluted share, for the year ended December 31, 2018.
- Introduced 2020 full-year Normalized FFO guidance in the range of \$1.16 to \$1.20 per diluted share, as set forth in the separate presentation that can be found on the Investors page of the Company's website, ArmadaHoffer.com. The Company's executive management will provide further details regarding its 2020 earnings guidance during today's webcast and conference call.
- Core operating property portfolio occupancy at 96.5% as of December 31, 2019 compared to 95.8% as of December 31, 2018.
- Same Store Net Operating Income ("NOI") increased 3.8% on a GAAP basis and 4.5% on a cash basis for the year ended December 31, 2019.
- Positive releasing spreads on office and retail lease renewals during 2019 of 5.6% on a GAAP basis and 2.2% on a cash basis.
- Redesigned our website - ArmadaHoffer.com - to include additional functionality and enhancements including a Sustainability Update.

- Added \$109.2 million to third-party construction backlog during the fourth quarter and ended 2019 with total backlog of \$242.6 million.
- Executed a long-term lease with Apex Entertainment for all 84,000 square feet previously occupied by Dick's Sporting Goods in the Town Center of Virginia Beach.
- Announced that the Company will be the majority partner in a joint venture to develop Ten Tryon, a new 15-story 220,000 square foot urban mixed-use development in Charlotte, North Carolina anchored by Publix and a Fortune 100 office tenant.
- Announced that the Company will be the majority partner in a joint venture to redevelop the historic Chronicle Mill as part of a new multifamily development in Belmont, North Carolina.
- Extended the maturity of our credit facility to 2024 for the senior unsecured revolving component and 2025 for the senior unsecured term loan component.
- Raised \$25.5 million of gross proceeds through our at-the-market equity offering program at an average price of \$18.30 per share during the quarter ended December 31, 2019. Raised \$98.4 million of gross proceeds at an average price of \$16.76 per share during the year ended December 31, 2019.

"As we had forecasted at the beginning of last year, 2019 yielded strong bottom line growth with a nearly 14 percent increase in per share earnings," said Louis Haddad, President & CEO. "In 2020, our focus turns to increasing NAV through our capital recycling strategy and executing on exciting new ground up development and high return redevelopment opportunities. We expect to build a solid case for expansion of our multiple and significantly higher earnings over the next few years. As the Company's largest equity holder, management remains committed to generating long-term value for all shareholders."

#### **Financial Results**

The fourth quarter changes in net income, FFO, and Normalized FFO as compared to the fourth quarter of 2018 were positively impacted by higher interest income from mezzanine lending activities, higher property operating income due to acquisitions and developments, and higher construction segment gross profit and were negatively impacted by higher interest expense and lower gains on sale of real estate.

Full year changes in net income, FFO, and Normalized FFO as compared to 2018 were positively impacted by higher interest income from mezzanine lending activities, higher property operating income due to acquisitions and developments, and higher construction segment gross profit and were negatively impacted by higher interest expense. Additionally, full year net income and FFO were negatively impacted by mark-to-market losses on interest rate derivatives.

#### **Operating Performance**

At the end of the year, the Company's retail, office, and multifamily core operating property portfolios were 96.9%, 96.6%, and 95.6% occupied, respectively.

Total third-party construction contract backlog was \$242.6 million at the end of the year.

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

As of December 31, 2019, the Company had \$960.8 million of total debt outstanding, including \$110.0 million outstanding under its revolving credit facility. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 51% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of December 31, 2019. After considering LIBOR interest rate caps with strike prices at or below 275 basis points, as of December 31, 2019, 77% of the Company's debt was fixed or hedged.

## Outlook

The Company is introducing its 2020 full-year Normalized FFO guidance in the range of \$1.16 to \$1.20 per diluted share, as set forth in the separate presentation that can be found on the Investors page of the Company's website, ArmadaHoffler.com. The following table outlines the Company's assumptions along with Normalized FFO per diluted share estimates for 2020. The Company's executive management will provide further details regarding its 2020 earnings guidance during today's webcast and conference call.

Full-year 2020 Guidance <sup>[1]</sup>	Expected Ranges	
Total NOI	\$117.5M	\$118.5M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income <sup>[2]</sup>	\$21.7M	\$22.1M
Interest Expense	\$35.2M	\$36.2M
Normalized FFO per diluted share <sup>[3]</sup>	\$1.16	\$1.20

<sup>[1]</sup> Includes the following assumptions:

- Asset recycling program completed during 2Q20.
- Interest expense is calculated based on the Forward LIBOR Curve, which forecasts rates ending the year at 1.48%.
- Opportunistic sale of approximately \$80 million through the ATM program, resulting in a full year weighted average share count of 79.7 million.

<sup>[2]</sup> Includes amortization of exit fees for The Residences at Annapolis Junction & The Interlock.

<sup>[3]</sup> Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items. See "Non-GAAP Financial Measures." The Company does not provide a reconciliation for its guidance range of Normalized FFO per diluted share to net income per diluted share, the most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimate of reconciling items and the information is not available without unreasonable effort as a result of the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income per diluted share. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for its guidance range of Normalized FFO per diluted share would imply a degree of precision for its forward-looking net income per diluted share that could be misleading to investors.

## Supplemental Financial Information

Further details regarding operating results, properties, and leasing statistics can be found in the Company's supplemental financial package available on the Investors page at ArmadaHoffler.com.

## Webcast and Conference Call

The Company will host a webcast and conference call on Thursday, February 6, 2020 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, ArmadaHoffler.com. To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through Friday, March 6, 2020 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the pass code 13697798.

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

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

## **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 mezzanine program, 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, guidance 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. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

## **Non-GAAP Financial Measures**

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit defines FFO as net income (loss) (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

FFO is a supplemental non-GAAP financial measure. The Company uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared period-over-period, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effects and could materially impact the Company's results from operations, the utility of FFO as a measure of the Company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the Nareit definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company's performance.

Management also believes that the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by the Company's operating property portfolio and affect the comparability of the Company's period-over-period performance. Accordingly, management believes that Normalized FFO is a more useful performance measure that excludes certain items, including but not limited to,

acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment of intangible assets and liabilities, mark-to-market adjustments for interest rate derivatives, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

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



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

	December 31,	
	2019	2018
	(Unaudited)	
<b>ASSETS</b>		
Real estate investments:		
Income producing property	\$ 1,460,723	\$ 1,037,917
Held for development	5,000	2,994
Construction in progress	140,601	135,675
	1,606,324	1,176,586
Accumulated depreciation	(224,738)	(188,775)
Net real estate investments	1,381,586	987,811
Real estate investments held for sale	1,460	929
Cash and cash equivalents	39,232	21,254
Restricted cash	4,347	2,797
Accounts receivable, net	23,470	19,016
Notes receivable	159,371	138,683
Construction receivables, including retentions	36,361	16,154
Construction contract costs and estimated earnings in excess of billings	249	1,358
Equity method investments	—	22,203
Operating lease right-of-use assets	33,088	—
Finance lease right-of-use assets	24,130	—
Acquired lease intangible assets, net	68,702	27,561
Other assets	32,901	27,616
<b>Total Assets</b>	<b>\$ 1,804,897</b>	<b>\$ 1,265,382</b>
<b>LIABILITIES AND EQUITY</b>		
Indebtedness, net	\$ 950,537	\$ 694,239
Accounts payable and accrued liabilities	17,803	15,217
Construction payables, including retentions	53,382	50,796
Billings in excess of construction contract costs and estimated earnings	5,306	3,037
Operating lease liabilities	41,474	—
Finance lease liabilities	17,903	—
Other liabilities	63,045	46,203
<b>Total Liabilities</b>	<b>1,149,450</b>	<b>809,492</b>
<b>Total Equity</b>	<b>655,447</b>	<b>455,890</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,804,897</b>	<b>\$ 1,265,382</b>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
(Unaudited)				
<b>Revenues</b>				
Rental revenues	\$ 41,832	\$ 30,731	\$ 151,339	\$ 116,958
General contracting and real estate services revenues	39,741	12,705	105,859	76,359
<b>Total revenues</b>	<b>81,573</b>	<b>43,436</b>	<b>257,198</b>	<b>193,317</b>
<b>Expenses</b>				
Rental expenses	9,819	7,173	34,332	27,222
Real estate taxes	4,202	2,995	14,961	11,383
General contracting and real estate services expenses	38,683	12,154	101,538	73,628
Depreciation and amortization	15,690	11,260	54,564	39,913
Amortization of right-of-use assets - finance leases	147	—	377	—
General and administrative expenses	3,063	3,339	12,392	11,431
Acquisition, development and other pursuit costs	294	190	844	352
Impairment charges	252	1,518	252	1,619
<b>Total expenses</b>	<b>72,150</b>	<b>38,629</b>	<b>219,260</b>	<b>165,548</b>
Gain on real estate dispositions	—	4,254	4,699	4,254
<b>Operating income</b>	<b>9,423</b>	<b>9,061</b>	<b>42,637</b>	<b>32,023</b>
Interest income	6,593	3,577	23,215	10,729
Interest expense on indebtedness	(8,571)	(5,540)	(30,776)	(19,087)
Interest expense on finance leases	(228)	—	(568)	—
Equity in income of unconsolidated real estate entities	—	372	273	372
Change in fair value of interest rate derivatives	327	(2,207)	(3,599)	(951)
Other income (expense), net	159	155	585	377
Income before taxes	7,703	5,418	31,767	23,463
Income tax benefit (provision)	152	(523)	491	29
<b>Net income</b>	<b>7,855</b>	<b>4,895</b>	<b>32,258</b>	<b>23,492</b>
Net income attributable to noncontrolling interests in investment entities	427	—	(213)	—
Preferred stock dividends	(1,067)	—	(2,455)	—
<b>Net income attributable to common stockholders and OP Unit holders</b>	<b>\$ 7,215</b>	<b>\$ 4,895</b>	<b>\$ 29,590</b>	<b>\$ 23,492</b>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<b>Net income attributable to common stockholders and OP Unit holders</b>	\$ 7,215	\$ 4,895	\$ 29,590	\$ 23,492
Depreciation and amortization <sup>(1)</sup>	15,285	11,525	53,616	40,178
Gain on operating real estate dispositions <sup>(2)</sup>	—	(833)	(3,220)	(833)
Impairment of real estate assets	—	1,502	—	1,502
<b>FFO attributable to common stockholders and OP Unit holders</b>	<b>\$ 22,500</b>	<b>\$ 17,089</b>	<b>\$ 79,986</b>	<b>\$ 64,339</b>
Acquisition, development and other pursuit costs	294	190	844	352
Impairment of intangible assets and liabilities	252	16	252	117
Loss on extinguishment of debt	30	—	30	11
Amortization of right-of-use assets - finance leases	147	—	377	—
Change in fair value of interest rate derivatives	(327)	2,207	3,599	951
Severance related costs	—	688	—	688
<b>Normalized FFO attributable to common stockholders and OP Unit holders</b>	<b>\$ 22,896</b>	<b>\$ 20,190</b>	<b>\$ 85,088</b>	<b>\$ 66,458</b>
<b>Net income attributable to common stockholders and OP Unit holders per diluted share and unit</b>	<b>\$ 0.09</b>	<b>\$ 0.07</b>	<b>\$ 0.41</b>	<b>\$ 0.36</b>
<b>FFO per diluted share and unit attributable to common stockholders and OP Unit holders</b>	<b>\$ 0.29</b>	<b>\$ 0.26</b>	<b>\$ 1.10</b>	<b>\$ 0.99</b>
<b>Normalized FFO per diluted share and unit attributable to common stockholders and OP Unit holders</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>	<b>\$ 1.17</b>	<b>\$ 1.03</b>
Weighted average common shares and units - diluted	76,762	66,836	72,644	64,754

(1) The adjustment for depreciation and amortization for the years ended December 31, 2019 and 2018 include \$0.2 million and \$0.3 million, respectively, of depreciation attributable to the Company's investment in One City Center, which was an unconsolidated real estate investment until March 14, 2019. Additionally, the adjustment for depreciation and amortization for the year ended December 31, 2019 excludes \$0.8 million of depreciation attributable to the Company's joint venture partners.

(2) The adjustment for gain on operating real estate dispositions for the year ended December 31, 2019 excludes the portion of the gain on Lightfoot Marketplace that was allocated to our joint venture partner and excludes the gain on sale of a non-operating land parcel. The adjustment for gain on operating real estate dispositions for the year ended December 31, 2018 excludes the gain on the build-to-suit industrial facility because this property was sold before being placed into service.

**Contact:**

Michael P. O'Hara  
Armada Hoffler Properties, Inc.  
Chief Financial Officer and Treasurer  
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Phone: (757) 366-6684



## 4Q19 SUPPLEMENTAL FINANCIAL PACKAGE



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# 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 February 6, 2020, which has been furnished as Exhibit 99.1 to our Form 8-K filed on February 6, 2020. 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 pertain 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 our 2020 outlook are forward-looking statements. Related assumptions, anticipated growth in 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" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate 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. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

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# 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  
 Dorothy S. McAuliffe, Independent Director  
 John W. Snow, Independent Director

## Corporate Officers

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

## Investor Relations

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# Highlights

- Net income attributable to common stockholders and OP Unit holders of \$7.2 million, or \$0.09 per diluted share, for the quarter ended December 31, 2019 compared to \$4.9 million, or \$0.07 per diluted share, for the quarter ended December 31, 2018. Net income attributable to common stockholders and OP Unit holders of \$23.5 million, or \$0.41 per diluted share, for the year ended December 31, 2019 compared to \$23.5 million, or \$0.36 per diluted share, for the year ended December 31, 2018.
  - Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.5 million, or \$0.29 per diluted share, for the quarter ended December 31, 2019 compared to \$17.1 million, or \$0.26 per diluted share, for the quarter ended December 31, 2018. FFO of \$80.0 million, or \$1.10 per diluted share, for the year ended December 31, 2019 compared to \$64.3 million, or \$0.99 per diluted share, for the year ended December 31, 2018.
  - Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$22.9 million, or \$0.30 per diluted share, for the quarter ended December 31, 2019 compared to \$20.2 million, or \$0.30 per diluted share, for the quarter ended December 31, 2018. Normalized FFO of \$85.1 million, or \$1.17 per diluted share, for the year ended December 31, 2019 compared to Normalized FFO of \$66.5 million, or \$1.03 per diluted share, for the year ended December 31, 2018.
  - Introduced 2020 full-year Normalized FFO guidance in the range of \$1.16 to \$1.20 per diluted share, as set forth in the separate presentation that can be found on the Investors page of the Company's website, ArmadaHoffler.com. The Company's executive management will provide further details regarding its 2020 earnings during today's webcast and conference call.
  - Core operating property portfolio occupancy at 96.5% as of December 31, 2019 compared to 95.8% as of December 31, 2018.
  - Same Store Net Operating Income ("NOI") increased 3.8% on a GAAP basis and 4.5% on a cash basis for the year ended December 31, 2019.
  - Positive releasing spreads on office and retail lease renewals during 2019 of 5.6% on a GAAP basis and 2.2% on a cash basis.
  - Redesigned our website - ArmadaHoffler.com - to include additional functionality and enhancements including a Sustainability Update.
  - Added \$109.2 million to third-party construction backlog during the fourth quarter and ended 2019 with total backlog of \$242.6 million.
  - Executed a long-term lease with Apex Entertainment for all 84,000 square feet previously occupied by Dick's Sporting Goods in the Town Center of Virginia Beach.
  - Announced that the Company will be the majority partner in a joint venture to develop Ten Tryon, a new 15-story 220,000 square foot urban mixed-use development in Charlotte, North Carolina anchored by Publix and a Fortune 100 office tenant.
  - Announced that the Company will be the majority partner in a joint venture to redevelop the historic Chronicle Mill as part of a new multifamily development in Belmont, North Carolina.
  - Extended the maturity of our credit facility to 2024 for the senior unsecured revolving component and 2025 for the senior unsecured term loan component.
  - Raised \$25.5 million of gross proceeds through our at-the-market equity offering program at an average price of \$18.30 per share during the quarter ended December 31, 2019. Raised \$98.4 million of gross proceeds at an average price of \$16.76 per share during the year ended December 31, 2019.
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# 2020 Outlook & Assumptions

	LOW	HIGH
Total NOI	\$117.5M	\$118.5M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income	\$21.7M	\$22.1M
Interest Expense	\$35.2M	\$36.2M
Normalized FFO Per Diluted Share	\$1.16	\$1.20

## GUIDANCE ASSUMPTIONS

- Asset recycling program completed during 2Q20.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 1.48%.
- Opportunistic sale of approximately \$80 million through the ATM program, resulting in a full year weighted average share count of 79.7 million.

# Summary Information

\$ in thousands, except per share data

Three months ended

	12/31/2019	9/30/2019	6/30/2019	3/31/2019	12/31/2018
<b>OPERATIONAL METRICS</b>					
Net income attributable to AHH and OP Unitholders	\$7,215	\$9,869	\$5,992	\$6,514	\$4,811
Net income attributable to AHH and OP Unitholders per diluted share	<b>\$0.09</b>	<b>\$0.13</b>	<b>\$0.08</b>	<b>\$0.10</b>	<b>\$0.07</b>
Rental properties Net Operating Income (NOI)	27,811	28,167	25,012	21,056	20,511
General contracting and real estate services gross profit	1,058	1,192	1,321	750	511
Adjusted EBITDA <sup>(1)</sup>	30,843	31,150	28,800	24,727	25,533
Funds From Operations (FFO) attributable to common stockholders and OP unit holders	22,500	21,706	19,137	16,643	17,000
FFO per diluted share attributable to common stockholders and OP unit holders	<b>\$0.29</b>	<b>\$0.29</b>	<b>\$0.27</b>	<b>\$0.25</b>	<b>\$0.26</b>
Normalized FFO attributable to common stockholders and OP unit holders	22,896	22,474	21,212	18,506	20,100
Normalized FFO per diluted share attributable to common stockholders and OP unit holders	<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.27</b>	<b>\$0.30</b>
Annualized dividend yield	4.58%	4.64%	5.08%	5.39%	5.41%
<b>CAPITALIZATION</b>					
Common shares outstanding	56,278	54,875	52,794	52,327	50,000
Operating Partnership units outstanding	21,273	21,167	21,178	16,992	17,100
Common shares and OP units outstanding	77,551	76,042	73,972	69,319	67,100
Market price per common share	\$18.35	\$18.09	\$16.55	\$15.59	\$14.00
Common equity capitalization <sup>(2)</sup>	\$1,423,061	\$1,375,600	\$1,224,237	\$1,080,683	\$943,700
Preferred equity capitalization	63,250	63,250	63,250	-	-
Total equity capitalization	<b>\$1,486,311</b>	<b>\$1,438,850</b>	<b>\$1,287,487</b>	<b>\$1,080,683</b>	<b>\$943,700</b>
Total debt <sup>(4)</sup>	960,819	951,891	956,068	744,123	700,700
Total capitalization	2,447,130	2,390,741	2,243,555	1,824,806	1,644,400
Less: cash	(43,579)	(47,606)	(25,961)	(18,959)	(24,000)
Total enterprise value	<b>\$2,403,551</b>	<b>\$2,343,135</b>	<b>\$2,217,594</b>	<b>\$1,805,847</b>	<b>\$1,620,400</b>
<b>BALANCE SHEET METRICS</b>					
Core debt / enterprise value	33.6%	33.4%	27.0%	30.0%	34.0%
Core debt + preferred equity / enterprise value	36.2%	36.1%	29.8%	-	-
Fixed charge coverage ratio	2.5x	2.7x	2.9x	3.4x	-
Core debt / Annualized core EBITDA	6.8x	6.6x	6.1x	6.1x	6.1x
Core debt + preferred equity / Annualized core EBITDA	7.3x	7.2x	6.7x	-	-
<b>CORE PORTFOLIO OCCUPANCY</b>					
Office <sup>(5)</sup>	96.6%	96.6%	94.6%	94.9%	93.0%
Retail <sup>(5)</sup>	96.9%	96.8%	96.6%	96.1%	96.0%
Multifamily <sup>(6)</sup>	95.6%	95.8%	94.7% <sup>(7)</sup>	97.2%	97.0%
Weighted Average <sup>(8)</sup>	96.5%	96.5%	95.6%	96.0%	95.0%

(1) See definition on page 30.

(2) Includes gain on non-operating real estate of \$3.4M and approximately \$688K of severance-related costs 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) <sup>(1)</sup>		
	Three months ended	Annualized
	12/31/2019	12/31/2019
<b>Stabilized Virginia Beach (VB) Town Center<sup>(1)</sup></b>		
Office <sup>(2)</sup>	\$3,303	\$13,212
Retail <sup>(2)</sup>	2,064	8,256
Multifamily	1,864	7,456
Total Stabilized VB Town Center NOI	\$7,231	\$28,924
<b>Stabilized Portfolio (Excludes VB Town Center)<sup>(1)</sup></b>		
Office <sup>(2)</sup>	\$2,824	\$11,296
Retail	12,681	50,724
Multifamily	4,413	17,652
Total Stabilized Portfolio (Excludes VB Town Center)	\$19,918	\$79,672
Combined Stabilized Portfolio NOI	\$27,149	\$108,596
<b>Run Rate Adjustments<sup>(1)</sup></b>		
Signed Leases Not Yet Occupied or In Free Rent Period	\$748	\$2,992
Net Dispositions Completed Intra-Quarter	-	-
Total Run Rate Adjustments	\$748	\$2,992
Total	\$27,897	\$111,588

Non-Stabilized Portfolio and Development Pipeline (Cost Basis) <sup>(3)</sup>		As of 12/31/2019
See page 18 for a list of properties		
Income Producing Properties		\$14,000
Construction In Process		136,500
Other Assets		13,200
Total Non-Stabilized Development Portfolio		163,700
Redevelopment in Process		13,800
Total Non-Stabilized Redevelopment and Development Portfolio		\$177,500

Third-Party General Contracting and Real Estate Services		Trailing 12 Months
General Contracting Gross Profit		\$4

Non-Property Assets <sup>(4)</sup>		As of 12/31/20
Cash and Cash Equivalents		\$36
Restricted cash		4
Accounts Receivable		2
Notes Receivable, Including Mezzanine Investments <sup>(5)</sup>		15
Construction receivables, including retentions		31
Acquired lease intangible assets, net		61
Other Assets		3
Land Held for Development (Book Value)		1
Total Non-Property Assets		\$364

Liabilities <sup>(4)</sup>		As of 12/31/20
Mortgages and Notes Payable <sup>(5)</sup>		\$961
Accounts Payable and Accrued Liabilities		1
Construction Payables, Including Retentions		5
Other Liabilities		61
Total Liabilities		\$1,100

Preferred Equity		Liquidation Value
Series A Cumulative Redeemable Perpetual Preferred Stock		\$6

Common Equity		As of 12/31/20
Total common shares outstanding		54
Total OP units outstanding		2
Total Common Shares & OP Units Outstanding		7

- (1) NOI from non-stabilized portfolio and development pipeline excluded from stabilized portfolio.
- (2) Includes leases for spaces occupied by Armada Hoffer which are eliminated for GAAP purposes.
- (3) NOI not included in Stabilized Portfolio.
- (4) Excludes lease right-of-use assets and lease liabilities.
- (5) Excludes GAAP adjustments.

# Summary Balance Sheet

	As of	
	12/31/2019 (Unaudited)	12/31/2018
<b>Assets</b>		
Real estate investments:		
Income producing property	\$1,460,723	\$1,037,917
Held for development	5,000	2,994
Construction in progress	140,601	135,675
Accumulated depreciation	(224,738)	(188,775)
Net real estate investments	1,381,586	987,811
Real estate investments held for sale	1,460	929
Cash and cash equivalents	39,232	21,254
Restricted cash	4,347	2,797
Accounts receivable, net	23,470	19,016
Notes receivable	159,371	138,683
Construction receivables, including retentions	36,361	16,154
Construction contract costs and estimated earnings in excess of billings	249	1,358
Equity method investments	-	22,203
Operating lease right-of-use assets	33,088	-
Finance lease right-of-use assets	24,130	-
Acquired lease intangible assets, net	68,702	27,561
Other assets	32,901	27,616
<b>Total Assets</b>	<b>\$1,804,897</b>	<b>\$1,265,382</b>
<b>Liabilities and Equity</b>		
Indebtedness, net	\$950,537	\$694,239
Accounts payable and accrued liabilities	17,803	15,217
Construction payables, including retentions	53,382	50,796
Billings in excess of costs and estimated earnings	5,306	3,037
Operating lease liabilities	41,474	-
Finance lease liabilities	17,903	-
Other liabilities	63,045	46,203
<b>Total Liabilities</b>	<b>1,149,450</b>	<b>809,492</b>
<b>Total Equity</b>	<b>655,447</b>	<b>455,890</b>
<b>Total Liabilities and Equity</b>	<b>\$1,804,897</b>	<b>\$1,265,382</b>

# Summary Income Statement

In thousands, except per share data

	Three months ended		Year ended	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
<b>Revenues</b>				
Rental revenues	\$41,832	\$30,731	\$151,339	\$116,958
General contracting and real estate services revenues	39,741	12,705	105,859	76,359
<b>Total Revenues</b>	<b>81,573</b>	<b>43,436</b>	<b>257,198</b>	<b>193,317</b>
<b>Expenses</b>				
Rental expenses	9,819	7,173	34,332	27,222
Real estate taxes	4,202	2,995	14,961	11,383
General contracting and real estate services expenses	38,683	12,154	101,538	73,628
Depreciation and amortization	15,690	11,260	54,564	39,913
Amortization of right-of-use assets - finance leases	147	-	377	-
General and administrative expenses	3,063	3,339	12,392	11,431
Acquisition, development and other pursuit costs	294	190	844	352
Impairment charges	252	1,518	252	1,619
<b>Total Expenses</b>	<b>72,150</b>	<b>38,629</b>	<b>219,260</b>	<b>165,548</b>
Gain on real estate dispositions	-	4,254	4,699	4,254
<b>Operating Income</b>	<b>9,423</b>	<b>9,061</b>	<b>42,637</b>	<b>32,023</b>
Interest income	6,593	3,577	23,215	10,729
Interest expense on indebtedness	(8,571)	(5,540)	(30,776)	(19,087)
Interest expense on finance leases	(228)	-	(568)	-
Change in fair value of interest rate derivatives	327	(2,207)	(3,599)	(951)
Equity in income of unconsolidated real estate entities	-	372	273	372
Other income (expense), net	159	155	585	377
Income before taxes	7,703	5,418	31,767	23,463
Income tax benefit (provision)	152	(523)	491	29
Net Income	\$7,855	\$4,895	\$32,258	\$23,492
Net income attributable to noncontrolling interest in investment entities	427	-	(213)	-
Preferred stock dividends	(1,067)	-	(2,455)	-
Net income attributable to AHH and OP Unit holders	\$7,215	\$4,895	\$29,590	\$23,492
Net income per diluted share and unit attributable to AHH and OP Unit holders	\$0.09	\$0.07	\$0.41	\$0.36
Weighted Average Shares & Units - Diluted	76,762	66,836	72,644	64,754

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

\$ in thousands, except per share data

	Three months ended (Unaudited)				Year Ended (Unaudited)	
	12/31/2019	9/30/2019	6/30/2019	3/31/2019	2019	2018
<b>Funds From Operations</b>						
<b>Net income attributable to AHH and OP Unitholders</b>	<b>\$7,215</b>	<b>\$9,869</b>	<b>\$5,992</b>	<b>\$6,514</b>	<b>\$29,590</b>	<b>\$23,492</b>
Earnings per diluted share	\$0.09	\$0.13	\$0.08	\$0.10	\$0.41	\$0.36
Depreciation and amortization <sup>(2)</sup>	15,285	15,057	13,145	10,129	53,616	40,178
Gains (losses) on dispositions of operating real estate <sup>(3)</sup>	-	(3,220)	-	-	(3,220)	(833)
Impairment of real estate assets <sup>(4)</sup>	-	-	-	-	-	1,502
<b>FFO</b>	<b>\$22,500</b>	<b>\$21,706</b>	<b>\$19,137</b>	<b>\$16,643</b>	<b>\$79,986</b>	<b>\$64,339</b>
FFO per diluted share	\$0.29	\$0.29	\$0.27	\$0.25	\$1.10	\$0.99
<b>Normalized FFO</b>						
Acquisition, development & other pursuit costs	294	93	57	400	844	352
Loss on extinguishment of debt	30	-	-	-	30	11
Impairment of intangible assets and liabilities	252	-	-	-	252	117
Severance related costs	-	-	-	-	-	688
Amortization of right-of-use assets - finance leases	147	145	85	-	377	-
Change in fair value of interest rate derivatives	(327)	530	1,933	1,463	3,599	951
<b>Normalized FFO</b>	<b>\$22,896</b>	<b>\$22,474</b>	<b>\$21,212</b>	<b>\$18,506</b>	<b>\$85,088</b>	<b>\$66,458</b>
Normalized FFO per diluted share	\$0.30	\$0.30	\$0.30	\$0.27	\$1.17	\$1.03
<b>Adjusted FFO</b>						
Non-cash stock compensation	274	323	327	689	1,613	1,133
Acquisition, development & other pursuit costs	(294)	(93)	(57)	(400)	(844)	(352)
Tenant improvements, leasing commissions, lease incentives <sup>(5)</sup>	(1,065)	(2,057)	(841)	(809)	(4,772)	(5,506)
Property related capital expenditures	(2,426)	(1,565)	(1,983)	(1,494)	(7,468)	(6,264)
Adjustment for loan modification and exit fees	(1,860)	(1,371)	(1,238)	(1,118)	(5,587)	4,489
Non-cash interest expense <sup>(6)</sup>	588	425	509	304	1,826	1,116
Cash ground rent payment - finance lease	(216)	(207)	(112)	-	(535)	-
GAAP Adjustments	(958)	(1,686)	(1,422)	(850)	(4,916)	(2,691)
<b>AFFO</b>	<b>\$16,939</b>	<b>\$16,243</b>	<b>\$16,395</b>	<b>\$14,828</b>	<b>\$64,405</b>	<b>\$58,383</b>
AFFO per diluted share	\$0.22	\$0.22	\$0.23	\$0.22	\$0.89	\$0.90
Weighted Average Common Shares Outstanding	55,581	53,463	52,451	50,926	53,119	47,512
Weighted Average Operating Partnership ("OP") Units Outstanding	21,181	21,080	18,781	16,993	19,525	17,242
Total Weighted Average Common Shares and OP Units Outstanding	76,762	74,543	71,232	67,919	72,644	64,754

(1) See definitions on pages 29-30.

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

(3) The adjustment for gain on operating real estate dispositions for the 3 months ended 9/30/2019 excludes the portion of the gain on Lightfoot Marketplace that was allocated to our joint venture partner and excludes the gain on sale of a non-operating land parcel.

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

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

(6) Includes non-cash interest expense relating to indebtedness and interest expense on finance leases.

# Outstanding Debt

\$ in thousands

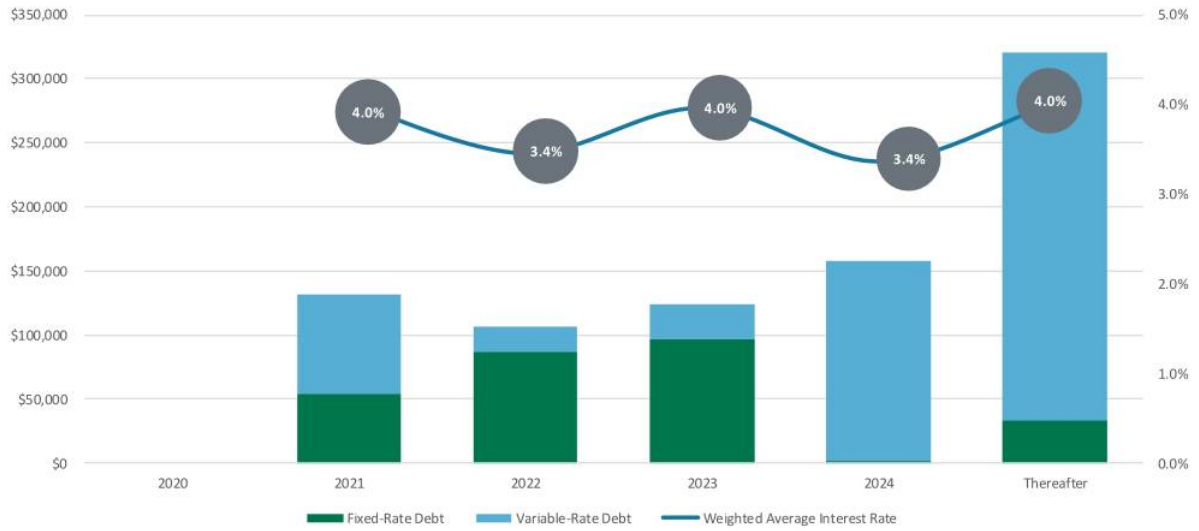
Debt	Stated Rate	Effective Rate as of 12/31/2019	Maturity Date	2020	2021	2022	2023	2024	Thereafter	Outstanding as 12/31/2019
<b>Secured Notes Payable - Core Debt</b>										
Hoffler Place	L+3.24%	5.00%	Jan-2021	-	\$29,059					\$29,0
Southgate Square	L+1.60%	3.36%	Apr-2021	880	19,682					20,5
Encore Apartments	3.25%	3.25%	Sep-2021	504	24,338					24,8
4525 Main Street	3.25%	3.25%	Sep-2021	647	31,229					31,8
Red Mill West	4.23%	4.23%	Jun-2022	445	465	10,386				11,2
Thames Street Wharf	L+1.30%	3.06%	Jun-2022	-	-	70,000				70,0
Hanbury Village	3.78%	3.78%	Aug-2022	521	544	17,450				18,5
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	397	414	9,706				10,5
1405 Point	L+2.25%	4.01%	Jan-2023	-	714	754	51,532			53,0
Socastee Commons	4.57%	4.57%	Jan-2023	109	115	120	4,223			4,5
Sandbridge Commons	L+1.75%	3.51%	Jan-2023	247	257	268	7,248			8,0
249 Central Park Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	230	245	260	16,093			16,8
Fountain Plaza Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	139	147	156	9,685			10,1
South Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	101	107	114	7,066			7,3
One City Center	L+1.85%	3.61%	Apr-2024	574	628	659	691	22,734		25,2
Red Mill Central	4.80%	4.80%	Jun-2024	175	175	175	175	1,838		2,5
Premier Apartments	L+1.55%	3.31%	Oct-2024	34	208	221	234	16,053		16,7
Red Mill South	3.57%	3.57%	May-2025	304	315	327	338	351	4,502	6,1
Brooks Crossing Office	L+1.60%	3.36%	Jul-2025	252	623	645	667	689	11,535	14,4
Market at Mill Creek	L+1.55%	3.31%	Jul-2025	647	647	647	647	647	11,492	14,7
Johns Hopkins Village	L+1.25%	4.19% <sup>(1)</sup>	Aug-2025	941	988	1,031	1,075	1,116	46,649	51,8
North Point Center Note 2	7.25%	7.25%	Sep-2025	131	141	152	163	175	1,452	2,2
Lexington Square	4.50%	4.50%	Sep-2028	256	268	280	293	306	13,293	14,6
Red Mill North	4.73%	4.73%	Dec-2028	100	105	110	116	121	3,842	4,3
Greenside Apartments	3.17%	3.17%	Dec-2029	617	695	718	741	762	30,467	34,0
Smith's Landing	4.05%	4.05%	Jun-2035	843	880	917	956	994	13,584	18,1
Liberty Apartments	5.66%	5.66%	Nov-2043	288	304	322	341	361	12,549	14,1
The Cosmopolitan	3.35%	3.35%	Jul-2051	792	819	847	876	906	39,462	43,7
<b>Total - Secured Core Debt</b>				<b>10,174</b>	<b>114,112</b>	<b>116,265</b>	<b>103,160</b>	<b>47,053</b>	<b>188,827</b>	<b>579,5</b>
<b>Secured Notes Payable - Development Pipeline</b>										
Summit Place	L+3.24%	5.00%	Jan-2021	-	28,824					28,8
Willis Wharf	L+2.25%	4.01%	Jun-2023	-	-	-	29,154			29,1
Premier Retail	L+1.55%	3.31%	Oct-2024	17	102	109	115	7,907		8,2
<b>Total - Development Pipeline</b>				<b>17</b>	<b>28,926</b>	<b>109</b>	<b>29,269</b>	<b>7,907</b>	<b>-</b>	<b>66,2</b>
<b>Total Secured Notes Payable</b>				<b>\$10,191</b>	<b>\$143,038</b>	<b>\$116,374</b>	<b>\$132,429</b>	<b>\$54,960</b>	<b>\$188,827</b>	<b>\$645,8</b>
<b>Unsecured Core Debt</b>										
Senior Unsecured Line of Credit	L+1.30%-1.85%	3.26%	Jan-2024	-	-	-	-	110,000		110,0
Senior Unsecured Term Loan	L+1.25%-1.80%	3.21%	Jan-2025	-	-	-	-	-	44,500	44,5
Senior Unsecured Term Loan	L+1.25%-1.80%	3.55% - 4.57% <sup>(1)</sup>	Jan-2025	-	-	-	-	-	160,500	160,5
<b>Total - Unsecured Core Debt</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>205,000</b>	<b>315,0</b>
<b>Total Notes Payable excluding GAAP Adjustments</b>				<b>\$10,191</b>	<b>\$143,038</b>	<b>\$116,374</b>	<b>\$132,429</b>	<b>\$164,960</b>	<b>\$393,827</b>	<b>\$960,8</b>
GAAP Adjustments										10,2
<b>Total Notes Payable</b>										<b>\$950,5</b>

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

# Debt Information

\$ in thousands

Debt Maturities



## Total Debt Composition

	% of Debt	Weighted Average	
		Interest Rate	Maturity
<b>Secured vs. Unsecured Debt</b>			
Unsecured Debt	32.8%	3.8%	4.7 Yrs
Secured Debt	67.2%	3.8%	6.4 Yrs
<b>Variable vs. Fixed-rate Debt</b>			
Variable-rate Debt <sup>(2)</sup>	49.2%	3.6%	3.4 Yrs
Fixed-rate Debt <sup>(1)(3)</sup>	50.8%	4.0%	8.2 Yrs
Fixed-rate and Hedged Debt <sup>(1)(3)</sup>	76.8%		
<b>Total</b>		3.8%	5.8 Yrs

## Interest Rate Cap Agreements<sup>(4)</sup>

Effective Date	Maturity Date	Strike Rate	Notional Amount
March 2018	April 2020	2.25%	\$50
July 2018	August 2020	2.50%	50
December 2018	January 2021	2.75%	50
May 2019	June 2022	2.50%	100
<b>Total Interest Rate Caps</b>			<b>\$250</b>
Fixed-rate Debt <sup>(1)(3)</sup>			488
Fixed-rate and Hedged Debt			738
<b>% of Total Debt<sup>(3)</sup></b>			<b>7</b>

- (1) Includes debt subject to interest rate swap locks.
- (2) Excludes debt subject to interest rate swap locks.
- (3) Excludes GAAP adjustments.
- (4) \$100M of interest rate caps were purchased subsequent to year end.



# Core Debt to Core EBITDA<sup>(1)</sup>

\$ in thousands

	Three months ended				12/31/2018
	12/31/2019	9/30/2019	6/30/2019	3/31/2019	
<b>Net income available to be allocated to AHH and OP Unitholders</b>	\$7,215	\$9,869	\$5,992	\$6,514	
Excluding:					
Depreciation and amortization <sup>(2)</sup>	15,285	15,057	13,145	10,129	
Amortization of right-of-use assets - finance leases	147	145	85	-	
(Gain) Loss on operating real estate dispositions	-	(3,220) <sup>(3)</sup>	-	-	
Impairment of real estate assets	-	-	-	-	
Income tax provision (benefit)	(152)	(199)	(30)	(110)	
Interest expense <sup>(2)</sup>	8,359	8,624	7,348	6,042	
Interest expense - finance leases	228	228	112	-	
Change in fair value of interest rate derivatives	(327)	530	1,933	1,463	
Cash ground rent payment - finance leases	(216)	(207)	(112)	-	
Loss on extinguishment of debt	30	-	-	-	
Non-cash stock compensation	274	323	327	689	
<b>Adjusted EBITDA</b>	<b>\$30,843</b>	<b>\$31,150</b>	<b>\$28,800</b>	<b>\$24,727</b>	
Other adjustments:					
Development/Redevelopment <sup>(2)(6)</sup>	(1,010)	(1,499)	(2,183)	(2,452)	
(Less) Net Acquisitions/Dispositions Completed Intra-Quarter	-	(226)	(1,978)	-	
<b>Core EBITDA</b>	<b>\$29,833</b>	<b>\$29,425</b>	<b>\$24,639</b>	<b>\$22,275</b>	
<b>Total Debt<sup>(5)</sup></b>	<b>\$960,819</b>	<b>\$951,891</b>	<b>\$956,068</b>	<b>\$744,123</b>	\$
Adjustments to debt:					
(Less) Development/Redevelopment <sup>(2)(6)</sup>	(109,930)	(122,597)	(161,528)	(182,780)	(
(Less) Net Acquisitions/Dispositions Completed Intra-Quarter	-	-	(170,476)	-	
(Less) Cash & restricted cash	(43,579)	(47,606)	(25,961)	(18,959)	
<b>Core Debt</b>	<b>\$807,310</b>	<b>\$781,688</b>	<b>\$598,103</b>	<b>\$542,384</b>	\$
<b>Core Debt/Annualized Core EBITDA</b>	<b>6.8x</b>	<b>6.6x</b>	<b>6.1x</b>	<b>6.1x</b>	

(1) See definitions on pages 30.

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

(3) The adjustment for gain on operating real estate dispositions excludes the portion of the gain on Lightfoot Marketplace in 3Q19 that was allocated to our joint venture partner.

(4) 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.

(5) Excludes GAAP Adjustments.

(6) Includes the redevelopment of The Cosmopolitan apartments.

# Capitalization & Financial Ratios

\$ in thousands, except per share data  
As of December 31, 2019

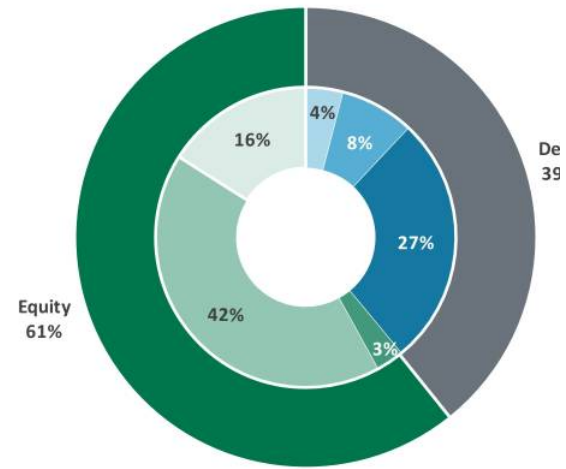
Debt	% of Total	Principal Balance
Unsecured credit facility	11%	\$110,000
Unsecured term loans	21%	205,000
Mortgages payable	68%	645,819
<b>Total debt</b>		<b>\$960,819</b>

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)	73%	56,278	\$18.35	\$1,032,701
Common units	27%	21,273	\$18.35	390,360
<b>Equity market capitalization</b>		<b>77,551</b>		<b>\$1,423,061</b>
<b>Total capitalization</b>				<b>\$2,447,130</b>

Financial Ratios	
Debt Service Coverage Ratio <sup>(1)</sup>	2.7x
Fixed Charge Coverage Ratio <sup>(2)</sup>	2.5x
Net Debt to Adjusted EBITDA	7.8x
Core Debt to Core EBITDA	6.8x
Core Debt + Preferred Equity to Core EBITDA	7.3x
Debt/Market capitalization	39%

Liquidity	
Cash on hand	\$43,579
Availability under credit facility	40,000
Availability under construction loan	58,134
	<b>\$141,713</b>



Unsecured Credit Facility    Unsecured Term Loans    Mortgage  
Preferred Equity    Common Stock    Common

Unencumbered Properties	
% of Total Properties	59%
% of Annualized Base Rent	40%

(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 stock dividends.

# Property Portfolio

As of December 31, 2019

Net Rentable Square Feet (RSF)<sup>(1)</sup>

Property	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/Redevelopment Properties	Total	Core Occupancy <sup>(2)</sup>	Development/Redevelopment Leased <sup>(2)</sup>	ABR <sup>(3)</sup>
<b>Retail Properties</b>											
249 Central Park Retail	Cheesecake Factory, Brooks Brothers, Gordon Biersch	Virginia Beach, VA	✓	-	2004	92,400	-	92,400	97.9%	-	\$2,559,701
Alexander Pointe <sup>(6)</sup>	Harris Teeter	Salisbury, NC		100%	1997	64,724	-	64,724	95.7%	-	649,308
Apex Entertainment (Dick's)	Apex Entertainment, USI	Virginia Beach, VA	✓	100%	2002	-	103,335	103,335	-	100.0%	1,471,503
Bermuda Crossroads <sup>(6)</sup>	Food Lion, OfficeMax	Chester, VA		100%	2001	122,566	-	122,566	98.4%	-	1,755,052
Broad Creek Shopping Center <sup>(6)(9)</sup>	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	-	121,504	95.5%	-	2,071,357
Broadmoor Plaza	Kroger	South Bend, IN		100%	1980	115,059	-	115,059	97.5%	-	1,382,468
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	18,349	-	18,349	66.3%	-	169,740
Columbus Village <sup>(6)</sup>	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	-	62,362	62,362	-	84.3%	1,556,163
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 <sup>(5)</sup>	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	-	19,173	100.0%	-	881,292
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,177	-	3,177	100.0%	-	139,311
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	-	106,166	97.2%	-	1,779,015
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	-	35,961	100.0%	-	1,028,958
Gainsborough Square	Food Lion	Chesapeake, VA		100%	1999	88,862	-	88,862	95.6%	-	1,324,529
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	-	15,719	92.6%	-	293,359
Hanbury Village <sup>(6)</sup>	Harris Teeter, Walgreens	Chesapeake, VA		32%	2006/2009	116,635	-	116,635	100.0%	-	2,538,926
Harper Hill Commons <sup>(6)</sup>	Harris Teeter	Winston-Salem, NC		100%	2004	96,914	-	96,914	85.0%	-	928,028
Harrisonburg Regal	Regal Cinemas	Harrisonburg, VA		100%	1999	49,000	-	49,000	100.0%	-	717,850
Indian Lakes Crossing <sup>(6)</sup>	Harris Teeter	Virginia Beach, VA		100%	2008	64,973	-	64,973	95.0%	-	845,097
Lexington Square	Lowes Foods	Lexington, SC		-	2017	85,540	-	85,540	98.2%	-	1,829,558
Market at Mill Creek <sup>(6)</sup>	Lowes Foods	Mt. Pleasant, SC		-	2018	80,405	-	80,405	93.8%	-	1,700,522
Marketplace at Hilltop <sup>(6)(9)</sup>	Total Wine, Panera	Virginia Beach, VA		-	2000/2001	116,953	-	116,953	100.0%	-	2,654,816
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,935	-	114,935	100.0%	-	1,479,285
North Point Center <sup>(6)</sup>	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	-	494,746	100.0%	-	3,842,617
Oakland Marketplace <sup>(6)</sup>	Kroger	Oakland, TN		100%	2004	64,538	-	64,538	100.0%	-	478,857
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%	-	726,757
Patterson Place	BB&B, PetSmart, DSW	Durham, NC		100%	2004	160,942	-	160,942	94.3%	-	2,397,055
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	-	74,256	100.0%	-	1,270,853
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	-	39,162	39,162	-	75.6%	969,014
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	-	103,118	98.8%	-	2,803,576
Red Mill Commons <sup>(6)</sup>	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	373,808	-	373,808	96.5%	-	6,427,485
Renaissance Square	Harris Teeter	Davidson, NC		100%	2008	80,467	-	80,467	90.4%	-	1,267,552
Sandbridge Commons <sup>(6)</sup>	Harris Teeter	Virginia Beach, VA		-	2015	76,650	-	76,650	98.5%	-	1,056,840
Socastee Commons	Bi-Lo	Myrtle Beach, SC		-	2000/2014	57,273	-	57,273	96.7%	-	632,797
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA		-	1991/2016	260,131	-	260,131	94.4%	-	3,365,533
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	-	38,515	100.0%	-	992,999
South Square	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	-	109,590	98.1%	-	1,873,007
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,307	-	40,307	85.3%	-	720,087
Stone House Square <sup>(6)</sup>	Weis Markets	Hagerstown, MD		100%	2008	112,274	-	112,274	93.1%	-	1,784,568
Studio 56 Retail	McCormick & Schmick's	Virginia Beach, VA	✓	100%	2007	11,594	-	11,594	100.0%	-	473,695
Tyre Neck Harris Teeter <sup>(6)(9)</sup>	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%	-	3,510,597
<b>Total / Weighted Avg Retail Portfolio</b>				<b>63%</b>		<b>4,004,087</b>	<b>204,859</b>	<b>4,208,946</b>	<b>96.9%</b>		<b>\$67,292,006</b>

# Property Portfolio Cont.

As of December 31, 2019

Net Rentable Square Feet (RSF)<sup>(1)</sup>

Office Properties	Anchor Tenant	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development Properties	Total	Core Occupancy <sup>(2)</sup>	Development Leased <sup>(2)</sup>	ABR <sup>(3)</sup>
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	-	234,938	98.1%	-	\$6,718,239
Armada Hoffer Tower <sup>(4)(5)</sup>	AHH, Troutman Sanders, Williams Mullen	Virginia Beach, VA	✓	100%	2002	320,680	-	320,680	95.8%	-	8,889,551
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA	-	-	2019	98,061	-	98,061	100.0%	-	1,814,129
One Columbus <sup>(5)</sup>	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,876	-	128,876	98.5%	-	3,184,938
One City Center	Duke University, WeWork	Durham, NC	-	-	2019	152,815	-	152,815	84.0%	-	4,145,189
Thames Street Wharf <sup>(4)</sup>	Morgan Stanley, JHU Medical	Baltimore, MD	-	-	2010	263,426	-	263,426	100.0%	-	7,141,829
Two Columbus	HBA Architects	Virginia Beach, VA	✓	100%	2009	108,459	-	108,459	100.0%	-	2,907,497
<b>Total / Weighted Average Office Portfolio</b>				<b>43%</b>		<b>1,307,255</b>	<b>-</b>	<b>1,307,255</b>	<b>96.6%</b>		<b>\$34,801,372</b>

Units/Beds

Multifamily	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/Redevelopment Properties	Total Units/Beds	Core Occupancy <sup>(2)</sup>	Development/Redevelopment Occupancy <sup>(2)</sup>	ABR <sup>(7)</sup>
1405 Point <sup>(8)(9)</sup>	Baltimore, MD	-	-	2018	289	-	289	92.0%	-	\$6,933,252
Encore Apartments	Virginia Beach, VA	✓	-	2014	286	-	286	95.8%	-	4,318,296
Greenside Apartments	Charlotte, NC	-	-	2018	225	-	225	93.8%	-	4,010,676
Hoffer Place <sup>(10)</sup>	Charleston, SC	-	-	2019	258	-	258	89.1%	-	3,553,932
Johns Hopkins Village <sup>(8)(9)(10)</sup>	Baltimore, MD	-	-	2016	568	-	568	98.8%	-	7,692,984
Liberty Apartments <sup>(8)</sup>	Newport News, VA	-	-	2013	197	-	197	93.9%	-	2,439,588
Premier Apartments	Virginia Beach, VA	✓	-	2018	131	-	131	97.7%	-	2,212,920
Smith's Landing <sup>(9)</sup>	Blacksburg, VA	-	-	2009	284	-	284	100.0%	-	4,250,868
The Cosmopolitan <sup>(8)</sup>	Virginia Beach, VA	✓	-	2006	-	342	342	-	79.7% <sup>(11)</sup>	4,736,424
<b>Total / Weighted Avg Multifamily Portfolio</b>					<b>2,238</b>	<b>342</b>	<b>2,580</b>	<b>95.6%</b>		<b>\$40,148,940</b>

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

(2) Occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of December 31, 2019, divided by (b) net rentable square feet as of such date, expressed as a percentage. Occupancy for our multifamily properties is calculated as (a) total units occupied as of December 31, 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 December 31, 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 December 31, 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) The Company occupied 55,390 square feet at these two properties at an ABR of \$1.7M, or \$31.30 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.

(7) For the properties in our multifamily portfolio, ABR is calculated by multiplying (a) base rental payments for the month ended December 31, 2019 by (b) 12.

Properties with Tenants Subject to Ground Lease	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	ABR
Alexander Pointe	1	7,014	\$100,000
Bermuda Crossroads	2	11,000	179,685
Broad Creek Shopping Center	6	23,825	649,818
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 Crossing	1	50,311	592,385
Market at Mill Creek	1	7,014	63,000
Marketplace at Hilltop	1	4,211	150,000
North Point Center	4	280,556	1,146,700
Oakland Marketplace	1	45,000	186,347
Red Mill Commons	8	33,961	773,609
Sandbridge Commons	3	60,521	738,500
Stone House Square	1	3,650	181,500
Tyre Neck Harris Teeter	1	48,859	533,285
<b>Total / Weighted Avg</b>	<b>34</b>	<b>676,431</b>	<b>\$6,860,627</b>

(8) The ABR for Liberty, Cosmopolitan, Johns Hopkins Village, Hoffer Place and 1405 Point excludes approximately \$0.3M, \$0.9M, \$1.1M, \$0.1M and \$0.4M, respectively, from ground floor retail leases.

(9) The Company leases all or a portion of the land underlying this property pursuant to a ground lease.

(10) Monthly rent per occupied unit is calculated by dividing total base rental payments for the month ended December 31, 2019 by the number of occupied beds.

(11) Occupancy calculation excludes 42 units that are offline for redevelopment.

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# Development and Redevelopment Pipeline

\$ in thousands

Projects	Property Type	Estimated <sup>(1)</sup>	% Leased or LOI	Schedule <sup>(1)</sup>			Estimated Cost <sup>(1)</sup>	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants	
				Construction Start	Initial Occupancy	Stabilized Operation <sup>(2)</sup>						
<b>Under Development</b>												
Chronicle Mill Belmont, NC	Multifamily	239 units / 10,000 sf	-	2Q20	1Q22	1Q23	\$45,000	TBD	\$1,400	85% <sup>(3)</sup>	NA	
Southern Post-Multifamily Roswell, GA	Multifamily	138 units	-	2Q20	3Q21	3Q22	39,000	TBD	3,600	80% <sup>(3)</sup>	NA	
Southern Post-Retail/Office Roswell, GA	Mixed-use	137,000 sf	6%	2Q20	3Q21	TBD	51,000	TBD	4,700	80% <sup>(3)</sup>	TBD	
Summit Place (Meeting Street) Charleston, SC	Multifamily	357 beds	-	3Q17	3Q20	4Q20	56,000	34,800	51,300	90% <sup>(3)</sup>	NA	
Ten Tryon Charlotte, NC	Mixed-use	220,000 sf	38%	2Q20	2Q22	TBD	95,000	TBD	1,200	80% <sup>(3)</sup>	Publix, Fortune	
Wills Wharf Baltimore, MD	Office	325,000 sf	68%	3Q18	2Q20	2Q21	120,000	76,000	86,500	100%	WeWork, Canop	
Total Projects Under Development							\$406,000	\$110,800	\$148,700			
<b>Delivered Not Stabilized</b>												
Premier Retail (Town Center Phase VI) Virginia Beach, VA	Retail	39,000 sf	76%	4Q16	3Q18	1Q21	15,000	8,334	15,000	100%	Williams-Sonop	
Total Projects Delivered Not Stabilized							\$15,000	\$8,334	\$15,000			
Total							\$421,000	\$119,134	\$163,700			

Redevelopment	Property Type	% Leased or LOI	Out of Service	Construction Start	Anticipated Completion	Restabilized Operation <sup>(2)</sup>	Estimated Cost <sup>(1)</sup>	Cost to Date	Projected ROI	Scope	
The Cosmopolitan Virginia Beach, VA	Multifamily	80% <sup>(4)</sup>	42 units	1Q18	4Q20	1Q21	\$14,000	\$6,300	9%	Renovate all 342 units including finishes, new cabinetry and floor efficient appliances, and LED light resident clubhouse, business cen	
Columbus Village I Virginia Beach, VA	Mixed-use	95%	28,250 sf	2Q19	3Q20	4Q20	9,000	7,400	8%	Reposition 62,000 SF center to be within Town Center and add Virgi Boulevard small shop frontage al Shack, Cava, and new Barnes & N	
Apex Entertainment Building (Former Dick's Sporting Goods) Virginia Beach, VA	Mixed-use	100%	84,000 sf	1Q20	4Q20	1Q21	9,000	100	7%	Revitalize 84,000 SF of big box re Town Center into a destination er concept for a new to market tena Entertainment.	
Total Projects Under Redevelopment							\$32,000	\$13,800	8%		

- (1) Represents estimates that may change as the development and redevelopment process proceeds.
- (2) First fully-stabilized quarter. See same store definition on page 31.
- (3) Majority Interest in joint venture with preferred return.
- (4) Occupancy calculation excludes 42 units that are offline for redevelopment.

	Q4 2019	YTD
Capitalized Interest	\$1,408	\$5,93
Capitalized Overhead	\$778	\$3,06

# Mezzanine Investments

\$ in thousands

Schedule<sup>(1)</sup>

	Property Type	Estimated <sup>(1)</sup>	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Principal Mezzanine Financing <sup>(2)</sup>	Mezzanine Interest QTD	Mezzanine Interest YTD	
<b>Investments with Discounted Purchase Options</b>										
Delray Plaza (Whole Foods) Delray Beach, FL	Retail	83,000 sf	100%	3Q19	4Q20	15%	\$10,000	\$469	\$1,622	
Nexton Square-Phase I Summerville, SC	Mixed-use	118,000 sf	88%	3Q19	4Q20	10%	13,000	379	1,962	
<b>Short Term Investments</b>										
The Residences at Annapolis Junction Annapolis Junction, MD	Multifamily	416 units	89%	3Q17	2Q20	10%	36,000	1,478	4,287	
S5M Annapolis Junction Loan Modification Fee								762	4,489	
North Decatur Square (Whole Foods) Decatur, GA- Loan was paid off on 7/22/19	Retail	86,000 sf	100%	4Q18	3Q19	15%	15,000	-	1,509	
Solis Apartments at Interlock Atlanta, GA	Multifamily	349 units	NA	4Q20	3Q22	13%	23,000	766	2,333	
The Interlock Atlanta, GA	Mixed-use	300,000 sf	78%	4Q20	3Q22	15%	67,000	2,717	6,142	
<b>Total</b>							<b>164,000</b>	<b>6,571</b>	<b>22,344</b>	
								<b>Mezzanine Interest Expense</b>	<b>(1,143)</b>	<b>(4,880)</b>
								<b>Net Mezzanine Interest Income</b>	<b>5,428</b>	<b>17,464</b>



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

# Acquisitions & Dispositions

\$ in thousands

## ACQUISITIONS

Properties	Location	Square Feet	Purchase Price <sup>(1)</sup>	Reinvested 1031 Proceeds	\$ Value of OP Units/Stock <sup>(2)</sup>	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	Lexington, SC	85,531	26,758	-	2,769	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
<b>Total/Weighted Average</b>		<b>3,042,449</b>	<b>\$652,313</b>	<b>\$130,124</b>	<b>\$142,150</b>	<b>7.2%</b>		

## DISPOSITIONS

Properties	Location	Square Feet/Units	Sale Price	Cash Proceeds	Gain on Sale	Cash Cap Rate	Disposition Date	Anchor Tenants
Lightfoot Marketplace	Williamsburg, VA	124,715	\$30,275	\$11,800	\$4,477 <sup>(4)</sup>	5.8%	3Q19	Harris Teeter
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 <sup>(3)</sup>	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
Oceanearing	Chesapeake, VA	154,000	30,000	10,000	4,987	6.7%	4Q15	Oceanearing 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
<b>Total/Weighted Average</b>		<b>899,282 sf/ 203 units</b>	<b>\$239,750</b>	<b>\$168,400</b>	<b>\$63,112</b>	<b>7.0%</b>		

(1) Contractual purchase price.

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

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

(4) Includes JV partner's interest in the property.

# Construction Business Summary

\$ in thousands

Highlighted Projects	Location	Total Contract Value	Work in Place as of 12/31/2019	Backlog	Estimated of Compl
The Interlock	Atlanta, GA	\$89,286	\$48,152	\$41,134	3Q 20:
Solis Apartments at Interlock	Atlanta, GA	63,810	14,803	49,007	1Q 20:
Boulders Lakeside Apartments	Chesterfield, VA	35,433	7,059	28,373	1Q 20:
27th Street Garage and Apartments	Virginia Beach, VA	79,252	5,765	73,487	3Q 20:
Sub Total		<u>267,781</u>	<u>75,779</u>	<u>192,001</u>	
All Other Projects		<u>417,965</u>	<u>367,344</u>	<u>50,621</u>	
<b>Total</b>		<u>\$685,746</u>	<u>\$443,123</u>	<u>\$242,622</u>	

### Gross Profit Summary

	Q4 2019	Trailing 12 Months
	(Unaudited)	
Revenue	\$39,741	\$105,859
Expense	<u>(38,683)</u>	<u>(101,538)</u>
Gross Profit	<u>\$1,058</u>	<u>\$4,321</u>



The Interlock  
Atlanta,



# Same Store NOI by Segment

\$ in thousands

(Reconciliation to GAAP located in appendix on pg. 35)

	Three months ended				Year ended			
	12/31/2019	12/31/2018	\$ Change	% Change	12/31/2019	12/31/2018	\$ Change	% Change
<b>Office<sup>(1)</sup></b>	(Unaudited)				(Unaudited)			
Revenue	\$5,094	\$5,165	(\$71)	-1.4%	21,239	\$20,701	\$538	2.6%
Expenses <sup>(2)</sup>	1,937	1,836	101	5.5%	7,735	7,507	228	3.0%
Net Operating Income	3,157	3,329	(172)	-5.2%	13,504	13,194	310	2.3%
<b>Retail<sup>(1)</sup></b>								
Revenue	15,521	15,273	248	1.6%	57,651	56,435	1,216	2.2%
Expenses <sup>(2)</sup>	3,712	3,646	66	1.8%	13,247	13,077	170	1.3%
Net Operating Income	11,809	11,627	182	1.6%	44,404	43,358	1,046	2.4%
<b>Multifamily<sup>(1)</sup></b>								
Revenue	5,550	5,487	63	1.1%	21,849	20,241	1,608	7.9%
Expenses <sup>(2)</sup>	2,254	2,128	126	5.9%	8,666	8,332	334	4.0%
Net Operating Income	3,296	3,359	(63)	-1.9%	13,183	11,909	1,274	10.7%
<b>Same Store Net Operating Income (NOI)</b>	<b>\$18,262</b>	<b>\$18,315</b>	<b>(\$53)</b>	<b>-0.3%</b>	<b>\$71,091</b>	<b>\$68,461</b>	<b>\$2,630</b>	<b>3.8%</b>
GAAP Adjustments	(199)	(732)	533		(1,721)	(2,085)	364	
<b>Same store portfolio NOI, cash basis</b>	<b>\$18,063</b>	<b>\$17,583</b>	<b>\$480</b>	<b>2.7%</b>	<b>\$69,370</b>	<b>\$66,376</b>	<b>\$2,994</b>	<b>4.5%</b>
<b>NOI, Cash Basis:</b>								
Office	\$3,137	\$2,818	\$319	11.3%	12,619	\$11,625	\$994	8.6%
Retail	11,675	11,506	169	1.5%	43,894	42,895	999	2.3%
Multifamily	3,251	3,259	(8)	-0.2%	12,857	11,856	1,001	8.4%
	<b>\$18,063</b>	<b>\$17,583</b>	<b>\$480</b>	<b>2.7%</b>	<b>\$69,370</b>	<b>\$66,376</b>	<b>\$2,994</b>	<b>4.5%</b>
<b>NOI:</b>								
Office	3,157	\$3,329	(\$172)	-5.2%	13,504	\$13,194	\$310	2.3%
Retail	11,809	11,627	182	1.6%	44,404	43,358	1,046	2.4%
Multifamily	3,296	3,359	(63)	-1.9%	13,183	11,909	1,274	10.7%
	<b>\$18,262</b>	<b>\$18,315</b>	<b>(\$53)</b>	<b>-0.3%</b>	<b>\$71,091</b>	<b>\$68,461</b>	<b>\$2,630</b>	<b>3.8%</b>

(1) See page 32 for Same Store vs. Non - Same Store Properties.

(2) Excludes expenses associated with the Company's in house asset management division of \$656K and \$585K for the 3 months ended 12/31/2019 & 12/31/2018, respectively, and \$2.5M and \$2.1M for the year ended 2019 & 2018, respectively.

# Top 10 Tenants by ABR<sup>(1)</sup>

\$ in thousands  
As of December 31, 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	16.6%	4.1%
Clark Nexsen	1	2029	2,639	7.6%	1.9%
WeWork	1	2034	2,259	6.5%	1.6%
Duke University	1	2029	1,540	4.4%	1.1%
Huntington Ingalls	1	2029	1,513	4.3%	1.1%
Mythics	1	2030	1,187	3.4%	0.8%
Johns Hopkins Medicine	1	2023	1,118	3.2%	0.8%
Pender & Coward	1	2030	904	2.6%	0.6%
Kimley-Horn	1	2027	894	2.6%	0.6%
Troutman Sanders	1	2025	872	2.5%	0.6%
<b>Top 10 Total</b>			<b>\$ 18,687</b>	<b>53.7%</b>	<b>13.2%</b>

## 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	10	2020 - 2035	\$ 5,645	8.4%	4.0%
Lowe's Foods	2	2037 ; 2039	1,976	2.9%	1.4%
Regal Cinemas	2	2022 ; 2024	1,713	2.5%	1.2%
Bed, Bath, & Beyond	4	2022 - 2025	1,710	2.5%	1.2%
PetSmart	5	2022 - 2025	1,438	2.1%	1.0%
Food Lion	3	2022 - 2024	1,315	2.0%	0.9%
Petco	4	2022 - 2030	877	1.3%	0.6%
Weis Markets	1	2028	802	1.2%	0.6%
Total Wine & More	2	2024 ; 2027	765	1.1%	0.5%
Ross Dress for Less	2	2022 ; 2025	762	1.1%	0.5%
<b>Top 10 Total</b>			<b>\$ 17,003</b>	<b>25.1%</b>	<b>11.9%</b>

(1) Excludes leases from the development and redevelopment properties that have not been delivered.

# Office 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	TI per SF
					Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF			
Q4 2019	2	8,147	1	3,929	\$25.43	\$24.23	4.9%	\$24.74	\$25.69	-3.7%	4.06	\$64,668
Q3 2019	1	1,120	4	26,201	38.50	37.00	4.1%	38.50	37.00	4.1%	2.00	1,725
Q2 2019	1	30,009	1	5,253	20.37	21.71	-6.1%	19.00	23.77	-20.1%	5.00	114,589
Q1 2019	1	11,995	3	15,865	24.92	21.30	17.0%	23.76	23.18	2.5%	5.00	164,879

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

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term	TI & LC	TI & LC per SF
Q4 2019	1	2,363	\$23.75	6.00	\$138,300	\$58.53
Q3 2019	7	21,345	24.73	5.30	716,641	33.57
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



Thames Street Wharf & Wills Wharf  
Baltimore, MD



4525 Main Street  
Virginia Beach, VA

(1) Excludes leases from properties in development.

# Office Lease Expirations

As of December 31, 2019

Year	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	44,285	3.4%	\$ -	-	-
M-T-M	2	-	-	2,400	-	-
2019	-	-	-	-	-	-
2020	11	24,796	1.9%	781,419	2.2%	31.51
2021	11	48,532	3.7%	1,312,408	3.8%	27.04
2022	11	77,259	5.9%	2,213,506	6.4%	28.65
2023	12	103,647	7.9%	2,707,291	7.8%	26.12
2024	11	136,575	10.4%	3,442,021	9.9%	25.20
2025	13	131,701	10.1%	3,859,343	11.1%	29.30
2026	8	36,863	2.8%	926,963	2.7%	25.15
2027	4	244,864	18.7%	6,921,178	19.9%	28.27
2028	6	63,319	4.8%	1,754,231	5.0%	27.70
2029	7	242,709	18.6%	6,136,048	17.6%	25.28
Thereafter	6	152,705	11.8%	4,744,562	13.6%	31.07
<b>Total / Weighted Average</b>	<b>102</b>	<b>1,307,255</b>	<b>100.0%</b>	<b>\$ 34,801,370</b>	<b>100.0%</b>	<b>\$ 27.55</b>



Square Feet Under Lease	% of Portfolio ABR
2,500 or less	3%
2,501-10,000	14%
10,001-20,000	16%
20,001-40,000	21%
40,001-100,000	30%
Greater than 100,000	16%
<b>Office Portfolio Total</b>	<b>100%</b>

# Retail Lease Summary

## Renewal Lease Summary

Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	GAAP				Cash				Weighted Average Lease Term (yrs)	TI & LC
				Net Rentable SF Expiring	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread			
Q4 2019	23	110,368	14	34,291	\$17.94	\$16.79	6.9%	\$17.87	\$17.15	4.2%	5.25	\$202,576	
Q3 2019	28	201,931	8	14,338	16.44	15.47	6.3%	16.32	15.72	3.9%	5.14	568,379	
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	

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

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q4 2019	13	72,921	\$ 17.50	10.02	\$3,207,564	\$43.99
Q3 2019	5	14,720	20.60	9.60	733,422	49.82
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



Market at Mill Creek  
Mt. Pleasant, SC



Pre  
Virginia Beach

(1) Excludes leases from properties in development and redevelopment.

# Retail Lease Expirations

As of December 31, 2019

Year	Number of Leases Expiring	Square Footage of Leases Expiring <sup>(1)</sup>	% Portfolio Net Rentable Square Feet	Annualized Base Rent <sup>(1)</sup>	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	144,938	3.4%	\$ -	-	\$ -
M-T-M	3	4,200	0.1%	83,758	0.1%	19.94
2019 <sup>(2)</sup>	5	25,565	0.6%	457,889	0.7%	17.91
2020	54	240,266	5.7%	3,578,216	5.3%	14.89
2021	92	351,636	8.4%	6,781,107	10.1%	19.28
2022	89	507,590	12.1%	8,349,932	12.4%	16.45
2023	89	514,434	12.2%	8,398,508	12.5%	16.33
2024	86	530,254	12.6%	8,696,487	12.9%	16.40
2025	59	544,465	12.9%	7,332,252	10.9%	13.47
2026	27	164,729	3.9%	3,209,776	4.8%	19.49
2027	22	136,840	3.3%	3,019,722	4.5%	22.07
2028	24	252,999	6.0%	3,521,547	5.2%	13.92
2029	23	108,253	2.6%	2,152,130	3.2%	19.88
Thereafter	41	682,777	16.2%	11,710,681	17.4%	17.15
<b>Total / Weighted Average</b>	<b>614</b>	<b>4,208,946</b>	<b>100.0%</b>	<b>\$ 67,292,005</b>	<b>100.0%</b>	<b>\$ 16.56</b>



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

(1) Includes leases from properties in development, redevelopment, and delivered, not yet stabilized.  
(2) Leases expired on 12/31/19



# 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.

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## 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.

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## 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, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

Management believes that the computation of FFO in accordance to Nareit's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. Our calculation of Normalized FFO differs from Nareit's definition of FFO. Other equity REITs may not calculate Normalized FFO in the same manner as us, and, accordingly, our Normalized FFO may not be comparable to other REITs' Normalized FFO.

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# 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, cash ground rent payments for finance leases, the amortization of leasing incentives and above (below) market rents and proceeds from government development grants.

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

---

## ADJUSTED EBITDA:

We calculate Adjusted EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes, depreciation and amortization, gains (or losses) from sales of depreciable operating property, impairment of real estate assets, debt extinguishment losses, non-cash stock compensation and mark-to-market adjustments on interest rate derivatives, and including cash ground rent payments for finance leases. Management believes Adjusted EBITDA is useful to investors in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from our operating results along with other non-comparable items.

---

## CORE EBITDA:

We calculate Core EBITDA as Adjusted EBITDA, excluding certain items, including, but not limited to, the impact of development and redevelopment 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.

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## CORE DEBT:

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

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# 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		Year Ended	
	12/31/2019 to 2018		12/31/2019 to 2018	
	Same Store	Non-Same Store	Same Store	Non-Same Store
<b>Retail Properties</b>				
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	
Fountain Plaza Retail	X		X	
Greentree Shopping Center	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
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		Year Ended	
	12/31/2019 to 2018		12/31/2019 to 2018	
	Same Store	Non-Same Store	Same Store	Non-Same Store
<b>Retail Properties (Continued)</b>				
Red Mill Commons		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		
<b>Office Properties</b>				
4525 Main Street	X			X
Armada Hoffer Tower	X			X
Brooks Crossing (Office)		X		
One City Center		X		
One Columbus	X			X
Thames Street Wharf		X		
Two Columbus	X			X
<b>Multifamily Properties</b>				
1405 Point		X		
Encore Apartments	X			X
Greenside Apartments		X		
Hoffer Place		X		
Johns Hopkins Village	X			X
Liberty Apartments	X			X
Premier Apartments		X		
Smith's Landing	X			X
The Cosmopolitan		X		

# Reconciliation to Property Portfolio NOI

\$ in thousands

	Three months ended 12/31		Year ended 12/31	
	2019	2018	2019	2018
<b>Office Same Store<sup>(1)</sup></b>				
Rental revenues	\$5,094	\$5,165	\$21,239	\$20,701
Property expenses	1,937	1,836	7,735	7,507
NOI	3,157	3,329	13,504	13,194
Non-Same Store NOI <sup>(2)</sup>	3,115	(102)	7,572	(385)
Segment NOI	\$6,272	\$3,227	\$21,076	\$12,809
<b>Retail Same Store<sup>(1)</sup></b>				
Rental revenues	\$15,521	\$15,273	\$57,651	\$56,435
Property expenses	3,712	3,646	13,247	13,077
NOI	11,809	11,627	44,404	43,358
Non-Same Store NOI <sup>(2)</sup>	3,414	1,392	13,617	6,897
Segment NOI	\$15,223	\$13,019	\$58,021	\$50,255
<b>Multifamily Same Store<sup>(1)</sup></b>				
Rental revenues	\$5,550	\$5,487	\$21,849	\$20,241
Property expenses	2,254	2,128	8,666	8,332
NOI	3,296	3,359	13,183	11,909
Non-Same Store NOI <sup>(2)</sup>	3,020	958	9,766	3,380
Segment NOI	\$6,316	\$4,317	\$22,949	\$15,289
<b>Total Property Portfolio NOI</b>	<b>\$27,811</b>	<b>\$20,563</b>	<b>\$102,046</b>	<b>\$78,353</b>

(1) See page 32 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 12/31/2019

Diversified Portfolio

	Office	Retail	Multifamily	Total
NOI - Cash Basis	\$2,824	\$12,681	\$4,413	\$19,918
GAAP Adjustments	450	605	30	1,085
Elimination of intercompany rent	(73)	-	-	(73)
NOI	\$3,201	\$13,286	\$4,443	\$20,930

Town Center of Virginia Beach

NOI - Cash Basis	\$3,303	\$2,064	\$1,864	\$7,231
GAAP Adjustments	21	(144)	9	(114)
Elimination of intercompany rent	(249)	(104)	-	(353)
NOI	\$3,075	\$1,816	\$1,873	\$6,764

NOI

Diversified Portfolio	\$3,201	\$13,286	\$4,443	\$20,930
Town Center of Virginia Beach	3,075	1,816	1,873	6,764
Unstabilized Properties	(4)	121	-	117
<b>Total Property Portfolio NOI</b>	<b>\$6,272</b>	<b>\$15,223</b>	<b>\$6,316</b>	<b>\$27,811</b>







# 2020 GUIDANCE PRESENTATION





PAGE	SECTION
03	Forward Looking Statements
04	2020 Outlook & Assumptions
05	2019/2020 Asset Recycling
06	Evolving Portfolio NOI Composition
07	NOI Contribution by Location
08	Projects Under Development and Redevelopment
09	Mezzanine Investment Program
10	General Contracting and Real Estate Services
11	Normalized FFO Components
12	Balance Sheet Targets
13	Debt Maturities
14	Core Operating Portfolio Occupancy
15	2020 Mezzanine Investment Guidance
16	2020 Outlook & Assumptions
17	Proven Performance Since IPO



Thames Street Wharf  
Baltimore, MD

# FORWARD LOOKING STATEMENTS

This presentation should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated February 6, 2020, which has been furnished as Exhibit 99.1 to our Form 8-K filed on February 10, 2020. The Company makes statements 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 and results of operations contain forward-looking statements. Likewise, all of our statements regarding our 2020 outlook and related assumptions, projections, anticipated growth in our funds from operations, normalized funds from operations, adjusted funds from operations, funds available for distribution 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" or "anticipates" (and the negative of these words and phrases or similar words or phrases which are predictions of or indicate 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, data or methods which may be incorrect or imprecise and the Company may not be able to realize them. 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. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

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.

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# 2020 OUTLOOK & ASSUMPTIONS

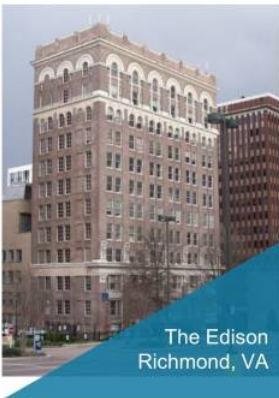
	LOW	HIGH
Total NOI	\$117.5M	\$118.5M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income	\$21.7M	\$22.1M
Interest Expense	\$35.2M	\$36.2M
Normalized FFO Per Diluted Share	\$1.16	\$1.20

## GUIDANCE ASSUMPTIONS

- Asset recycling program completed during 2Q20.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 1.48%.
- Opportunistic sale of approximately \$80 million through the ATM program, resulting in a full-year weighted average share count of 79.7 million.

# 2019/2020 ASSET RECYCLING

PROPERTY	ANCHOR TENANT	LOCATION	CASH CAP RATE	ESTIMATED PRICE	ANNUAL CASH NO
<b>DISPOSITIONS</b>					
Lightfoot Marketplace <sup>(1)</sup>	Harris Teeter	Williamsburg, VA	5.8%	\$30M	-\$1.7M
Greentree Marketplace	Various small shops	Chesapeake, VA	7.5%	\$4M	-\$0.3M
7 Shopping Centers (Signed LOI)	Various	Various	7.8%	\$108M	-\$8.4M
<b>DISPOSITION NOI</b>					<b>-\$10.5M</b>
<b>ACQUISITIONS</b>					
The Edison Apartments	Multifamily	Richmond, VA	6.8%	\$25M	\$1.7M
Delray Beach Plaza and West Market Street Station	Whole Foods	Delray Beach, FL Akron, OH	6.0%	\$48M	\$2.9M
Nexton Square	Mixed-Use Retail	Summerville, SC	7.4%	\$42M	\$3.1M
TBD	-	-	~6.5%	~\$20M	\$1.3M
<b>ACQUISITION NOI</b>					<b>\$9.0M</b>
<b>NET NOI EFFECT</b>					<b>-\$1.5M</b>



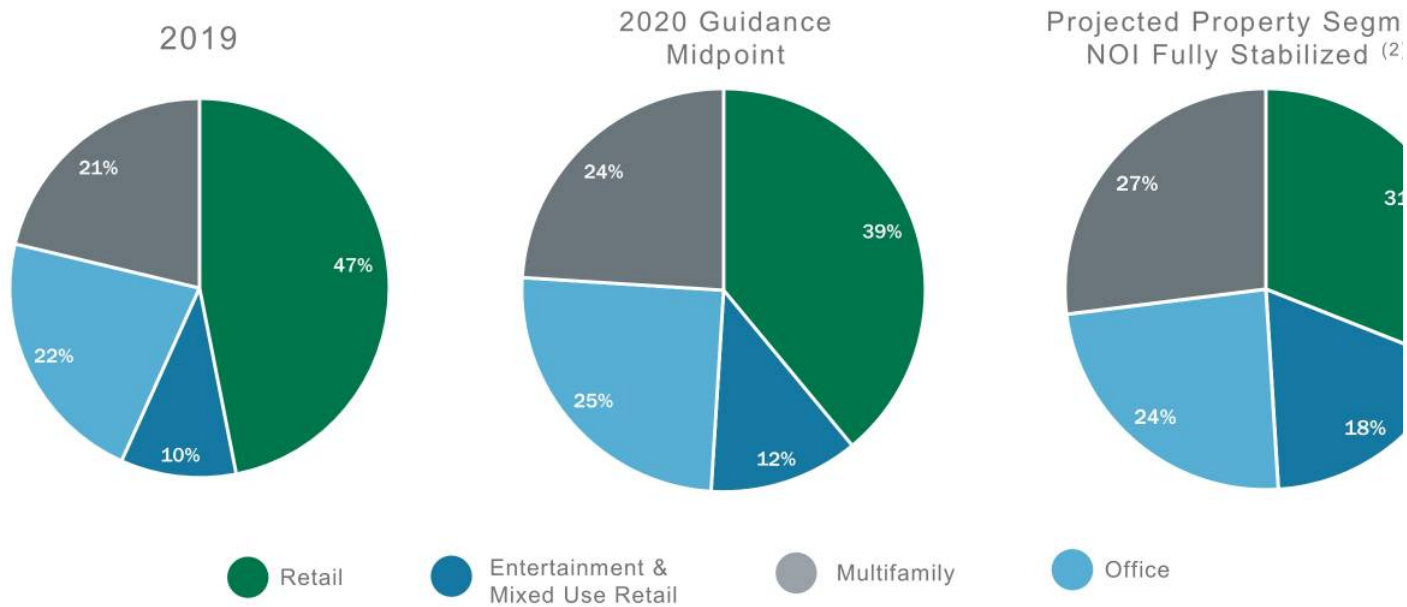
(1) Majority interest in JV development

# EVOLVING PORTFOLIO GAAP NOI COMPOSITION

\$ in millions

PORTFOLIO COMPOSITION <sup>(1)</sup>	2019	2020 GUIDANCE MIDPOINT	FULLY STABILIZED <sup>(2)</sup>
<b>RETAIL</b>	<b>\$50</b>	<b>\$47</b>	<b>\$48</b>
<b>ENTERTAINMENT &amp; MIXED-USE RETAIL</b>	<b>\$9</b>	<b>\$14</b>	<b>\$27</b>
MULTIFAMILY	\$24	\$31	\$37
<b>OFFICE</b>	<b>\$23</b>	<b>\$30</b>	<b>\$41</b>
<b>TOTAL</b>	<b>\$106</b>	<b>\$121</b>	<b>\$153</b>

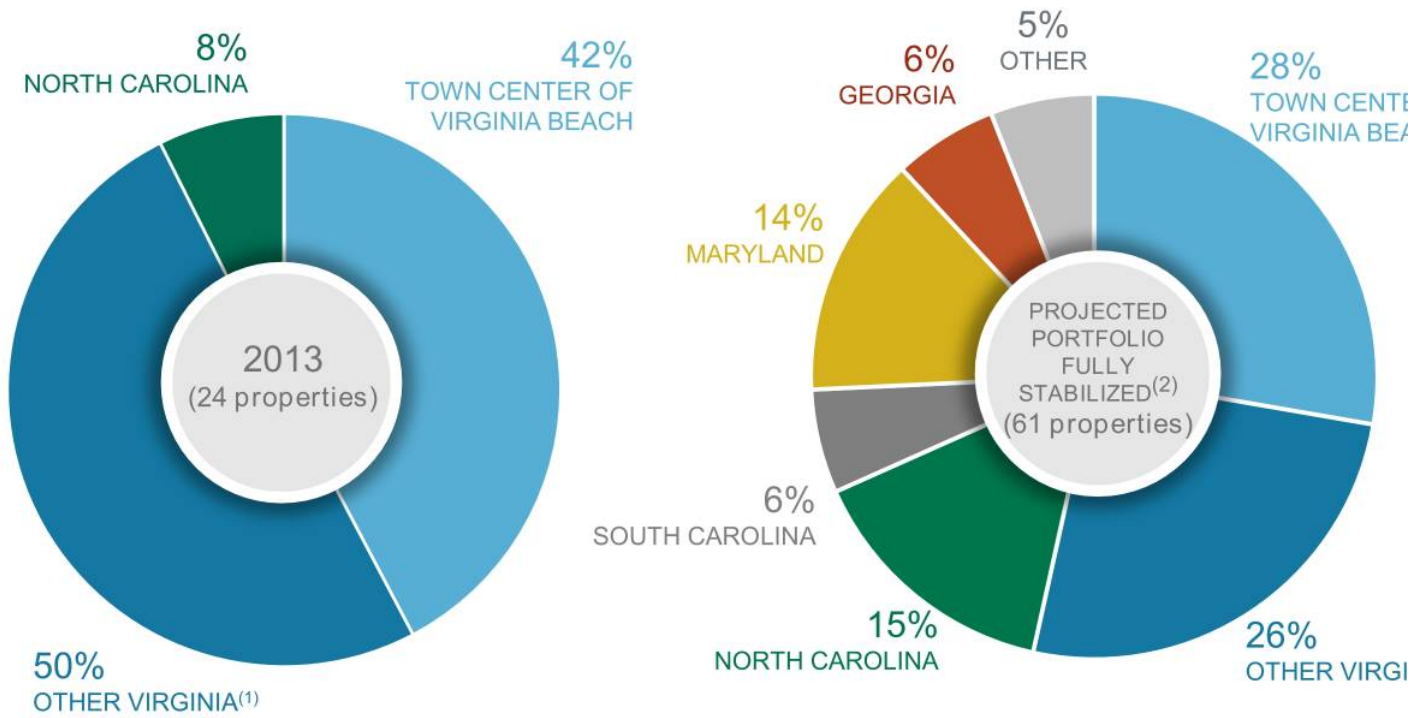
*Fully stabilized portfolio expected to bring over 40% of NOI growth*



(1) Numbers exclude AHH rent elimination and expenses associated with the Company's in house asset management division

(2) Fully Stabilized Portfolio assumes announced pipeline is delivered and stabilized per schedule (see page 8 for schedule)

# NOI CONTRIBUTION BY LOCATION



(1) Excludes properties in Town Center of Virginia Beach

(2) Fully Stabilized Portfolio assumes announced pipeline is delivered and stabilized per schedule (see page 8 for schedule)

# PROJECTS UNDER DEVELOPMENT AND REDEVELOPMENT

DEVELOPMENT PROJECTS <sup>(1)</sup>	PROPERTY TYPE	SIZE	% Leased or LOI	INITIAL OCCUPANCY <sup>(2)</sup>	STABILIZED OPERATION <sup>(2)</sup>	ESTIMATED COST	
Chronicle Mill <sup>(3)</sup> Belmont, NC	Multifamily	239 units / 10,000 sf	-	1Q22	1Q23	\$45M	
Premier Retail Virginia Beach, VA	Mixed-Use	39,000 sf	76%	3Q18	1Q21	\$15M	
Southern Post-Multifamily <sup>(3)</sup> Roswell, GA	Multifamily	138 units	-	3Q21	3Q22	\$39M	
Southern Post-Retail/Office <sup>(3)</sup> Roswell, GA	Mixed-Use	137,000 sf	6%	3Q21	TBD	\$51M	
Summit Place <sup>(3)</sup> Charleston, SC	Multifamily	357 beds	-	3Q20	4Q20	\$56M	
Ten Tryon <sup>(3)</sup> Charlotte, NC	Mixed-Use	220,000 sf	38%	2Q22	TBD	\$95M	
Wills Wharf Baltimore, MD	Office	325,000 sf	68%	2Q20	2Q21	\$120M	
<b>TOTAL INVESTMENT</b>						<b>\$421M</b>	
REDEVELOPMENT PROJECTS <sup>(1)</sup>	PROPERTY TYPE	OUT OF SERVICE	Projected ROI	% Leased or LOI	ANTICIPATED COMPLETION <sup>(2)</sup>	RE-STABILIZED OPERATION <sup>(2)</sup>	ESTIMATED COST
The Cosmopolitan Virginia Beach, VA	Multifamily	42 units	9%	80% <sup>(4)</sup>	4Q20	1Q21	\$14M
Columbus Village I Virginia Beach, VA	Mixed-Use	28,250 sf	8%	95%	3Q20	4Q20	\$9M
Apex Entertainment Building (Formerly Dick's Sporting Goods) Virginia Beach, VA	Mixed-Use	84,000 sf	7%	100%	4Q20	1Q21	\$9M
<b>TOTAL INVESTMENT</b>						<b>\$32M</b>	

(1) For our ownership structure, see page 18 & 19 of the 4Q19 Supplemental package.

(2) Timing and investment amounts are estimates and subject to change as the development process demands.

(3) Majority Interest in joint venture with preferred return.

(4) Occupancy calculation excludes 42 units that are offline for redevelopment.

# MEZZANINE INVESTMENT PROGRAM

PROJECT	PRODUCT	LOCATION	PROJECTED PRINCIPAL MEZZANINE FINANCING <sup>(1)</sup>	PROJECTED TOTAL GROSS INTEREST INCOME <sup>(1)(2)</sup>	PROJECTED CONSTRUCTION FEES <sup>(1)</sup>	TOTAL PROJECTED AHH INCOME <sup>(1)</sup>
<u>Investments with Purchase Option</u>						
Delray Beach Plaza (Whole Foods)	Retail	Delray Beach, FL	\$10M	\$3M	N/A	\$3M
Nexton Square	Mixed-Use	Summerville, SC	\$13M	\$2M	\$1M	\$3M
<u>Short-Term Investment</u>						
The Residences at Annapolis Junction	Multifamily	Annapolis Junction, MD	\$36M	\$20M <sup>(3)</sup>	\$2M	\$22M
\$5M Annapolis Junction Loan Modification Fee				\$5M	N/A	\$5M
Solis Apartments at Interlock	Multifamily	Atlanta, GA	\$23M	\$10M	\$2M	\$12M
The Interlock	Mixed-Use	Atlanta, GA	\$67M	\$31M <sup>(3)</sup>	\$3M	\$34M
<b>Total Projected AHH Income</b>						\$79M
<b>Total Projected Mezzanine Interest Expense</b>						(\$17M)
<b>Total Projected Net Mezzanine Interest Income</b>						\$62M

(1) Timing, investment, and income amounts are estimates and subject to change as the development process demands

(2) Reflects projected pay off date that may be subject to change (page 15)

(3) Includes purchase option and/or exit fees



# GENERAL CONTRACTING AND REAL ESTATE SERVICES

\$ in millions



2019      2020 Guidance Midpoint

Third-Party Construction and Development

\$4.3

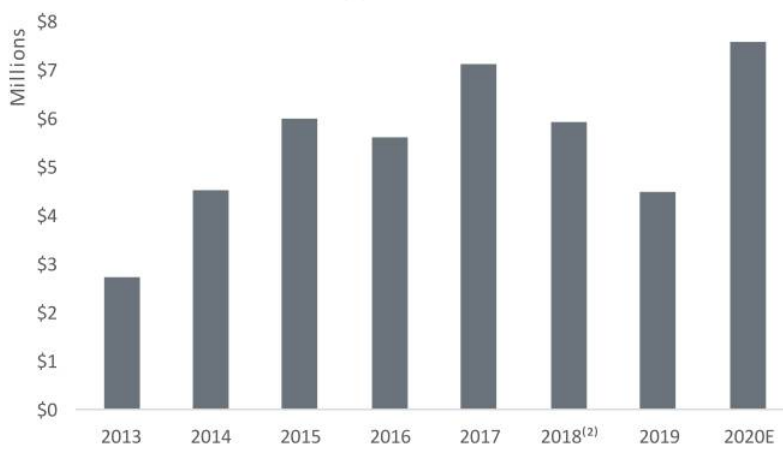
\$7.6

Third-Party Construction Back

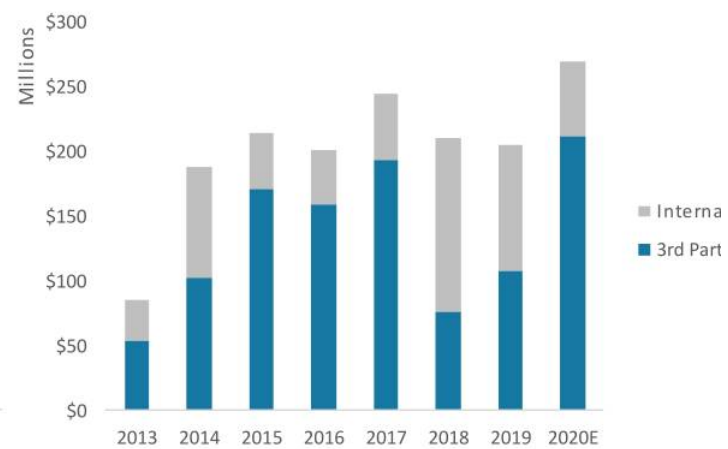
As of 12/31/19

\$243

3rd Party Gross Profit<sup>(1)</sup>



Volume



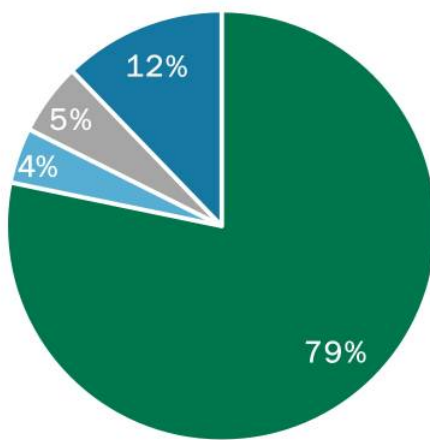
(1) No profit recognized on internal volume  
 (2) Includes \$3.4M sale of distribution center

# NORMALIZED FFO COMPONENTS

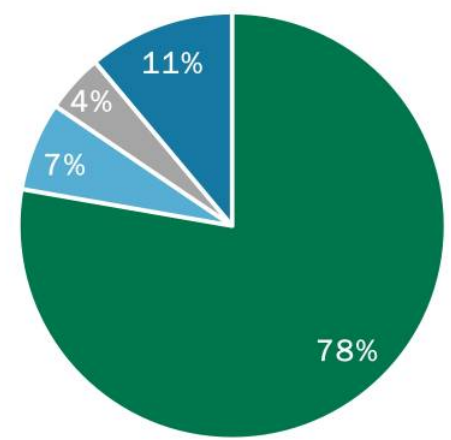
	2019	2020 Guidance Midpoint
Property FFO <sup>(1)</sup>	\$80.2M	\$87.7M
Construction Gross Profit	\$4.3M	\$7.6M
Purchase Option Sale/Exit Fee	\$5.6M	\$5.0M
Mezzanine Interest Income (Net of Interest Expense)	\$12.7M	\$12.5M
NFFO/Share <sup>(2)</sup>	\$1.17	\$1.18

## CONTRIBUTION TO NFFO/SHARE BY COMPONENT

2019



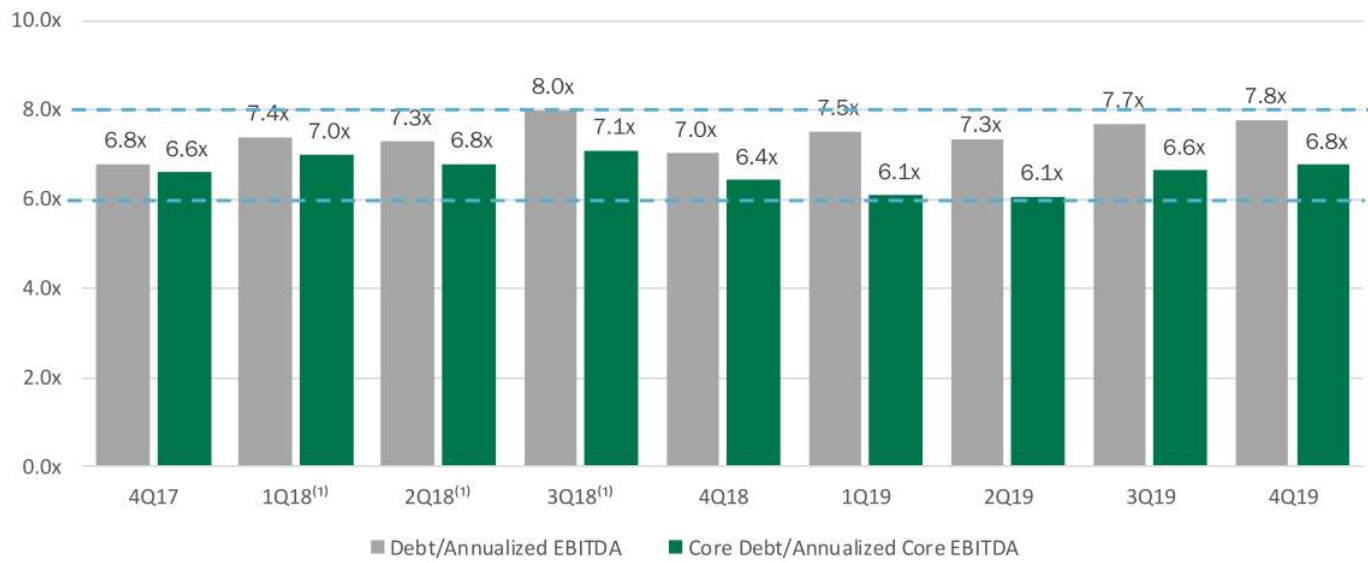
2020 Guidance Midpoint



(1) Property NOI, less associated interest expense

(2) Based on a weighted average shares of 76.8M for 2019 and 79.7M for 2020

# BALANCE SHEET TARGETS



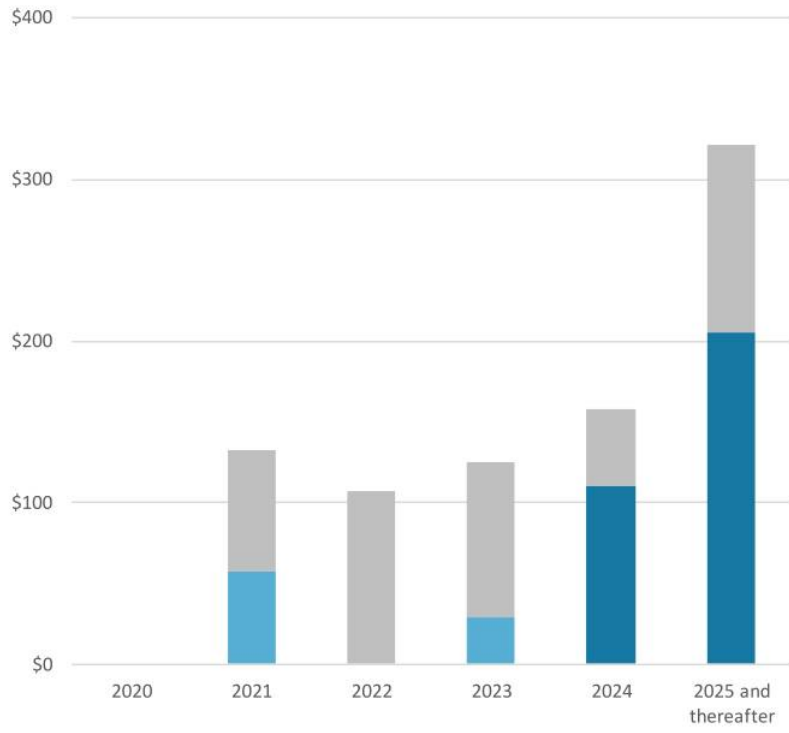
2020 Capital Sources	Timing	\$
At The Market Program	1Q-4Q	\$80M

**TARGET 8X DEBT/EBITDA AND 6X CORE DEBT/CORE EBITDA**

(1) 2018 leverage elevated due to construction of build-to-suit distribution center (sold in Dec 2018)

# DEBT MATURITIES

\$ in millions

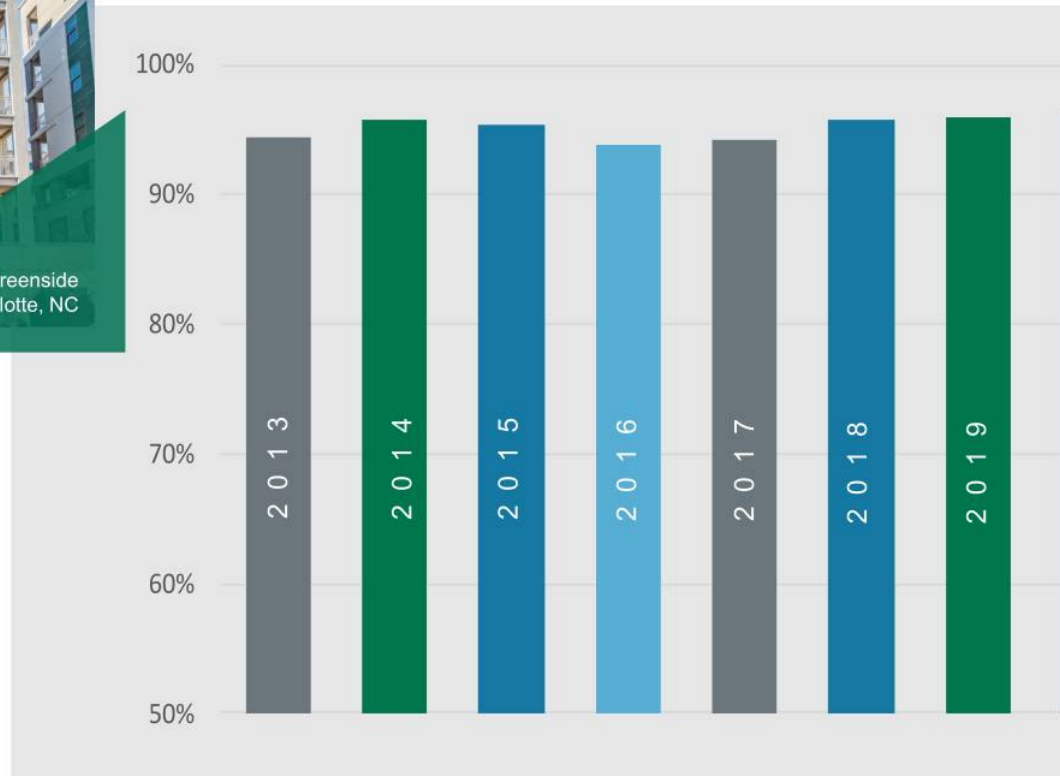


Weighted Average Maturity ~5.8 Years



- CONSTRUCTION
- SECURED
- UNSECURED

# CORE OPERATING PORTFOLIO OCCUPANCY<sup>(1)</sup>



(1) 2013 through 2019 occupancy as of year end and 2020 expected 12/31

# 2020 MEZZANINE INVESTMENT GUIDANCE

PROJECT	INTEREST RATE	PROJECTED PAYOFF	TOTAL 2020 PFM MIDPOINT AHH
<u>Investments with Purchase Option</u>			
Delray Plaza (Whole Foods)	15%	2Q 2020	\$0.5M
Nexton Square	10%	2Q 2020	\$0.4M
<u>Short-Term Investments</u>			
Annapolis Junction	10%	3Q 2020	\$5.2M
Solis Interlock	13%	4Q 2021	\$3.3M
The Interlock	15%	4Q 2021	\$12.5M
<b>Total Projected Gross Mezzanine Interest Income</b>			\$21.9M
<b>Total Projected Mezzanine Interest Expense</b>			-\$4.2M
<b>Total Projected Net Mezzanine Interest Income</b>			\$17.7M

(1) Includes amortization of exit fees

# 2020 OUTLOOK & ASSUMPTIONS

	LOW	HIGH
Total NOI	\$117.5M	\$118.5M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income	\$21.7M	\$22.1M
Interest Expense	\$35.2M	\$36.2M
Normalized FFO Per Diluted Share	\$1.16	\$1.20

## GUIDANCE ASSUMPTIONS

- Asset recycling program completed during 2Q20.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 1.48%.
- Opportunistic sale of approximately \$80 million through the ATM program, resulting in a full-year weighted average share count of 79.7 million.

# PROVEN PERFORMANCE SINCE IPO

## NAV per Share Consensus<sup>(1)</sup>

59% Growth



## Normalized FFO per Share

43% Growth



## Common Stock Dividends Per Share

31% Growth



## Equity Market Capitalization



(1) Source: Average of most recent sell-side research analysts estimates



