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

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): September 20, 2013**

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**ARMADA HOFFLER PROPERTIES, INC.**

(Exact name of registrant as specified in its charter)

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**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)

**(757) 366-4000**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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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 (see General Instruction A.2. below):

- 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))
- 
-

**Item 7.01. Regulation FD Disclosure.**

On September 24, 2013, Armada Hoffer Properties, Inc. (the "Company") will host an Investor Day, beginning at 12:30 p.m. EDT. The Company will webcast the presentations by the Company's management team on the Internet in the Investor Relations section of the Company's website at [www.ArmadaHoffer.com](http://www.ArmadaHoffer.com). A replay of the webcast will be available on the Company's website until midnight, October 8, 2013. In the presentations, the Company's management team will discuss, among other things, the Company's development pipeline, construction business, portfolio performance and financing activity.

A copy of the presentation materials to be used by the Company is attached to this Current Report on Form 8-K as Exhibits 99.1 and 99.2. These materials will also be available in the Investor Relations section of the Company's website. A copy of the Press Release announcing the Investor Day and providing information on accessing the webcast of the presentations on the Company's website is attached to this Current Report on Form 8-K as Exhibit 99.3.

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 the 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 the 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>
99.1	Investor Day 2013 Presentation Materials.
99.2	Hampton Roads Market Overview Materials.
99.3	Press Release, dated September 20, 2013.

**SIGNATURES**

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

**ARMADA HOFFLER PROPERTIES, INC.**

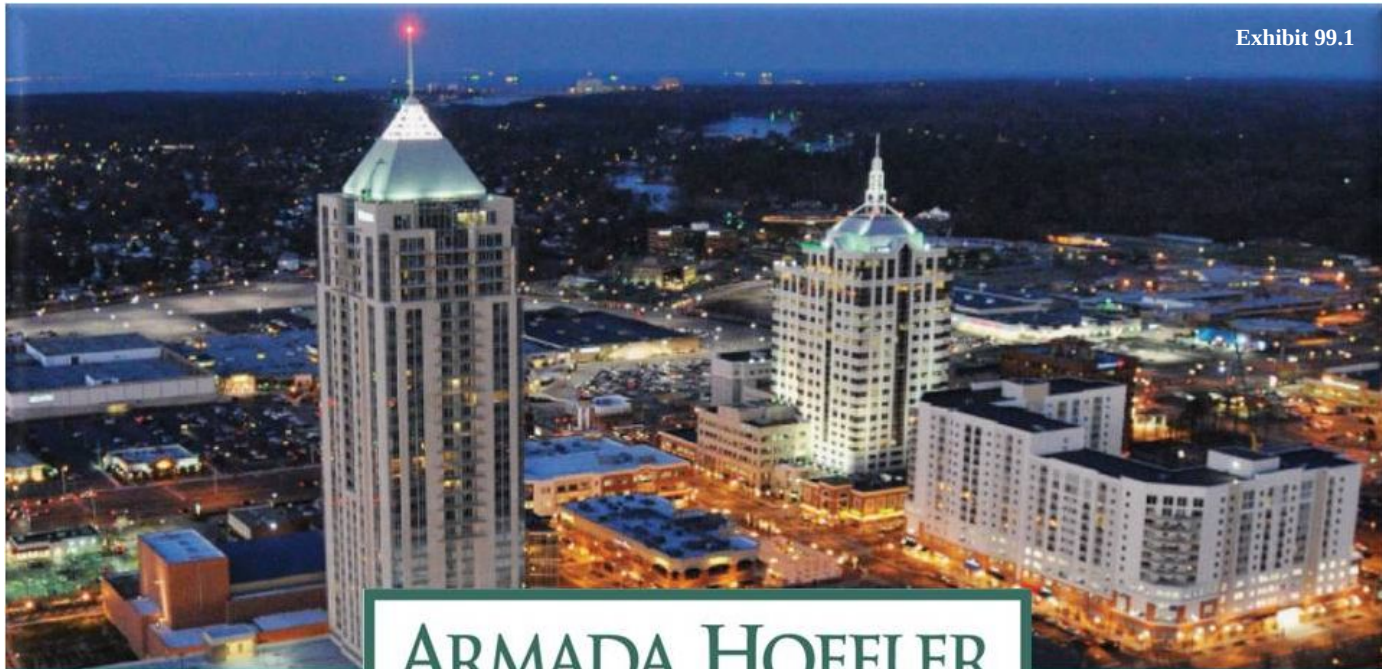
Dated: September 24, 2013

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

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
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**ARMADA HOFFLER**

P R O P E R T I E S

**Welcome – Investor Day 2013**

Julie Trudell, Vice President of Investor Relations



# Forward-Looking Statements

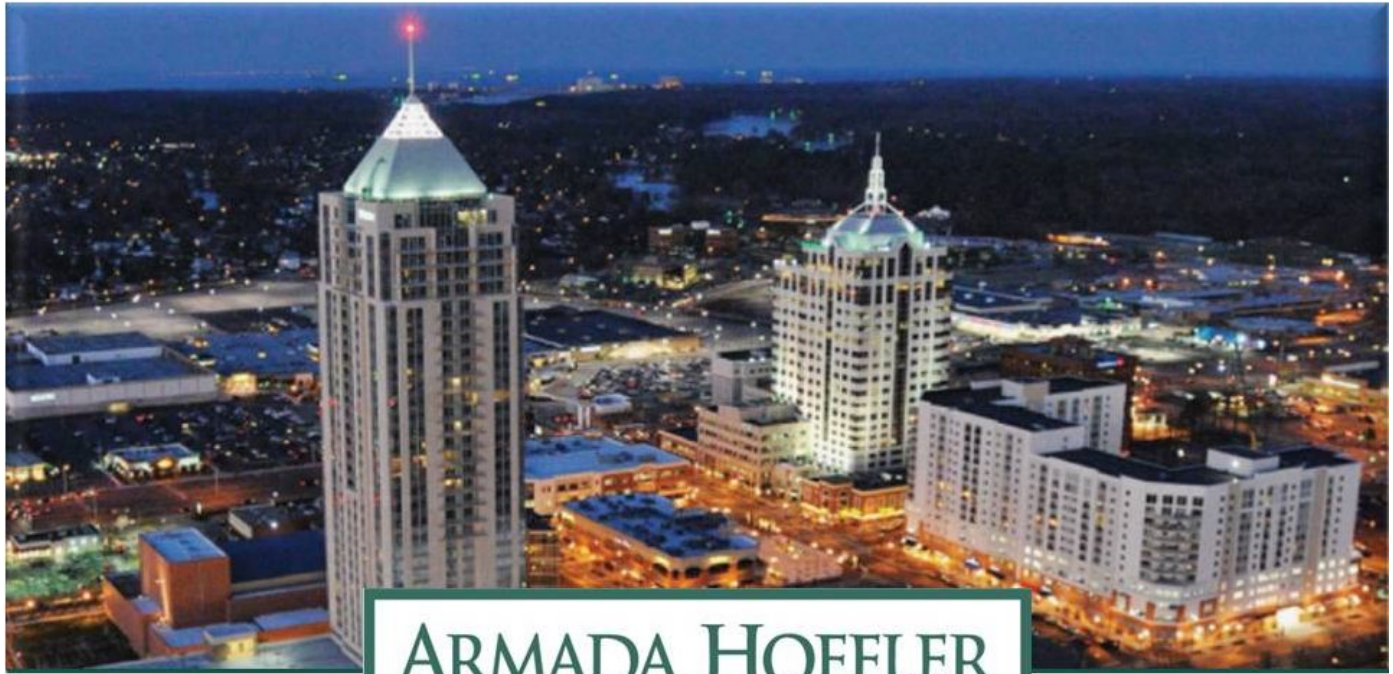
We make statements in this presentation that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our sources and uses of capital, the availability and terms of third party financing, our progress in developing properties in our development pipeline, our prospects for future pipeline development projects, the performance of our property portfolio, estimates of revenues and profits from general contracting and real estate services, anticipated market conditions and our results of operations contain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "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, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- adverse economic or real estate developments, either nationally or in the markets in which our properties are located;
- our failure to develop the properties in our identified development pipeline successfully, on the anticipated timeline or at the anticipated costs;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants;
- bankruptcy or insolvency of a significant tenant or a substantial number of smaller tenants;
- difficulties in identifying or completing property development or acquisition opportunities, including our proposed acquisition of the Liberty Apartments;
- our failure to successfully operate developed and acquired properties;
- fluctuations in interest rates and increased operating costs;
- our failure to obtain necessary outside financing on favorable terms or at all, including any increase in the borrowing capacity under our credit facility;
- our failure to generate income in our general contracting and real estate services segment in amounts that we anticipate;
- general economic conditions;
- financial market fluctuations;
- risks that affect the general retail environment or the market for office properties or multifamily units;
- the competitive environment in which we operate;
- decreased rental rates or increased vacancy rates;
- conflicts of interests with our officers and directors;
- lack or insufficient amounts of insurance;
- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- other factors affecting the real estate industry generally;
- our failure to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and
- changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. You should not place undue reliance on any forward-looking statements that are based on information currently available to us. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section titled "Risk Factors" in our Prospectus filed with the Securities and Exchange Commission ("SEC") pursuant to Rule 424(b)(4) on May 9, 2013 as part of our Registration Statement on Form S-11 and our subsequent quarterly reports on Form 10-Q and current reports on Form 8-K filed with or furnished to the SEC.

We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this presentation, except as required by applicable law.



# ARMADA HOFFLER

P R O P E R T I E S

## CEO Remarks

Lou Haddad



# Agenda

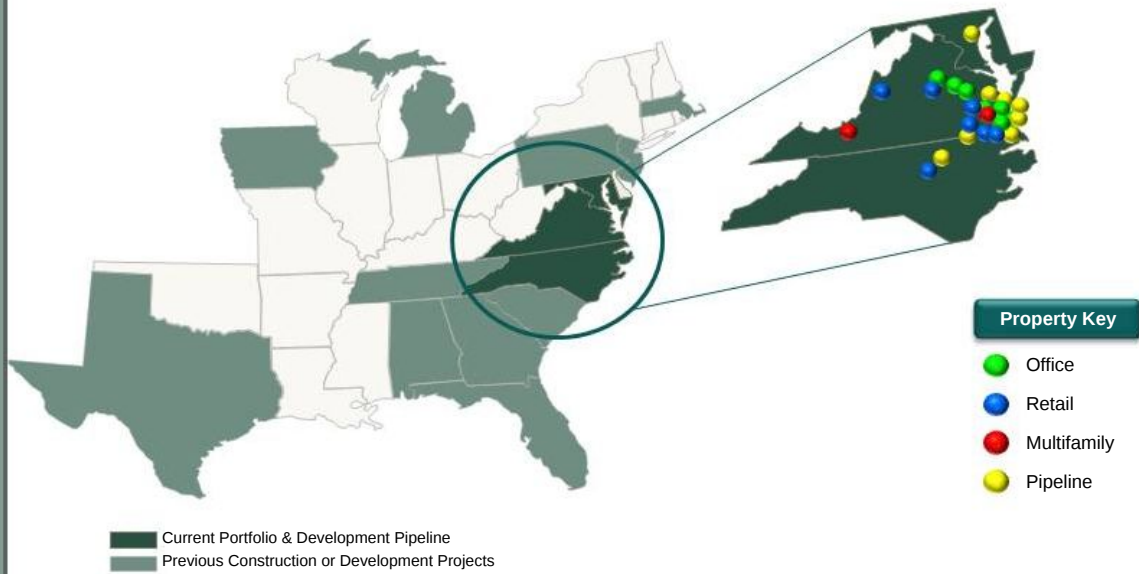
- ✓ Company Overview
- ✓ Stable Portfolio
- ✓ Development Pipeline
- ✓ Construction Fee Business





# National Reach with Strategic Mid-Atlantic Focus

*AHH's portfolio is concentrated in attractive markets with diverse growth drivers and favorable supply/demand characteristics*



# Deep and Extensive Relationships

Armada Hoffler has built irreplaceable relationships and credibility over decades executing large, complex, multi-use projects:

- Provides unique access
- Drives repeat business
- National referral base
- Sustainable competitive advantage

## Construction, Development and Corporate Relationships



## Public & Private Partnerships



# Executive Team



**Daniel A. Hoffer**  
Chairman of the Board



**A. Russell Kirk**  
Vice Chairman  
of the Board



**Louis S. Haddad**  
President & CEO



**Anthony P. Nero**  
President of  
Development



**Shelly Hampton,**  
President of Asset  
Management



**Eric Apperson**  
President of  
Construction



**Michael P. O'Hara**  
Chief Financial Officer



**Eric L. Smith**  
VP of Operations

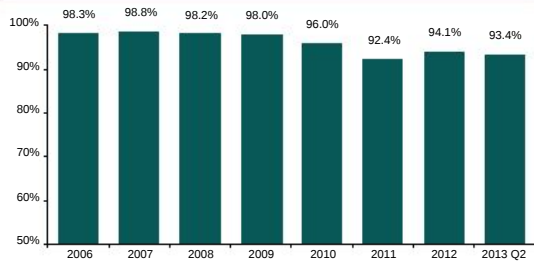
# Agenda

- ✓ Company Overview
- ✓ Stable Portfolio
- ✓ Development Pipeline
- ✓ Construction Fee Business

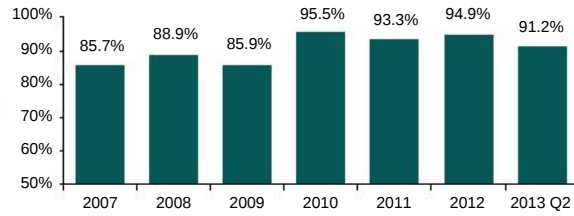


# Stable Portfolio

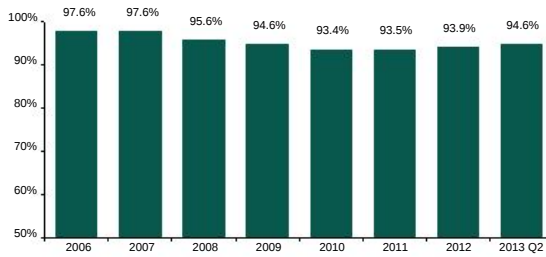
## Historical Office Occupancy <sup>(1)</sup>



## Historical Multifamily Occupancy <sup>(1)</sup>



## Historical Retail Occupancy <sup>(1)</sup>



(1) Occupancy as of 12/31 for each period except for 2013 Q2

# Well Managed Lease Terms

## Well-managed Office Lease Terms

(% Office Portfolio ABR) <sup>(1)</sup>



## Well-managed Retail Lease Terms

(% Retail Portfolio ABR) <sup>(1)</sup>



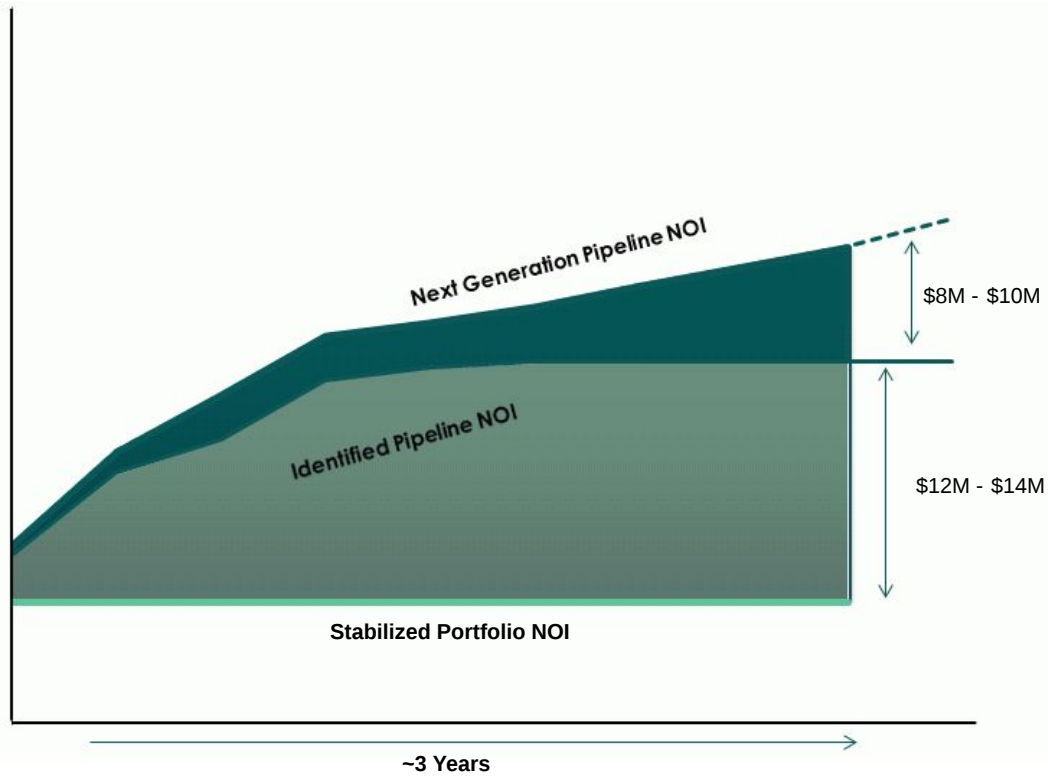
(1) As of 6/30/13

# Agenda

- ✓ Company Overview
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# Value Creation of Pipeline Portfolio

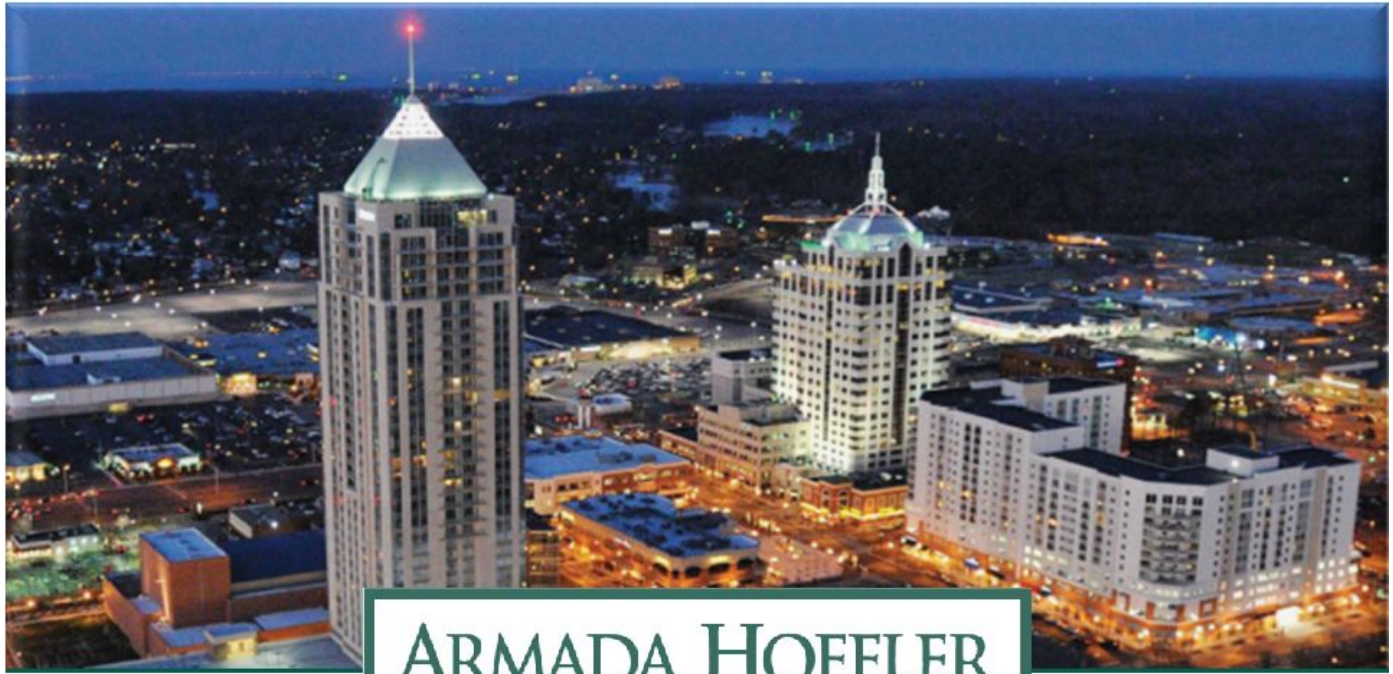




# Agenda

- ✓ Company Overview
- ✓ Stable Portfolio
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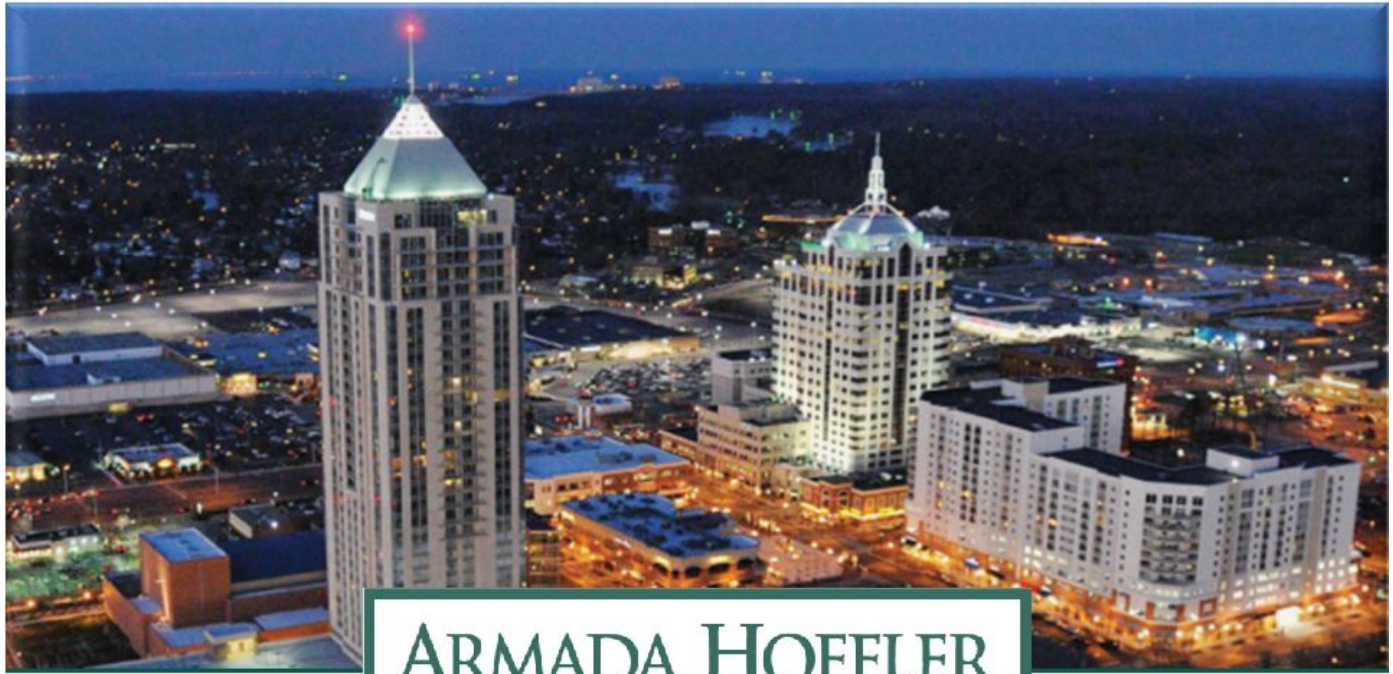
# ARMADA HOFFLER

P R O P E R T I E S

## CEO Remarks

Lou Haddad





# ARMADA HOFFLER

P R O P E R T I E S

## Development Update

Tony Nero, President of Development



# Pipeline Represents ~ \$175 Million

\$ in thousands

Property	Location	Property Type	Estimated Cost	Estimated Date of Completion
4525 Main Street (Main Street Office)	Virginia Beach, VA	Office	\$ 50,863	Q3 2014
Encore Apartments (Main Street Apartments)	Virginia Beach, VA	Multifamily	32,845	Q3 2014
Whetstone Apartments (Jackson Street Apartments)	Durham, NC	Multifamily	27,857	Q3 2014
Sandbridge Commons	Virginia Beach, VA	Retail	13,675	Q1 2015
Brooks Crossing	Newport News, VA	Office	12,793	Q1 2015
Greentree Shopping Center	Chesapeake, VA	Retail	5,402	Q3 2014
Liberty Apartments (Apprentice School Apartments)	Newport News, VA	Multifamily	31,900	Q4 2013 <sup>(1)</sup>
			<b>\$ 175,335</b>	

New Projects to be delivered in 2014-2015

(1) Could be delayed up to 2 months



# 4525 Main Street



# Encore Apartments

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PROPERTIES



# Whetstone Apartments



# Whetstone Apartments





# Sandbridge Commons

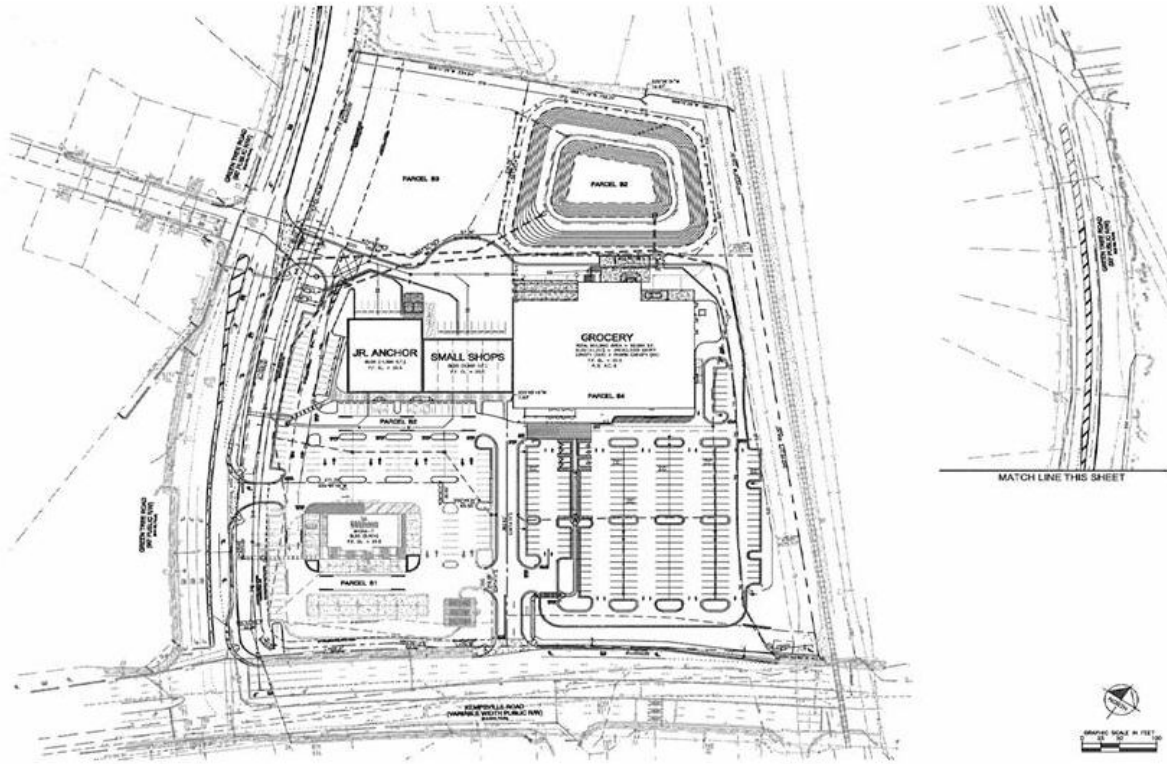
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PROPERTIES



# Brooks Crossing



# Greentree Shopping Center



# Johns Hopkins Project

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PROFESSIONALS



**JHU CHARLES VILLAGE MIXED-USE PROJECT**

**PEDESTRIAN VIEW ALONG ST. PAUL ST.**

BALTIMORE, MARYLAND  
SEPTEMBER 06, 2013

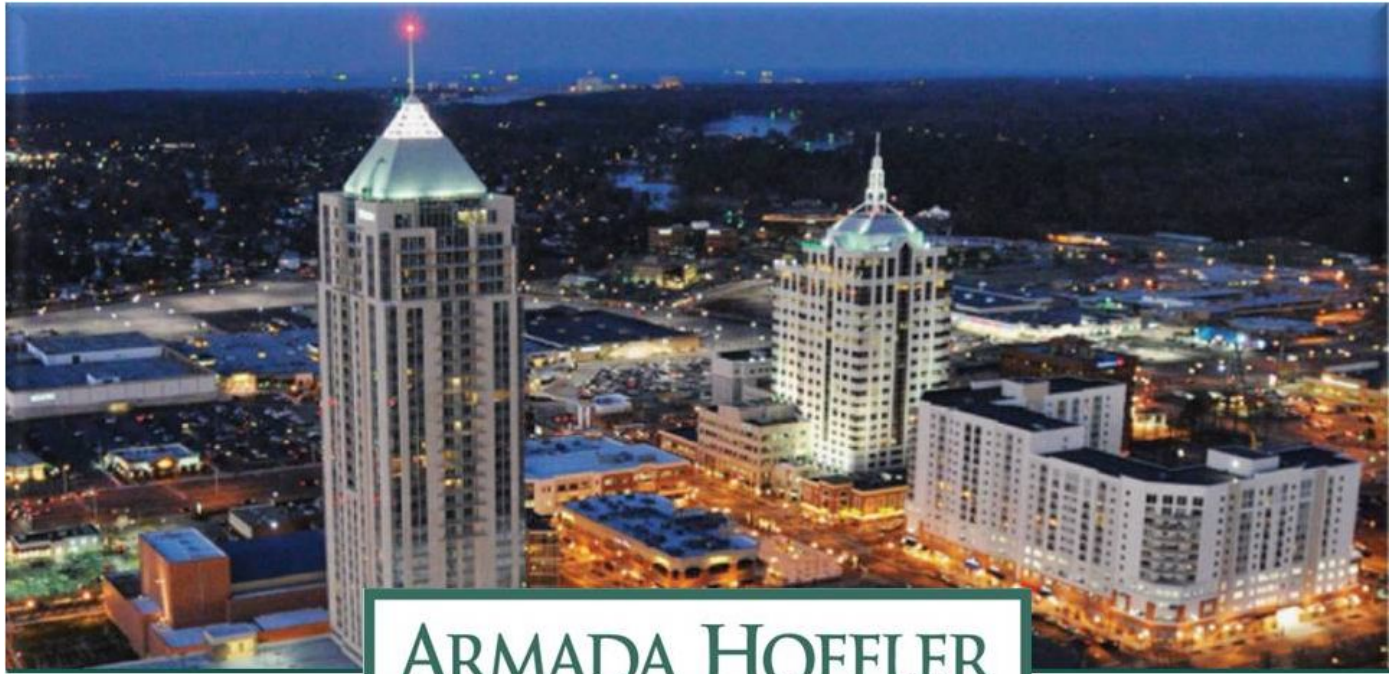
**33RD & ST. PAUL**  
DESIGN COLLECTIVE  
© DESIGN COLLECTIVE, INC., 2013. ALL RIGHTS RESERVED

# Liberty Apartments

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PROFESSIONAL







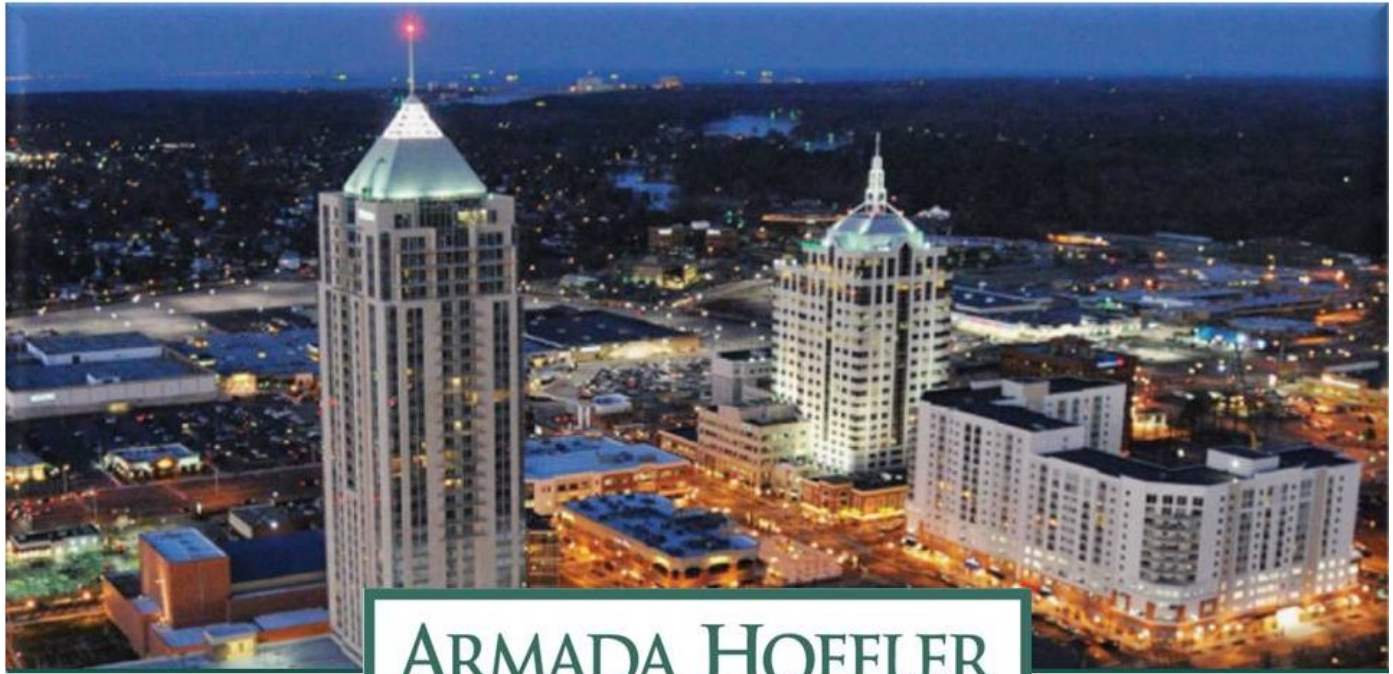
# ARMADA HOFFLER

P R O P E R T I E S

## Development Update

Tony Nero, President of Development





# ARMADA HOFFLER

P R O P E R T I E S

## The Stable Portfolio

Shelly Hampton, President of Asset Management



# Agenda

- ✓ Asset Management Objectives
  - Value Maximization
  - Risk Management
  
- ✓ Diverse, Stable Portfolio
  
- ✓ Lease Expiration and Rollover Strategies



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# Agenda

## ✓ Asset Management Objectives

- Value Maximization
- Risk Management

## ✓ Diverse, Stable Portfolio

## ✓ Lease Expiration and Rollover Strategies

# Diverse, Stable Mid-Atlantic Portfolio

## Office

- 7 properties 1.0 million SF
- 93.4% occupied
- 294,000 SF in pipeline

## Retail

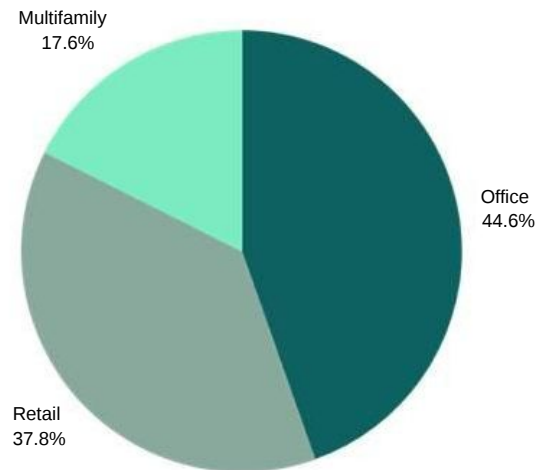
- 15 properties 1.1 million SF
- 94.6% occupied
- 90,600 SF in pipeline

## Multi-Family

- 2 properties totaling 626 units
- 91.2% occupied
- Estimated 688 units in pipeline

## Portfolio by Asset Class

(% Total Portfolio ABR)



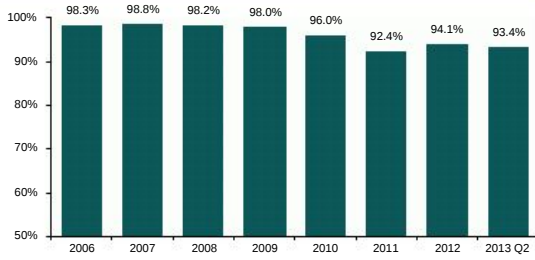
As of 6/30/13

# Agenda

- ✓ Asset Management Objectives
  - Value Maximization
  - Risk Management
- ✓ Diverse, Stable Portfolio
- ✓ Lease Expiration and Rollover Strategies

# Strategy for Office Lease Rollover

## Historical Occupancy <sup>(1)</sup>



## Well-managed Lease Terms

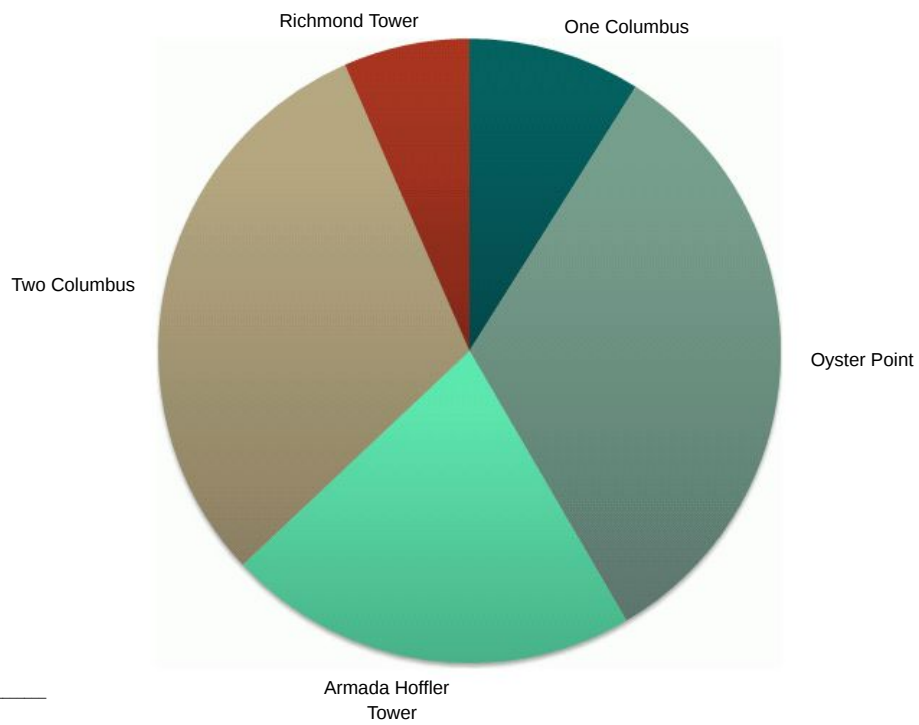
(% Office Portfolio ABR) <sup>(2)</sup>



(1) Occupancy as of 12/31 for each period except for 2013 Q2  
 (2) As of 6/30/13

# Strategies for Office Lease Vacancies

## 6.6% Office Vacancy by Property

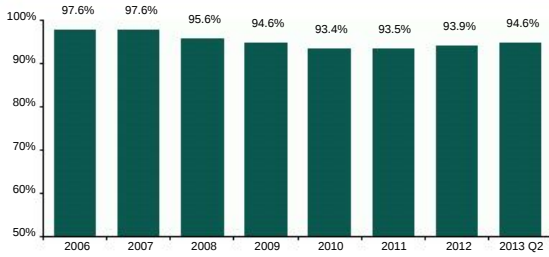


As of 6/30/13

# Attractive Portfolio Fundamentals

## Retail

### Historical Occupancy <sup>(1)</sup>



### Well-managed Lease Terms

(% Retail Portfolio ABR) <sup>(2)(3)</sup>



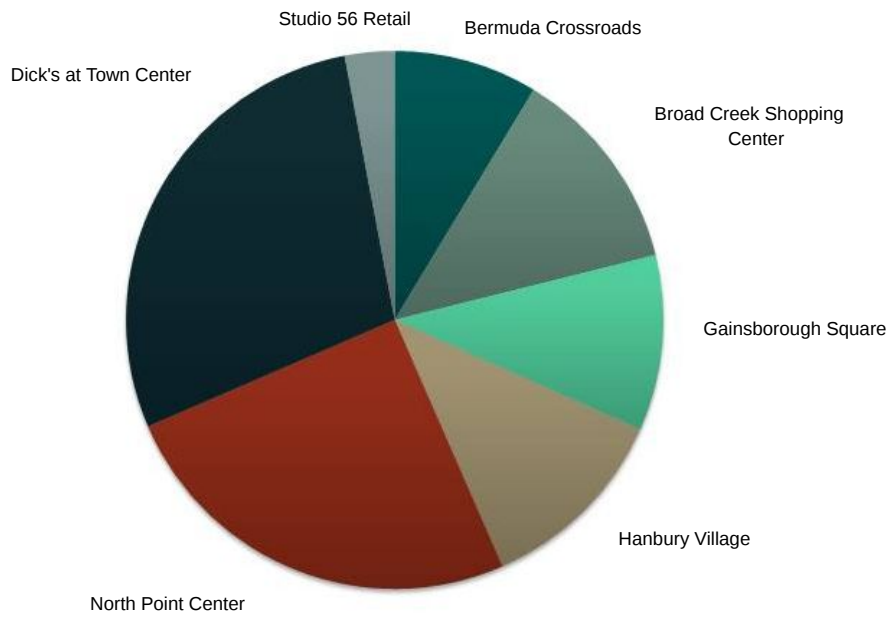
(1) Occupancy as of 12/31 for each period except for 2013 Q2  
 (2) Excludes ground leases  
 (3) As of 6/30/13

### Representative Tenants



# Strategy for Retail Lease Vacancy

## 5.4% Retail Vacancy by Property



As of 6/30/13



# Multifamily Overview

Our contributed portfolio consists of 2 properties totaling 626 units that are 91.2% occupied with an additional 3 properties and 688 units in the pipeline <sup>(2)</sup>

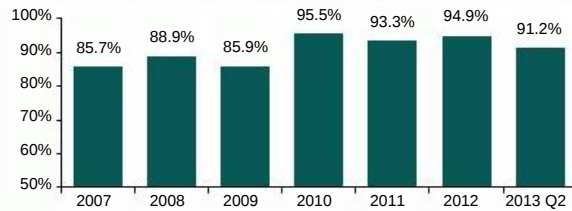


**The Cosmopolitan Apartments**  
Virginia Beach, VA  
342 units  
Built in 2006<sup>(3)</sup>

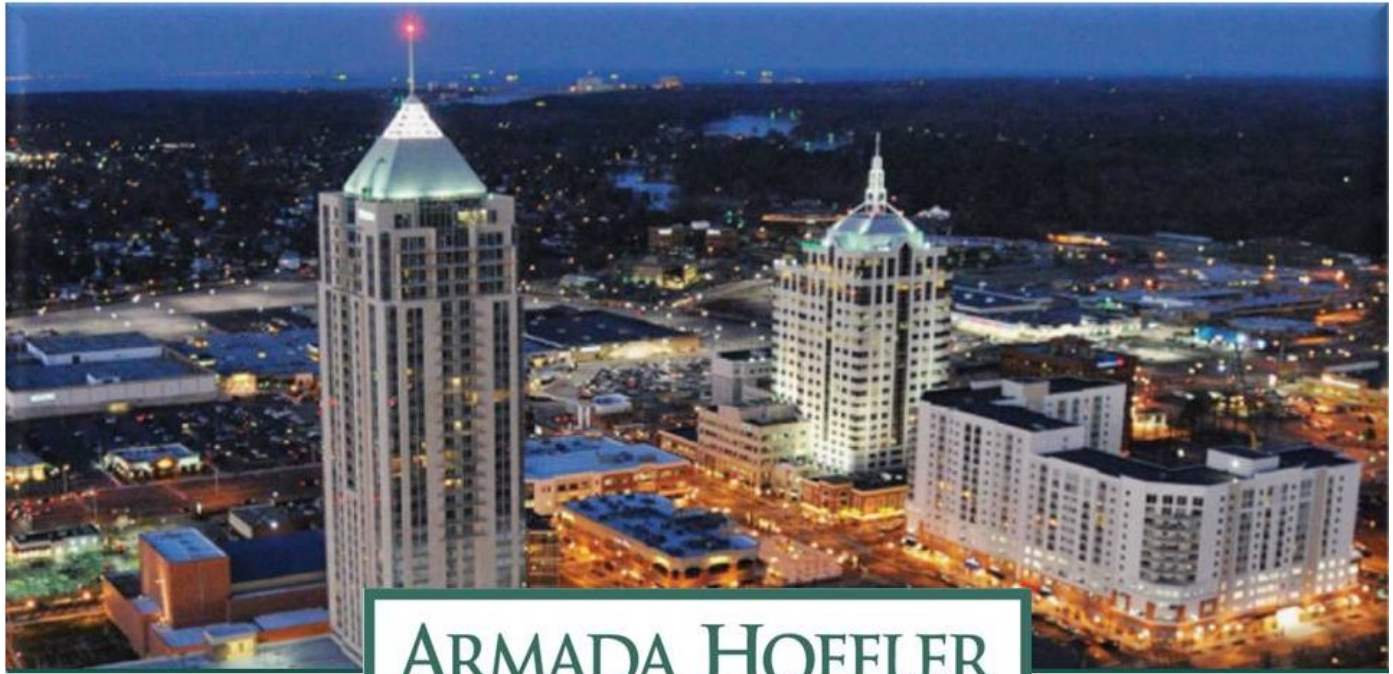


**Smith's Landing**  
Blacksburg, VA  
284 units  
Built in 2009

## Historical Occupancy <sup>(1)</sup>



(1) Occupancy as of 12/31 for each period except for 2013 Q2  
 (2) Represents estimates that may change as the development process proceeds  
 (3) 2007 was first year of operations



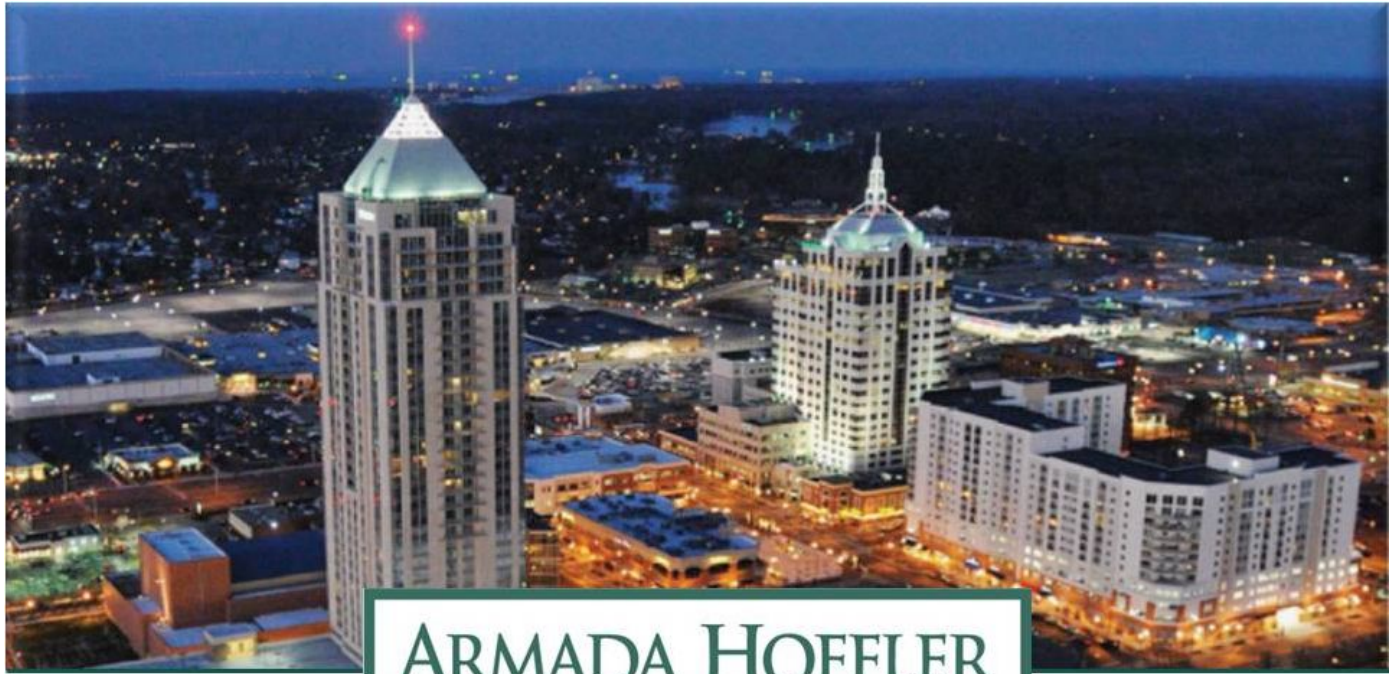
# ARMADA HOFFLER

P R O P E R T I E S

## The Stable Portfolio

Shelly Hampton, President of Asset Management





# ARMADA HOFFLER

P R O P E R T I E S

## Construction Insight

Eric Apperson, President of Construction



# Benefits of Construction Platform

- Support development pipeline
  - Provide accurate insight into construction cost environment
  - Manage construction **costs** throughout development project
  - Manage construction **risks** throughout development projects
  - Ensure timely delivery of REIT's development pipeline projects
- Source both third-party construction projects and development pipeline opportunities by projecting strength, skill, and success to existing and potential clients
- Provide consistent source of incrementally accretive FFO

# Managing Successful Construction Projects – Risk Management

- Risk: Subcontractor financial status, safety record, insurance coverage, licensure, staff, etc.
  - *Solution: Prequalification process conducted by our staff accountants, safety department, preconstruction department and executives.*
- Risk: Owner contract terms
  - *Solution: Complete review and specific negotiations of terms.*
- Risk: Project cost control
  - *Solution: Monthly review of accounting reports and quarterly detailed analysis performed by project management, controller and construction executives.*



# Managing Successful Construction Projects – Risk Management (continued)

- Risk: Subcontractors paying their suppliers and sub-subcontractors
  - *Solution: Conduct monthly supplier payment inquiries and/or require joint checks.*
- Risk: Stored material payments to subcontractors
  - *Solution: Detailed process including requiring affidavits, invoices, bill of sale, lien waivers or joint checks, insurance, and physical confirmation of material. This ensures that we are getting value for the payment, that the payment gets to the provider, that we own the material, and that it is insured.*
- Risk: Deposits for material
  - *Solution: Require an advanced payment bond to ensure that we have collateral.*



# Managing Successful Construction Projects – Risk Management (continued)

- Risk: Subcontract and supplier procurement
  - *Solution: Require a material and purchasing tracking log for each project. These logs determine the dates for bidding the trade work, contracting the trade work, material and system submittal and show fabrication and delivery time frames.*
- Risk: Schedule management and delays
  - *Solution: The best way to manage is by being proactive and communicate. Prepare a schedule with enough time to perform the work including a reasonable amount of weather related impact days. We typically use Saturday as a make-up day for time lost during the week. Monitor and manage the schedule daily by the superintendent, weekly in staff meetings, and discuss monthly with the owner. Follow all notice provisions in the owner contract regarding lost production due to weather related impacts.*

# Case Study on a Challenging Construction Projects

## Four Seasons / Legg Mason

- Schedule – one year from pouring the slab on grade to substantial completion of a 520,000 SF, 25-story office tower including Legg Mason's interior improvements.
- Slurry Wall – 30" thick slurry wall installed around a 3.5 acre site within 20' of Baltimore's Inner Harbor (Patapsco River).
- Mass excavation – Excavate 240,000 cubic yards of dirt, to a depth of 65' below street level.
- Impacted Soil – Adjacent to Allied Signal Superfund chromium site. The site had inherent groundwater issues. Special provisions necessary to ensure no ground water migration during construction.
- 35% MBE participation – 28% MBE and 7% WBE
- Four Seasons Hotel Five-star quality finishes
- LEED –Legg Mason tower is certified

# Case Study on a Challenging Construction Projects

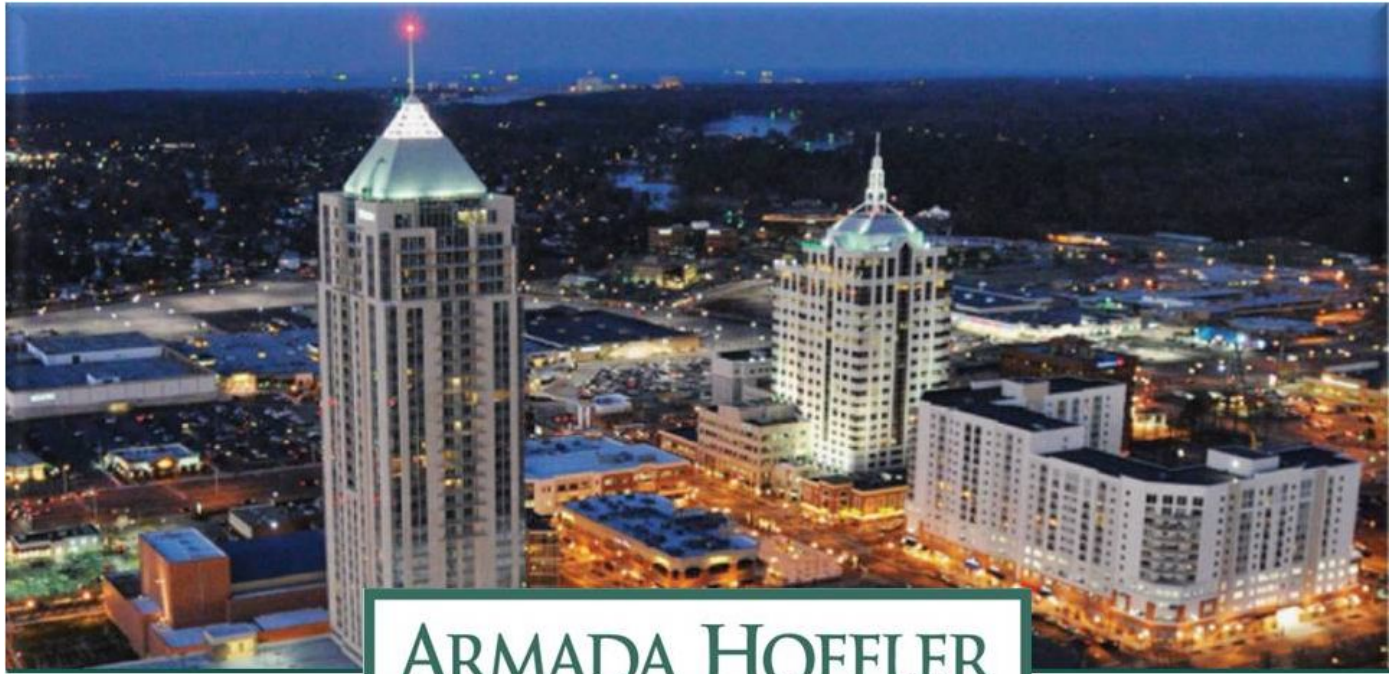
## Harbourside Project

- The project is in very close proximity to both the Potomac River and Rock Creek.
- There were historic piles (George Washington era) in Rock Creek that could not be disturbed requiring detailed protection of the creek bank.
- The schedule had to acknowledge the prohibition of work adjacent to Rock Creek during shad spawning season.
- The project included an underground parking garage that was within 20 feet of Rock Creek requiring the full building perimeter to be surrounded by sheet piling and a down hole pump dewater system to prevent water infiltration into the construction site.
- Part of the project included the Swedish Embassy. The concept design was from the winner of a Swedish design competition. At the request of the Swedish Government, a Swedish glass subcontractor furnished and installed the exterior glass, including mobilizing a Swedish work force for the installation.

# Third Party Construction Pipeline Update

- \$117.3 million in Total Value under Contract
- \$59.1 million in Cost in Place
- \$58.2 million in Cost to Complete
- \$200.0 million in Total Value under Negotiation

As of 6/30/13



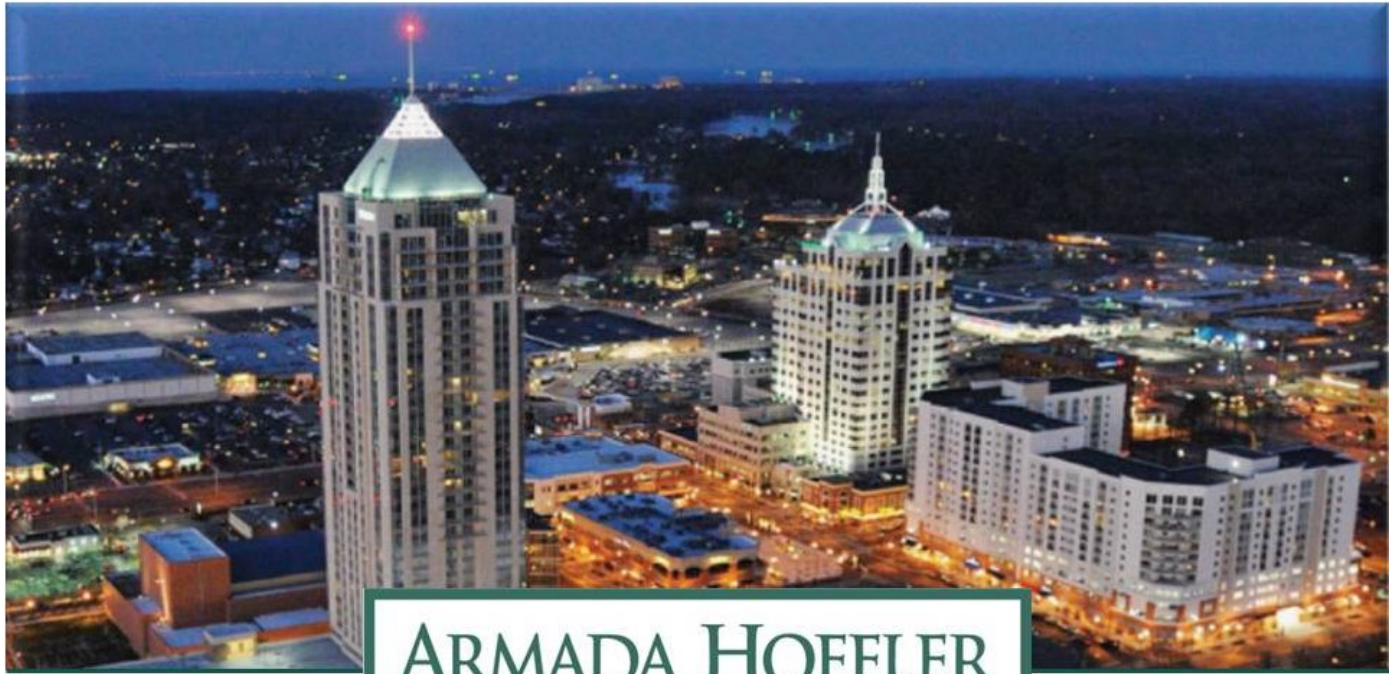
# ARMADA HOFFLER

P R O P E R T I E S

## Construction Insight

Eric Apperson, President of Construction





# ARMADA HOFFLER

P R O P E R T I E S

## Financial Highlights

Mike O'Hara, Chief Financial Officer





# Agenda

- ✓ 2Q 13 Highlights
- ✓ Managing the Balance Sheet
- ✓ Second half of 2013



# Pro Forma Core Funds from Operations

\$ in Thousands	<u>Three months ended</u>
<u>Funds from Operations (FFO)</u>	<u>6/30/2013</u>
	(Unaudited)
Net income	\$8,404
Depreciation and amortization	4,020
Gain on acquisitions	(9,460)
Real estate joint ventures	(78)
<b>FFO, as defined by NAREIT</b>	<b>2,886</b>
<b><u>Pro Forma FFO</u></b>	
FFO, as defined by NAREIT	2,886
Interest expense	1,060
Real estate joint ventures	285
General and administrative expenses	(200)
<b>Pro Forma FFO</b>	<b>4,031</b>
<b><u>Pro Forma Core FFO</u></b>	
Pro Forma FFO	4,031
Loss on extinguishment of debt	1,125
Non-cash stock compensation	769
Impairment charges	533
<b>Pro Forma Core FFO</b>	<b>\$6,458</b>
<b>Pro Forma Core FFO per share</b>	<b>\$0.20</b>
<b>Common Shares and Units Outstanding</b>	<b>32,223</b>

# Agenda

✓ 2Q13 Highlights

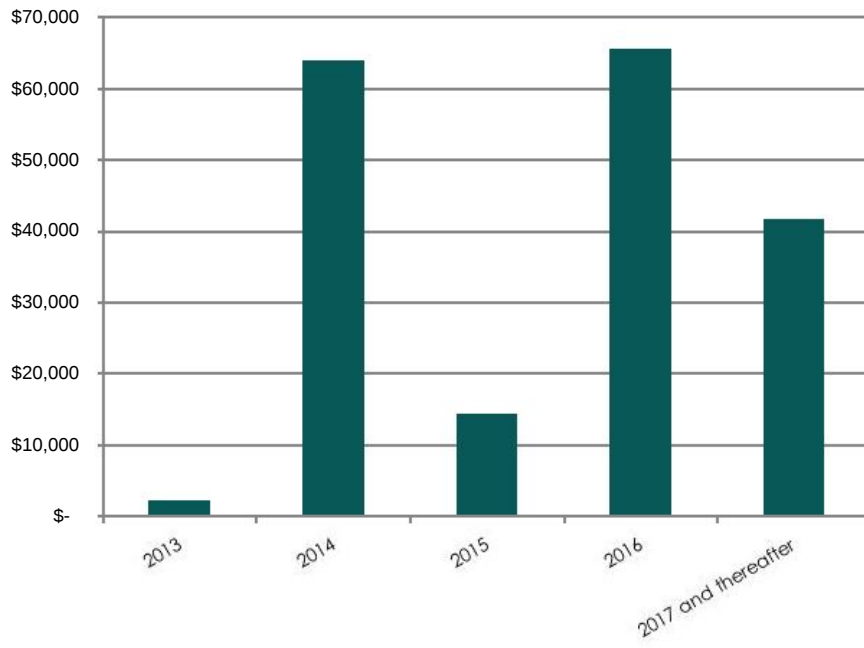
✓ Managing the Balance Sheet

✓ Second half of 2013



# Debt Maturity

\$ in Thousands

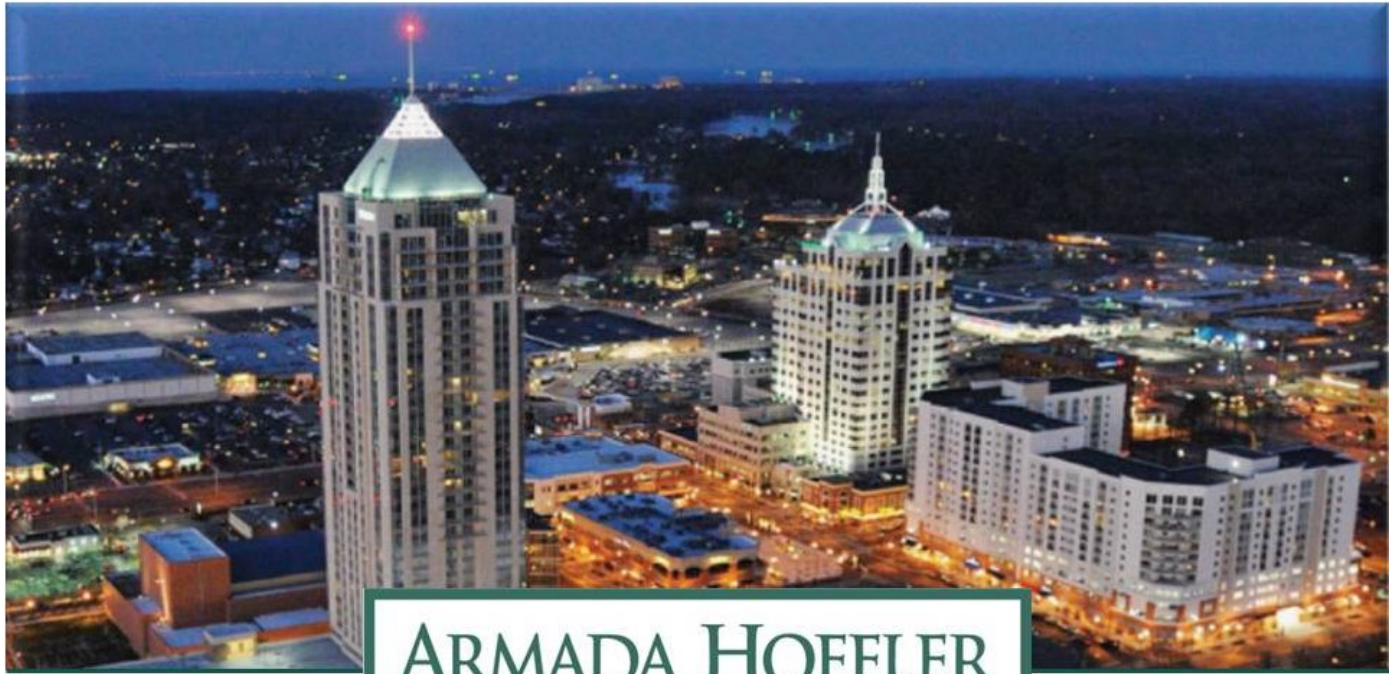


As of 6/30/13

# Agenda

- ✓ 2Q13 Highlights
- ✓ Managing the Balance Sheet
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# ARMADA HOFFLER

P R O P E R T I E S

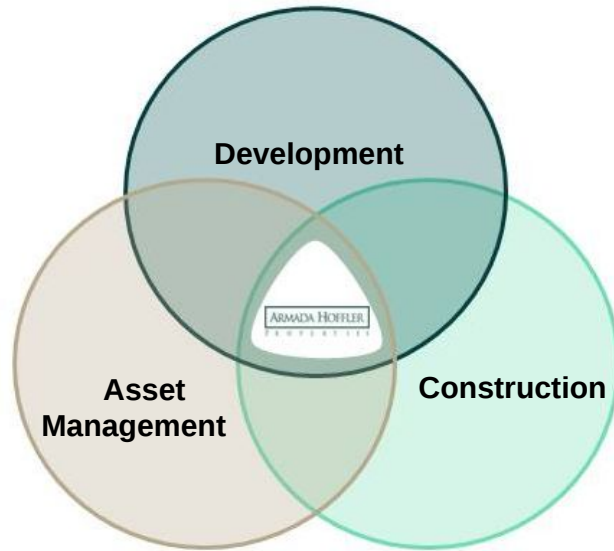
**CEO Summation**

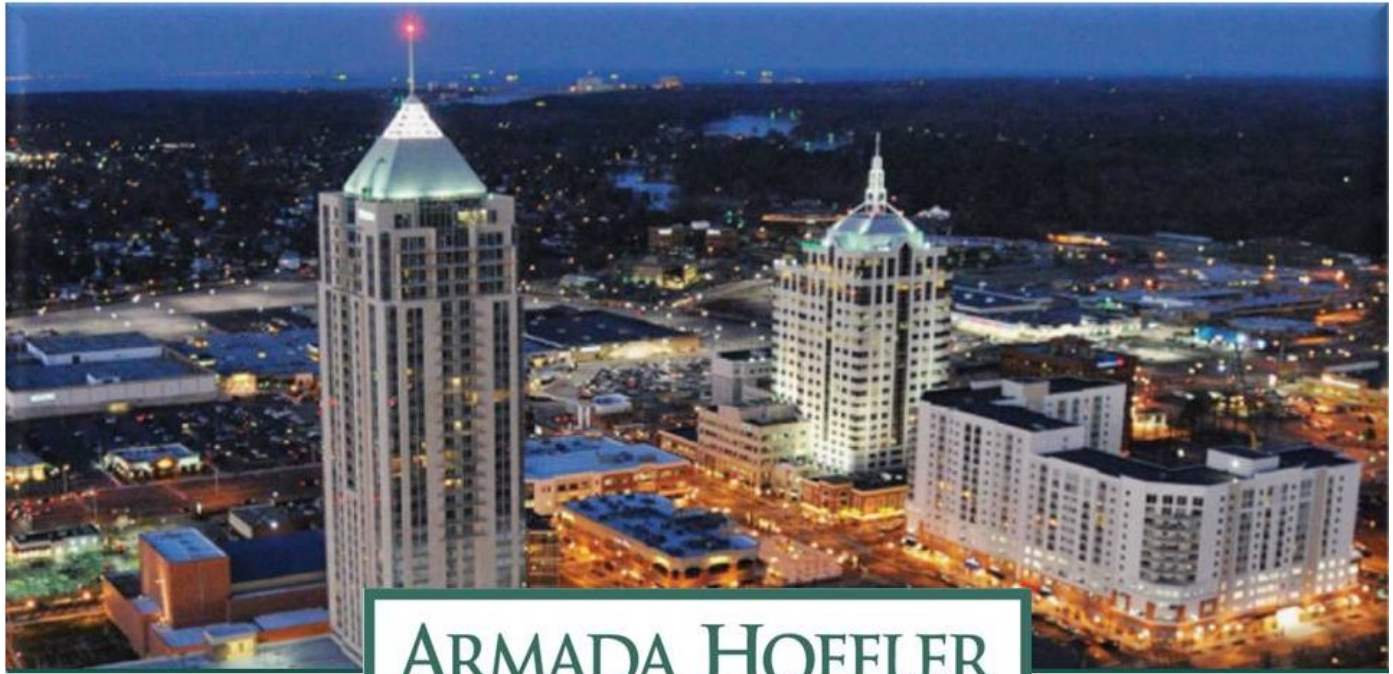
Lou Haddad





# Summation





# ARMADA HOFFLER

P R O P E R T I E S

Q&A



# VIRGINIA, HAMPTON ROADS AND VIRGINIA BEACH



Presented to Armada Hoffer Investors

# Introduction

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- ☑ As you know, a majority of Armada Hoffler's portfolio is located in Virginia
- ☑ The crown jewel of its portfolio is The Town Center of Virginia Beach
- ☑ Which is located in the Hampton Roads Metropolitan Statistical Area (MSA)
- ☑ In order to understand the underlying strength of its portfolio, I will cover the demographics of the state, Hampton Roads area, and Virginia Beach

# Virginia's Location



- ☑ 40 percent of the nation's population within a day's drive
- ☑ Integrated transportation system of highways, railroads, airports and seaports
- ☑ Proximity to Washington DC and federal policy makers and government system

# Virginia is Best for Business

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## ***State of Virginia Accolades:***

- ☑ Number One for Pro-Business Climate (Edina Real Estate Inc, 2011)
- ☑ America's Top State for Business (CSIS, 2011)
- ☑ Forbes.com: Virginia is One of the Best States for Business
- ☑ Top Performing State Government for planning and management of money, people, information and infrastructure



# Why Virginia?

- ☑ Low Business Costs
- ☑ High Quality of the Workforce
- ☑ Reasonable Cost of Living
- ☑ Business Friendly
- ☑ Northernmost Right-to-Work State
- ☑ Impressive Economic Growth



# Virginia: Business First

- ☑ AAA Bond rating maintained since 1938, longer than any other state
- ☑ Corporate income tax of 6% not increased since 1972
- ☑ Streamlined permitting process
- ☑ Recruitment training programs help businesses become operational faster



# Robust State Economy



- ☑ Birthplace of the Internet
- ☑ Leading center of software development
- ☑ One of only four states capable of launching communications and other commercial satellites into space
- ☑ Biomedical and telemedicine burgeoning industries

# Robust State Economy



- ☑ More than 17,000 high-tech establishments
- ☑ Ranks 3rd as recipient of federal R&D funds
- ☑ In top 10 of states for knowledge-based, globalized, IT-driven, entrepreneurial, innovation-based economy “2012 StateNewEconomyIndex” by Information Technology and Innovation Foundation
- ☑ Exported \$18.2 billion in merchandise in 2012

# Visiting Virginia

- Tourism generates \$21.2 billion in revenue, supports 210,000 jobs and provides \$1.36 billion in state and local taxes
  
- 200 Wineries named *One of 10 Best Wine Travel Destinations of 2012* (Wine Enthusiast)
  
- History includes Jamestown the First English Settlement, Colonial Williamsburg, Yorktown National Battlefield, Monticello, and Civil War sites



# State of Virginia Map

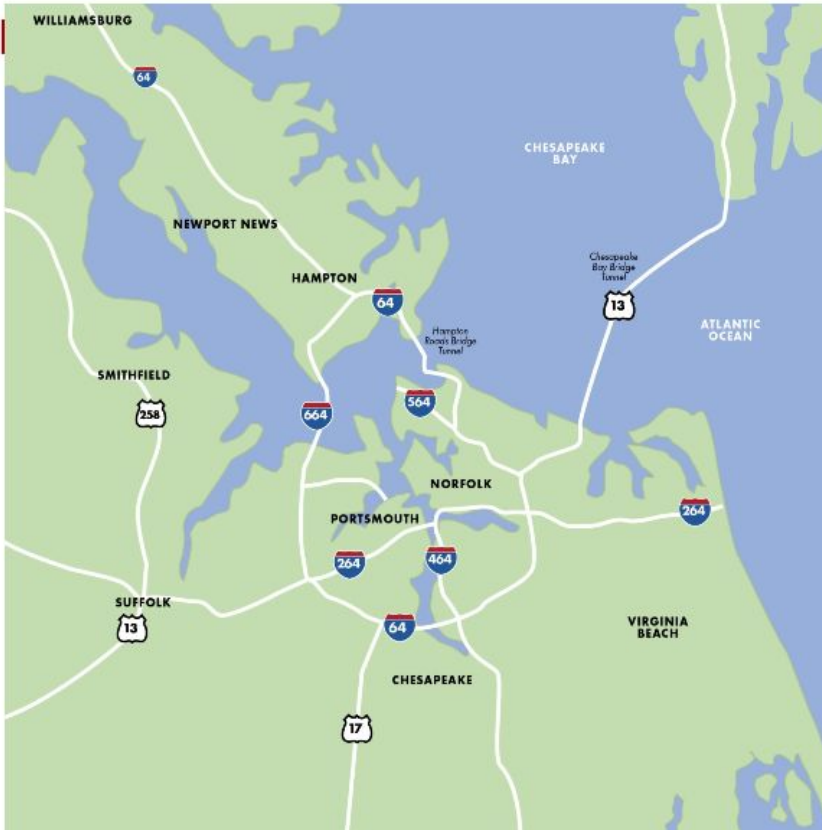


4 Major MSAs in Virginia in order of size:

1. Northern Virginia
2. Hampton Roads
3. Richmond Metro
4. Roanoke Valley



# Hampton Roads Map



MSA Population = 1.7 million  
DMA Population = 2.1 million

**Comprising:**

- Virginia Beach
- Norfolk
- Chesapeake
- Portsmouth
- Suffolk
- Hampton
- Newport News
- Poquoson
- Williamsburg
- Smithfield
- York County
- James City County
- Isle of Wight County

# Hampton Roads Location

- ☑ Southeastern seaboard of Virginia
- ☑ Home of world's largest natural deepwater harbor
- ☑ 33<sup>rd</sup> largest MSA in the country
- ☑ Ten cities and five counties
- ☑ Washington DC is 200 miles north
- ☑ Virginia's second largest MSA, and the State's first, second and third largest cities by population



# Hampton Roads Transportation

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- ☑ Two airports: Norfolk International Airport and Newport News/Williamsburg have over 250 direct flights daily
- ☑ Interstate 64 encircles the MSA
- ☑ Chesapeake Bay Bridge Tunnel saves 90 miles traveling to New York/New Jersey
- ☑ Three crossings between Peninsula and Southside: Monitor Merrimack Bridge Tunnel, Hampton Roads Bridge Tunnel and James River Bridge

# Hampton Road Transportation

- ☑ Light Rail Operating from Downtown Norfolk to Virginia Beach; to be Extended to Town Center and Convention Center/Resort Oceanfront
- ☑ Amtrak Service Now to Norfolk
- ☑ High Speed Rail Expected



# Hampton Roads Economy

- 2<sup>nd</sup> Best Performing Metro Economy in the Nation During the Recession,*  
 (Brookings Institution)



- Civilian labor force almost 800,000



- Large military and government contractors brings skilled pool of potential workers that few other MSAs enjoy



# Hampton Roads Industries

- ☑ Known for its ports and maritime-related industries: warehousing, distribution and logistics operations
- ☑ Defense-related industries
- ☑ Modeling and simulation
- ☑ Aerospace and aviation
- ☑ Shipbuilding, nuclear powered submarines and aircraft carriers
- ☑ Management (headquarters) operations





# Virginia Ports Advantages

- Only East Coast port with 50+ deep and unobstructed sea lanes and channels
- Already servicing larger “Post-Panamax” vessels expected to increase in number as Panama Canal expansion is completed
- Restructuring the Port of Virginia operations to improve efficiencies, customer services, to save \$3-6 million annually
- Port business up record-setting 10% more in fiscal year 2013
- Warehouse and distribution facility vacancies typically follow container volume increases
- Major big boxes already have distribution centers here; warehouse vacancy is already low
- Expect increase of jobs for supporting industries

# Hampton Roads Employers

- ☑ Huntington Ingalls Industries Newport News Shipbuilding: 22,000+ employees
- ☑ Sentara Healthcare: 10,000+ employees
- ☑ Smithfield Packing Company and Gwaltney of Smithfield, Ltd. Meat processing and packing
- ☑ Stihl, Inc. power tools
- ☑ Norfolk Southern Corporation (railway transportation)
- ☑ Norfolk Naval Shipyard
- ☑ Naval Medical Center of Portsmouth
- ☑ Riverside Health System
- ☑ Amerigroup/Wellpoint
- ☑ Dollar Tree
- ☑ Regional Tourism creates 12,000+ seasonal jobs

# International Focus

- ☑ Favored location for international companies, 160 firms from 27 countries
- ☑ From Switzerland, Germany, Japan, UK, Sweden, the Netherlands, Canada, France and many others



Germany



Japan



Iceland



Canada



Israel



Switzerland



Hong Kong



Denmark



United Kingdom



Sweden



Italy



India

# Hampton RoadCulture

- ☑ Chrysler Museum of Art
- ☑ Virginia Symphony
- ☑ Virginia Arts Festival
- ☑ Chrysler Hall
- ☑ Virginia Opera
- ☑ Virginia Stage Company
- ☑ Museum of Contemporary Art (MOCA)
- ☑ The Sandler Center for the Performing Arts
- ☑ Hampton Coliseum
- ☑ Norfolk Scope
- ☑ Virginia Living Museum
- ☑ Nauticus National Maritime Center
- ☑ Colonial Williamsburg
- ☑ MacArthur Memorial
- ☑ Busch Gardens
- ☑ nTelos Pavilion at Harbor Center
- ☑ Farm Bureau Live Virginia Beach Amphitheater
- ☑ Ferguson Center



# Hampton Road Retailers

- ☑ Nordstrom
- ☑ Brooks Brothers
- ☑ Ann Taylor
- ☑ Williams Sonoma
- ☑ Urban Outfitters
- ☑ Talbots
- ☑ Coach
- ☑ J.Crew
- ☑ Pottery Barn
- ☑ Whole Foods
- ☑ Trader Joe's
- ☑ Macy's
- ☑ Dillard's
- ☑ Chico's
- ☑ Apple



# The City of Virginia Beach

- ☑ 39<sup>th</sup> Most populous city in the United States with 438,000 residents
- ☑ Larger than Charlotte, Richmond, Austin, Salt Lake City, Milwaukee, Nashville and Indianapolis
- ☑ Encompasses 307 square miles
- ☑ 59 miles of waterfronts
- ☑ 100 miles of bikeways
- ☑ 2012 Tourism revenue \$1.28 Billion
- ☑ Tourism-related taxes over \$100 Million
- ☑ Government named *Best-run City in U.S.* (Wall Street Journal, January 2012)





# Virginia's Future: Offshore Wind

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- ☑ Virginia is one of only two sites on the Atlantic coast selected by the US government for commercial development of offshore wind power
- ☑ 23 Nautical miles out to sea lies coveted 113,000 acres where 1<sup>st</sup> utility-scale offshore wind farm may be operational in the next decade
- ☑ Hampton Roads could emerge as main source for building Colossus-sized wind turbines and the specially constructed ships needed to transport them

# Offshore Natural Gas Resources

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- ☑ VA could generate \$250 \$500 million in savings on natural gas over 30 years
- ☑ American Petroleum Institute estimates: leasing, drilling and development activity off VA's coast could generate 16,400 jobs by 2020
- ☑ \$644 million over 10 years in direct/indirect payroll to VA
- ☑ \$7.84 billion of new investment in Virginia
- ☑ Federal legislation could yield \$3 billion in royalties to VA over 30 years
- ☑ Maritime and Engineering industry in place to capture onshore investment

# Virginia Beach Accolades

- 2<sup>nd</sup> Most Business-Friendly City in America**  
 (CNN Money.com Report, June 2013)
- One of America's Hardest-Working Cities**  
 (Forbes, August 2013)
- One of America's 50 Best Cities**  
 (Bloomberg Businessweek, September 2012)
- #2 Best City in U.S. for Raising a Family**  
 (Wall Street Journal, January 2012)
- 6<sup>th</sup> Happiest City in the U.S. to Work**  
 (Forbes, January 2013)
- Fittest City in America**  
 (Facebook's Fittest Cities, 2013)
- Virginia Beach's Boardwalk Listed in Top 10 Great Public Spaces in America** (American Planning Association, October 2009)



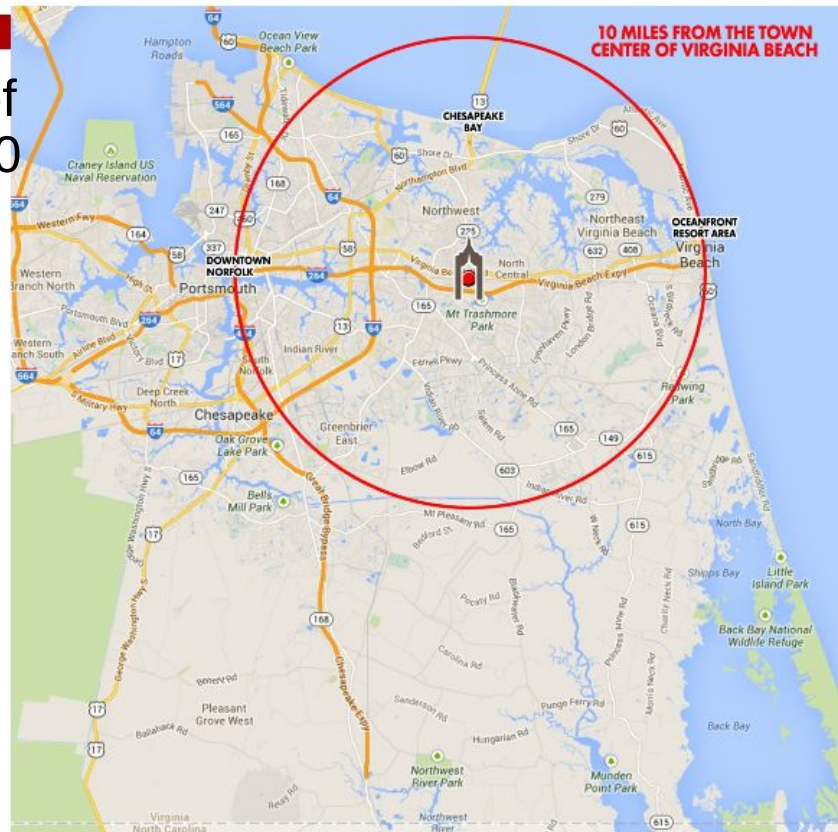
# Virginia Beach's Employers

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- ☑ SAIC –defense contractor
- ☑ STIHL, Inc. manufacturer of power driven tools
- ☑ GEICO –insurance
- ☑ Christian Broadcasting Network
- ☑ Sentara Medical Group
- ☑ Amerigroup/Wellpoint
- ☑ The economy has grown at an extraordinary average of 100 new businesses per month

# The Center of Everything

- ☑ The Town Center of Virginia Beach is 10 Miles from Downtown Norfolk
- ☑ 7.5 Miles from the Chesapeake Bay
- ☑ 10 Miles from the Virginia Beach Oceanfront Resort Area



# Virginia Beach Map

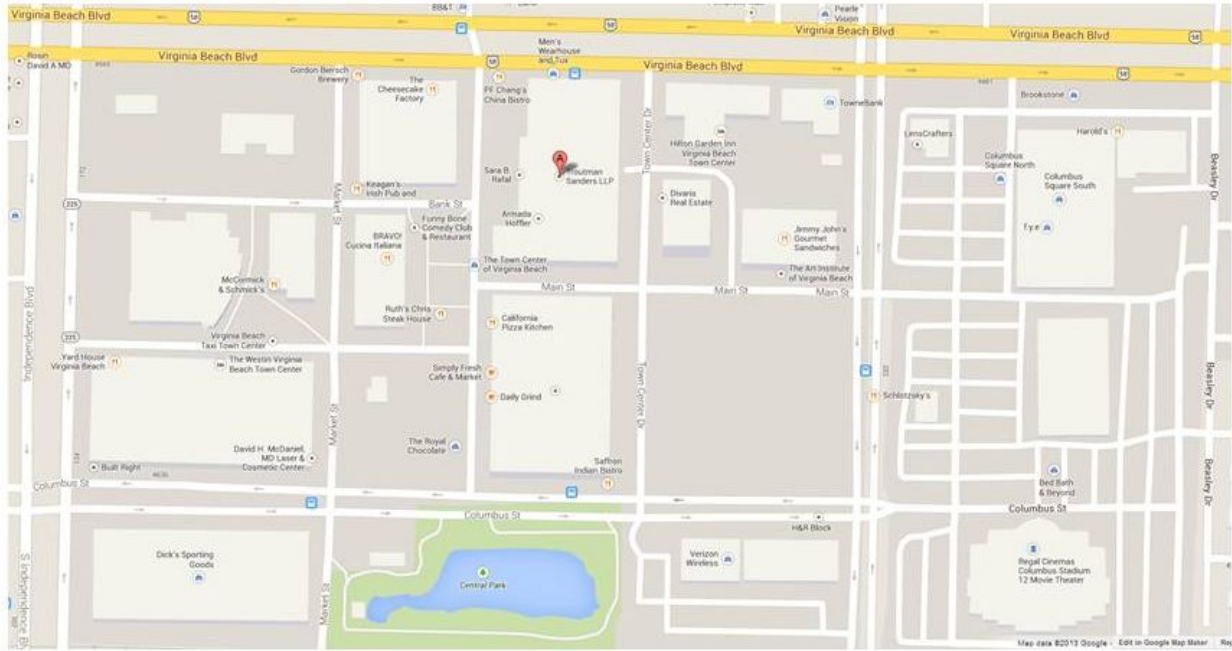
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- ☑ Bounded on South by North Carolina state line
- ☑ On East by Atlantic Ocean
- ☑ On North by Chesapeake Bay
- ☑ Interstate 264 Runs East-West from Oceanfront Resort Area to Downtown Norfolk



# Virginia Beach's CBD

Anchored by The Town Center of Virginia Beach, comprising 17 city blocks



# The Center of Everything

- ☑ Crossroads of the highest volume roadways headed "east/west" and "north/south"
- ☑ The largest commercial concentration with the lowest vacancy rates in Hampton Roads
- ☑ The tallest buildings in Virginia, creating a landmark location with largest allocation of expansion capability
- ☑ Only commercial node with light-rail running through it
- ☑ Largest concentration of institutions of higher education and city offices outside the Municipal Center
- ☑ Home of the Sandler Center for the Performing Arts, the central library, and the city's biggest post office.

# At the Beginning



# Town Center at Full Build-Out





# Town Center Demographics

DEMOGRAPHICS	3 MILES	5 MILES	7 MILES
Total Population (2012)	127,449	287,068	444,563
# of Households	49,753	107,949	166,444
HHs w Incomes \$75K+	15,169	35,363	55,432
Median Age	35.1	34.7	34.6

# True Income Levels

- Income figures are under-reported due to the young age and number of retirees in the region who receive retirement pay while starting second careers around age 40
- The U.S. Bureau of Economic Analysis (BEA) reports **Total Personal Income (TPI)** which goes beyond just income from one primary paycheck. It includes wages, dividends, interest, rents, pensions, and retirement plans
- The adjusted Average Annual Household Income using **Total Personal Income** for the City of Virginia Beach increases by 35% to \$116,843 added to which the non-monetary benefits such as VA Loans, free medical, use of commissary, etc. add to the disposable income available to a large segment of the population
- Hampton Roads spends more on retail on a per capita basis because of this additional discretionary income

# Conclusion

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- ☑ Armada Hoffler's strategic position as the preeminent developer and property owner headquartered in Virginia Beach will enable it to take advantage of
- ☑ the strong economic foundations of Virginia;
- ☑ the stable and growing, diversified economy in Hampton Roads with
- ☑ its young, fit and economically healthy population



# The New Virginia Beach



**ARMADA HOFFLER PROPERTIES TO HOST INVESTOR DAY**

VIRGINIA BEACH, VA, September 20, 2013—Armada Hoffler Properties, Inc. (NYSE: AHH), announced that it will host an Investor Day on Tuesday, Sept. 24, 2013. The Company will webcast the presentations by the Armada Hoffler management team, beginning at 12:30 p.m. EDT.

To access the broadcast, listeners should go to the Investor Relations page of the Company's website, [www.ArmdaHoffler.com](http://www.ArmdaHoffler.com), at least 10 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. For those unable to listen to the live broadcast, an online replay will be available on the Company's website until midnight, October 8, 2013.

**About Armada Hoffler Properties, Inc.**

Armada Hoffler Properties, Inc. is a full service real estate company with extensive experience developing, building, owning and managing high-quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. The Company has elected to be taxed as a real estate investment trust (REIT) for U.S. federal income tax purposes.

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