

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): August 4, 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 August 4, 2020, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of June 30, 2020, results of operations for the three months ended June 30, 2020, and other related information. Also on August 4, 2020, the Company made available on its website at www.ArmadaHoffer.com certain supplemental information concerning the Company's financial results and operations for the three months ended June 30, 2020. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

The disclosure contained in Item 2.02 is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated August 4, 2020, issued by Armada Hoffer Properties, Inc., providing its financial position as of June 30, 2020 and results of operations for the three months ended June 30, 2020.
99.2	Armada Hoffer Properties, Inc. Second Quarter 2020 Supplemental Information.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

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

ARMADA HOFFLER PROPERTIES, INC.

Date: August 4, 2020

By: /s/ Michael P. O'Hara

Michael P. O'Hara

Chief Financial Officer, Treasurer and Secretary



ARMADA HOFFLER PROPERTIES REPORTS SECOND QUARTER 2020 RESULTS

Net Income of \$0.14 Per Diluted Share

Normalized FFO of \$0.29 Per Diluted Share

Company Issues Updated 2020 Full-Year Normalized FFO Guidance of \$1.09 to \$1.13 Per Diluted Share

Board of Directors Declared Cash Dividend of \$0.11 Per Common Share

VIRGINIA BEACH, VA, August 4, 2020 – Armada Hoffer Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended June 30, 2020 and provided an update on current events and the impact of COVID-19.

Second Quarter and Recent Highlights:

- Net income attributable to common stockholders and OP Unit holders of \$11.2 million, or \$0.14 per diluted share, compared to \$6.0 million, or \$0.08 per diluted share, for the three months ended June 30, 2019.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.0 million, or \$0.28 per diluted share, compared to \$19.1 million, or \$0.27 per diluted share, for the three months ended June 30, 2019. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$22.6 million, or \$0.29 per diluted share, compared to \$21.2 million, or \$0.30 per diluted share, for the three months ended June 30, 2019.
- Issued updated 2020 full-year Normalized FFO guidance in the range of \$1.09 to \$1.13 per diluted share. 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 93.6% as of June 30, 2020 compared to 95.6% as of March 31, 2020. The Company's June 30, 2020 occupancy includes office at 97.0%, retail at 95.1%, and multifamily at 87.9%. Without the seasonal effect of the student housing properties, multifamily occupancy was 93.9%, which is higher than the sector's occupancy of 93.5% at March 31, 2020.
- Positive releasing spreads on office lease renewals during the second quarter of 8.6% on a GAAP basis and 4.7% on a cash basis. Positive releasing spreads on retail lease renewals during the second quarter of 7.7% on a GAAP basis and 5.5% on a cash basis.
- Collected 87% of portfolio rents for the second quarter, including 100% of office tenant rents, 99% of multifamily tenant rents, and 72% of retail tenant rents. See pages 27-28 of the supplemental financial package for more details.
- Collected 93% of portfolio rents for the month of July, including 100% of office tenant rents, 97% of multifamily tenant rents, and 86% of retail tenant rents.
- Ended the second quarter with \$193.7 million of third-party construction backlog. All third-party construction sites remain active and fully operational.

- Sold a portfolio of seven unencumbered retail assets comprising over 630,000 square feet, or 15% of the Company's retail portfolio, for \$90.0 million.
- Terminated the 69,000 square foot lease with WeWork for the top two floors of the Wills Wharf office building at Harbor Point on the Baltimore waterfront.
- Board of Directors declared third quarter cash dividend of \$0.11 per common share payable on October 8, 2020 to stockholders of record on September 30, 2020.
- Board of Directors declared cash dividend of \$0.421875 per share on its Series A Cumulative Redeemable Perpetual Preferred Stock payable on October 15, 2020 to stockholders of record on October 1, 2020.
- Student housing portfolio 95% pre-leased for the 2020-2021 academic year.

"Although there remains a fair amount of uncertainty surrounding the effects of the virus on the economy, I am pleased to report that the first half of 2020 represented the strongest six months of earnings in our Company's history," said Louis Haddad, President & CEO. "We believe that with our multiple property types and operating divisions, we will thrive in what will likely be a slow and uneven return to normalcy over the next 18 to 24 months. Over the next few quarters, we believe that investors will recognize the demonstrable strength of our diversified model, the quality of our portfolio, the value of our construction and development platforms, and the determination of our management team, one that has successfully guided this Company through the previous four economic downturns."

Financial Results

Net income attributable to common stockholders and OP Unit holders for the second quarter increased to \$11.2 million compared to \$6.0 million for the second quarter of 2019. The period-over-period change was primarily due to increased operating income from the property portfolio as a result of property acquisitions and the completion of development projects. Additionally, the increase was caused by the gain on sale recorded upon the disposition of operating properties during the second quarter of 2020 and changes in fair value of interest rate derivatives. These increases were partially offset by a decrease in interest income and an increase in the allowance for bad debt (recorded as an adjustment to rental revenues) in the retail portfolio as a result of the COVID-19 pandemic.

Normalized FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$22.6 million compared to \$21.2 million for the second quarter of 2019. FFO attributable to common stockholders and OP Unit holders for the second quarter increased to \$22.0 million compared to \$19.1 million for the second quarter of 2019. The period-over-period changes in Normalized FFO and FFO were positively impacted by property acquisitions and completion of development projects. These increases in Normalized FFO and FFO were partially offset by decreased interest income and an increase in the allowance for bad debt (recorded as an adjustment to rental revenues) in the retail portfolio as a result of the COVID-19 pandemic.

Operating Performance

At the end of the second quarter, the Company's office, retail and multifamily core operating property portfolios were 97.0%, 95.1% and 87.9% occupied, respectively. Without the seasonal effect of the student housing properties, multifamily occupancy was 93.9% , which is higher than the sector's occupancy of 93.5% at March 31, 2020.

Total construction contract backlog was \$193.7 million at the end of the second quarter.

Balance Sheet and Financing Activity

As of June 30, 2020, the Company had \$956.7 million of total debt outstanding, including \$80.0 million outstanding under its revolving credit facility and \$205.0 million under its senior unsecured term loan facility. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 61% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of June 30, 2020. After giving effect to LIBOR interest rate caps with strike prices at or below 275 basis points as of June 30, 2020, 100% of the Company's debt was either fixed or hedged.

As part of the sale of seven unencumbered retail assets, the Company repaid \$61.9 million on its revolving credit facility. As of June 30, 2020, the outstanding balance on the revolving credit facility was \$80.0 million; as a result of the sale of the retail assets and the related reduction in our unencumbered base, borrowing capacity under the revolving credit facility was reduced to \$100.0 million from \$150.0 million. The Company has no debt maturing during the remainder of 2020.

The Company is currently in compliance with all debt covenants.

Outlook

The Company issued updated 2020 full-year Normalized FFO guidance in the range to \$1.09 to \$1.13 per diluted share. The following table updates the Company's assumptions underpinning this forecast. The Company's executive management will provide further details regarding its 2020 earnings guidance during today's webcast and conference call.

Full-year 2020 Guidance ^[1]	Expected Ranges	
Total NOI	\$107.0M	\$108.9M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income	\$19.5M	\$20.0M
Interest Expense	\$29.3M	\$30.3M
Normalized FFO per diluted share ^[2]	\$1.09	\$1.13

^[1] Includes the following assumptions:

- Disposition of two unencumbered assets for \$13M in cash proceeds at the end of the third quarter
- Acquisition of Nexton Square and Edison Apartments in the third quarter
- Assumes additional termination fees will be recognized in 2020
- An additional \$1.5M of bad debt write offs for the remainder of 2020
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 0.16%
- Opportunistic use of the preferred stock ATM

^[2] 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 at www.ArmadaHoffler.com.

Webcast and Conference Call

The Company will host a webcast and conference call on Tuesday, August 4, 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, www.ArmadaHoffler.com. To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through Friday, September 4, 2020 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13704894.

This quarter, given the combined high volume of conference calls occurring during this time of year generally and the impact that the COVID-19 virus has had on staffing and capacity at our conference call provider, we anticipate potential delays if you dial in to be connected to the live call. As a result we encourage stockholders and interested parties to join us for the Company's earnings results discussion via the webcast link. If you choose to dial in to the live call please allow extra time to be connected to the call.

About Armada Hoffler Properties, Inc.

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

Forward-Looking Statements

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, and the Company's financial outlook and expectations. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and the other documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020. The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). These factors include, without limitation: (a) the impact of the coronavirus (COVID-19) pandemic on macroeconomic conditions and economic conditions in the markets in which the Company operates, including, among others: (i) disruptions in, or a lack of access to, the capital markets or disruptions in the Company's ability to borrow amounts subject to existing construction loan commitments; (ii) adverse impacts to the Company's tenants' and other third parties' businesses and financial condition that adversely affect the ability and willingness of the Company's tenants and other third parties to satisfy their rent and other obligations to the Company, including deferred rent; (iii) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases or to re-lease the Company's properties on the same or better terms in the event of nonrenewal or early termination of existing leases; and (iv) federal, state and local government initiatives to mitigate the impact of the COVID-19 pandemic, including additional restrictions on business activities, shelter-in place orders and other restrictions, and the timing and amount of economic stimulus or other initiatives; (b) the Company's ability to continue construction on development and construction projects, in each case on the timeframes and on terms currently anticipated; (c) the Company's ability to accurately assess and predict the impact of the COVID-19 pandemic on its results of

operations, financial condition, dividend policy, acquisition and disposition activities and growth opportunities; and (d) the Company's ability to maintain compliance with the covenants under its existing debt agreements or to obtain modifications to such covenants from the applicable lenders.

Non-GAAP Financial Measures

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

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

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

Management also believes that the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by the Company's operating property portfolio and affect the comparability of the Company's period-over-period performance. Accordingly, management believes that Normalized FFO is a more useful performance measure that excludes certain items, including but not limited to, acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment of intangible assets and liabilities, mark-to-market adjustments for interest rate derivatives, provision for unrealized credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

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

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

	June 30, 2020	December 31, 2019
	(Unaudited)	
ASSETS		
Real estate investments:		
Income producing property	\$ 1,431,527	\$ 1,460,723
Held for development	13,607	5,000
Construction in progress	108,444	140,601
	1,553,578	1,606,324
Accumulated depreciation	(232,108)	(224,738)
Net real estate investments	1,321,470	1,381,586
Real estate investments held for sale	—	1,460
Cash and cash equivalents	70,979	39,232
Restricted cash	4,132	4,347
Accounts receivable, net	28,461	23,470
Notes receivable, net	182,245	159,371
Construction receivables, including retentions, net	42,787	36,361
Construction contract costs and estimated earnings in excess of billings, net	333	249
Operating lease right-of-use assets	32,907	33,088
Finance lease right-of-use assets	23,837	24,130
Acquired lease intangible assets, net	55,832	68,702
Other assets	35,883	32,901
Total Assets	\$ 1,798,866	\$ 1,804,897
LIABILITIES AND EQUITY		
Indebtedness, net	\$ 953,753	\$ 950,537
Accounts payable and accrued liabilities	22,705	17,803
Construction payables, including retentions	58,253	53,382
Billings in excess of construction contract costs and estimated earnings	9,320	5,306
Operating lease liabilities	41,550	41,474
Finance lease liabilities	17,928	17,903
Other liabilities	48,411	63,045
Total Liabilities	1,151,920	1,149,450
Total Equity	646,946	655,447
Total Liabilities and Equity	\$ 1,798,866	\$ 1,804,897

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Unaudited)			
Revenues				
Rental revenues	\$ 39,915	\$ 36,378	\$ 82,204	\$ 67,287
General contracting and real estate services revenues	57,398	21,444	104,666	38,480
Total revenues	97,313	57,822	186,870	105,767
Expenses				
Rental expenses	8,309	7,915	17,684	14,640
Real estate taxes	4,233	3,451	8,566	6,579
General contracting and real estate services expenses	55,342	20,123	100,892	36,409
Depreciation and amortization	13,777	13,505	28,056	23,409
Amortization of right-of-use assets - finance leases	146	85	293	85
General and administrative expenses	2,988	2,951	6,781	6,352
Acquisition, development and other pursuit costs	502	57	529	457
Impairment charges	—	—	158	—
Total expenses	85,297	48,087	162,959	87,931
Gain on real estate dispositions	2,776	—	2,776	—
Operating income	14,792	9,735	26,687	17,836
Interest income	4,412	5,593	11,638	10,912
Interest expense on indebtedness	(6,999)	(7,491)	(14,958)	(13,377)
Interest expense on finance leases	(228)	(112)	(457)	(112)
Equity in income of unconsolidated real estate entities	—	—	—	273
Change in fair value of interest rate derivatives	(6)	(1,933)	(1,742)	(3,396)
Unrealized credit loss release (provision)	117	—	(260)	—
Other income (expense), net	286	4	344	64
Income before taxes	12,374	5,796	21,252	12,200
Income tax benefit (provision)	(65)	30	192	140
Net income	12,309	5,826	21,444	12,340
Net loss attributable to noncontrolling interests in investment entities	44	320	136	320
Preferred stock dividends	(1,175)	(154)	(2,242)	(154)
Net income attributable to common stockholders and OP Unit holders	\$ 11,178	\$ 5,992	\$ 19,338	\$ 12,506

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Unaudited)			
Net income attributable to common stockholders and OP Unit holders	\$ 11,178	\$ 5,992	\$ 19,338	\$ 12,506
Depreciation and amortization ⁽¹⁾	13,644	13,145	27,736	23,274
Gain on operating real estate dispositions	(2,776)	—	(2,776)	—
FFO attributable to common stockholders and OP Unit holders	\$ 22,046	\$ 19,137	\$ 44,298	\$ 35,780
Acquisition, development and other pursuit costs	502	57	529	457
Impairment of intangible assets and liabilities	—	—	158	—
Unrealized credit loss provision (release)	(117)	—	260	—
Amortization of right-of-use assets - finance leases	146	85	293	85
Change in fair value of interest rate derivatives	6	1,933	1,742	3,396
Normalized FFO available to common stockholders and OP Unit holders	\$ 22,583	\$ 21,212	\$ 47,280	\$ 39,718
Net income attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.14	\$ 0.08	\$ 0.25	\$ 0.18
FFO attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.28	\$ 0.27	\$ 0.57	\$ 0.51
Normalized FFO attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.29	\$ 0.30	\$ 0.61	\$ 0.57
Weighted average common shares and units - diluted	77,941	71,232	77,806	69,584

(1) The adjustment for depreciation and amortization for the three months ended June 30, 2020 and 2019 excludes \$0.1 million and \$0.4 million, respectively, of depreciation attributable to the Company's joint venture partners. The adjustment for depreciation and amortization for the six months ended June 30, 2020 and 2019 excludes \$0.3 million and \$0.4 million, respectively, of depreciation attributable to the Company's joint venture partners. The adjustment for depreciation and amortization for the six months ended June 30, 2019 includes \$0.2 million of depreciation attributable to the Company's investment in One City Center from January 1, 2019 to March 14, 2019, which was an unconsolidated real estate investment during this period.

Contact:

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



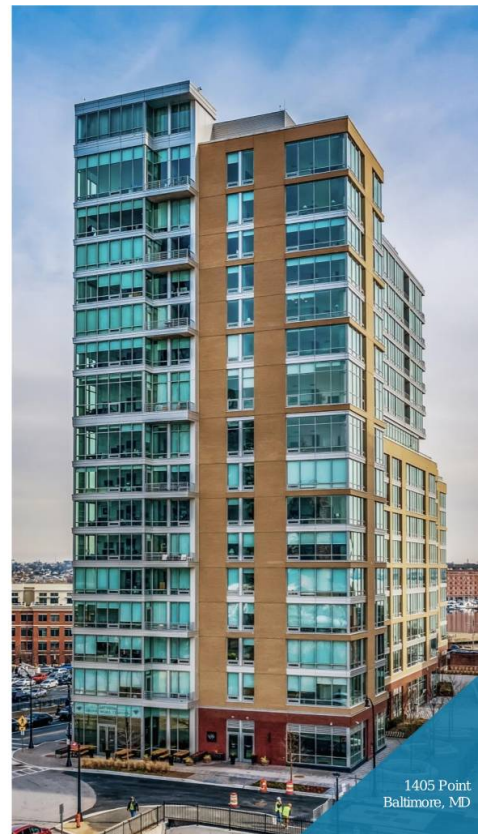
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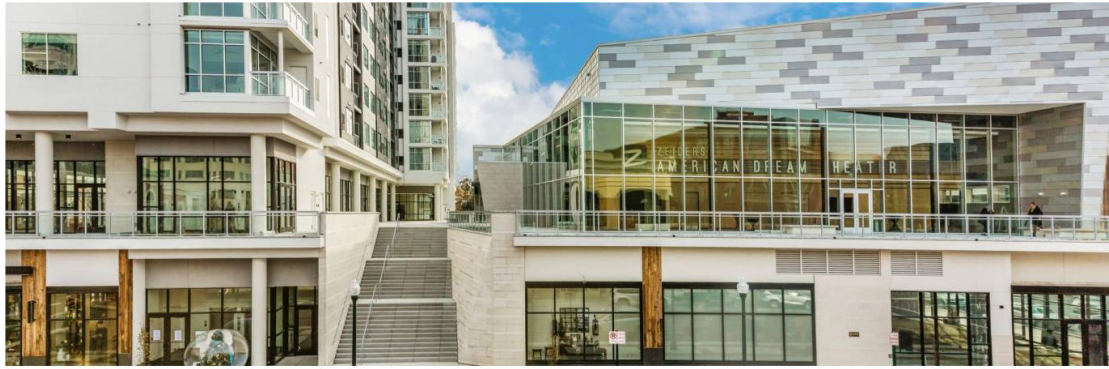
SUPPLEMENTAL FINANCIAL PACKAGE



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FORWARD-LOOKING STATEMENTS

This Supplemental Financial Package should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated August 4, 2020, which has been furnished as Exhibit 99.1 to our Form 8-K filed on August 4, 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"). These forward-looking statements may include comments relating to the current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, and the Company's financial outlook and expectations. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and the other documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Quarterly Report on Form 10-K filed with the SEC on May 6, 2020. The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). These factors include, without limitation: (a) the impact of the coronavirus (COVID-19) pandemic on macroeconomic conditions and economic conditions in the markets in which the Company operates, including, among others: (i) disruptions in, or a lack of access to, the capital markets or disruptions in the Company's ability to borrow amounts subject to existing construction loan commitments; (ii) adverse impacts to the Company's tenants' and other third parties' businesses and financial condition that adversely affect the ability and willingness of the Company's tenants and other third parties to satisfy their rent and other obligations to the Company, including deferred rent; (iii) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases or to re-lease the Company's properties on the same or better terms in the event of nonrenewal or early termination of existing leases; and (iv) federal, state and local government initiatives to mitigate the impact of the COVID-19 pandemic, including additional restrictions on business activities, shelter-in place orders and other restrictions, and the timing and amount of economic stimulus or other initiatives; (b) the Company's ability to continue construction on development and construction projects, in each case on the timeframes and on terms currently anticipated; (c) the Company's ability to accurately assess and predict the impact of the COVID-19 pandemic on its results of operations, financial condition, dividend policy, acquisition and disposition activities and growth opportunities; and (d) the Company's ability to maintain compliance with the covenants under its existing debt agreements or to obtain modifications to such covenants from the applicable lenders.

Amada 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. For more information, visit AmadaHoffer.com.

BOARD OF DIRECTORS

Daniel A. Hoffer, Executive Chairman of the Board
 Louis S. Haddad, Vice Chairman of the Board
 James C. Cherry, Lead Independent Director
 George F. Allen, Independent Director
 James A. Carroll, Independent Director
 Eva S. Hardy, Independent Director
 A. Russell Kirk, Director
 Dorothy S. McAuliffe, Independent Director
 John W. Snow, Independent Director

CORPORATE OFFICERS

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

ANALYST COVERAGE

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

D. A. Davidson & Co.
 Barry Oxford
 (212) 240-9871
boxford@dadco.com

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

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

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

- Net income attributable to common stockholders and OP Unit holders of \$11.2 million, or \$0.14 per diluted share, compared to \$6.0 million, or \$0.08 per diluted share, for the three months ended June 30, 2019.
 - Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.0 million, or \$0.28 per diluted share, compared to \$19.1 million, or \$0.27 per diluted share, for the three months ended June 30, 2019. See "Non-GAAP Financial Measures."
 - Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$22.6 million, or \$0.29 per diluted share, compared to \$21.2 million, or \$0.30 per diluted share, for the three months ended June 30, 2019.
 - Issued updated 2020 full-year Normalized FFO guidance in the range of \$1.09 to \$1.13 per diluted share. 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 93.6% as of June 30, 2020 compared to 95.6% as of March 31, 2020. The Company's June 30, 2020 occupancy includes office at 97.0%, retail at 95.1%, and multifamily at 87.9%. Without the seasonal effect of the student housing properties, multifamily occupancy was 93.9% , which is higher than the sector's occupancy of 93.5% at March 31, 2020.
 - Positive releasing spreads on office lease renewals during the second quarter of 8.6% on a GAAP basis and 4.7% on a cash basis. Positive releasing spreads on retail lease renewals during the second quarter of 7.7% on a GAAP basis and 5.5% on a cash basis.
 - Collected 87% of portfolio rents for the second quarter, including 100% of office tenant rents, 99% of multifamily tenant rents, and 72% of retail tenant rents. See pages 27-28 for more details
 - Collected 93% of portfolio rents for the month of July, including 100% of office tenant rents, 97% of multifamily tenant rents, and 86% of retail tenant rents.
 - Ended the second quarter with \$193.7 million of third-party construction backlog. All third-party construction sites remain active and fully operational.
 - Sold a portfolio of seven unencumbered retail assets comprising over 630,000 square feet, or 15% of the Company's retail portfolio, for \$90.0 million.
 - Terminated the 69,000 square foot lease with WeWork for the top two floors of the Wills Wharf office building at Harbor Point on the Baltimore waterfront.
 - Board of Directors declared third quarter cash dividend of \$0.11 per common share payable on October 8, 2020 to stockholders of record on September 30, 2020.
 - Board of Directors declared cash dividend of \$0.421875 per share on its Series A Cumulative Redeemable Perpetual Preferred Stock payable on October 15, 2020 to stockholders of record on October 1, 2020.
 - Student housing portfolio 95% pre-leased for the 2020-2021 academic year.
-

OUTLOOK	LOW	HIGH
Total NOI	\$107.0M	\$108.9M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income	\$19.5M	\$20.0M
Interest Expense	\$29.3M	\$30.3M
Normalized FFO per diluted share	\$1.09	\$1.13

GUIDANCE ASSUMPTIONS

- Disposition of two unencumbered assets for \$13M in cash proceeds at the end of the third quarter
 - Acquisition of Nexton Square and Edison Apartments in the third quarter
 - Assumes additional termination fees will be recognized in 2020
 - An additional \$1.5M of bad debt write offs for the remainder of 2020
 - Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 0.16%
 - Opportunistic use of the preferred stock ATM
-

	Three months ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
OPERATIONAL METRICS					
Net income attributable to common stockholders and OP unit holders	\$11,178	\$8,160	\$7,215	\$9,869	\$5,992
Net income attributable to common stockholders and OP unit holders per diluted share	\$0.14	\$0.11	\$0.09	\$0.13	\$0.08
Rental properties Net Operating Income (NOI)	27,373	28,581	27,811	28,167	25,012
General contracting and real estate services gross profit	2,056	1,718	1,058	1,192	1,321
Adjusted EBITDA ⁽¹⁾	29,933	33,103	30,843	31,150	28,800
Funds From Operations (FFO) attributable to common stockholders and OP unit holders	22,046	22,252	22,500	21,706	19,137
FFO per diluted share attributable to common stockholders and OP unit holders	\$0.28	\$0.29	\$0.29	\$0.29	\$0.27
Normalized FFO attributable to common stockholders and OP unit holders	22,583	24,697	22,896	22,474	21,212
Normalized FFO per diluted share attributable to common stockholders and OP unit holders	\$0.29	\$0.32	\$0.30	\$0.30	\$0.30
Annualized dividend yield	NA	8.22%	4.58%	4.64%	5.08%
CAPITALIZATION					
Common shares outstanding	57,010	56,492	56,278	54,875	52,794
Operating Partnership units outstanding	21,273	21,273	21,273	21,167	21,178
Common shares and OP units outstanding	78,283	77,765	77,551	76,042	73,972
Market price per common share	\$9.95	\$10.70	\$18.35	\$18.09	\$16.55
Common equity capitalization ⁽²⁾	\$778,916	\$832,085	\$1,423,061	\$1,375,600	\$1,224,237
Preferred equity capitalization	63,350	63,250	63,250	63,250	63,250
Total equity capitalization	\$842,266	\$895,335	\$1,486,311	\$1,438,850	\$1,287,487
Total debt ⁽³⁾	956,726	1,016,293	960,819	951,891	956,068
Total capitalization	1,799,992	1,911,628	2,447,130	2,390,741	2,243,555
Less: cash	(75,111)	(52,788)	(43,579)	(47,606)	(25,961)
Total enterprise value	\$1,723,881	\$1,858,840	\$2,403,551	\$2,343,135	\$2,217,594
BALANCE SHEET METRICS					
Core debt / enterprise value	43.2%	45.0%	33.6%	33.4%	27.0%
Core debt + preferred equity / enterprise value	46.8%	48.4%	36.2%	36.1%	29.8%
Fixed charge coverage ratio	2.9x	2.8x	2.5x	2.7x	2.9x
Core debt / Annualized core EBITDA	6.8x	6.5x	6.8x	6.6x	6.1x
Core debt + preferred equity / Annualized core EBITDA	7.3x	7.0x	7.3x	7.2x	6.7x
CORE PORTFOLIO OCCUPANCY					
Office ⁽⁴⁾	97.0%	96.6%	96.6%	96.6%	94.6%
Retail ⁽⁴⁾	95.1%	96.1%	96.9%	96.8%	96.6%
Multifamily ⁽⁵⁾	87.9% ⁽⁶⁾	93.7%	95.6%	95.8%	94.7% ⁽⁶⁾
Weighted Average ⁽⁷⁾	93.6%	95.6%	96.5%	96.5%	95.6%

(1) See definition on page 31.

(2) Includes common shares and OP units.

(3) Excludes GAAP adjustments.

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

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

(6) Includes impact of seasonality at the student housing properties. Without this effect of student housing, multifamily was 93.9% occupied for 2Q20.

(7) Total occupancy weighted by annualized base rent.

\$ IN THOUSANDS

Stabilized Portfolio NOI (Cash) ⁽¹⁾			Third-Party General Contracting and Real Estate Services	
	Three months ended 6/30/2020	Annualized 6/30/2020		Trailing 12 Months
Stabilized Virginia Beach (VB) Town Center ⁽¹⁾			General Contracting Gross Profit	\$6,024
Office ⁽²⁾	\$3,410	\$13,640		
Retail ⁽²⁾	162	648		
Multifamily	1,592	6,368		
Total Stabilized VB Town Center NOI	\$5,164	\$20,656		
Stabilized Portfolio (Excludes VB Town Center) ⁽¹⁾				
Office ⁽²⁾	\$2,805	\$11,220		
Retail	8,662	34,648		
Multifamily	4,035	16,140		
Total Stabilized Portfolio (Excludes VB Town Center)	\$15,502	\$62,008		
Combined Stabilized Portfolio NOI	\$20,666	\$82,664		
Run Rate Adjustments ⁽¹⁾				
Signed Leases Not Yet Occupied or In Free Rent Period	\$1,015	\$4,060		
Net Dispositions Completed Intra-Quarter	(1,351)	(5,406)		
Deferred Rent	5,386	21,544		
Total Run Rate Adjustments	\$5,050	\$20,198		
Total	\$25,716	\$102,862		
Non-Stabilized Portfolio and Development Pipeline (Cost Basis) ⁽¹⁾ See page 18 for a list of properties				
		As of 6/30/2020		
Income Producing Properties		\$71,000		
Construction In Process		100,000		
Land Held for Development		14,000		
Other Assets		13,000		
Total Non-Stabilized Development Portfolio		198,000		
Redevelopment in Process		22,000		
Total Non-Stabilized Redevelopment and Development Portfolio		\$220,000		
			Third-Party General Contracting and Real Estate Services	
				Trailing 12 Months
			General Contracting Gross Profit	\$6,024
			Non-Property Assets ⁽⁴⁾	
				As of 6/30/2020
			Cash and Restricted Cash	\$75,111
			Accounts Receivable	28,461
			Notes Receivable, Including Mezzanine Investments ⁽⁵⁾	180,919
			Construction receivables, including retentions	42,787
			Acquired lease intangible assets, net	55,832
			Other Assets	36,216
			Total Non-Property Assets	\$419,326
			Liabilities ⁽⁴⁾	
				As of 6/30/2020
			Mortgages and Notes Payable ⁽⁵⁾	\$956,726
			Accounts Payable and Accrued Liabilities	22,705
			Construction Payables, Including Retentions	58,253
			Other Liabilities	57,731
			Total Liabilities	\$1,095,415
			Preferred Equity	
				Liquidation Value
			Series A Cumulative Redeemable Perpetual Preferred Stock	\$63,350
			Common Equity	
				As of 6/30/2020
			Total common shares outstanding	57,010
			Total OP units outstanding	21,273
			Total Common Shares & OP Units Outstanding	78,283

- (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

\$ IN THOUSANDS

	As of	
	6/30/2020 (Unaudited)	12/31/2019
Assets		
Real estate investments:		
Income producing property	\$1,431,527	\$1,460,723
Held for development	13,607	5,000
Construction in progress	108,444	140,601
Accumulated depreciation	(232,108)	(224,738)
Net real estate investments	1,321,470	1,381,586
Real estate investments held for sale	-	1,460
Cash and cash equivalents	70,979	39,232
Restricted cash	4,132	4,347
Accounts receivable, net	28,461	23,470
Notes receivable, net	182,245	159,371
Construction receivables, including retentions, net	42,787	36,361
Construction contract costs and estimated earnings in excess of billings, net	333	249
Operating lease right-of-use assets, net	32,907	33,088
Finance lease right-of-use assets, net	23,837	24,130
Acquired lease intangible assets, net	55,832	68,702
Other assets	35,883	32,901
Total Assets	\$1,798,866	\$1,804,897
Liabilities and Equity		
Indebtedness, net	\$953,753	\$950,537
Accounts payable and accrued liabilities	22,705	17,803
Construction payables, including retentions	58,253	53,382
Billings in excess of costs and estimated earnings	9,320	5,306
Operating lease liabilities	41,550	41,474
Finance lease liabilities	17,928	17,903
Other liabilities	48,411	63,045
Total Liabilities	1,151,920	1,149,450
Total Equity	646,946	655,447
Total Liabilities and Equity	\$1,798,866	\$1,804,897

SUMMARY INCOME STATEMENT

IN THOUSANDS, EXCEPT PER SHARE DATA

	Three months ended		Six months ended	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenues	(Unaudited)			
Rental revenues	\$39,915	\$36,378	\$82,204	\$67,287
General contracting and real estate services revenues	57,398	21,444	104,666	38,480
Total Revenues	97,313	57,822	186,870	105,767
Expenses				
Rental expenses	8,309	7,915	17,684	14,640
Real estate taxes	4,233	3,451	8,566	6,579
General contracting and real estate services expenses	55,342	20,123	100,892	36,409
Depreciation and amortization	13,777	13,505	28,056	23,409
Amortization of right-of-use assets - finance leases	146	85	293	85
General and administrative expenses	2,988	2,951	6,781	6,352
Acquisition, development and other pursuit costs	502	57	529	457
Impairment charges	-	-	158	-
Total Expenses	85,297	48,087	162,959	87,931
Gain on real estate dispositions	2,776	-	2,776	-
Operating Income	14,792	9,735	26,687	17,836
Interest income	4,412	5,593	11,638	10,912
Interest expense on indebtedness	(6,999)	(7,491)	(14,958)	(13,377)
Interest expense on finance leases	(228)	(112)	(457)	(112)
Change in fair value of interest rate derivatives	(6)	(1,933)	(1,742)	(3,396)
Equity in income of unconsolidated real estate entities	-	-	-	273
Unrealized credit loss release (provision)	117	-	(260)	-
Other income (expense), net	286	4	344	64
Income before taxes	12,374	5,796	21,252	12,200
Income tax benefit (provision)	(65)	30	192	140
Net Income	\$12,309	\$5,826	\$21,444	\$12,340
Net income attributable to noncontrolling interest in investment entities	44	320	136	320
Preferred stock dividends	(1,175)	(154)	(2,242)	(154)
Net income attributable to AHH and OP Unit holders	\$11,178	\$5,992	\$19,338	\$12,506
Net income per diluted share and unit attributable to AHH and OP Unit holders	\$0.14	\$0.08	\$0.25	\$0.18
Weighted Average Shares & Units - Diluted	77,941	71,232	77,806	69,584

	Three months ended (Unaudited)				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Funds From Operations					
Net income attributable to AHH and OP unit holders	\$11,178	\$8,160	\$7,215	\$9,869	\$5,992
Earnings per diluted share	\$0.14	\$0.11	\$0.09	\$0.13	\$0.08
Depreciation and amortization ⁽²⁾	13,644	14,092	15,285	15,057	13,145
Gains on dispositions of operating real estate ⁽³⁾	(2,776)	-	-	(3,220)	-
FFO	\$22,046	\$22,252	\$22,500	\$21,706	\$19,137
FFO per diluted share	\$0.28	\$0.29	\$0.29	\$0.29	\$0.27
Normalized FFO					
Acquisition, development & other pursuit costs	502	27	294	93	57
Loss on extinguishment of debt	-	-	30	-	-
Non cash GAAP Adjustments	29	682	399	145	85
Change in fair value of interest rate derivatives	6	1,736	(327)	530	1,933
Normalized FFO	\$22,583	\$24,697	\$22,896	\$22,474	\$21,212
Normalized FFO per diluted share	\$0.29	\$0.32	\$0.30	\$0.30	\$0.30
Adjusted FFO					
Non-cash stock compensation	421	1,030	274	323	327
Acquisition, development & other pursuit costs	(502)	(27)	(294)	(93)	(57)
Tenant improvements, leasing commissions, lease incentives ⁽⁴⁾	(728)	(1,318)	(1,065)	(2,057)	(841)
Property related capital expenditures	(2,316)	(1,014)	(2,426)	(1,565)	(1,983)
Adjustment for loan modification and exit fees	(614)	(2,074)	(1,860)	(1,371)	(1,238)
Non-cash interest expense ⁽⁵⁾	673	638	588	425	509
Cash ground rent payment - finance lease	(241)	(216)	(216)	(207)	(112)
GAAP Adjustments	(6,295)	(984)	(958)	(1,686)	(1,422)
AFFO	\$12,981	\$20,732	\$16,939	\$16,243	\$16,395
AFFO per diluted share	\$0.17	\$0.27	\$0.22	\$0.22	\$0.23
Weighted Average Common Shares Outstanding	56,668	56,398	55,581	53,463	52,451
Weighted Average Operating Partnership ("OP") Units Outstanding	21,273	21,273	21,181	21,080	18,781
Total Weighted Average Common Shares and OP Units Outstanding	77,941	77,671	76,762	74,543	71,232

(1) See definitions on pages 30-31.

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

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

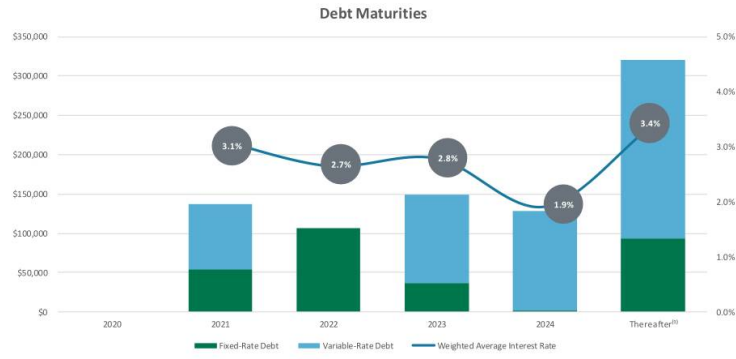
(5) Includes non-cash interest expense relating to indebtedness and interest expense on finance leases.

OUTSTANDING DEBT

\$ IN THOUSANDS

Debt	Stated Rate	Effective Rate as of 6/30/2020	Maturity Date	Debt Maturities & Principal Payments						Outstanding as of 6/30/2020	
				2020	2021	2022	2023	2024	Thereafter		
Secured Notes Payable - Core Debt											
Hoffler Place	L+3.24%	3.40%	Jan-2021	-	\$30,896	-	-	-	-	-	\$30,896
Southgate Square	L+1.60%	1.76%	Apr-2021	513	19,682	-	-	-	-	-	20,195
Encore Apartments	3.25%	3.25%	Sep-2021	254	24,337	-	-	-	-	-	24,591
4525 Main Street	3.25%	3.25%	Sep-2021	326	31,230	-	-	-	-	-	31,556
Red Mill West	4.23%	4.23%	Jun-2022	225	465	10,386	-	-	-	-	11,076
Thames Street Wharf	L+1.30%	1.81% ⁽¹⁾	Jun-2022	-	-	70,000	-	-	-	-	70,000
Hanbury Village	3.78%	3.78%	Aug-2022	40	532	17,771	-	-	-	-	18,343
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	200	414	9,707	-	-	-	-	10,321
1405 Point	L+2.25%	2.41%	Jan-2023	-	714	754	51,532	-	-	-	53,000
Socastee Commons	4.57%	4.57%	Jan-2023	55	115	120	4,223	-	-	-	4,513
Sandridge Commons	L+1.75%	1.91%	Jan-2023	124	257	268	7,248	-	-	-	7,897
249 Central Park Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	219	245	260	16,092	-	-	-	16,716
Fountain Plaza Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	71	147	156	9,685	-	-	-	10,059
South Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	52	107	114	7,066	-	-	-	7,339
One City Center	L+1.85%	2.01%	Apr-2024	304	628	659	691	22,734	-	-	25,016
Red Mill Central	4.80%	4.80%	Jun-2024	87	175	175	175	1,838	-	-	2,450
Premier Apartments	L+1.55%	1.71%	Oct-2024	34	208	221	234	16,053	-	-	16,750
Red Mill South	3.57%	3.57%	May-2025	153	315	327	338	351	4,502	-	5,986
Brooks Crossing Office	L+1.60%	1.76%	Jul-2025	341	830	845	860	875	11,874	-	15,625
Market at Mill Creek	L+1.55%	1.71%	Jul-2025	324	647	647	647	647	11,129	-	14,041
Johns Hopkins Village	L+1.25%	4.19% ⁽¹⁾	Aug-2025	475	988	1,031	1,075	1,116	46,650	-	51,335
North Point Center Note 2	7.25%	7.25%	Sep-2025	66	140	151	162	174	1,468	-	2,161
Lexington Square	4.50%	4.50%	Sep-2028	129	268	280	293	306	13,293	-	14,569
Red Mill North	4.73%	4.73%	Dec-2028	51	105	110	116	121	3,842	-	4,345
Greenside Apartments	3.17%	3.17%	Dec-2029	348	712	735	759	783	30,321	-	33,658
Smith's Landing	4.05%	4.05%	Jun-2035	426	880	917	956	994	13,584	-	17,757
Liberty Apartments	5.66%	5.66%	Nov-2043	146	304	322	341	361	12,549	-	14,023
The Cosmopolitan	3.35%	3.35%	Jul-2051	399	819	847	876	906	39,462	-	43,309
Total - Secured Core Debt				5,262	116,160	116,803	103,369	47,259	188,674		577,527
Secured Notes Payable - Development Pipeline											
Summit Place	L+3.24%	3.40%	Jan-2021	-	32,289	-	-	-	-	-	32,289
Willis Wharf	L+2.25%	2.41%	Jun-2023	-	-	-	53,660	-	-	-	53,660
Premier Retail	L+1.55%	1.71%	Oct-2024	17	102	109	115	7,907	-	-	8,250
Total - Development Pipeline				17	32,391	109	53,775	7,907			94,199
Total Secured Notes Payable				\$5,279	\$148,551	\$116,912	\$157,144	\$55,166	\$188,674		\$671,726
Unsecured Core Debt											
Senior Unsecured Line of Credit	L+1.30%-1.85%	1.76%	Jan-2024	-	-	-	-	\$80,000	-	-	\$80,000
Senior Unsecured Term Loan	L+1.25%-1.80%	1.71%	Jan-2025	-	-	-	-	-	19,500	-	19,500
Senior Unsecured Term Loan	L+1.25%-1.80%	2.05% - 4.57% ⁽¹⁾	Jan-2025	-	-	-	-	-	185,500	-	185,500
Total - Unsecured Core Debt				-	-	-	-	80,000	205,000		285,500
Total Notes Payable excluding GAAP Adjustments				\$5,279	\$148,551	\$116,912	\$157,144	\$135,166	\$393,674		\$956,726
GAAP Adjustments											(2,373)
Total Notes Payable											\$953,353

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



Total Debt Composition				Interest Rate Cap Agreements			
	% of Debt	Weighted Average		Effective Date	Maturity Date	Strike Rate	Notional Amount
		Interest Rate	Maturity				
Secured vs. Unsecured Debt							
Unsecured Debt	29.8%	2.8%	4.3 Yrs	July 2018	August 2020	2.50%	\$50,000
Secured Debt	70.2%	3.0%	5.7 Yrs	December 2018	January 2021	2.75%	50,000
Variable vs. Fixed-rate Debt				May 2019	June 2022	2.50%	100,000
Variable-rate Debt ⁽¹⁾	39.4%	2.2%	2.9 Yrs	January 2020	February 2022	1.75%	100,000
Fixed-rate Debt ⁽²⁾⁽³⁾	60.6%	3.4%	6.9 Yrs	March 2020	March 2022	1.50%	100,000
Fixed-rate and Hedged Debt ⁽²⁾⁽³⁾	100%			July 2020	July 2023	0.50%	100,000
Total		3.0%	5.3 Yrs	Total Interest Rate Caps			\$500,000
				Fixed-rate Debt ⁽²⁾⁽³⁾			\$579,607
				Fixed-rate and Hedged Debt			\$1,079,607
				Total Debt			\$956,726
				% of Total Debt⁽³⁾			100%

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

	Three months ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Net income attributable to common stockholders and OP unit holders	\$11,178	\$8,160	\$7,215	\$9,869	\$5,992
Excluding:					
Depreciation and amortization ⁽²⁾	13,644	14,092	15,285	15,057	13,145
Gain on operating real estate dispositions	(2,776)	-	-	(3,220) ⁽³⁾	-
Income tax provision (benefit)	65	(257)	(152)	(199)	(30)
Interest expense ⁽²⁾	6,904	7,805	8,359	8,624	7,348
Change in fair value of interest rate derivatives	6	1,736	(327)	530	1,933
Loss on extinguishment of debt	-	-	30	-	-
GAAP adjustments related to finance leases	158	160	159	166	85
Non-Recurring Bad Debt	450	-	-	-	-
Unrealized credit loss provision (release)	(117)	377	-	-	-
Non-cash stock compensation	421	1,030	274	323	327
Adjusted EBITDA⁽³⁾	\$29,933	\$33,103	\$30,843	\$31,150	\$28,800
Other adjustments:					
Development/Redevelopment ⁽⁶⁾	(1,085)	(1,133)	(1,010)	(1,499)	(2,183)
(Less) Net Acquisitions/Dispositions completed intra-quarter	(1,351)	-	-	(226)	(1,978)
Core EBITDA	\$27,497	\$31,970	\$29,833	\$29,425	\$24,639
Total debt⁽⁵⁾	\$956,726	\$1,016,293	\$960,819	\$951,891	\$956,068
Adjustments to debt:					
(Less) Development/Redevelopment ⁽⁶⁾	(137,508)	(127,650)	(109,930)	(122,597)	(161,528)
(Less) Net Acquisitions completed intra-quarter	-	-	-	-	(170,476)
(Less) Cash & restricted cash	(75,111)	(52,788)	(43,579)	(47,606)	(25,961)
Core Debt	\$744,107	\$835,855	\$807,310	\$781,688	\$598,103
Core Debt/Annualized Core EBITDA	6.8x	6.5x	6.8x	6.6x	6.1x

(1) See definitions on page 31.

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

(3) Excludes non-recurring items

(4) 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.

(5) Excludes GAAP Adjustments.

(6) Includes the redevelopment of the Cosmopolitan apartments

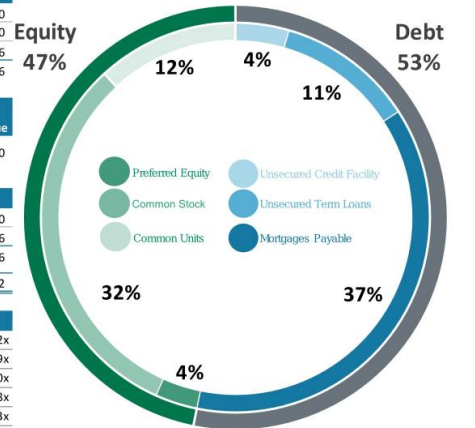
Debt	% of Total	Principal Balance
Unsecured credit facility	8%	\$80,000
Unsecured term loans	21%	205,000
Mortgages payable	71%	671,726
Total debt		\$956,726

Preferred Equity	Shares	Liquidation Value	
		Per Share	Total Liquidation Value
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock (NYSE: AHHPrA)	2,534	\$25.00	\$63,350

Common Equity	% of Total	Shares/Units	Stock Price	Market Value
Common stock (NYSE: AHH)	73%	57,010	\$9.95	\$567,250
Common units	27%	21,273	\$9.95	211,666
Equity market capitalization		78,283		\$778,916
Total capitalization				\$1,798,992

Financial Ratios	
Debt Service Coverage Ratio ⁽¹⁾	3.2x
Fixed Charge Coverage Ratio ⁽²⁾	2.9x
Net Debt to Adjusted EBITDA	8.0x
Core Debt to Core EBITDA	6.8x
Core Debt + Preferred Equity to Core EBITDA	7.3x
Debt/Market capitalization	53%

Liquidity	
Cash on hand	\$75,111
Availability under credit facility	20,000
Availability under construction loans	27,799
	\$122,910



Unencumbered Properties	
% of Total Properties	56%
% of Annualized Base Rent	36%

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

Net Rentable Square Feet (RSF) ^(H)												
Property	Anchor Tenant(s)	Location	Town Center	Uncumbered ABR	Year Built	Core Properties	Development/ Redevelopment Properties	Total	Core Occupancy ^(I)	Development/ Redevelopment Leased ^(J)	ABR ^(K)	ABR per Leased SF ^(L)
Retail Properties												
249 Central Park Retail	Chesapeake Factory, Brooks Brothers	Virginia Beach, VA	✓	-	2004	92,400	-	92,400	97.9%	-	\$2,472,066	\$27.33
Apea Entertainment	Apea Entertainment, US	Virginia Beach, VA	✓	100%	2002	-	103,335	103,335	-	100.0%	1,482,137	14.34
Broad Creek Shopping Center ^(M)	Food Lion, PetSmart	Norfolk, VA	✓	100%	1997/2001	121,504	-	121,504	96.7%	-	2,099,146	17.86
Breadmoor Plaza	Kroger	South Bend, IN	✓	100%	1980	115,059	-	115,059	97.5%	-	1,387,237	12.36
Brooks Crossing Retail	Various Small Shops	Newport News, VA	✓	100%	2016	18,349	-	18,349	66.3%	-	169,740	13.95
Columbus Village ^(N)	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	-	62,362	62,362	-	91.0%	1,715,506	30.30
Columbus Village II	Regal Cinemas, BB&B	Virginia Beach, VA	✓	100%	1995/1996	92,061	-	92,061	96.7%	-	1,595,114	17.92
Commerce Street Retail ^(O)	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	-	19,173	100.0%	-	888,673	46.35
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA	✓	100%	2011	3,177	-	3,177	100.0%	-	139,311	43.85
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA	✓	100%	1998	106,166	-	106,166	79.0%	-	1,553,085	18.51
Fountain Plaza Retail	Rub's Chris, Ann Taylor	Virginia Beach, VA	✓	100%	2004	35,961	-	35,961	100.0%	-	991,714	27.88
Greentree Shopping Center	Various Small Shops	Chesapeake, VA	✓	100%	2014	15,719	-	15,719	92.6%	-	320,556	22.02
Hanbury Village ^(P)	Harris Teeter, Walgreens	Chesapeake, VA	✓	32%	2006/2009	116,635	-	116,635	100.0%	-	2,551,482	21.88
Harrisonburg Regal	Regal Cinemas	Harrisonburg, VA	✓	100%	1999	49,000	-	49,000	100.0%	-	717,850	14.65
Lexington Square	Lowes Foods	Lexington, SC	✓	100%	2017	85,440	-	85,440	98.3%	-	1,808,867	21.53
Market at Mill Creek ^(Q)	Lowes Foods	ML Pleasant, SC	✓	100%	2018	80,405	-	80,405	95.8%	-	1,765,248	22.91
Marketplace at Hilltop ^(R)	Total Wine, Panera, Chic-Fil-A	Virginia Beach, VA	✓	100%	2000/2001	116,953	-	116,953	100.0%	-	2,660,994	22.75
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC	✓	100%	2004	114,935	-	114,935	93.6%	-	1,311,368	12.19
North Point Center ^(S)	Harris Teeter, Home Depot, Costco	Durham, NC	✓	88%	1998/2009	494,746	-	494,746	100.0%	-	3,827,845	7.74
Oldland Marketplace ^(T)	Kroger	Oakland, TN	✓	100%	2004	64,538	-	64,538	100.0%	-	481,402	7.46
Parkway Centre	Publix	Moultrie, GA	✓	100%	2017	61,200	-	61,200	98.0%	-	814,128	13.57
Parkway Marketplace	Rite Aid	Virginia Beach, VA	✓	100%	1998	37,804	-	37,804	94.4%	-	728,945	20.42
Patterson Place	BB&B, PetSmart, DSW	Durham, NC	✓	100%	2004	160,942	-	160,942	81.1%	-	2,151,435	16.49
Perry Hill Marketplace	Safeway	Perry Hall, MD	✓	100%	2001	74,256	-	74,256	100.0%	-	1,273,298	17.15
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	100%	2018	-	39,162	39,162	-	75.6%	969,014	32.73
Providence Plaza	Cranfill, Sumner & Harbrog, Chipotle	Charlotte, NC	✓	100%	2007/2008	103,118	-	103,118	96.0%	-	2,727,985	27.55
Red Mill Commons ^(U)	Homesteads, Walgreens	Virginia Beach, VA	✓	8%	2000-2005	373,808	-	373,808	88.9%	-	6,071,911	16.27
Sandridge Commons ^(V)	Harris Teeter	Virginia Beach, VA	✓	-	2015	76,650	-	76,650	98.3%	-	1,057,656	14.01
Socastee Commons	Bi-Lo	Myrtle Beach, SC	✓	100%	2000/2014	57,273	-	57,273	100.0%	-	652,520	11.39
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA	✓	100%	1991/2016	260,131	-	260,131	92.2%	-	3,295,406	13.73
South Retail	Iululemon, Free People, CPK	Virginia Beach, VA	✓	100%	2002	38,515	-	38,515	100.0%	-	997,051	25.89
South Square	Reis, Petco, Office Depot	Durham, NC	✓	100%	1977/2005	109,590	-	109,590	98.1%	-	1,875,689	17.45
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA	✓	100%	2006	40,307	-	40,307	78.8%	-	671,952	21.16
Studio 56 Retail	Rocket Mortgage	Virginia Beach, VA	✓	100%	2007	11,594	-	11,594	100.0%	-	473,695	40.86
Tyee Neck Harris Teeter ^(W)	Harris Teeter	Portsmouth, VA	✓	100%	2011	48,859	-	48,859	100.0%	-	533,285	10.91
Wendover Village	BB&B, T.J. Maxx, Petco	Greensboro, NC	✓	100%	2004	178,939	-	178,939	99.8%	-	3,538,380	20.12
Total / Weighted Avg Retail Portfolio				58%		3,373,207	204,859	3,578,066	95.1%		\$57,776,311	\$17.01

AS OF JUNE 30, 2020

Office Properties	Anchor Tenant	Location	Town Center	Unnumbered		Net Rentable Square Feet (RSF) ⁽¹⁾			Core Occupancy ⁽²⁾	Development Lesied ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽⁴⁾
				ABR	Year Built	Core Properties	Development Properties	Total				
4242 Main Street	Clark Nexsen, Anthropogenic Myhtics	Virginia Beach, VA	✓	-	2014	234,038	-	234,038	99.4%	-	\$6,848,749	\$29.33
Jermala Hoffer Tower ⁽⁵⁾⁽⁶⁾	AHH, Troutman Sanders, Williams Mullen	Virginia Beach, VA	✓	100%	2002	320,680	-	320,680	94.9%	-	8,785,342	28.86
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA	-	-	2019	98,061	-	98,061	100.0%	-	1,850,411	18.87
One Columbus ⁽¹⁾	B&B, HBA	Virginia Beach, VA	✓	100%	1984	128,876	-	128,876	97.5%	-	3,193,112	25.41
One City Center	Duke University, WeWork	Durham, NC	-	-	2019	151,599	-	151,599	89.3%	-	4,433,848	32.74
Thames Street Wharf ⁽²⁾	Morgan Stanley, JHU Medical	Baltimore, MD	-	-	2010	263,426	-	263,426	99.4%	-	7,237,479	27.65
Two Columbus	HBA Architects	Virginia Beach, VA	✓	100%	2009	108,459	-	108,459	100.0%	-	2,794,129	25.76
Total / Weighted Average Office Portfolio				42%		1,306,039		1,306,039	97.0%		\$35,143,070	\$27.73

Multifamily	Location	Town Center	Unnumbered		Development/ Redevelopment			Total Units/ Beds	Core Occupancy ⁽²⁾	Development/ Redevelopment Occupancy ⁽²⁾	AQR ⁽⁷⁾	Monthly Effective Rent per Occupied Unit/ Beds
			ABR	Year Built	Core Properties	Development Properties	Total					
1405 Point ⁽⁸⁾	Baltimore, MD	-	-	2018	289	-	289	99.8%	-	\$7,267,936	\$2,186.50	
Escon Apartments	Virginia Beach, VA	✓	-	2014	286	-	286	89.5%	-	4,177,194	1,359.76	
Greenside Apartments	Charlotte, NC	-	-	2018	225	-	225	92.9%	-	4,192,166	1,671.52	
Liberty Apartments ⁽⁹⁾	Newport News, VA	-	-	2013	197	-	197	91.8%	-	2,669,728	1,230.61	
Premier Apartments	Virginia Beach, VA	✓	-	2018	131	-	131	97.7%	-	2,460,457	1,601.86	
Smith's Landing ⁽¹⁾	Blackburg, VA	-	-	2009	284	-	284	96.8%	-	4,767,645	1,644.91	
The Cosmopolitan ⁽¹⁾	Virginia Beach, VA	✓	-	2006	-	342	342	-	85.6% ⁽¹¹⁾	5,631,938	1,757.78	
Multifamily Total					1,412	342	1,754	93.9%		31,167,065	1,630.64	
Hoffer Place ⁽¹⁰⁾	Charleston, SC	-	-	2019	258	-	258	82.2%	-	3,481,183	1,368.39	
Johns Hopkins Village ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	Baltimore, MD	-	-	2016	568	-	568	75.7%	-	6,451,033	1,250.20	
Student Housing Total					826	0	826	77.7%		9,932,215	9,980.37	
Total / Weighted Avg Multifamily Portfolio					2,238	342	2,580	87.9%		\$41,099,280	\$1,523.56	

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

(2) Occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of June 30, 2020, divided by (b) net rentable square feet, expressed as a percentage. Occupancy for our multifamily properties is calculated as (a) total units occupied as of June 30, 2020, divided by (b) total units available, as of such date expressed as a percentage.

(3) For the properties in our office and retail portfolios, annualized base rent, or ABR, is calculated by multiplying (a) monthly base rent (defined as cash base rent, before contractual tenant concessions and abatements, and excluding tenant reimbursements for expenses paid by us) as of June 30, 2020 for in-place leases as of such date by (b) 12, and does not give effect to periodic contractual rent increases or contingent rental revenue (e.g., percentage rent based on tenant sales thresholds). ABR per leased square foot is calculated by dividing (a) ABR by (b) square footage under in-place leases as of June 30, 2020. 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 paid sites leased pursuant to the ground leases in the table to the right.

(7) For the properties in our multifamily portfolio, AQR is calculated by multiplying (a) revenue for the quarter ended June 30, 2020 by (b) 4.

Properties with Tenants Subject to Ground Lease	Number of Ground Leases	Square Footage Leased Pursuant to	
		Ground Leases	ABR
Broad Creek Shopping Center	6	23,825	\$649,818
Columbus Village	1	3,403	200,000
Hanbury Village	2	55,586	1,082,118
Market at Mill Creek	1	7,014	63,000
Marketplace at Hilltop	1	4,211	149,996
North Point Center	4	280,556	1,146,700
Oakland Marketplace	1	45,000	186,347
Red Mill Commons	8	33,961	773,639
Sandbridge Commons	3	60,521	738,500
Tyre Neck Harris Teeter	1	48,859	533,285
Total / Weighted Avg	28	562,936	\$5,523,403

(8) The AQR for Liberty, Cosmopolitan, Johns Hopkins Village, Hoffer Place and 1405 Point excludes approximately \$0.3M, \$0.8M, \$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 June 30, 2020 by the number of occupied beds.

(11) Occupancy calculation excludes 30 units that are offline for redevelopment.

(12) Student housing property that are leased by bed.

\$ IN THOUSANDS

Schedule⁽¹⁾

Projects	Property Type	Estimated ⁽¹⁾	% Leased or LDI	Construction Start	Initial Occupancy	Stabilized Operation ⁽²⁾	Estimated Cost ⁽¹⁾	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants
Under Development											
Summit Place (Meeting Street) Charleston, SC	Multifamily	357 beds	98%	3Q17	3Q20	4Q20	\$56,000	\$35,000	\$55,000	90%	NA
Willis Wharf Baltimore, MD	Office	325,000 sf	47%	3Q18	2Q20	4Q21	120,000	76,000	104,000	100%	Canopy by Hilton, EY
Total Projects Under Development							\$176,000	\$111,000	\$159,000		
Delivered Not Stabilized											
Premier Retail (Town Center Phase VI) Virginia Beach, VA	Retail	39,000 sf	76%	4Q16	3Q18	3Q21	18,000	8,000	16,000	100%	Williams-Sonoma, Pottery Barn
Total Active Development							\$194,000	\$119,000	\$175,000		
On Hold											
Chronicle Mill Belmont, NC	Multifamily	238 units / 10,000 sf	-	TBD	TBD	TBD	TBD	TBD	4,000	85% ⁽³⁾	NA
Southern Post Roswell, GA	Mixed-use	138 units / 137,000 sf	-	TBD	TBD	TBD	TBD	TBD	10,000	80% ⁽⁴⁾	TBD
Ten Tryon Charlotte, NC	Mixed-use	220,000 sf	38%	TBD	TBD	TBD	TBD	TBD	9,000	80% ⁽³⁾	Publix, Fortune 100 office tenant
									\$23,000		

Redevelopment	Property Type	% Leased or LDI	Out of Service	Construction Start	Anticipated Completion	Restabilized Operation ⁽¹⁾	Estimated Cost ⁽¹⁾	Cost to Date	Projected ROI	Scope	
The Cosmopolitan Virginia Beach, VA	Multifamily	95% ⁽⁴⁾	30 units	1Q18	4Q21	1Q22	\$14,000	\$12,000	9%	Renovate all 342 units including upgraded finishes, new cabinetry and flooring, energy efficient appliances, and LED lighting; modernize resident clubhouse, business center, and leasing office.	
Columbus Village I Virginia Beach, VA	Mixed-use	95%	9,609 sf	2Q19	3Q20	4Q20	9,000	8,000	8%	Reposition 62,000 SF center to better incorporate within Town Center and add Virginia Beach Boulevard small shop frontage along with Shake Shack, Cava, Hand & Stone, European Wax Center, and new Barnes & Noble prototype.	
Apex Entertainment Building (Former Dick's Sporting Goods) Virginia Beach, VA	Mixed-use	100%	84,000 sf	1Q20	4Q20	1Q21	8,000	2,000	7%	Revitalize 84,000 SF of big box retail space within Town Center into a destination entertainment concept for a new to market tenant, Apex Entertainment.	
Total Projects Under Redevelopment							\$31,000	\$22,000	8%		

	Q2 2020	YTD
Capitalized Interest	\$1,140	\$2,688
Capitalized Overhead	\$595	\$1,559

- (1) Represents estimates that may change as the development and redevelopment process proceeds.
(2) First fully-stabilized quarter. See same store definition on page 32.
(3) Majority interest in joint venture with preferred return.
(4) Occupancy calculation excludes 30 units that are offline for redevelopment.

Schedule⁽¹⁾

	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Principal Mezzanine Financing	Mezzanine Interest QTD
Investments with Discounted Purchase Options								
Nexton Square-Phase I Summerville, SC	Mixed-use	118,000 sf	90%	3Q19	4Q20	10%	\$14,000	\$405
Short Term Investments								
Delray Plaza (Whole Foods) ⁽²⁾ Delray Beach, FL	Retail	83,000 sf	100%	3Q19	4Q20	15% ⁽²⁾	12,000	-
The Residences at Annapolis Junction ⁽²⁾ Annapolis Junction, MD	Multifamily	416 units	95%	3Q17	4Q20	10% ⁽²⁾	36,000	-
Solis Apartments at Interlock Atlanta, GA	Multifamily	349 units	NA	4Q20	3Q22	13%	23,000	838
The Interlock Atlanta, GA	Mixed-use	300,000 sf	79%	4Q20	3Q22	15%	67,000	2,543
Total							\$152,000	\$3,786
Mezzanine Interest Expense								(792)
Net Mezzanine Interest Income								\$2,994



(1) Represents estimates that may change as the development process proceeds
 (2) Stopped GAAP recognition of mezzanine income as of 4/1/20

\$ IN THOUSANDS

ACQUISITIONS

Properties	Location	Square Feet	Purchase Price ⁽¹⁾	Reinvested 1031 Proceeds	\$ Value of OP Units/Stock ⁽²⁾	Cash Cap Rate	Purchase Date	Anchor Tenants
Thames Street Wharf	Baltimore, MD	263,426	\$101,000	\$ -	\$ -	7.1%	2Q19	Morgan Stanley, JHU Medical
Red Mill Commons & Marketplace at Hilltop	Virginia Beach, VA	488,865	105,000	-	63,755	7.7%	2Q19	T.J. Maxx, Homegoods, Total Wine, Walgreens
Wendover Village III	Greensboro, NC	5,286	2,783	2,424	-	9.2%	1Q19	Verizon
Lexington Square	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
Total/Weighted Average		3,042,449	\$652,313	\$130,124	\$142,150	7.2%		

DISPOSITIONS

Properties	Location	Square Feet/Units	Sale Price	Cash Proceeds	Gain on Sale	Cash Cap Rate	Disposition Date	Anchor Tenants
Retail Portfolio (7 properties)	Mid-Atlantic	630,780	\$90,000	\$88,000	\$2,776	7.8%	2Q20	Harris Teeter, Food Lion, Weis Markets, Office Max
Lightfoot Marketplace	Williamsburg, VA	124,715	\$30,275	\$11,800	4,477 ⁽⁴⁾	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 ⁽²⁾	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
Oceanneering	Chesapeake, VA	154,000	30,000	10,000	4,987	6.7%	4Q15	Oceanneering International
Whetstone Apartments	Durham, NC	203 units	35,625	17,600	7,210	5.7%	2Q15	NA
Sentara Williamsburg	Williamsburg, VA	49,200	15,450	15,200	6,197	6.3%	1Q15	Sentara
Virginia Natural Gas	Virginia Beach, VA	31,000	8,900	7,400	2,211	6.3%	4Q14	Virginia Natural Gas
Total/Weighted Average		1,530,062 sf/ 203 units	\$329,750	\$256,400	\$65,888	7.2%		

- (1) Contractual purchase price.
- (2) Value of OP Units/common stock at issuance.
- (3) Anchor tenant vacated 12/31/16, which would represent a 2.5% Cash Cap Rate.
- (4) Includes JV interest in the property.

\$ IN THOUSANDS

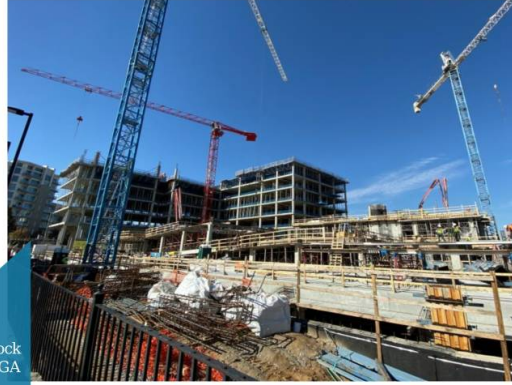
Highlighted Projects	Location	Total Contract Value	Work in Place as of 6/30/2020	Backlog	Estimated Date of Completion
The Interlock	Atlanta, GA	\$93,714	\$71,686	\$22,028	4Q 2020
27th Street Garage and Apartments	Virginia Beach, VA	80,378	25,287	55,091	3Q 2021
Solis Apartments at Interlock	Atlanta, GA	64,655	36,506	28,149	1Q 2021
Boulders Lakeside Apartments	Chesterfield, VA	35,684	27,496	8,188	1Q 2021
Holly Springs Apartments	Holly Springs, NC	34,755	1,834	32,921	3Q 2021
Sub Total		309,186	162,809	146,377	
All Other Projects		307,788	260,423	47,365	
Total		\$616,974	\$423,232	\$193,742	

Gross Profit Summary

	Q2 2020	Trailing 12 Months
	(Unaudited)	
Revenue	\$57,398	\$172,045
Expense	(55,342)	(166,021)
Gross Profit	\$2,056	\$6,024



The Interlock
Atlanta, GA



SAME STORE NOI BY SEGMENT

\$ IN THOUSANDS (RECONCILIATION TO GAAP LOCATED IN APPENDIX ON PG. 36)

	Three months ended				Six months ended			
	6/30/2020	6/30/2019	\$ Change	% Change	6/30/2020	6/30/2019	\$ Change	% Change
Office⁽¹⁾	(Unaudited)				(Unaudited)			
Revenue	\$6,349	\$6,642	(\$293)	-4.4%	\$10,459	\$10,754	(\$295)	-2.7%
Rental Expenses ⁽²⁾	1,531	1,622	(91)	-5.6%	2,692	2,695	(3)	-0.1%
Real Estate Taxes	695	577	118	20.5%	1,109	1,027	82	8.0%
Net Operating Income	\$4,123	\$4,443	(\$320)	-7.2%	\$6,658	\$7,032	(\$374)	-5.3%
Retail⁽¹⁾								
Revenue	\$12,563	\$13,273	(\$710)	-5.3%	\$25,620	\$26,055	(\$435)	-1.7%
Rental Expenses ⁽²⁾	1,504	1,768	(264)	-14.9%	3,246	3,523	(277)	-7.9%
Real Estate Taxes	1,404	1,297	107	8.2%	2,817	2,627	190	7.2%
Net Operating Income	\$9,655	\$10,208	(\$553)	-5.4%	\$19,557	\$19,905	(\$348)	-1.7%
Multifamily⁽¹⁾								
Revenue	\$5,519	\$5,924	(\$405)	-6.8%	\$10,524	\$10,825	(\$301)	-2.8%
Rental Expenses ⁽²⁾	1,723	1,800	(77)	-4.3%	3,237	3,335	(98)	-2.9%
Real Estate Taxes	472	438	34	7.8%	808	768	40	5.2%
Net Operating Income	\$3,324	\$3,686	(\$362)	-9.8%	\$6,479	\$6,722	(\$243)	-3.6%
Same Store Net Operating Income (NOI)	\$17,102	\$18,337	(\$1,235)	-6.7%	\$32,694	\$33,659	(\$965)	-2.9%
GAAP Adjustments	(4,723)	(955)	(3,768)		(4,691)	(1,127)	(3,564)	
Same store portfolio NOI, cash basis excluding \$4.3M of deferred rent in 2Q2020	\$12,379	\$17,382	(\$5,003)	-28.8%	\$28,003	\$32,532	(\$4,529)	-13.9%
NOI, Cash Basis⁽³⁾								
Office	\$3,704	\$3,709	(\$5)	-0.1%	\$6,402	\$6,327	\$75	1.2%
Retail	5,573	10,111	(4,538)	-44.9%	15,386	19,708	(4,322)	-21.9%
Multifamily	3,102	3,562	(460)	-12.9%	6,215	6,497	(282)	-4.3%
	\$12,379	\$17,382	(\$5,003)	-28.8%	\$28,003	\$32,532	(\$4,529)	-13.9%
NOI:								
Office	\$4,123	\$4,443	(\$320)	-7.2%	\$6,658	\$7,032	(\$374)	-5.3%
Retail	9,655	10,208	(553)	-5.4%	19,557	19,905	(348)	-1.7%
Multifamily	3,324	3,686	(362)	-9.8%	6,479	6,722	(243)	-3.6%
	\$17,102	\$18,337	(\$1,235)	-6.7%	\$32,694	\$33,659	(\$965)	-2.9%

(1) See page 33 for Same Store vs. Non - Same Store Properties.

(2) Excludes expenses associated with the Company's in-house asset management division of \$0.3M and \$0.5M for the 3 months ended 6/30/2020 & 6/30/2019, respectively and \$0.7M and \$0.8M for the months ended 6/30/20 & 6/30/19, respectively.

TOP 10 TENANTS BY ABR⁽¹⁾

\$ IN THOUSANDS AS OF JUNE 30, 2020

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	\$ 5,879	16.7%	4.4%
Clark Nexsen	1	2029	2,639	7.5%	2.0%
WeWork	1	2034	2,259	6.4%	1.7%
Duke University	1	2029	1,579	4.5%	1.2%
Huntington Ingalls	1	2029	1,544	4.4%	1.2%
Mythics	1	2030	1,211	3.4%	0.9%
Johns Hopkins Medicine	1	2023	1,149	3.3%	0.9%
Pender & Coward	1	2030	926	2.6%	0.7%
Kimley-Horn	1	2027	894	2.5%	0.7%
Troutman Sanders	1	2025	889	2.5%	0.7%
Top 10 Total			\$ 18,969	53.8%	14.4%

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	6	2020 - 2035	\$ 3,476	6.0%	2.6%
Lowe's Foods	2	2037 ; 2039	1,976	3.4%	1.5%
Bed, Bath, & Beyond	4	2022 ; 2025	1,751	3.0%	1.3%
Regal Cinemas	2	2022 - 2024	1,713	3.0%	1.3%
PetSmart	5	2022 - 2025	1,461	2.5%	1.1%
Petco	4	2022 - 2030	892	1.5%	0.7%
Total Wine & More	2	2024 - 2027	765	1.3%	0.6%
Ross Dress for Less	2	2022 - 2025	762	1.3%	0.6%
TJ Maxx/HomeGoods	3	2022 ; 2025	748	1.3%	0.6%
Safeway	1	2021	718	1.2%	0.5%
Top 10 Total			\$ 14,262	24.5%	10.8%

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

OFFICE

Renewal Lease Summary				GAAP			Cash			Weighted			
Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2020	3	11,529	1	1,485	\$33.09	\$30.47	8.6%	\$33.72	\$32.20	4.7%	5.00	\$70,249	\$6.09
Q1 2020	1	17,194	4	7,373	32.77	30.32	8.1%	29.75	31.40	-5.3%	8.00	1,004,346	58.41
Q4 2019	2	8,147	1	3,929	25.43	24.23	4.9%	24.74	25.69	-3.7%	4.06	64,668	7.94
Q3 2019	1	1,120	4	26,201	38.50	37.00	4.1%	38.50	37.00	4.1%	2.00	1,725	1.54

New Lease Summary ⁽¹⁾						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term	TI & LC	TI & LC per SF
Q2 2020	-	-	\$0.00	-	\$0	\$0.00
Q1 2020	1	3,186	26.50	5.00	112,578	35.34
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

RETAIL

Renewal Lease Summary				GAAP			Cash			Weighted			
Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2020	14	42,605	8	19,153	\$22.15	\$20.57	7.7%	\$22.10	\$20.95	5.5%	4.39	\$41,859	\$0.98
Q1 2020	3	35,767	16	158,218	13.11	12.98	1.0%	13.15	13.00	1.1%	4.81	74,321	2.08
Q4 2019	23	110,368	14	34,291	17.94	16.79	6.9%	17.87	17.15	4.2%	5.25	202,576	1.84
Q3 2019	28	201,931	8	14,338	16.44	15.47	6.3%	16.32	15.72	3.9%	5.14	568,379	2.81

New Lease Summary ⁽¹⁾						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q2 2020	1	1,440	\$18.00	5.33	\$5,505	\$3.82
Q1 2020	7	13,073	18.33	5.24	184,426	14.11
Q4 2019	12	72,921	17.50	10.02	3,207,564	43.99
Q3 2019	5	14,720	20.60	9.60	733,422	49.82

OFFICE LEASE EXPIRATIONS

AS OF JUNE 30, 2020

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	-	38,819	3.0%	\$ -	-	\$ -
M-T-M	2	-	-	2,400	-	-
2020	6	17,117	1.3%	537,734	1.5%	31.42
2021	12	48,532	3.7%	1,365,209	3.9%	28.13
2022	9	47,077	3.6%	1,261,736	3.6%	26.80
2023	12	103,647	7.9%	2,757,301	7.8%	26.60
2024	10	134,075	10.3%	3,255,474	9.3%	24.28
2025	18	142,129	10.9%	4,198,181	11.9%	29.54
2026	8	36,863	2.8%	926,963	2.6%	25.15
2027	5	254,819	19.5%	7,301,882	20.8%	28.66
2028	7	69,036	5.3%	1,984,640	5.6%	28.75
2029	7	242,709	18.6%	6,211,755	17.7%	25.59
2030	6	107,801	8.3%	3,043,135	8.7%	28.23
Thereafter	2	63,415	4.8%	2,296,660	6.6%	36.22
Total / Weighted Average	104	1,306,039	100.0%	\$ 35,143,070	100.0%	\$ 27.73



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%
Office Portfolio Total	100%

RETAIL LEASE EXPIRATIONS

AS OF JUNE 30, 2020

Year	Number of Leases Expiring	Square Footage of Leases Expiring ⁽¹⁾	% Portfolio Net Rentable Square Feet	Annualized Base Rent ⁽¹⁾	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	181,182	5.1%	\$ -	-	\$ -
M-TM	1	1,400	-	25,550	-	18.25
2020	22	143,571	4.0%	1,994,777	3.5%	13.89
2021	73	296,945	8.3%	5,777,248	10.0%	19.46
2022	78	451,450	12.6%	7,551,024	13.1%	16.73
2023	67	444,007	12.4%	7,239,172	12.5%	16.30
2024	69	391,926	11.0%	6,844,146	11.8%	17.46
2025	67	571,078	16.0%	7,819,623	13.5%	13.69
2026	28	170,435	4.8%	3,459,951	6.0%	20.30
2027	18	108,715	3.0%	2,545,423	4.4%	23.41
2028	20	91,451	2.6%	1,374,372	2.4%	15.03
2029	20	96,952	2.7%	1,910,083	3.3%	19.70
2030	16	95,010	2.7%	2,176,487	3.8%	22.91
Thereafter	23	533,944	14.9%	9,058,454	15.7%	16.97
Total / Weighted Average	502	3,578,066	100.0%	\$ 57,776,310	100.0%	\$ 17.01



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%
Retail Portfolio Total	100%

(1) Includes leases from properties in development, redevelopment, and delivered, not yet stabilized.

COVID-19 OVERALL COLLECTIONS

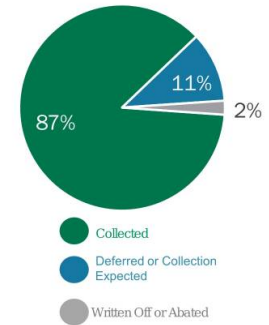
AS OF JULY 31, 2020

Period	COLLECTIONS BY MONTH ⁽¹⁾⁽²⁾							
	TENANT BASE RENT + CAM		COLLECTED		DEFERRED OR COLLECTION EXPECTED		WRITTEN OFF OR ABATED	
	\$	%	\$	%	\$	%	\$	%
April	12,465		10,568	85%	1,567	13%	330	2%
May	12,367		10,634	86%	1,474	12%	259	2%
June	12,469		11,165	90%	1,079	9%	225	1%
2Q20	37,301		32,367	87%	4,120	11%	814	2%
July To Date	12,647		11,742	93%	905	7%	-	-

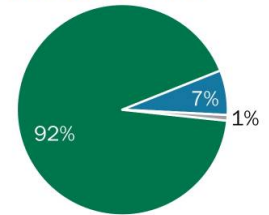
Period	COLLECTIONS BY SECTOR ⁽¹⁾⁽²⁾							
	OFFICE		MULTIFAMILY		RETAIL		TOTAL	
	\$	%	\$	%	\$	%	\$	%
April	3,258	100%	3,557	99%	3,753	67%	10,568	85%
May	3,274	100%	3,439	99%	3,922	70%	10,635	86%
June	3,279	100%	3,531	99%	4,355	78%	11,165	90%
2Q20	9,811	100%	10,527	99%	12,030	72%	32,368	87%
July To Date	3,293	100%	3,728	97%	4,721	86%	11,742	93%

Period	COLLECTIONS BY STATUS ⁽¹⁾⁽²⁾							
	TENANT BASE RENT + CAM		COLLECTED		DEFERRED OR COLLECTION EXPECTED		WRITTEN OFF OR ABATED	
	\$	%	\$	%	\$	%	\$	%
Office	9,833		9,810	100%	23	0%	-	0%
Multifamily	10,654		10,528	99%	20	0%	107	1%
Retail	16,814		12,029	72%	4,078	24%	707	4%
2Q20	37,301		32,367	87%	4,121	11%	814	2%

2Q20 COLLECTIONS⁽³⁾



2Q20 TOP 20 COLLECTIONS⁽³⁾

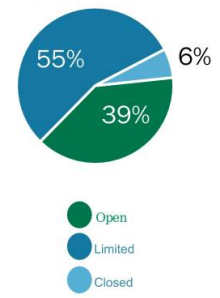
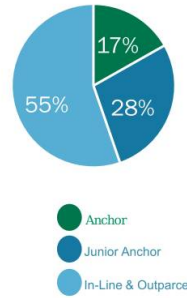
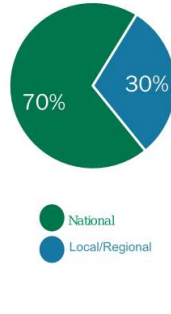
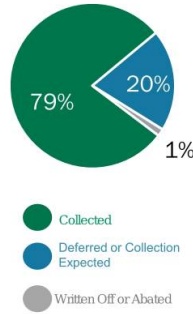


(1) Data reported relates to rent charges and collections through 7/31/2020 and does not correspond to the reporting segment classification of the properties as a whole.
(2) Excludes \$1.7M of tenant base rent + CAM from the seven-property portfolio sold in 2Q20 and \$262k of bad debt tied to non-COVID related receivable write-offs.
(3) As a percentage of 2Q20 rent and recovery charges.

CATEGORY	COLLECTED	DEFERRED OR COLLECTION EXPECTED	WRITTEN OFF OR ABATED
National	71%	27%	3%
Local/Regional	73%	19%	8%
Anchor	84%	16%	0%
Junior Anchor	75%	24%	1%
In-Line / Outparcel	66%	27%	7%

STATUS	TENANTS	AMOUNT DEFERRED ⁽³⁾	AMOUNT OF DEFERRAL %
Paid in Full	314	-	0%
Granted Deferral	167	3,300	81%
Negotiating Deferral	32	648	16%
Collection Expected	16	129	3%
TOTAL	529	\$4,078	100%

TOP 20 TENANTS ⁽⁴⁾ TENANT TYPE ⁽⁴⁾ TENANT MIX ⁽⁴⁾ TENANT OPERATING STATUS ⁽⁴⁾



(1) Data reported relates to rent charges and collections through 7/31/2020 and does not correspond to the reporting segment classification of the properties as a whole.
 (2) Excludes tenant base rent + CAM from the seven-property portfolio sold in 2Q20 and bad debt tied to non-COVID related receivable write-offs.
 (3) Excludes rent collected since 6/30/2020
 (4) As a percentage of 2Q20 rent and recovery charges.



APPENDIX
DEFINITIONS & RECONCILIATIONS

Town Center
Virginia Beach, VA

NET OPERATING INCOME:

We calculate Net Operating Income ("NOI") as property revenues (base rent, expense reimbursements and other revenue) less property expenses (rental expenses and real estate taxes). Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to such other REITs' NOI. NOI is not a measure of operating income or cash flows from operating activities as measured by GAAP and is not indicative of cash available to fund cash needs. As a result, NOI should not be considered an alternative to cash flows as a measure of liquidity. We consider NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of our real estate business.

To calculate NOI on a cash basis, we adjust NOI to exclude the net effects of straight-line rent and the amortization of lease incentives and above/below market rents.

FUNDS FROM OPERATIONS:

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

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared period-over-period, captures trends in occupancy rates, rental rates and operating costs. Other equity REITs may not calculate FFO in accordance with the Nareit definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO.

NORMALIZED FUNDS FROM OPERATIONS:

We calculate Normalized Funds From Operations ("Normalized FFO") as FFO calculated in accordance with the standards established by Nareit, adjusted for acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment of intangible assets and liabilities, mark-to-market adjustments on interest rate derivatives, provision for unrealized credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

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

ADJUSTED FUNDS FROM OPERATIONS:

We calculate Adjusted Funds From Operations ("AFFO") as Normalized FFO adjusted for the impact of non-cash stock compensation, tenant improvement, leasing commission and leasing incentive costs associated with second generation rental space, capital expenditures, non-cash interest expense, proceeds from the sale of a purchase option (in excess of amounts recognized in net income), straight-line rents, cash ground rent payments for finance leases, the amortization of leasing incentives and above (below) market rents 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 pipeline projects that are still in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Management believes that Core EBITDA provides useful supplemental information to investors regarding our ongoing operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Core EBITDA or similarly entitled measures and, accordingly, our Core EBITDA may not always be comparable to Core EBITDA or other similarly entitled measures of other REITs.

CORE DEBT:

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

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.

	Three Months Ended 6/30/2020 to 2019		Six Months Ended 6/30/2020 to 2019	
	Same Store	Non-Same Store	Same Store	Non-Same Store
Retail Properties				
249 Central Park Retail	X		X	
Apex Entertainment		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	
Dimmock Square	X		X	
Fountain Plaza Retail	X		X	
Greentree Shopping Center	X		X	
Hanbury Village	X		X	
Harrisonburg Regal	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	
Red Mill Commons		X		X
Sandbridge Commons	X		X	

	Three Months Ended 6/30/2020 to 2019		Six Months Ended 6/30/2020 to 2019	
	Same Store	Non-Same Store	Same Store	Non-Same Store
Retail Properties (Continued)				
Socastee Commons	X		X	
South Retail	X		X	
South Square	X		X	
Southgate Square	X		X	
Southshore Shops	X		X	
Studio 56 Retail	X		X	
Tyre Neck Harris Teeter	X		X	
Wendover Village	X		X	
Wendover Village II	X		X	
Wendover Village III	X			X
Office Properties				
4525 Main Street	X		X	
Armada Hoffer Tower	X		X	
Brooks Crossing (Office)		X		X
One City Center	X			X
One Columbus	X		X	
Thames Street Wharf		X		X
Two Columbus	X		X	
Multifamily Properties				
1405 Point		X		X
Encore Apartments	X		X	
Greenside Apartments		X		X
Hoffer Place		X		X
Johns Hopkins Village	X		X	
Liberty Apartments	X		X	
Premier Apartments	X			X
Smith's Landing	X		X	
The Cosmopolitan		X		X

\$ IN THOUSANDS

	Three months ended 6/30		Six months ended 6/30	
	2020	2019	2020	2019
Office Same Store⁽¹⁾				
Rental revenues	\$6,349	\$6,642	\$10,459	\$10,754
Property expenses	2,226	2,199	3,801	3,722
NOI	4,123	4,443	6,658	7,032
Non-Same Store NOI ⁽²⁾	2,852	433	6,817	1,388
Segment NOI	\$6,975	\$4,876	\$13,475	\$8,420
Retail Same Store⁽¹⁾				
Rental revenues	\$12,563	\$13,273	\$25,620	\$26,055
Property expenses	2,908	3,065	6,063	6,150
NOI	9,655	10,208	19,557	19,905
Non-Same Store NOI ⁽²⁾	4,594	4,274	9,917	7,423
Segment NOI	\$14,249	\$14,482	\$29,474	\$27,328
Multifamily Same Store⁽¹⁾				
Rental revenues	\$5,519	\$5,924	\$10,524	\$10,825
Property expenses	2,195	2,238	4,045	4,103
NOI	3,324	3,686	6,479	6,722
Non-Same Store NOI ⁽²⁾	2,825	1,968	6,526	3,598
Segment NOI	\$6,149	\$5,654	\$13,005	\$10,320
Total Property Portfolio NOI	\$27,373	\$25,012	\$55,954	\$46,068

(1) See page 33 for the Same Store vs. Non-Same Store properties
(2) Includes expenses associated with the Company's in-house asset management division.

	Three months ended 6/30/2020			
	Office	Retail	Multifamily	Total
<u>Diversified Portfolio</u>				
NOI - Cash Basis	\$2,805	\$8,662	\$4,035	\$15,502
GAAP Adjustments	444	3,958	377	4,779
Elimination of intercompany rent	(72)	-	-	(72)
NOI	\$3,177	\$12,620	\$4,412	\$20,209
<u>Town Center of Virginia Beach</u>				
NOI - Cash Basis	\$3,410	\$162	\$1,592	\$5,164
GAAP Adjustments	215	1,263	145	1,623
Elimination of intercompany rent	(382)	-	-	(382)
NOI	\$3,243	\$1,425	\$1,737	\$6,405
<u>NOI</u>				
Diversified Portfolio	\$3,177	\$12,620	\$4,412	\$20,209
Town Center of Virginia Beach	3,243	1,425	1,737	6,405
Unstabilized Properties	555	204	-	759
Total Property Portfolio NOI	\$6,975	\$14,249	\$6,149	\$27,373

