

**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): May 4, 2021

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))

Title of each class	Securities registered pursuant to Section 12(b) of the Act: 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 May 4, 2021, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of March 31, 2021, results of operations for the three months ended March 31, 2021, and other related information. Also on May 4, 2021, 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 March 31, 2021. 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.

Exhibit No.	Description
99.1	Press Release, dated May 4, 2021, issued by Armada Hoffer Properties, Inc., providing its financial position as of March 31, 2021 and results of operations for the three months ended March 31, 2021.
99.2	Armada Hoffer Properties, Inc. First Quarter 2021 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: May 4, 2021

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



ARMADA HOFFLER PROPERTIES REPORTS FIRST QUARTER 2021 RESULTS

Net Income of \$0.04 Per Diluted Share

Normalized FFO of \$0.26 Per Diluted Share

Reaffirmed 2021 Full-Year Normalized FFO Guidance of \$0.98 to \$1.02 Per Diluted Share

Company Increases Cash Dividend On Common Shares For Second Consecutive Quarter

VIRGINIA BEACH, VA, May 4, 2021 – Armada Hoffler Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended March 31, 2021 and provided an update on current events.

First Quarter and Recent Highlights:

- Net income attributable to common stockholders and OP Unit holders of \$3.1 million, or \$0.04 per diluted share, compared to \$8.2 million, or \$0.11 per diluted share, for the three months ended March 31, 2020.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$20.8 million, or \$0.26 per diluted share, compared to \$22.3 million, or \$0.29 per diluted share, for the three months ended March 31, 2020. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$20.6 million, or \$0.26 per diluted share, compared to \$24.7 million, or \$0.32 per diluted share, for the three months ended March 31, 2020.
- Announced a second quarter cash dividend of \$0.16 per common share, resulting in the second consecutive quarter of dividend increases and a 45.5% cumulative increase year-to-date.
- Reaffirmed 2021 full-year Normalized FFO guidance of \$0.98 to \$1.02 per diluted share.
- Core operating property portfolio occupancy at 94.0% as of March 31, 2021 compared to 94.4% as of December 31, 2020. The Company's March 31, 2021 occupancy includes office at 97.2%, retail at 93.9%, and multifamily at 92.2% (conventional multifamily was 95.8% and student housing was 85.0%).
- Positive releasing spreads on office and retail lease renewals during the first quarter of 6.1% on a GAAP basis and 0.6% on a cash basis.
- Completed the sale of Oakland Marketplace, an unencumbered Kroger-anchored center, for gross proceeds of \$5.5 million.
- Completed the off-market acquisition of Delray Beach Plaza, a Whole Foods-anchored center in Delray Beach, FL.
- Leased nearly 60,000 square feet of commercial office and retail space since our last update.
- Subsequent to quarter end, refinanced Southgate Square, the last of the Company's debt maturing in 2021.

- Board of Directors reaffirmed the Company's commitment to leadership in corporate governance practices by amending the Company's bylaws to implement a "proxy access" provision that enables eligible long-term stockholders to nominate and include their own director nominees in the Company's proxy materials, along with the candidates nominated by the Company's Board of Directors.
- Issued its 2020 Sustainability Report that highlights the Company's ongoing commitment to environmental, workplace health and safety, corporate social responsibility, corporate governance, and other sustainability matters over the course of 2020. The Sustainability Committee's 2020 Report can be accessed through the Sustainability page of the Company's website, [ArmadaHoffler.com/Sustainability](https://www.armadahoffler.com/Sustainability).

"While we are pleased with this quarter's results, they barely begin to tell the story of the momentum building within our company," said Louis Haddad, President & CEO. "We anticipate that our activities over the course of 2021 will build a solid case for expansion of our earnings multiple, significantly higher earnings, and steadily increasing dividends over the next few years."

Financial Results

Net income attributable to common stockholders and OP Unit holders for the first quarter decreased to \$3.1 million compared to \$8.2 million for the first quarter of 2020. The period-over-period change was primarily due to a decrease in interest income on our mezzanine loan portfolio, a decrease in general contracting gross profit, decreases in property net operating income resulting from sales of operating shopping centers, and an impairment of our Socastee Commons shopping center. Additionally, we paid more in preferred dividends due to the issuance of additional preferred stock during 2020. These decreases were partially offset by net operating income resulting from property acquisitions, completed development projects, gains on real estate dispositions, and changes in the fair value of interest rate derivatives.

FFO attributable to common stockholders and OP Unit holders for the first quarter decreased to \$20.8 million compared to \$22.3 million for the first quarter of 2020. Normalized FFO attributable to common stockholders and OP Unit holders for the first quarter decreased to \$20.6 million compared to \$24.7 million for the first quarter of 2020. The period-over-period changes in FFO and Normalized FFO were due to a decrease in interest income on our mezzanine loan portfolio, a decrease in general contracting gross profit, and decreases in property net operating income resulting from sales of operating shopping centers. Additionally, we paid more in preferred dividends due to the issuance of additional preferred stock during 2020. These decreases were partially offset by net operating income resulting from property acquisitions and completed development projects.

Operating Performance

At the end of the first quarter, the Company's office, retail and multifamily core operating property portfolios were 97.2%, 93.9% and 92.2% (conventional multifamily was 95.8% and student housing was 85.0%) occupied, respectively.

Total construction contract backlog was \$38.8 million at the end of the first quarter.

Balance Sheet and Financing Activity

As of March 31, 2021, the Company had \$975.1 million of total debt outstanding, including \$10.0 million outstanding under its revolving credit facility and \$205.0 million outstanding under its senior unsecured term loan facility. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 59% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of March 31, 2021. After giving effect to LIBOR interest rate caps with strike prices at or below 200 basis points as of March 31, 2021, 100% of the Company's debt was either fixed or hedged.

As of March 31, 2021 the Company had a loan with a total of \$19.5 million scheduled to mature in 2021. The loan was refinanced in April 2021.

The Company is currently in compliance with all debt covenants.

Outlook

The Company issued updated 2021 full-year Normalized FFO guidance in the range to \$0.98 to \$1.02 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 2021 earnings guidance during today's webcast and conference call.

Full-year 2021 Guidance ⁽¹⁾	Expected Ranges	
Total NOI	\$116.5M	\$117.5M
Construction Segment Gross Profit	\$4.0M	\$5.5M
G&A Expenses	\$14.5M	\$14.8M
Mezzanine Interest Income	\$17.7M	\$18.1M
Interest Expense ⁽²⁾	\$31.3M	\$32.0M
Normalized FFO per diluted share ⁽³⁾	\$0.98	\$1.02

⁽¹⁾ Includes the following assumptions:

- New \$23M preferred equity mezzanine loan for Solis Nexton, which closed in April
- Interest Expense based on Forward LIBOR Curve, which forecasts rates ending the year at 0.19%
- Opportunistic sale of common stock through the ATM program, resulting in a full year weighted average share count of 82.2M

⁽²⁾ Excludes interest expense on finance leases

⁽³⁾ Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, 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. 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, May 4, 2021 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, June 4, 2021 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13717244.

About Armada Hoffler Properties, Inc.

Armada Hoffler Properties (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 office, retail and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. The Company also provides general construction and development services to third-party clients, in addition to developing and building properties to be placed in their stabilized portfolio. Founded in 1979 by Daniel A. Hoffer, Armada Hoffer has elected to be taxed as a REIT for U.S. federal income tax purposes. For more information visit ArmadaHoffler.com.

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, 2020, and the other documents filed by the Company with the Securities and Exchange Commission (the "SEC") from time to time. 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 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. The Company expressly disclaims any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

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

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

rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

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

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

	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
Real estate investments:		
Income producing property	\$ 1,708,474	\$ 1,680,943
Held for development	11,294	13,607
Construction in progress	69,298	63,367
	1,789,066	1,757,917
Accumulated depreciation	(265,400)	(253,965)
Net real estate investments	1,523,666	1,503,952
Real estate investments held for sale	—	1,165
Cash and cash equivalents	24,762	40,998
Restricted cash	9,826	9,432
Accounts receivable, net	28,203	28,259
Notes receivable, net	133,206	135,432
Construction receivables, including retentions, net	30,712	38,735
Construction contract costs and estimated earnings in excess of billings	54	138
Equity method investment	4,967	1,078
Operating lease right-of-use assets	32,704	32,760
Finance lease right-of-use assets	47,821	23,544
Acquired lease intangible assets	60,006	58,154
Other assets	38,054	43,324
Total Assets	\$ 1,933,981	\$ 1,916,971
LIABILITIES AND EQUITY		
Indebtedness, net	\$ 975,147	\$ 963,845
Accounts payable and accrued liabilities	15,587	23,900
Construction payables, including retentions	32,971	49,821
Billings in excess of construction contract costs and estimated earnings	3,062	6,088
Operating lease liabilities	41,694	41,659
Finance lease liabilities	45,917	17,954
Other liabilities	58,851	56,902
Total Liabilities	1,173,229	1,160,169
Total Equity	760,752	756,802
Total Liabilities and Equity	\$ 1,933,981	\$ 1,916,971

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

	Three Months Ended March 31,	
	2021	2020
	(Unaudited)	
Revenues		
Rental revenues	\$ 45,741	\$ 42,289
General contracting and real estate services revenues	35,563	47,268
Total revenues	<u>81,304</u>	<u>89,557</u>
Expenses		
Rental expenses	10,832	9,375
Real estate taxes	5,306	4,333
General contracting and real estate services expenses	34,275	45,550
Depreciation and amortization	18,066	14,279
Amortization of right-of-use assets - finance leases	189	147
General and administrative expenses	4,021	3,793
Acquisition, development and other pursuit costs	71	27
Impairment charges	3,039	158
Total expenses	<u>75,799</u>	<u>77,662</u>
Gain on real estate dispositions	3,717	—
Operating income	9,222	11,895
Interest income	4,116	7,226
Interest expense on indebtedness	(7,613)	(7,959)
Interest expense on finance leases	(362)	(229)
Change in fair value of derivatives and other	393	(1,736)
Unrealized credit loss release (provision)	55	(377)
Other income (expense), net	179	58
Income before taxes	5,990	8,878
Income tax benefit	19	257
Net income	6,009	9,135
Net loss attributable to noncontrolling interests in investment entities	—	92
Preferred stock dividends	(2,887)	(1,067)
Net income attributable to common stockholders and OP Unit holders	<u>\$ 3,122</u>	<u>\$ 8,160</u>

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

	Three Months Ended March 31,	
	2021	2020
	(Unaudited)	
Net income attributable to common stockholders and OP Unit holders	\$ 3,122	\$ 8,160
Depreciation and amortization ⁽¹⁾	18,066	14,092
Gain on operating real estate dispositions ⁽²⁾	(3,464)	—
Impairment of real estate assets	3,039	—
FFO attributable to common stockholders and OP Unit holders	\$ 20,763	\$ 22,252
Acquisition, development and other pursuit costs	71	27
Impairment of intangible assets and liabilities	—	158
Unrealized credit loss provision (release)	(55)	377
Amortization of right-of-use assets - finance leases	189	147
Change in fair value of derivatives and other	(393)	1,736
Normalized FFO available to common stockholders and OP Unit holders	\$ 20,575	\$ 24,697
Net income attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.04	\$ 0.11
FFO attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.26	\$ 0.29
Normalized FFO attributable to common stockholders and OP Unit holders per diluted share and unit	\$ 0.26	\$ 0.32
Weighted average common shares and units - diluted	80,276	77,671

(1) The adjustment for depreciation and amortization for the three months ended March 31, 2020 excludes \$0.2 million of depreciation attributable to the Company's joint venture partners.

(2) Excludes the gain on sale of easement rights on a non-operating parcel.

Contact:

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

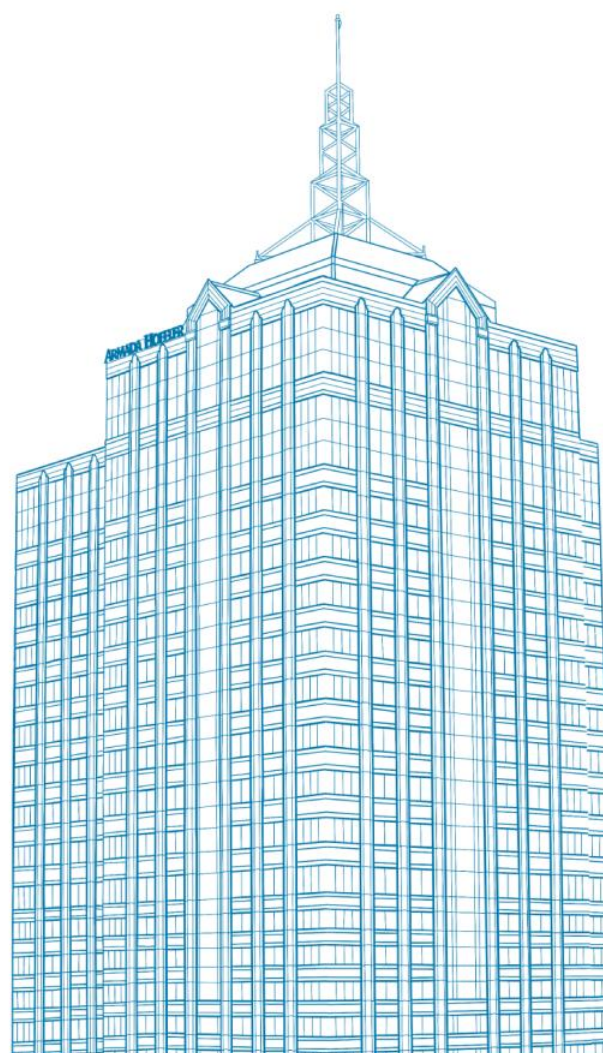


 **ARMADA HOFF**
PROPERTIES

1Q21 SUPPLEMENTAL FINANCIAL PAC

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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 May 4, 2021, which has been furnished as Exhibit 99.1 to our Form 8-K filed on May 4, 2021. 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 (see 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 core property portfolio, the Company's development pipeline, the Company's construction and development business, including backlog and timing of delivery, 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 2020 Annual Report on Form 10-K for the year ended December 31, 2020 and the other documents filed by the Company with the Securities and Exchange Commission (the "SEC") from time to time. 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 SEC. These factors include, without limitation: (a) the impact of the coronavirus (COVID-19) pandemic on global macroeconomic conditions and economic conditions in the markets in which the Company operates, including, among others: (i) disruptions in, or restricted access to, the capital markets or disruptions in the Company's ability to borrow amounts subject to existing construction loan commitments; (ii) impacts to the Company's tenants' and other third parties' businesses and financial conditions 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 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 any economic stimulus or other initiatives; (b) the Company's ability to continue construction on development and construction projects, in each case on the same 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 operations, financial condition, dividend policy, acquisition and disposition activities and growth opportunities; and (d) the Company's ability to comply with the covenants under its existing debt agreements or to obtain modifications to such covenants from the applicable lenders. The Company expressly disclaims any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CORPORATE PROFILE



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

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HIGHLIGHTS



- Net income attributable to common stockholders and OP Unit holders of \$3.1 million, or \$0.04 per diluted share, compared to \$8.2 million, or \$0.11 per diluted share, for the three months ended March 31, 2020.
 - Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$20.8 million, or \$0.26 per diluted share, compared to \$22.3 million, or \$0.29 per diluted share, for the three months ended March 31, 2020. See "Non-GAAP Financial Measures."
 - Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$20.6 million, or \$0.26 per diluted share, compared to \$24.7 million, or \$0.32 per diluted share, for the three months ended March 31, 2020.
 - Announced a second quarter cash dividend of \$0.16 per common share, resulting in the second consecutive quarter of dividend increases and a 45.5% cumulative increase year-to-date.
 - Reaffirmed 2021 full-year Normalized FFO guidance of \$0.98 to \$1.02 per diluted share.
 - Core operating property portfolio occupancy at 94.0% as of March 31, 2021 compared to 94.4% as of December 31, 2020. The Company's March 31, 2021 occupancy includes office at 97.2%, retail at 93.9%, and multifamily at 92.2% (convention: multifamily was 95.8% and student housing was 85.0%).
 - Positive releasing spreads on office and retail lease renewals during the first quarter of 6.1% on a GAAP basis and 0.6% on cash basis.
 - Completed the sale of Oakland Marketplace, an unencumbered Kroger-anchored center, for gross proceeds of \$5.5 million.
 - Completed the off-market acquisition of Delray Beach Plaza, a Whole Foods-anchored center in Delray Beach, FL.
 - Leased nearly 60,000 square feet of commercial office and retail space since our last update.
 - Subsequent to quarter end, refinanced Southgate Square, the last of the Company's debt maturing in 2021.
 - Board of Directors reaffirmed the Company's commitment to leadership in corporate governance practices by amending the Company's bylaws to implement a "proxy access" provision that enables eligible long-term stockholders to nominate and include their own director nominees in the Company's proxy materials, along with the candidates nominated by the Company's Board of Directors.
 - Issued its 2020 Sustainability Report that highlights the Company's ongoing commitment to environmental, workplace health and safety, corporate social responsibility, corporate governance, and other sustainability matters over the course of 2020. Sustainability Committee's 2020 Report can be accessed through the Sustainability page of the Company's website, [ArmadaHoffler.com/Sustainability](https://www.armadahoffler.com/Sustainability).
-

2021 OUTLOOK & ASSUMPTIONS



<i>OUTLOOK</i>	<i>LOW</i>	<i>HIGH</i>
<i>TOTAL NOI</i>	\$116.5M	\$117.5M
<i>CONSTRUCTION SEGMENT GROSS PROFIT</i>	\$4.0M	\$5.5M
<i>G&A EXPENSES</i>	\$14.5M	\$14.8M
<i>MEZZANINE INTEREST INCOME</i>	\$17.7M	\$18.1M
<i>INTEREST EXPENSE⁽¹⁾</i>	\$31.3M	\$32.0M
<i>NORMALIZED FFO PER DILUTED SHARE</i>	\$0.98	\$1.02

(1) Excludes the interest expense on finance leases

GUIDANCE ASSUMPTIONS

- New \$23M preferred equity mezzanine loan for Solis Nexton, which closed in April
 - Interest expense based on Forward LIBOR Curve, which forecasts rates ending the year at 0.19%
 - Opportunistic sale of common stock through the ATM program, resulting in a full year weighted average share count of 82.
-

SUMMARY INFORMATION

\$ IN THOUSANDS, EXCEPT PER SHARE DATE



	Three months ended			
	3/31/2021	12/31/2020	9/30/2020	6/30/2020
OPERATIONAL METRICS				
Net income attributable to common stockholders and OP unit holders	\$3,122	\$1,851	\$8,651	\$11,178
Net income per diluted share attributable to common stockholders and OP unit holders	\$0.04	\$0.02	\$0.11	\$0.14
Normalized FFO attributable to common stockholders and OP unit holders	20,575	19,900	19,039	22,583
Normalized FFO per diluted share attributable to common stockholders and OP unit holders	\$0.26	\$0.25	\$0.24	\$0.29
Annualized dividend yield	4.78%	3.92%	4.75%	NA
Core debt / Annualized core EBITDA	7.1x	6.6x	5.8x	6.5x
Fixed charge coverage ratio	2.4x	2.3x	2.5x	3.0x
CAPITALIZATION				
Common shares outstanding	59,894	59,073	57,934	57,010
Operating Partnership units outstanding	20,853	20,865	20,523	21,273
Common shares and Operating Partnership units outstanding	80,747	79,938	78,457	78,283
Market price per common share	\$12.54	\$11.22	\$9.26	\$9.95
Common equity capitalization	1,012,568	896,904	726,512	778,916
Preferred equity capitalization	171,085	171,085	171,075	63,350
Total equity capitalization	\$1,183,653	\$1,067,989	\$897,587	\$842,266
Total debt ⁽¹⁾	975,099	962,812	885,359	956,726
Total capitalization	2,158,752	2,030,801	1,782,946	1,798,992
Less: cash	(34,588)	(50,430)	(79,224)	(75,111)
Total enterprise value	\$2,124,164	\$1,980,371	\$1,703,722	\$1,723,881
STABILIZED PORTFOLIO OCCUPANCY				
Retail ⁽²⁾	93.9%	94.7% ⁽⁴⁾	94.2% ⁽⁴⁾	95.1%
Office ⁽²⁾	97.2%	97.0%	96.7%	97.0%
Multifamily ⁽³⁾	92.2%	92.5%	95.9%	87.9%
Weighted Average ⁽⁶⁾	94.0%	94.4%	95.4%	93.6%
PORTFOLIO METRICS (INCLUDING NON-STABILIZED)				
Net Operating Income (NOI)	\$29,603	\$28,785	\$24,653	\$27,373
Total Number of Properties	57	57	55	52
Total Rentable Square Feet (RSF)	5,337,657	5,323,441	5,323,442	4,884,105
Retail Portfolio				
Net Operating Income	\$13,392	\$13,500	\$11,243	\$14,249
Number of Properties	37	37	37	36
Net Rentable Square Feet	3,709,478	3,690,375	3,690,376	3,578,066
Office Portfolio				
Net Operating Income	\$7,402	\$7,073	\$7,039	\$6,975
Number of Properties	8	8	8	7
Net Rentable Square Feet	1,628,179	1,633,066	1,633,066	1,306,039
Multifamily Portfolio				
Net Operating Income	\$8,809	\$8,212	\$6,371	\$6,149
Number of Properties	12	12	10	9
Units	2,344	2,344	1,754	1,754
Beds	1,183	1,183	1,183	826

(1) Excludes GAAP adjustments.

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

(3) Multifamily and student housing occupancy based on occupied units/beds as a % of total

(4) Regal leases which were terminated in October 2020 have been re-signed and included in occupancy for both quarters. Regal at Columbus Village II was re-signed after December 31, 2020.

(5) Includes impact of seasonality related to student housing.

(6) Total occupancy weighted by annualized base rent.

SUMMARY BALANCE SHEET

\$ IN THOUSANDS



	As of	
	3/31/2021 (Unaudited)	12/31/2020
Assets		
Real estate investments:		
Income producing property	\$1,708,474	\$1,680,943
Held for development	11,294	13,607
Construction in progress	69,298	63,367
Accumulated depreciation	(265,400)	(253,965)
Net real estate investments	1,523,666	1,503,952
Real estate investments held for sale	-	1,165
Cash and cash equivalents	24,762	40,998
Restricted cash	9,826	9,432
Accounts receivable, net	28,203	28,259
Notes receivable, net	133,206	135,432
Construction receivables, including retentions, net	30,712	38,735
Construction contract costs and estimated earnings in excess of billings	54	138
Equity method investments	4,967	1,078
Operating lease right-of-use assets	32,704	32,760
Finance lease right-of-use assets	47,821	23,544
Acquired lease intangible assets	60,006	58,154
Other assets	38,054	43,324
Total Assets	\$1,933,981	\$1,916,971
Liabilities and Equity		
Indebtedness, net	\$975,147	\$963,845
Accounts payable and accrued liabilities	15,587	23,900
Construction payables, including retentions	32,971	49,821
Billings in excess of costs and estimated earnings	3,062	6,088
Operating lease liabilities	41,694	41,659
Finance lease liabilities	45,917	17,954
Other liabilities	58,851	56,902
Total Liabilities	1,173,229	1,160,169
Total Equity	760,752	756,802
Total Liabilities and Equity	\$1,933,981	\$1,916,971

SUMMARY INCOME STATEMENT

IN THOUSANDS, EXCEPT PER SHARE DATA



	Three months ended	
	3/31/2021	3/31/2020
Revenues	(Unaudited)	
Rental revenues	\$45,741	\$42,289
General contracting and real estate services revenues	35,563	47,268
Total Revenues	81,304	89,557
Expenses		
Rental expenses	10,832	9,375
Real estate taxes	5,306	4,333
General contracting and real estate services expenses	34,275	45,550
Depreciation and amortization	18,066	14,279
Amortization of right-of-use assets - finance leases	189	147
General and administrative expenses	4,021	3,793
Acquisition, development and other pursuit costs	71	27
Impairment charges	3,039	158
Total Expenses	75,799	77,662
Gain on real estate dispositions	3,717	-
Operating Income	9,222	11,895
Interest income	4,116	7,226
Interest expense on indebtedness	(7,613)	(7,959)
Interest expense on finance leases	(362)	(229)
Change in fair value of derivatives and other	393	(1,736)
Unrealized credit loss release (provision)	55	(377)
Other income (expense), net	179	58
Income before taxes	5,990	8,878
Income tax benefit	19	257
Net Income	\$6,009	\$9,135
Net income attributable to noncontrolling interest in investment entities	-	92
Preferred stock dividends	(2,887)	(1,067)
Net income attributable to AHH and OP Unit holders	\$3,122	\$8,160
Net income per diluted share and unit attributable to AHH and OP Unit holders	\$0.04	\$0.11
Weighted Average Shares & Units - Diluted	80,276	77,671

FFO, NORMALIZED FFO & AFFO⁽¹⁾

IN THOUSANDS, EXCEPT PER SHARE DATA



Three months ended (Unaudited)

	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Funds From Operations					
Net income attributable to AHH and OP unit holders	\$3,122	\$1,851	\$8,651	\$11,178	\$8,160
Net Income per diluted share	\$0.04	\$0.02	\$0.11	\$0.14	\$0.11
Depreciation and amortization	18,066	17,678 ⁽²⁾	14,131 ⁽²⁾	13,644 ⁽²⁾	14,092
Gains on dispositions of operating real estate	(3,464) ⁽³⁾	-	(3,612)	(2,776)	-
Impairment of real estate assets	3,039 ⁽⁴⁾	-	-	-	-
FFO	\$20,763	\$19,529	\$19,170	\$22,046	\$22,252
FFO per diluted share	\$0.26	\$0.25	\$0.24	\$0.28	\$0.29
Normalized FFO					
Acquisition, development & other pursuit costs	71	29	26	502	27
Non cash GAAP Adjustments	134	636	161	29	682
Change in fair value of derivatives and other	(393)	(294)	(318)	6	1,736
Normalized FFO	\$20,575	\$19,900	\$19,039	\$22,583	\$24,697
Normalized FFO per diluted share	\$0.26	\$0.25	\$0.24	\$0.29	\$0.32
Adjusted FFO					
Non-cash stock compensation	1,017	471	456	421	1,030
Acquisition, development & other pursuit costs	(71)	(29)	(26)	(502)	(27)
Tenant improvements, leasing commissions, lease incentives ⁽⁵⁾	(1,264)	(1,924)	(2,770)	(728)	(1,318)
Property related capital expenditures	(1,224)	(2,500)	(1,373)	(2,316)	(1,014)
Adjustment for loan modification and exit fees	(493)	(493)	(614)	(614)	(2,074)
Non-cash interest expense ⁽⁶⁾	988	934	874	673	638
Cash ground rent payment - finance lease	(415)	(291)	(291)	(241)	(216)
GAAP Adjustments	(1,707)	(1,940)	(684)	(6,295)	(984)
AFFO	\$17,406	\$14,128	\$14,611	\$12,981	\$20,732
AFFO per diluted share	\$0.22	\$0.18	\$0.19	\$0.17	\$0.27
Weighted Average Common Shares Outstanding	59,422	58,304	57,923	56,668	56,398
Weighted Average Operating Partnership Units Outstanding	20,854	20,867	20,520	21,273	21,273
Total Weighted Average Common Shares and OP Units Outstanding	80,276	79,171	78,443	77,941	77,671

(1) See definitions on pages 30-31.

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

(3) Excludes gain on the sale of easement rights at a non-operating parcel of \$0.3M.

(4) Related to Socastee Commons.

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

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

OUTSTANDING DEBT

\$ IN THOUSANDS



Debt Maturities & Principal Payments

Debt	Stated Rate	Effective Rate as of 3/31/2021	Maturity Date	Debt Maturities & Principal Payments						Outstanding 3/31/2021
				2021	2022	2023	2024	2025	Thereafter	
Secured Notes Payable - Core Debt										
Red Mill West	4.23%	4.23%	Jun-2022	\$350	\$10,387					
Thames Street Wharf	L+1.30%	1.81% ⁽¹⁾	Jun-2022	-	70,000					
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	313	9,705					
1405 Point	L+2.25%	2.36%	Jan-2023	539	754	51,532				
Socastee Commons	4.57%	4.57%	Jan-2023	86	120	4,223				
Nexton Square	L+2.25%	2.50% ⁽²⁾	Feb-2023	-	-	20,107				
249 Central Park Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	185	260	16,093				
Fountain Plaza Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	112	156	9,684				
South Retail	L+1.60%	3.85% ⁽¹⁾	Aug-2023	81	114	7,066				
Hoffler Place	L+2.60%	3.00% ⁽³⁾	Jan-2024	-	-	257	18,143			
Summit Place	L+2.60%	3.00% ⁽³⁾	Jan-2024	-	-	311	22,789			
One City Center	L+1.85%	1.96%	Apr-2024	476	659	691	22,734			
Southgate Square ⁽²⁾	L+2.25%	3.00% ⁽³⁾	Apr-2024	473	729	751	17,509			
Red Mill Central	4.80%	4.80%	Jun-2024	131	175	175	1,838			
Premier Apartments	L+1.55%	1.66%	Oct-2024	156	221	234	16,053			
Red Mill South	3.57%	3.57%	May-2025	237	327	338	351	4,502		
Brooks Crossing Office	L+1.60%	1.71%	Jul-2025	378	513	521	530	13,325		
Market at Mill Creek	L+1.55%	1.66%	Jul-2025	486	647	647	647	11,200		
Johns Hopkins Village	L+1.25%	4.19% ⁽¹⁾	Aug-2025	738	1,031	1,075	1,116	46,649		
North Point Center Note 2	7.25%	7.25%	Sep-2025	106	151	162	174	1,467		
Encore Apartments	2.93%	2.93%	Feb-2026	395	540	556	573	590	22,306	
4525 Main Street	2.93%	2.93%	Feb-2026	506	692	713	734	756	28,580	
Delray Beach Plaza	L+3.00%	3.11%	Mar-2026	91	127	131	134	138	13,852	
Lexington Square	4.50%	4.50%	Sep-2028	202	280	293	306	320	12,973	
Red Mill North	4.73%	4.73%	Dec-2028	79	110	116	121	127	3,715	
Greenside Apartments	3.17%	3.17%	Dec-2029	533	735	759	783	808	29,513	
The Residences at Annapolis Junction	SOFR +2.66%	2.67%	Nov-2030	-	-	147	1,753	1,809	80,666	
Smith's Landing	4.05%	4.05%	Jun-2035	661	917	956	994	1,037	12,547	
Liberty Apartments	5.66%	5.66%	Nov-2043	230	322	341	361	382	12,166	
Edison Apartments	5.30%	5.30%	Dec-2044	261	364	384	405	427	14,346	
The Cosmopolitan	3.35%	3.35%	Jul-2051	617	847	876	906	937	38,524	
Total - Secured Core Debt				8,422	100,883	119,139	108,954	84,474	269,188	
Secured Notes Payable - Development Pipeline										
Wills Wharf	L+2.25%	2.36%	Jun-2023	-	-	60,831				
Solis Gainesville	L+3.00%	3.75% ⁽³⁾	Aug-2024							
Premier Retail	L+1.55%	1.66%	Oct-2024	77	109	115	7,907			
Total - Development Pipeline				77	109	60,946	7,907	-	-	
Total Secured Notes Payable				8,499	100,992	180,085	116,861	84,474	269,188	
Unsecured Core Debt										
Senior Unsecured Line of Credit	L+1.30%-1.85%	1.61%	Jan-2024	-	-	-	10,000			
Senior Unsecured Term Loan	L+1.25%-1.80%	1.56%	Jan-2025	-	-	-	-	19,500		
Senior Unsecured Term Loan	L+1.25%-1.80%	1.95% - 4.47% ⁽¹⁾	Jan-2025	-	-	-	-	-	185,500	
Total - Unsecured Core Debt				-	-	-	10,000	205,000	-	
Total Notes Payable excluding GAAP Adjustments				\$8,499	\$100,992	\$180,085	\$126,861	\$289,474	\$269,188	\$5
GAAP Adjustments										
Total Notes Payable										\$5

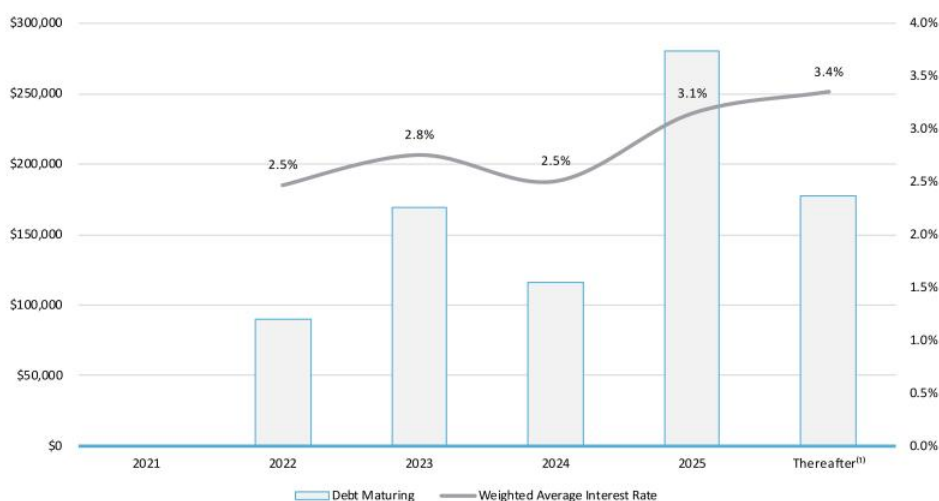
- (1) Includes debt subject to interest rate swap locks.
- (2) Refinanced subsequent to quarter end, new rate and maturity reflected.
- (3) Subject to a LIBOR rate floor.

DEBT INFORMATION

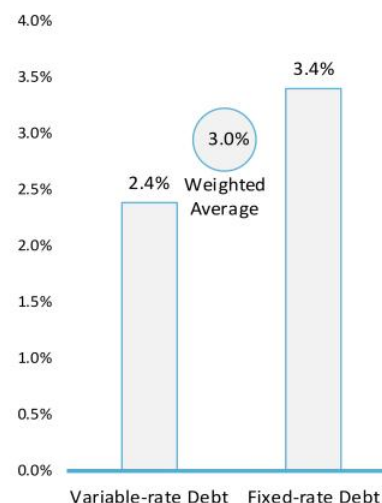
\$ IN THOUSANDS



Debt Maturities⁽¹⁾



Interest Rates⁽¹⁾⁽⁵⁾



Total Debt Composition

	% of Debt	Weighted Average ⁽¹⁾⁽⁵⁾	
		Interest Rate	Maturity
Variable vs. Fixed-rate Debt⁽¹⁾			
Variable-rate Debt ⁽²⁾	41.2%	2.4%	4.2 Yrs
Fixed-rate Debt ⁽³⁾⁽⁴⁾	58.8%	3.4%	7.2 Yrs
Fixed-rate and Hedged Debt ⁽³⁾⁽⁴⁾	100%		
Secured vs. Unsecured Debt			
Unsecured Debt	22.0%	3.0%	3.8 Yrs
Secured Debt	78.0%	3.0%	6.6 Yrs
Total		3.0%	6.0 Yrs

Interest Rate Cap Agreements At or Below 2.00%

Effective Date	Maturity Date	Strike Rate
January 2020	February 2022	1.75%
March 2020	March 2022	1.50%
July 2020	July 2023	0.50%
October 2020	November 2023	SOFR 1.84%
February 2021	February 2023	0.50%
Total Interest Rate Caps		
	Fixed-rate Debt ⁽³⁾⁽⁴⁾	
	Fixed-rate and Hedged Debt	
Total Debt ⁽⁴⁾		
% of Total Debt ⁽⁴⁾		

- (1) Includes refinances that occurred subsequent to 3/31/21.
- (2) Excludes debt subject to interest rate swap locks.
- (3) Includes debt subject to interest rate swap locks.
- (4) Excludes GAAP adjustments.
- (5) Subject to LIBOR rate as of 3/31/21.

CORE DEBT TO CORE EBITDA

\$ IN THE THOUSANDS

SEE PAGE 34 FOR CALCULATIONS AND RECONCILIATION



	Three months ended				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Net income attributable to common stockholders and OP unit holders	\$3,122	\$1,851	\$8,651	\$11,178	
Adjusted EBITDA ⁽¹⁾⁽²⁾⁽⁴⁾	\$31,772	\$30,534	\$29,976	\$31,108	
Other adjustments:					
Development/Redevelopment	(1,060)	(880)	(2,225)	(1,085)	
(Less) Acquisitions/Dispositions completed intra-quarter	(447)	(961)	(155)	(1,351)	
Core EBITDA⁽⁴⁾	\$30,266	\$28,693	\$27,596	\$28,672	
Annualized Core EBITDA	\$121,316⁽⁵⁾	\$114,770	\$110,382	\$114,689	
Total debt⁽³⁾	\$975,099	\$962,812	\$885,359	\$956,726	
Adjustments to debt:					
(Less) Development/Redevelopment	(69,039)	(67,285)	(143,560)	(137,508)	
(Less) Net Acquisitions completed intra-quarter	(14,473)	(84,375)	(22,909)	-	
(Less) Cash & restricted cash	(34,588)	(50,430)	(79,224)	(75,111)	
Core Debt⁽⁴⁾	\$856,999	\$760,722	\$639,666	\$744,107	
Core Debt/Annualized Core EBITDA	7.1x	6.6x	5.8x	6.5x	

(1) See reconciliation on page 34.

(2) Excludes non-recurring items.

(3) Excludes GAAP adjustments.

(4) See page 31 for definition.

(5) Includes the unannualized gain of sale on the non-operating parcel of \$0.3M.

CAPITALIZATION & FINANCIAL RATIOS

\$ IN THOUSANDS AS OF MARCH 31, 2021



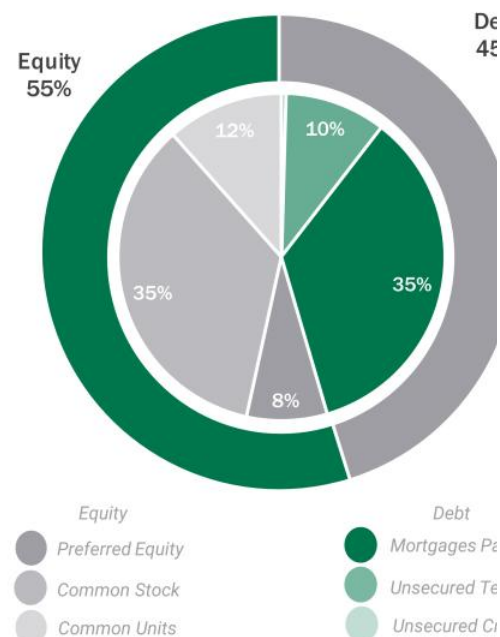
Debt	% of Total	Principal Balance
Unsecured credit facility	1%	\$10,000
Unsecured term loans	21%	205,000
Mortgages payable	78%	760,099
Total debt		\$975,099

Preferred Equity	Shares	Liquidation Value Per Share	Total Liquidation Value
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock (NYSE: AHHPRA)	6,843	\$25.00	\$171,085

Common Equity	% of Total	Shares/Units	Stock Price	Market Value
Common stock (NYSE: AHH)	74%	59,894	\$12.54	\$751,071
Operating Partnership Units	26%	20,853	\$12.54	261,497
Equity market capitalization		80,747		\$1,012,568
Total capitalization				\$2,158,752

Financial Ratios	
Debt Service Coverage Ratio ⁽¹⁾	3.1x
Fixed Charge Coverage Ratio ⁽²⁾	2.4x
Net Debt to Adjusted EBITDA	7.4x
Core Debt to Core EBITDA	7.1x
Core Debt + Preferred Equity to Core EBITDA	8.5x
Debt/Total Capitalization	45%

Liquidity	
Cash on hand	\$34,588
Availability under credit facility	93,000
Availability under construction loans	48,368
	\$175,956



Unencumbered Properties	
% of Total Properties	
% of Annualized Base Rent	

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

PROPERTY PORTFOLIO

AS OF MARCH 31, 2021



Retail Properties- Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾
249 Central Park Retail	Cheesecake Factory, Brooks Brothers	Virginia Beach, VA	✓	-	2004	92,400	97.9%	\$2,388,192
Apex Entertainment	Apex Entertainment, USI	Virginia Beach, VA	✓	100%	2002	103,335	100.0%	1,482,137
Broad Creek Shopping Center ⁽⁶⁾⁽⁹⁾	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	95.1%	2,097,012
Broadmoor Plaza	Kroger	South Bend, IN		100%	1980	115,059	97.5%	1,335,403
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	18,349	66.3%	170,112
Columbus Village ⁽⁶⁾	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	62,362	91.0%	1,719,906
Columbus Village II	BB&B, Regal	Virginia Beach, VA	✓	100%	1995/1996	92,061	96.7%	720,000
Commerce Street Retail	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	100.0%	894,764
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,177	100.0%	139,311
Delray Beach Plaza ⁽⁶⁾⁽⁹⁾	Whole Foods	Delray Beach, FL		-	2021	87,207	100.0%	2,973,990
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	75.3%	1,468,733
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	100.0%	998,614
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	92.6%	328,956
Hanbury Village ⁽⁶⁾	Harris Teeter	Chesapeake, VA		100%	2006/2009	98,638	100.0%	1,977,965
Harrisonburg Regal	Regal Cinemas	Harrisonburg, VA		100%	1999	49,000	100.0%	717,850
Lexington Square	Lowe's Foods	Lexington, SC		-	2017	85,440	98.3%	1,822,429
Market at Mill Creek ⁽⁶⁾	Lowe's Foods	Mt. Pleasant, SC		-	2018	80,319	97.7%	1,805,603
Marketplace at Hilltop ⁽⁶⁾⁽⁹⁾	Total Wine, Panera, Chick-Fil-A	Virginia Beach, VA		-	2000/2001	116,953	96.4%	2,481,275
Nexton Square	Various Small Shops	Summerville, SC		-	2020	127,196	87.7%	2,900,471
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,954	97.7%	1,480,950
North Point Center ⁽⁶⁾⁽¹¹⁾	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	92.9%	3,493,917
Parkway Centre	Publix	Moultrie, GA		100%	2017	61,200	100.0%	836,604
Parkway Marketplace	Rite Aid	Virginia Beach, VA		100%	1998	37,804	87.3%	679,524
Patterson Place	BB&B, PetSmart, DSW	Durham, NC		100%	2004	160,942	79.2%	2,076,887
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	98.0%	1,267,026
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	87.2%	2,564,603
Red Mill Commons ⁽⁶⁾	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	373,808	94.9%	6,472,009
Sandbridge Commons ⁽⁶⁾	Harris Teeter	Virginia Beach, VA		100%	2015	76,650	100.0%	1,101,132
Socastee Commons ⁽¹¹⁾	Bi-Lo	Myrtle Beach, SC		-	2000/2014	57,273	100.0%	654,575
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA		-	1991/2016	260,131	96.5%	3,522,526
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	84.9%	947,404
South Square	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	100.0%	1,952,968
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,307	74.1%	627,165
Studio 56 Retail	Rocket Title	Virginia Beach, VA	✓	100%	2007	11,594	15.2%	54,182
Tyre Neck Harris Teeter ⁽⁶⁾⁽⁹⁾	Harris Teeter	Portsmouth, VA		100%	2011	48,859	100.0%	533,285
Wendover Village	T.J. Maxx, Petco	Greensboro, NC		100%	2004	176,997	98.7%	3,364,489
Stabilized Retail Total	36 Properties			55%		3,670,763	93.9%	\$60,051,969

Retail Properties- Non-Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	38,715	82.0%	\$1,022,764
Non-Stabilized Retail Total	1 Property							

PROPERTY PORTFOLIO CONT.

AS OF MARCH 31, 2021



Office Properties- Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾	ABR per
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	99.4%	\$6,972,878	
Armada Hoffer Tower ⁽⁴⁾⁽⁵⁾	AHH, Troutman Pepper, Williams Mullen	Virginia Beach, VA	✓	100%	2002	315,929	97.3%	9,105,991	
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA		-	2019	98,061	100.0%	1,850,411	
One Columbus ⁽⁵⁾	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,770	97.7%	3,251,365	
One City Center	Duke University, WeWork	Durham, NC		-	2019	151,599	89.3%	4,286,406	
Thames Street Wharf ⁽⁴⁾	Morgan Stanley, JHU Medical	Baltimore, MD		-	2010	263,426	99.4%	7,361,888	
Two Columbus	Hazen & Sawyer, Fidelity	Virginia Beach, VA	✓	100%	2009	108,459	95.4%	2,603,176	
Stabilized Office Total	7 Properties			42%		1,301,182	97.2%	\$35,432,115	

Office Properties- Non-Stabilized	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	SF ⁽¹⁾	Occupancy ⁽²⁾	ABR ⁽³⁾	ABR per
Wills Wharf ⁽⁹⁾	Canopy by Hilton, EY, Jellyfish	Baltimore, MD		-	2020	326,997	47.2%	\$2,726,155	
Non-Stabilized Office Total	1 Property								

Multifamily Properties- Stabilized	Location	Town Center	Unencumbered AQR	Year Built	Units/Beds	Occupancy ⁽²⁾	AQR ⁽⁷⁾	Monthly Effective Rent per Occupied Unit	Rent per
1405 Point ⁽⁸⁾⁽⁹⁾	Baltimore, MD		-	2018	289	95.8%	\$7,240,992	\$2,178	
Encore Apartments	Virginia Beach, VA	✓	-	2014	286	94.4%	4,566,995	1,410	
Edison Apartments ⁽⁸⁾	Richmond, VA		-	2014	174	94.8%	2,631,424	1,329	
Greenside Apartments	Charlotte, NC		-	2018	225	97.3%	4,118,411	1,567	
Liberty Apartments ⁽⁸⁾	Newport News, VA		-	2013	197	95.5%	2,948,485	1,306	
Premier Apartments	Virginia Beach, VA	✓	-	2018	131	93.9%	2,493,210	1,689	
Smith's Landing ⁽⁹⁾	Blacksburg, VA		-	2009	284	98.2%	5,106,966	1,525	
The Cosmopolitan ⁽⁸⁾	Virginia Beach, VA	✓	-	2006	342	95.6%	7,592,446	1,935	
The Residences at Annapolis Junction	Annapolis Junction, MD		-	2018	416	95.4%	9,530,331	2,000	
Multifamily Total	9 Properties				2,344	95.8%	46,229,260	1,716	
Hoffer Place ⁽⁸⁾⁽¹⁰⁾	Charleston, SC		-	2019	258	95.3%	\$3,340,596	\$1,132	
Johns Hopkins Village ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	Baltimore, MD		-	2016	568	73.9%	6,410,151	1,272	
Summit Place ⁽¹⁰⁾	Charleston, SC		-	2020	357	95.2%	3,673,112	900	
Student Housing Total	3 Properties				1,183	85.0%	13,423,859	1,112	
Total / Weighted Average Multifamily Portfolio					3,527	92.2%	\$59,653,119	\$1,529	

(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 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 March 31, 2021, divided by (b) net rentable square feet, expressed as a percentage. Occupancy multifamily properties is calculated as (a) total units/beds occupied as of March 31, 2021, divided by (b) total units/beds available, as of such date expressed as a percentage.

(3) For the properties in our retail & office 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 excluding tenant reimbursements for expenses paid by us) as of March 31, 2021 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 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 March 31, 2021. In the case of triple net or modified j 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 \$1.8M, or \$32.23 per leased square foot, which are reflected in this table. The rent paid by us is eliminated in accordance with GAAP consolidated financial statements.

(5) Includes ABR pursuant to a rooftop lease.

(6) Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases.

(7) For the properties in our multifamily portfolio, AQR is calculated by multiplying (a) revenue for the quarter ended March 31, 2021 by (b) 4.

(8) The AQR for Liberty, Cosmopolitan, Johns Hopkins Village, Hoffer Place, Edison, and 1405 Point excludes approximately \$0.3M, \$0.8M, \$1.3M, \$0.1M, \$0.3M and \$0.4M, respectively, from ground floor retail lease.

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

(10) Student Housing property that is leased by bed. Monthly effective rent per occupied unit is calculated by dividing total base rental payments for the month ended March 31, 2021 by the number of occupied beds.

DEVELOPMENT PIPELINE

\$ IN THOUSANDS

Projects	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Schedule ⁽¹⁾			Estimated Cost ⁽¹⁾	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants
				Construction Start	Initial Occupancy	Stabilized Operation ⁽²⁾					
Under Development											
Chronicle Mill Belmont, NC	Multifamily	238 units / 14,700 sf	-	1Q21	3Q22	2Q24	\$54,000	\$35,100	\$6,000	85% ⁽³⁾	
Harrisonburg Multifamily Harrisonburg, VA	Multifamily	228 units	-	TBD	TBD	TBD	45,000	TBD	-	100%	
Solis Gainesville Gainesville, GA	Multifamily	223 units	-	3Q20	2Q22	3Q23	48,000	31,000	16,000	95% ⁽³⁾	
Southern Post Roswell, GA	Mixed-use	138 units / 137,000 sf	-	TBD	TBD	TBD	95,000	TBD	11,000	100%	
Total Projects Under Development							\$242,000	\$66,100	\$33,000		
Delivered Not Stabilized											
Premier Retail (Town Center Phase VI) Virginia Beach, VA	Retail	39,000 sf	82%	4Q16	3Q18	2Q21	\$18,000	\$8,000	\$16,000	100%	Williams-Sonoma
Wills Wharf Baltimore, MD	Office	327,000 sf	63%	3Q18	2Q20	3Q22	120,000	76,000	109,000	100%	Canopy by Hilton,
Total Projects Delivered Not Stabilized							\$138,000	\$84,000	\$125,000		
Predevelopment											
Ten Tryon Charlotte, NC	Mixed-use	220,000 sf	-	TBD	TBD	TBD	\$96,000	TBD	\$9,000	80% ⁽³⁾	
Unconsolidated JV's											
T. Rowe Price Global HQ Baltimore, MD		see page 19 for details					\$250,000		\$5,000	50%	T. Rowe Price
Parcel 4 Mixed-Use Baltimore, MD		see page 19 for details					167,000		-	50%	
Total Unconsolidated JV's							\$417,000		\$5,000		



Solis Gainesville
Gainesville, GA

Q1 2
Capitalized Interest
Capitalized Overhead

- (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.

DEVELOPMENT PIPELINE⁽¹⁾

UNCONSOLIDATED JOINT VENTURES- PREDEVELOPMENT: SUBJECT TO CHANGE



\$ IN THOUSANDS

Estimated										
Property Type	Size	Construction Start	Initial Occupancy	Stabilized Operation	Project Cost	AHH Ownership %	AHH Equity Requirement	AHH Investment To Date	Hold Period	Total Const Fees
T. Rowe Price Global HQ-Baltimore, MD										
Office	450,000 sf	1Q22	1Q24	2Q24	\$250,000	50%	\$30,000	\$5,000	4 Years	
Parcel 4 Mixed-Use-Baltimore, MD										
Mixed-Use/Garage	314 units / 1,200 spaces	4Q21	4Q23	TBD	167,000	50%	30,000	-	5 Years	
Total Joint-Ventures					\$417,000		\$60,000	\$5,000		



(1) All items are estimated based on predevelopment assumptions.

MEZZANINE INVESTMENTS

AS OF MARCH 31, 2021
\$ IN THOUSANDS

Schedule⁽¹⁾

Outstanding Investments	Property Type	Estimated Size ⁽¹⁾	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Loan Balance	Mezzanine Interest QTD
The Interlock Atlanta, GA	Mixed-use	300,000 sf	61%	1Q21	4Q24	15%	\$92,480	\$3,075
Solis Apartments at Interlock Atlanta, GA	Multifamily	349 units	NA	4Q20	4Q22	13%	29,907	938
Solis Nexton ⁽²⁾ Summerville, SC	Multifamily	320 units	NA	4Q22	4Q26	11%	-	-
Total							\$122,387	\$4,013
Mezzanine Interest Expense								(369)
Net Mezzanine Interest Income								\$3,644

Solis Apartments
at Interlock
Atlanta, GA



The Interlock
Atlanta, GA

(1) Represents estimates that may change as the development process proceeds.
 (2) 100% preferred equity, with economic terms and accounting consistent with a mezzanine loan. Operating agreement executed on 4/1/21.

ACQUISITIONS & DISPOSITIONS

\$ IN THOUSANDS



ACQUISITIONS					
Properties	Location	Square Feet/Units	Purchase Price ⁽¹⁾	Cash Cap Rate	Purchase Date
2020					
Edison Apartments	Richmond, VA	174 units	\$25,700	6.8%	4Q20
		757,577	208,783	7.5%	
2019					
Thames Street Wharf	Baltimore, MD	263,426	101,000	7.1%	2Q19
Red Mill Commons & Marketplace at Hilltop	Virginia Beach, VA	488,865	105,000	7.7%	2Q19
Wendover Village III	Greensboro, NC	5,286	2,783	9.2%	1Q19
		217,751	52,658	6.7%	
2018					
		35,895	14,300	7.7%	
2017					
		1,515,674	261,530	7.0%	
2016					
		409,386	95,380	7.1%	
2015					
		106,166	19,662	7.3%	
2014					
Total/Weighted Average		3,042,449 / 174 units	\$678,013	7.2%	

DISPOSITIONS					
Properties	Location	Square Feet/Units	Sale Price	Cash Cap Rate	Disposition Date
2021					
Oakland Marketplace	Oakland, TN	64,538	5,500	7.8%	1Q21
Hanbury 7-Eleven	Chesapeake, VA	3,117	2,900	5.5%	1Q21
		67,655	\$8,400	7.7%	
2020					
Hanbury Walgreens	Chesapeake, VA	14,820	7,300	6.1%	3Q20
Retail Portfolio (7 properties)	Mid-Atlantic	630,780	90,000	7.8%	2Q20
		645,600	97,300	7.8%	
2019					
Lightfoot Marketplace	Williamsburg, VA	124,715	30,275 ⁽²⁾	5.8%	3Q19
		6,047	4,400	5.4%	
2018					
		52,454	17,750	5.9%	
2017					
		481,866	97,350	10.5%	
2016					
		203,200 / 203 units	81,075	6.2%	
2015					
		31,000	8,900	6.3%	
2014					
Total/Weighted Average		1,612,537 / 203 units	\$345,450	7.2%	

(1) Contractual purchase price.

(2) Includes JV interest in the property.

CONSTRUCTION BUSINESS SUMMARY

\$ IN THOUSANDS



Highlighted Projects	Location	Total Contract Value	Work in Place as of 3/31/2021	Backlog	Estimated Date of Completion
27th Street Garage and Apartments	Virginia Beach, VA	\$81,797	\$70,375	\$11,422	3Q 2021
Holly Springs Apartments	Holly Springs, NC	34,730	23,421	11,309	3Q 2021
Sub Total		\$116,527	\$93,796	\$22,731	
All Other Projects		261,143	245,036	16,107	
Total		\$377,670	\$338,832	\$38,838	

Gross Profit Summary

	Q1 2021	Trailing 12 Months
	(Unaudited)	
Revenue	\$35,563	\$205,441
Expense	(34,275)	(198,197)
Gross Profit	\$1,288	\$7,244



27th Street
Virginia Beach, VA

SAME STORE NOI BY SEGMENT

\$ IN THOUSANDS (RECONCILIATION TO GAAP LOCATED IN APPENDIX ON PG. 35)



	Three months ended			
	3/31/2021	3/31/2020	\$ Change	% Change
Summary				
NOI:				
Office	\$6,726	\$6,671	\$55	0.8%
Retail	11,898	12,809	(911)	-7.1%
Multifamily	5,541	6,122	(581)	-9.5%
	<u>\$24,165</u>	<u>\$25,602</u>	<u>(\$1,437)</u>	<u>-5.6%</u>
NOI, Cash Basis:				
Office	6,449	\$6,235	\$214	3.4%
Retail	11,538	12,484	(946)	-7.6%
Multifamily	5,276	6,097	(821)	-13.5%
	<u>\$23,263</u>	<u>\$24,816</u>	<u>(\$1,553)</u>	<u>-6.3%</u>
Detail by Segment				
Office⁽¹⁾				
Revenue	\$10,210	\$10,192	\$18	0.2%
Rental Expenses ⁽²⁾	2,190	2,387	(197)	-8.3%
Real Estate Taxes	1,294	1,134	160	14.1%
Net Operating Income	<u>\$6,726</u>	<u>\$6,671</u>	<u>\$55</u>	<u>0.8%</u>
Retail⁽¹⁾				
Revenue	\$15,860	\$16,810	(\$950)	-5.7%
Rental Expenses ⁽²⁾	2,175	2,224	(49)	-2.2%
Real Estate Taxes	1,787	1,777	10	0.6%
Net Operating Income	<u>\$11,898</u>	<u>\$12,809</u>	<u>(\$911)</u>	<u>-7.1%</u>
Multifamily⁽¹⁾				
Revenue	\$9,690	\$10,017	(\$327)	-3.3%
Rental Expenses ⁽²⁾	3,029	3,088	(59)	-1.9%
Real Estate Taxes	1,120	807	313	38.8%
Net Operating Income	<u>\$5,541</u>	<u>\$6,122</u>	<u>(\$581)</u>	<u>-9.5%</u>
Same Store Net Operating Income (NOI)	<u>\$24,165</u>	<u>\$25,602</u>	<u>(\$1,437)</u>	<u>-5.6%</u>
GAAP Adjustments	(902)	(786)	(116)	
Same store portfolio NOI, cash basis excluding deferred rent collected of (\$0.4M) for three month ended 3/31/21	<u>\$23,263</u>	<u>\$24,816</u>	<u>(\$1,553)</u>	<u>-6.3%</u>

(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 \$0.7M for the 3 months ended 3/31/2021 & 3/31/2020, respectively.

TOP 10 TENANTS BY ABR⁽¹⁾

\$ IN THOUSANDS AS OF MARCH 31, 2021



Office Portfolio⁽¹⁾

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base R
Morgan Stanley ⁽²⁾	1	2027	\$ 5,703	16.1%	3.8%
Clark Nexsen	1	2029	2,692	7.6%	1.8%
WeWork	1	2034	2,065	5.8%	1.4%
Duke University	1	2029	1,618	4.6%	1.1%
Huntington Ingalls	1	2029	1,544	4.4%	1.0%
Mythics	1	2030	1,235	3.5%	0.8%
Johns Hopkins Medicine	1	2023	1,149	3.2%	0.8%
Pender & Coward	1	2030	950	2.7%	0.6%
Kimley-Horn	1	2027	912	2.6%	0.6%
Troutman Pepper Hamilton Sanders	1	2025	907	2.6%	0.6%
Top 10 Total			\$ 18,775	53.1%	12.5%

Retail Portfolio⁽¹⁾

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base R
Harris Teeter/Kroger	5	2023 - 2035	\$ 3,289	5.8%	2.2%
Lowes Foods	2	2037 ; 2039	1,976	3.5%	1.3%
PetSmart	5	2022 - 2025	1,461	2.6%	1.0%
Amazon/Whole Foods	1	2040	1,144	2.0%	0.8%
Apex Entertainment	1	2035	1,050	1.8%	0.7%
Bed, Bath, & Beyond	2	2022 - 2025	1,047	1.8%	0.7%
Petco	4	2022 - 2030	913	1.6%	0.6%
Regal Cinemas	2	2021 - 2024	838	1.5%	0.6%
Total Wine & More	2	2024 - 2027	765	1.3%	0.5%
Ross Dress for Less	2	2025 - 2027	762	1.3%	0.5%
Top 10 Total			\$ 13,245	23.2%	8.9%

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

(2) Excludes 9.3K SF Morgan Stanley lease at Armada Hoffer Tower expiring in 2023. Inclusive of both leases, Morgan Stanley contributes \$6.0M of ABR.

LEASE SUMMARY



OFFICE

Renewal Lease Summary		GAAP						Cash				
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	Wtd Average Lease Term (yrs)	TI & LC
Q1 2021	1	4,152	1	4,152	\$23.95	\$23.56	1.6%	\$24.00	\$25.46	-5.7%	2.00	\$27,960
Q4 2020	2	14,745	1	3,024	24.81	22.66	9.5%	24.00	25.35	-5.3%	4.44	206,383
Q3 2020	-	-	1	13,316	-	-	0.0%	-	-	0.0%	-	-
Q2 2020	3	11,529	1	1,485	33.09	30.47	8.6%	33.72	32.20	4.7%	5.00	70,249
Office Renewal Total	6	30,426	4	21,977	\$27.83	\$25.74	8.1%	\$27.68	\$27.96	-1.0%	4.32	\$304,591

New Lease Summary⁽¹⁾

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Wtd Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q1 2021	1	1,455	\$23.50	2.08	\$4,871	\$3.35
Q4 2020	2	4,032	25.47	6.83	238,691	59.20
Q3 2020	2	8,984	24.98	6.59	525,540	58.50
Q2 2020	-	-	-	-	-	-
New Office Total	5	14,471	\$24.97	6.20	\$769,102	\$53.15

RETAIL

Renewal Lease Summary		GAAP						Cash				
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	Weighted Average Lease Term (yrs)	TI & LC
Q1 2021	8	21,317	9	22,717	\$23.78	\$22.22	7.0%	\$23.62	\$23.16	2.0%	4.46	\$117,685
Q4 2020	20	119,351	14	109,544	15.16	15.87	-4.5%	15.00	16.07	-6.7%	7.40	832,241
Q3 2020	16	138,355	7	32,336	16.92	16.33	3.6%	17.40	16.55	5.1%	4.92	98,170
Q2 2020	14	42,605	8	19,153	22.15	20.57	7.7%	22.10	20.95	5.5%	4.39	41,889
Retail Renewal Total	58	321,628	38	183,750	\$17.41	\$17.11	1.8%	\$17.55	\$17.40	0.9%	5.74	\$1,089,986

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
Q1 2021	7	27,260	\$19.10	8.38	\$612,116	\$22.45
Q4 2020	10	71,888	16.13	8.72	1,505,862	20.95
Q3 2020	4	8,425	18.73	5.03	87,499	10.39
Q2 2020	1	1,440	18.00	5.33	5,505	3.82
New Retail Total	22	109,013	\$17.09	8.30	\$2,210,982	\$20.28

(1) Excludes leases from properties in development.

OFFICE LEASE EXPIRATIONS

AS OF MARCH 31, 2021



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 Rent per Le Square F
Available	-	35,843	2.8%	\$ -	-	\$
M-T-M	4	1,623	0.1%	45,279	0.1%	:
2021	8	17,427	1.3%	529,195	1.5%	:
2022	10	47,077	3.6%	1,310,653	3.7%	:
2023	15	105,702	8.1%	2,843,097	8.0%	:
2024	11	140,377	10.8%	3,502,585	9.9%	:
2025	18	142,117	10.9%	4,275,718	12.1%	:
2026	10	60,853	4.7%	1,610,568	4.5%	:
2027	6	256,477	19.7%	7,524,531	21.2%	:
2028	9	79,761	6.1%	2,282,314	6.4%	:
2029	7	242,709	18.7%	6,306,058	17.8%	:
2030	6	107,801	8.3%	3,099,203	8.7%	:
2031	1	1,317	0.1%	37,535	0.1%	:
Thereafter	1	62,098	4.8%	2,065,379	6.0%	:
Total / Weighted Average	106	1,301,182	100.0%	\$ 35,432,115	100.0%	\$

Upcoming Expirations Over 20,000 Square Feet Through Dec. 2023

Tenant	Property	Expiration Month	Square Footage Expiring ⁽¹⁾	Status
Day & Zimmerman	Armada Hoffler Tower	Apr-2022	23,267	-
Johns Hopkins Medicine	Thames Street Wharf	Apr-2023	46,233	-

(1) Excludes leases from properties in development and delivered, but not yet stabilized.

RETAIL LEASE EXPIRATIONS

AS OF MARCH 31, 2021



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 Lease Square Foot
Available	-	230,223	6.2%	\$ -	-	\$ -
M-T-M	1	2,400	0.1%	54,816	0.1%	2
2021	41	211,334	5.7%	2,755,176	4.5%	1
2022	68	320,529	8.6%	5,311,927	8.7%	1
2023	65	429,406	11.6%	6,929,189	11.3%	1
2024	80	390,698	10.5%	7,571,794	12.4%	1
2025	89	611,780	16.5%	8,696,497	14.2%	1
2026	57	309,282	8.3%	6,159,699	10.1%	1
2027	27	161,127	4.3%	3,320,859	5.4%	2
2028	19	45,540	1.2%	1,225,379	2.0%	2
2029	24	104,871	2.8%	2,205,464	3.6%	2
2030	36	224,861	6.1%	4,972,196	8.1%	2
2031	21	183,859	5.0%	3,597,129	5.9%	1
Thereafter	21	483,568	13.1%	8,274,608	13.7%	1
Total / Weighted Average	549	3,709,478	100.0%	\$ 61,074,733	100.0%	\$ 1

Upcoming Expirations Over 20,000 Square Feet Through 2023

Tenant	Property	Expiration	Square Footage Expiring ⁽¹⁾	Status
BI-LO	Socastee Commons	Jun-2021	46,673	Terminating
Michaels	Marketplace at Hilltop	Nov-2021	23,753	In Negotiation
Regal Cinemas	Columbus Village II	Dec-2021	51,545	In Negotiation
PetSmart	Broad Creek Shopping Center	Jan-2022	20,114	-
PetSmart	Southgate Square	Jan-2022	25,950	-
Bed Bath and Beyond	Columbus Village II	Jan-2022	37,500	Renewed through 2027
TJ Maxx	Red Mill Commons	Mar-2022	30,000	-
Michaels	Red Mill Commons	Jul-2022	23,753	-
Food Lion	Broad Creek Shopping Center	Aug-2022	33,000	-
Home Depot	North Point Center	Jan-2023	120,000	-
Golf Galaxy	Wendover Village	Jun-2023	24,946	-
Harris Teeter	North Point Center	Aug-2023	57,590	-
TJ Maxx	Wendover Village	Oct-2023	24,903	-

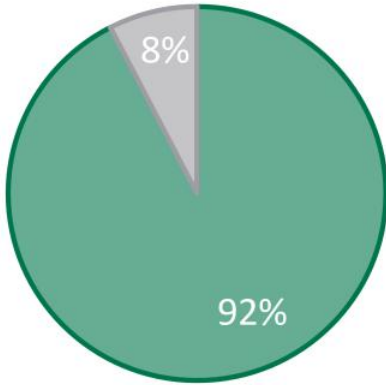
(1) Excludes leases from properties in development and delivered, but not yet stabilized.

COVID-19 EFFECT

AS OF MARCH 31, 2021
\$ IN THOUSANDS

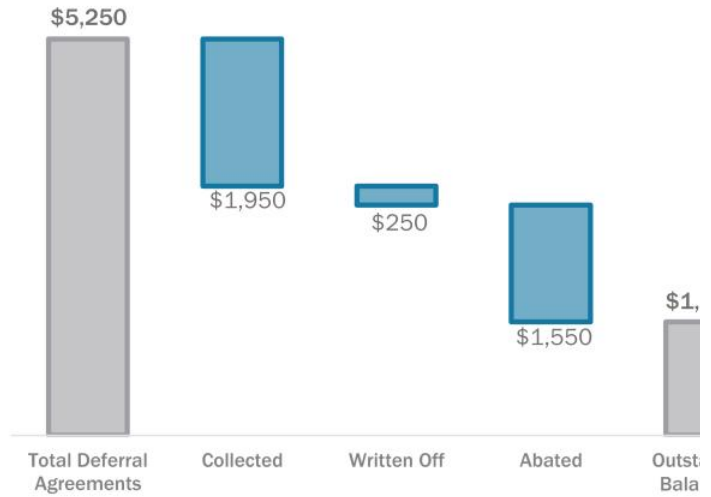


Period	Deferrals Due	Deferrals Collected		Repayment Outstanding	
Total	\$2,110	\$1,950	92%	\$160	8%



● Deferrals Collected
 ● Deferrals Outstanding

TOTAL DEFERRALS⁽¹⁾



Deferrals Outstanding ⁽¹⁾	Repayment Period	
	2021	2022
\$1,500	\$1,050	\$450

(1) Excludes 2 Regal Cinemas leases.

An aerial photograph of a city, likely Atlanta, Georgia, taken during sunset. The sun is low on the horizon, creating a bright glow and long rays of light that illuminate the city below. The sky is a mix of blue, orange, and yellow. The city's buildings and streets are visible, though somewhat dim due to the low light. A semi-transparent green overlay covers the bottom half of the image, where the text is located.

APPENDIX

DEFINITIONS & RECONCILIATIONS

DEFINITIONS



NET OPERATING INCOME:

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

DEFINITIONS



ADJUSTED FUNDS FROM OPERATIONS:

We calculate Adjusted Funds From Operations ("AFFO") as Normalized FFO adjusted for the impact of non-cash stock compensation, tenant improvement leasing commission and leasing incentive costs associated with second generation rental space, capital expenditures, non-cash interest expense, proceed 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, other one time adjustments including non-recurring bad debt and termination fee 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 redevelopment and 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 reoccurring operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Core EBITDA or similarly entitled measures and, accordingly, our Core EBITDA may not always be comparable to Core EBITDA or other similarly entitled measures of other REITs.

CORE DEBT:

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

DEFINITIONS



SAME STORE PORTFOLIO:

We define same store properties as those that we owned and operated and that were stabilized for the entirety of both periods compared. We generally consider a property to be stabilized upon the earlier of: (i) the quarter after the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Additionally, any property that is fully or partially taken out of service for the purpose of redevelopment is no longer considered stabilized until the redevelopment activities are complete, the asset is placed back into service, and the stabilization criteria above are again met. A property may also be fully or partially taken out of service as a result of a disposition, depending on the significance of the portion of the property disposed. Finally, any property classified as Held for Sale is taken out of service for the purpose computing same store operating results. The following table shows properties included in the same store and non-same store portfolio for the comparative periods presented.

SAME STORE VS. NON-SAME STORE



	Three Months Ended 3/31/2021 to 2020			Three Months Ended 3/31/2021 to 2020	
	Same Store	Non-Same Store		Same Store	Non-Same Store
Retail Properties			Retail Properties (Continued)		
249 Central Park Retail	X		South Retail		X
Apex Entertainment		X	South Square		X
Broad Creek Shopping Center	X		Southgate Square		X
Broadmoor Plaza	X		Southshore Shops		X
Brooks Crossing (Retail)	X		Studio 56 Retail		X
Columbus Village	X		Tyre Neck Harris Teeter		X
Columbus Village II	X		Wendover Village		X
Commerce Street Retail	X		Office Properties		
Courthouse 7-Eleven	X		4525 Main Street		X
Delray Beach Plaza		X	Armada Hoffler Tower		X
Dimmock Square	X		Brooks Crossing (Office)		X
Fountain Plaza Retail	X		One City Center		X
Greentree Shopping Center	X		One Columbus		X
Hanbury Village	X		Thames Street Wharf		X
Harrisonburg Regal	X		Two Columbus		X
Lexington Square	X		Wills Wharf		X
Market at Mill Creek	X		Multifamily Properties		
Marketplace at Hilltop	X		1405 Point		X
Nexton Square		X	Edison Apartments		X
North Hampton Market	X		Encore Apartments		X
North Point Center	X		Greenside Apartments		X
Parkway Centre	X		Hoffler Place		X
Parkway Marketplace	X		Johns Hopkins Village		X
Patterson Place	X		Liberty Apartments		X
Perry Hall Marketplace	X		Premier Apartments		X
Premier Retail		X	Smith's Landing		X
Providence Plaza	X		Summit Place		X
Red Mill Commons	X		The Cosmopolitan		X
Sandbridge Commons	X		The Residences at Annapolis Junction		X
Socastee Commons	X				

RECONCILIATION OF ADJUSTED EBITDA, CORE EBITDA, AND CORE DEBT ⁽¹⁾



\$ IN THOUSANDS

	Three months ended				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Net income attributable to common stockholders and OP unit holders	\$3,122	\$1,851	\$8,651	\$11,178	\$8,160
Excluding:					
Depreciation and amortization	18,066	17,678 ⁽²⁾	14,131 ⁽²⁾	13,644 ⁽²⁾	14,092
Gain on real estate dispositions	(3,717)	-	(3,612)	(2,776)	-
Impairment of real estate assets	3,039	-	-	-	-
Income tax provision (benefit)	(19)	(63)	(28)	65	(257)
Interest expense	7,613	7,815	7,249	6,904	7,805
Change in fair value of derivatives and other	(393)	(294)	(318)	6	1,736
Preferred dividends	2,887	2,887	2,220	1,175	1,067
GAAP adjustments related to finance leases	212	160	160	158	160
Non-Recurring Bad Debt	-	-	1,100 ⁽⁴⁾	450 ⁽⁵⁾	-
Unrealized credit loss provision (release)	(55)	29	(33)	(117)	377
Non-cash stock compensation	1,017	471	456	421	1,030
Adjusted EBITDA ⁽³⁾	\$31,772	\$30,534	\$29,976	\$31,108	\$34,170
Development/Redevelopment:					
Premier Retail	(221)	(202)	(223)	(207)	(210)
Wills Wharf	(839)	(678)	(633)	-	-
The Cosmopolitan Apartments	-	-	(981)	(878)	(923)
Summit Place	-	-	(388)	-	-
Total Development	(1,060)	(880)	(2,225)	(1,085)	(1,133)
Dispositions completed intra-quarter	(111)	-	(80)	(1,351)	-
Acquisitions completed intra-quarter	(336)	(961)	(75)	-	-
Core EBITDA	\$30,266	\$28,693	\$27,596	\$28,672	\$33,037
Annualized Core EBITDA	\$121,316 ⁽⁷⁾	\$114,770	\$110,382	\$114,689	\$132,148
Total debt ⁽⁶⁾	\$975,099	\$962,812	\$885,359	\$956,726	\$1,016,293
(Less) Development/Redevelopment					
Premier Retail	(8,208)	(8,241)	(8,250)	(8,250)	(8,250)
Wills Wharf	(60,831)	(59,044)	(57,585)	(53,660)	(45,759)
The Cosmopolitan Apartments	-	-	(43,110)	(43,309)	(43,506)
Summit Place	-	-	(34,615)	(32,289)	(30,135)
Total Development	(69,039)	(67,285)	(143,560)	(137,508)	(127,650)
(Less) Net Acquisitions completed intra-quarter	(14,473)	(84,375)	(22,909)	-	-
(Less) Cash & restricted cash	(34,588)	(50,430)	(79,224)	(75,111)	(52,788)
Core Debt	\$856,999	\$760,722	\$639,666	\$744,107	\$835,855

(1) See definitions on page 31.

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

(3) Excludes non-recurring items.

(4) Bad debt resulting from Company's decision to terminate two defaulted Regal Cinemas leases.

(5) Adjusts bad debt to an annualized \$3 million - Management's Estimates.

(6) Excludes GAAP Adjustments.

(7) Includes the unannualized gain of sale on the non-operating parcel of \$0.3M.

RECONCILIATION TO PROPERTY PORTFOLIO NOI

\$ IN THOUSANDS



	Three months ended 3/31	
	2021	2020
<u>Office Same Store⁽¹⁾</u>		
Rental revenues	\$10,210	\$10,192
Property expenses	3,484	3,521
NOI	6,726	6,671
Non-Same Store NOI ⁽²⁾	676	(171)
Segment NOI	\$7,402	\$6,500
<u>Retail Same Store⁽¹⁾</u>		
Rental revenues	\$15,860	\$16,810
Property expenses	3,962	4,001
NOI	11,898	12,809
Non-Same Store NOI ⁽²⁾	1,494	2,416
Segment NOI	\$13,392	\$15,225
<u>Multifamily Same Store⁽¹⁾</u>		
Rental revenues	\$9,690	\$10,017
Property expenses	4,149	3,895
NOI	5,541	6,122
Non-Same Store NOI ⁽²⁾	3,268	734
Segment NOI	\$8,809	\$6,856
Total Property Portfolio NOI	\$29,603	\$28,581

(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.

