



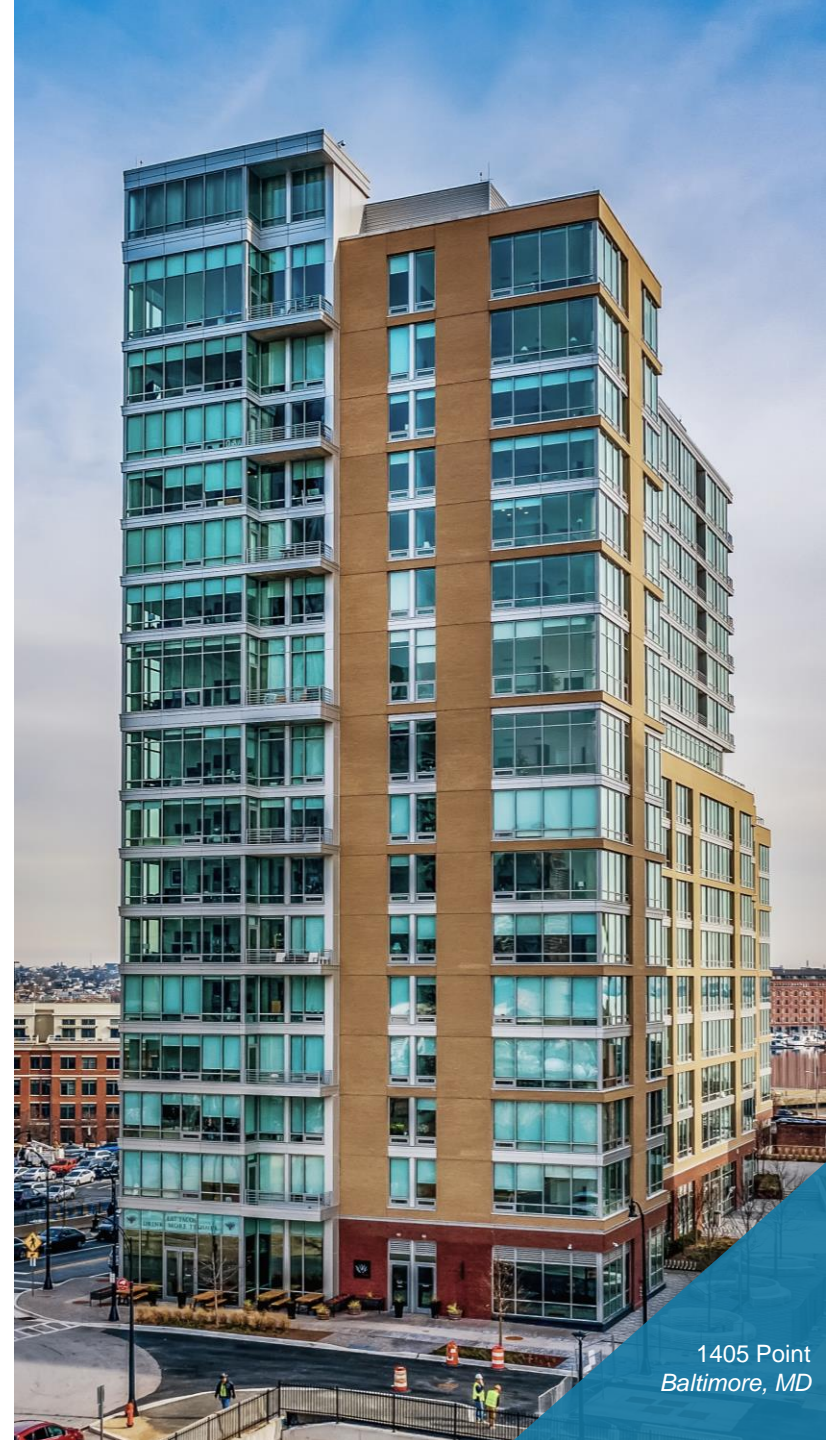
2Q20

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.

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. For more information, visit ArmadaHoffler.com.

BOARD OF DIRECTORS

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

CORPORATE OFFICERS

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

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- 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.

2020 OUTLOOK & ASSUMPTIONS

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

SUMMARY INFORMATION

\$ IN THOUSANDS, EXCEPT PER SHARE DATE

	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	1,798,992	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.

Stabilized Portfolio NOI (Cash) ⁽¹⁾		
	Three months ended	Annualized
	6/30/2020	6/30/2020
Stabilized Virginia Beach (VB) Town Center⁽¹⁾		
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) ⁽³⁾	
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				
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

FFO, NORMALIZED FFO & AFFO⁽¹⁾

IN THOUSANDS, EXCEPT PER SHARE DATA

	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

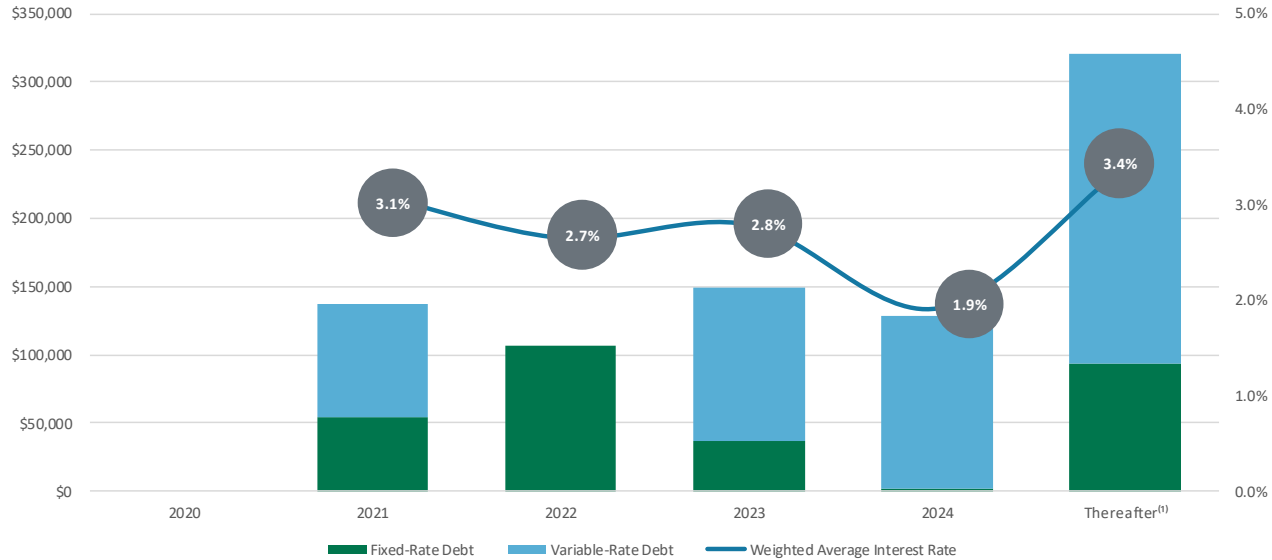
\$ IN THOUSANDS

Debt Maturities & Principal Payments

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											
Hoffier 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
Sandbridge 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	119	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
Wills 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		285,000
Total Notes Payable excluding GAAP Adjustments				\$5,279	\$148,551	\$116,912	\$157,144	\$135,166	\$393,674		\$956,726
GAAP Adjustments											(2,973)
Total Notes Payable											\$953,753

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

Debt Maturities



Total Debt Composition

	% of Debt	Weighted Average	
		Interest Rate	Maturity
Secured vs. Unsecured Debt			
Unsecured Debt	29.8%	2.8%	4.3 Yrs
Secured Debt	70.2%	3.0%	5.7 Yrs
Variable vs. Fixed-rate Debt			
Variable-rate Debt ⁽¹⁾	39.4%	2.2%	2.9 Yrs
Fixed-rate Debt ⁽²⁾⁽³⁾	60.6%	3.4%	6.9 Yrs
Fixed-rate and Hedged Debt ⁽²⁾⁽³⁾	100%		
Total		3.0%	5.3 Yrs

Interest Rate Cap Agreements

Effective Date	Maturity Date	Strike Rate	Notional Amount
July 2018	August 2020	2.50%	\$50,000
December 2018	January 2021	2.75%	50,000
May 2019	June 2022	2.50%	100,000
January 2020	February 2022	1.75%	100,000
March 2020	March 2022	1.50%	100,000
July 2020	July 2023	0.50%	100,000
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.

CORE DEBT TO CORE EBITDA⁽¹⁾

\$ IN THOUSANDS

	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

\$ IN THOUSANDS AS OF JUNE 30, 2020

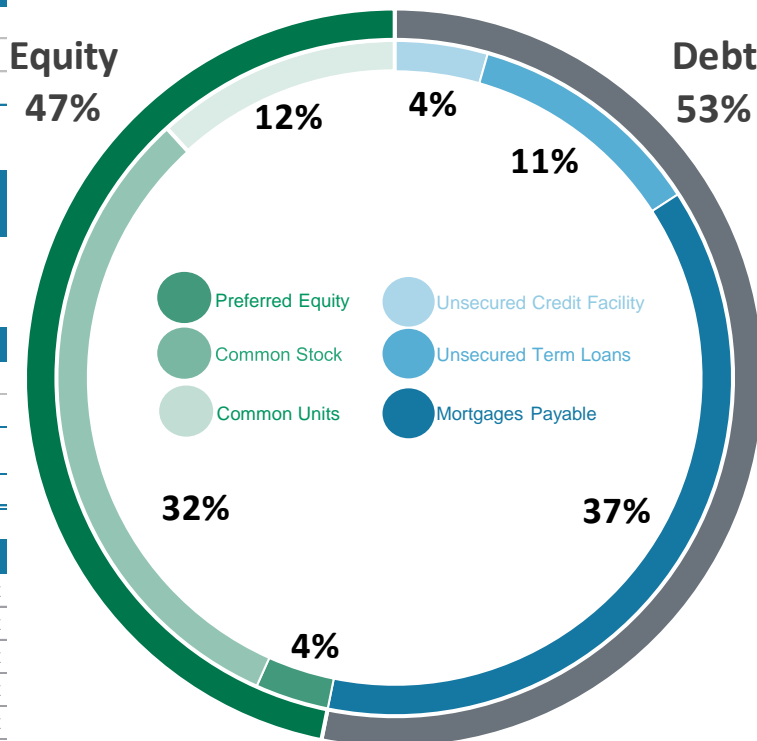
Debt	% of Total	Principal Balance
Unsecured credit facility	8%	\$80,000
Unsecured term loans	21%	205,000
Mortgages payable	71%	671,726
Total debt		\$956,726

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)⁽¹⁾

Property	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/Redevelopment Properties	Total	Core Occupancy ⁽²⁾	Development/Redevelopment Leased ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽³⁾
Retail Properties												
249 Central Park Retail	Cheesecake Factory, Brooks Brothers	Virginia Beach, VA	✓	-	2004	92,400	-	92,400	97.9%	-	\$2,472,066	\$27.33
Apex Entertainment	Apex Entertainment, USI	Virginia Beach, VA	✓	100%	2002	-	103,335	103,335	-	100.0%	1,482,137	14.34
Broad Creek Shopping Center ⁽⁶⁾⁽⁹⁾	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	-	121,504	96.7%	-	2,099,146	17.86
Broadmoor 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 ⁽⁶⁾	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	-	62,362	62,362	-	91.0%	1,719,906	30.30
Columbus Village II	Regal Cinemas, BB&B	Virginia Beach, VA	✓	100%	1995/1996	92,061	-	92,061	96.7%	-	1,595,334	17.92
Commerce Street Retail ⁽⁵⁾	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	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	-	35,961	100.0%	-	991,714	27.58
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	-	15,719	92.6%	-	320,556	22.02
Hanbury Village ⁽⁶⁾	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		-	2017	85,440	-	85,440	98.3%	-	1,808,867	21.53
Market at Mill Creek ⁽⁶⁾	Lowes Foods	Mt. Pleasant, SC		-	2018	80,405	-	80,405	95.8%	-	1,765,248	22.91
Marketplace at Hilltop ⁽⁶⁾⁽⁹⁾	Total Wine, Panera, Chic-Fil-A	Virginia Beach, VA		-	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 ⁽⁶⁾	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	-	494,746	100.0%	-	3,827,845	7.74
Oakland Marketplace ⁽⁶⁾	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 Hall 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	✓	-	2018	-	39,162	39,162	-	75.6%	969,014	32.73
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	-	103,118	96.0%	-	2,727,985	27.55
Red Mill Commons ⁽⁶⁾	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	373,808	-	373,808	88.9%	-	6,071,911	18.27
Sandbridge Commons ⁽⁶⁾	Harris Teeter	Virginia Beach, VA		-	2015	76,650	-	76,650	98.5%	-	1,057,656	14.01
Socastee Commons	Bi-Lo	Myrtle Beach, SC		-	2000/2014	57,273	-	57,273	100.0%	-	652,520	11.39
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA		-	1991/2016	260,131	-	260,131	92.2%	-	3,295,406	13.73
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	-	38,515	100.0%	-	997,051	25.89
South Square	Ross, 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
Tyre Neck Harris Teeter ⁽⁶⁾⁽⁹⁾	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	176,939	-	176,939	99.4%	-	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

Net Rentable Square Feet (RSF)⁽¹⁾

Office Properties	Anchor Tenant	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development Properties	Total	Core Occupancy ⁽²⁾	Development Leased ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽³⁾
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	-	234,938	99.4%	-	\$6,848,749	\$29.33
Armada Hoffer Tower ⁽⁴⁾⁽⁵⁾	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 ⁽⁵⁾	BB&T, 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 ⁽⁴⁾	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

Units/Beds

Multifamily	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/ Redevelopment Properties	Total Units/Beds	Core Occupancy ⁽²⁾	Development/ Redevelopment Occupancy ⁽²⁾	AQR ⁽⁷⁾	Monthly Effective Rent per Occupied Unit/Beds
1405 Point ⁽⁸⁾⁽⁹⁾	Baltimore, MD	-	-	2018	289	-	289	95.8%	-	\$7,267,936	\$2,186.50
Encore 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 ⁽⁸⁾	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 ⁽⁹⁾	Blacksburg, VA	-	-	2009	284	-	284	96.8%	-	4,767,645	1,444.74
The Cosmopolitan ⁽⁸⁾	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
Hoffler Place ⁽¹⁰⁾	Charleston, SC	-	-	2019	258	-	258 ⁽¹²⁾	82.2%	-	3,481,183	1,368.39
Johns Hopkins Village ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	Baltimore, MD	-	-	2016	568	-	568 ⁽¹²⁾	75.7%	-	6,451,033	1,250.20
Student Housing Total				-	826	0	826	77.7%		9,932,215	9,380.37
Total / Weighted Avg Multifamily Portfolio				-	2,238	342	2,580	87.9%		\$41,099,280	\$1,532.56

(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 pad 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, Hoffler 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 LOI	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
Wills 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% ⁽³⁾	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 LOI	Out of Service	Construction Start	Anticipated Completion	Restabilized Operation ⁽²⁾	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.

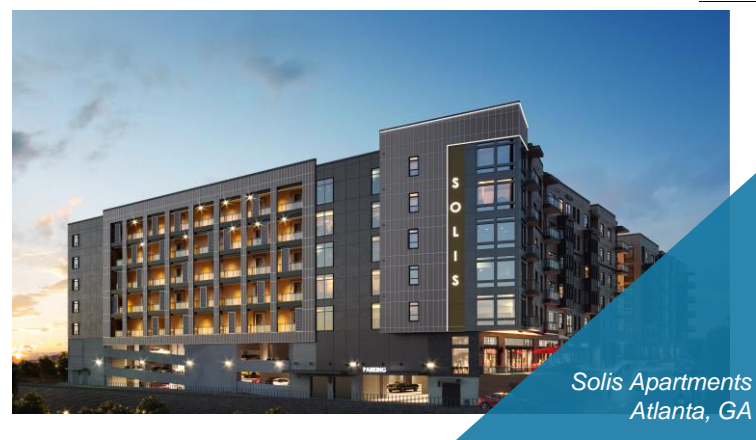
(2) First fully-stabilized quarter. See same store definition on page 32.

(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								<u>\$2,994</u>



(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 ⁽³⁾	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.

CONSTRUCTION BUSINESS SUMMARY 21

\$ IN THOUSANDS

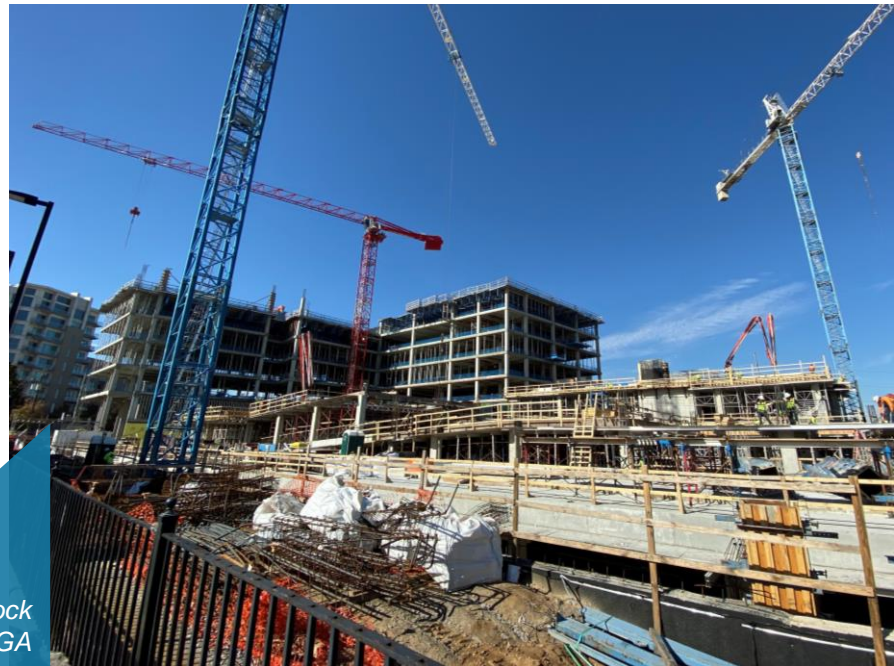
Highlighted Projects	Location	Total Contract Value	Work in Place as of 6/30/2020	Backlog	Estimated Date of Completion
The Interlock	Atlanta, GA	\$93,714	\$71,686	\$22,028	4Q 2020
27th Street Garage and Apartments	Virginia Beach, VA	80,378	25,287	55,091	3Q 2021
Solis Apartments at Interlock	Atlanta, GA	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%
Lowes 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

Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	GAAP				Cash				Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
					Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread					
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

Quarter	Number of Leases Signed	Net Rentable SF		Net Rentable SF Expiring	GAAP				Cash				Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
		Signed	Leases Expiring		Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread					
Q2 2020	14	42,605	8	19,153	\$22.15	\$20.57	7.7%	\$22.10	\$20.95	5.5%	4.39	\$41,889	\$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		

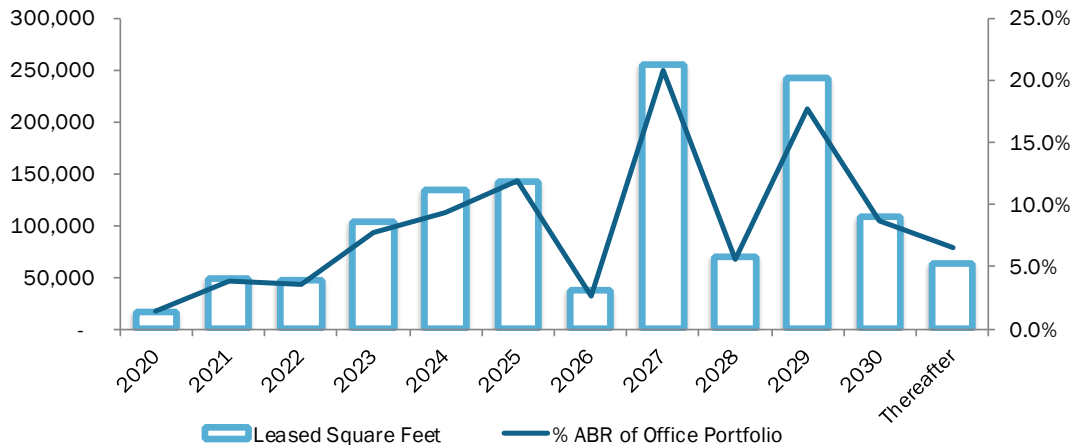
New Lease Summary⁽¹⁾

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

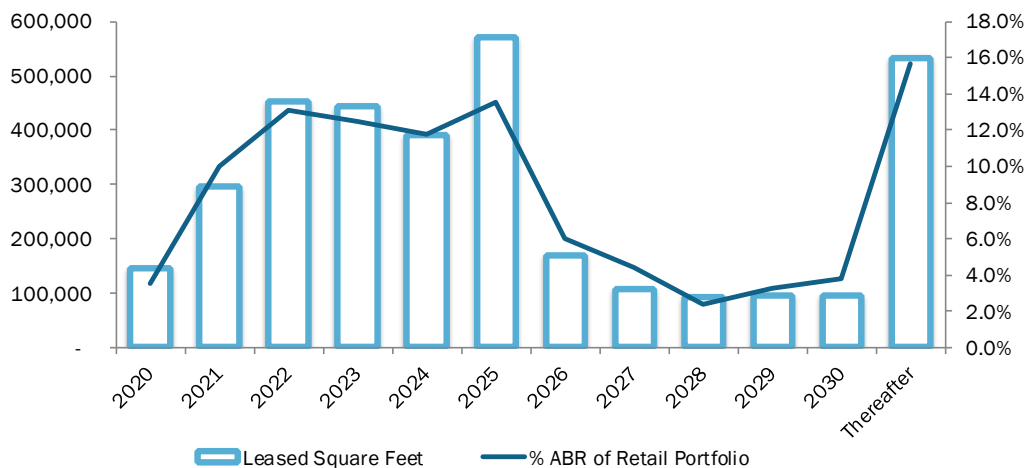


Square Feet Under Lease	% of Portfolio ABR
2,500 or less	3%
2,501-10,000	14%
10,001-20,000	16%
20,001-40,000	21%
40,001-100,000	30%
Greater than 100,000	16%
Office Portfolio Total	100%

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-T-M	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

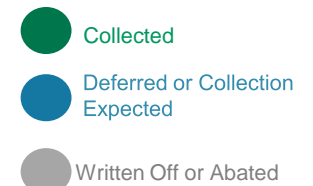
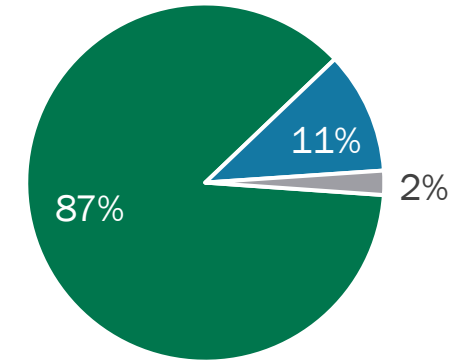
AS OF JULY 31, 2020

COLLECTIONS BY MONTH ⁽¹⁾⁽²⁾							
Period	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%	-	-

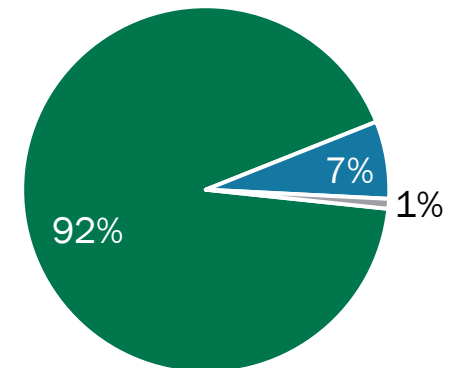
COLLECTIONS BY SECTOR ⁽¹⁾⁽²⁾								
Period	OFFICE		MULTIFAMILY		RETAIL		TOTAL	
	\$	%	\$	%	\$	%	\$	%
April	3,258	100%	3,557	99%	3,753	67%	10,568	85%
May	3,274	100%	3,439	99%	3,922	70%	10,635	86%
June	3,279	100%	3,531	99%	4,355	78%	11,165	90%
2Q20	9,811	100%	10,527	99%	12,030	72%	32,368	87%
July To Date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

COLLECTIONS BY STATUS ⁽¹⁾⁽²⁾							
Period	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%

2020 COLLECTIONS⁽³⁾



2020 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.

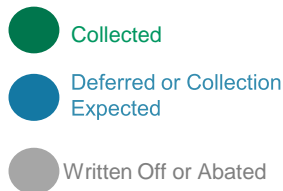
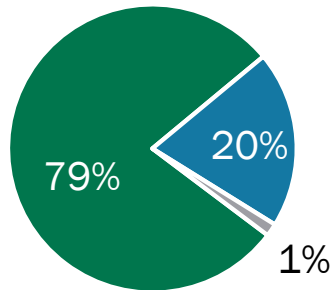
COVID-19 RETAIL 2Q20 COLLECTIONS⁽¹⁾⁽²⁾ 28

AS OF JULY 31, 2020

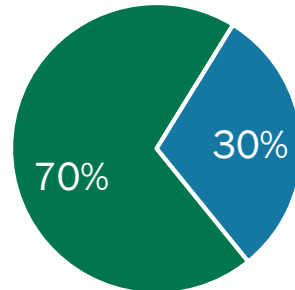
CATEGORY	COLLECTED	DEFERRED OR COLLECTION EXPECTED	WRITTEN OFF OR ABATED
National	71%	27%	3%
Local/Regional	73%	19%	8%
Anchor	84%	16%	0%
Junior Anchor	75%	24%	1%
In-Line / Outparcel	66%	27%	7%

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%

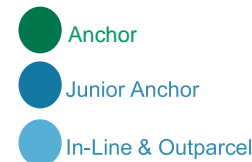
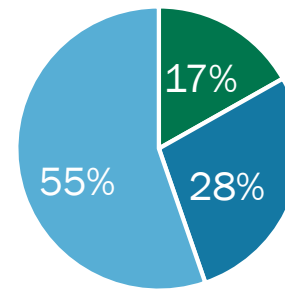
TOP 20 TENANTS⁽⁴⁾



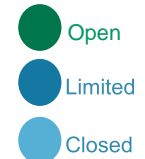
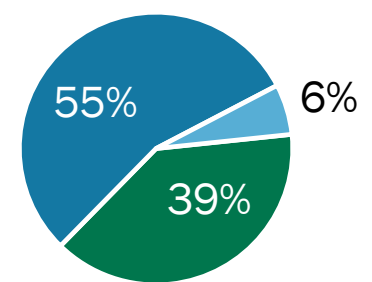
TENANT TYPE⁽⁴⁾



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

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.

SAME STORE VS. NON-SAME STORE PROPERTIES

	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 Hoffler 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
Hoffler 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
<u>Office Same Store</u> ⁽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
<u>Retail Same Store</u> ⁽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
<u>Multifamily Same Store</u> ⁽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.

\$ IN THOUSANDS

	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

