

**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): November 5, 2020

**ARMADA HOFFLER PROPERTIES, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of incorporation)

**001-35908**

(Commission File Number)

**46-1214914**

(IRS Employer Identification No.)

**222 Central Park Avenue , Suite 2100**

**Virginia Beach , Virginia**

(Address of principal executive offices)

**23462**

(Zip Code)

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

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AHH	New York Stock Exchange
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share	AHHPrA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On November 5, 2020, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of September 30, 2020, results of operations for the three months ended September 30, 2020, and other related information. Also on November 5, 2020, the Company made available on its website at [www.ArmadaHoffer.com](http://www.ArmadaHoffer.com) certain supplemental information concerning the Company's financial results and operations for the three months ended September 30, 2020. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

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

**Item 7.01. Regulation FD Disclosure.**

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

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Press Release, dated November 5, 2020, issued by Armada Hoffer Properties, Inc., providing its financial position as of September 30, 2020 and results of operations for the three months ended September 30, 2020.</a>
<a href="#">99.2</a>	<a href="#">Armada Hoffer Properties, Inc. Third Quarter 2020 Supplemental Information.</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

**SIGNATURES**

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

**ARMADA HOFFLER PROPERTIES, INC.**

Date: November 5, 2020

By: /s/ Michael P. O'Hara

Michael P. O'Hara

Chief Financial Officer, Treasurer and Secretary



**ARMADA HOFFLER PROPERTIES REPORTS THIRD QUARTER 2020 RESULTS**

**Net Income of \$0.11 Per Diluted Share**

**Normalized FFO of \$0.24 Per Diluted Share**

**Updated 2020 Full-Year Normalized FFO Guidance**

VIRGINIA BEACH, VA, November 5, 2020 – Armada Hoffler Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended September 30, 2020 and provided an update on current events and the impact of COVID-19.

**Third Quarter and Recent Highlights:**

- Net income attributable to common stockholders and OP Unit holders of \$8.7 million, or \$0.11 per diluted share, compared to \$9.9 million, or \$0.13 per diluted share, for the three months ended September 30, 2019.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$19.2 million, or \$0.24 per diluted share, compared to \$21.7 million, or \$0.29 per diluted share, for the three months ended September 30, 2019. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$19.0 million, or \$0.24 per diluted share, compared to \$22.5 million, or \$0.30 per diluted share, for the three months ended September 30, 2019.
- Recaptured two prime redevelopment sites - 3 acres in the Town Center of Virginia Beach and nearly 10 acres adjacent to James Madison University in Harrisonburg, Virginia - after terminating leases with Regal Cinemas upon tenant default. Excluding one-time charges of \$1.1 million associated with these early terminations, Normalized FFO for the third quarter would have been \$0.26 per diluted share.
- Updated 2020 full-year Normalized FFO guidance to \$1.10 to \$1.12 per diluted share from \$1.09 to \$1.13 per diluted share.
- Core operating property portfolio occupancy at 95.4% as of September 30, 2020 compared to 93.6% as of June 30, 2020. The Company's September 30, 2020 occupancy includes office at 96.7%, retail at 94.2%, and multifamily at 95.9%.
- Positive releasing spreads on lease renewals during the third quarter of 3.6% on a GAAP basis and 5.1% on a cash basis.
- Collected 96% of portfolio rents for the third quarter, including 100% of office tenant rents, 98% of multifamily tenant rents, and 93% of retail tenant rents. Refer to pages 27-28 of the Supplemental Financial Package for further details.
- Collected 96% of October portfolio rents, including 100% of office tenant rents, 97% of multifamily tenant rents, and 94% of retail tenant rents.

- Announced a new development project, Solis Gainesville, a \$52 million 223-unit multifamily project in downtown Gainesville, Georgia.
- Ended the third quarter with \$122.7 million of third-party construction backlog.
- Acquired Nexton Square, a 118,000 square foot open air lifestyle center in Summerville, South Carolina in an off-market transaction.
- Acquired partner's 20% ownership interest of the Southern Post project in Roswell, Georgia resulting in 100% ownership of the partnership.
- Raised \$86.3 million of net proceeds before offering expenses through an underwritten public offering of 3,600,000 shares of 6.75% Series A Cumulative Redeemable Perpetual Preferred Stock at a public offering price of \$24.75 per share.
- Completed the acquisition of the Edison Apartments in downtown Richmond, Virginia in an off-market, OP Unit transaction.
- Completed the off-market acquisition of The Residences at Annapolis Junction, a 416-unit, Class A, LEED Gold certified mid-rise apartment community in Howard County, Maryland.

“Despite the uncertainty over the last several months, the strength of both our Company and our tenants are demonstrated by portfolio collection rates exceeding 96%,” said Louis Haddad, President & CEO. “In addition to our sustained level of high rent collections, we’re pleased with the steps we’ve taken towards repositioning the Company for long-term value creation and growth. This management team has guided our Company through the previous four economic recessions. Each time, we emerged stronger than before. If history is any indication, we’ll successfully navigate the current downturn and emerge as one of the country’s strongest small cap REITs.”

#### **Financial Results**

Net income attributable to common stockholders and OP Unit holders for the third quarter decreased to \$8.7 million compared to \$9.9 million for the third quarter of 2019. The period-over-period change was primarily due to decreased operating income from the property portfolio as a result of the disposition of operating properties and an increase in the allowance for bad debt (recorded as an adjustment to rental revenues) in the retail portfolio as a result of the COVID-19 pandemic. Additionally, the gain on real estate dispositions for the third quarter of 2020 decreased as compared to the third quarter of 2019. These decreases were partially offset by property acquisitions and the completion of development projects.

Normalized FFO attributable to common stockholders and OP Unit holders for the third quarter decreased to \$19.0 million compared to \$22.5 million for the third quarter of 2019. FFO attributable to common stockholders and OP Unit holders for the third quarter decreased to \$19.2 million compared to \$21.7 million for the third quarter of 2019. The period-over-period changes in Normalized FFO and FFO were negatively impacted by property dispositions and an increase in the allowance for bad debt (recorded as an adjustment to rental revenues) in the retail portfolio as a result of the COVID-19 pandemic. These increases in Normalized FFO and FFO were partially offset by property acquisitions and completion of development projects.

#### **Operating Performance**

At the end of the third quarter, the Company’s office, retail and multifamily core operating property portfolios were 96.7%, 94.2% and 95.9% occupied, respectively.

Total construction contract backlog was \$122.7 million at the end of the third quarter.

## Balance Sheet and Financing Activity

As of September 30, 2020, the Company had \$885.4 million of total debt outstanding, including \$205.0 million outstanding under its senior unsecured term loan facility. The Company had no balance outstanding under its revolving credit facility as of September 30, 2020. The borrowing capacity under the revolving credit facility was \$125.0 million as of September 30, 2020. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 63% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of September 30, 2020. After giving effect to LIBOR interest rate caps with strike prices at or below 275 basis points as of September 30, 2020, 100% of the Company's debt was either fixed or hedged.

The Company has no loans scheduled to mature during the remainder of 2020, and \$163.0 million of loans scheduled to mature in 2021.

The Company is currently in compliance with all debt covenants.

## Outlook

The Company issued updated 2020 full-year Normalized FFO guidance in the range to \$1.10 to \$1.12 per diluted share. The following table updates the Company's assumptions underpinning this forecast. The Company's executive management will provide further details regarding its 2020 earnings guidance during today's webcast and conference call.

Full-year 2020 Guidance <sup>[1]</sup>	Expected Ranges	
Total NOI	\$108.2M	\$109.6M
Construction Segment Gross Profit	\$7.4M	\$7.8M
G&A Expenses	\$12.7M	\$13.3M
Mezzanine Interest Income	\$19.8M	\$20.2M
Interest Expense	\$30.0M	\$30.5M
Normalized FFO per diluted share <sup>[2]</sup>	\$1.10	\$1.12

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

- Disposition of two unencumbered assets for \$8M in cash proceeds at the end of the fourth quarter
- Acquisition of Annapolis Junction and Edison Apartments in the fourth quarter
- An additional \$0.5M of potential 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%

<sup>[2]</sup> 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](http://www.ArmadaHoffler.com).

## Webcast and Conference Call

The Company will host a webcast and conference call on Thursday, November 5, 2020 at 8:30 a.m. Eastern Time to review financial results and discuss recent events. The live webcast will be available through the Investors page of the Company's website, [www.ArmadaHoffler.com](http://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 Saturday, December 5, 2020 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13711003.

## About Armada Hoffler Properties, Inc.

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

## Forward-Looking Statements

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, and the Company's financial outlook and expectations. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, and the other documents filed by the Company with the Securities and Exchange Commission (the "SEC") from time to time, including the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020. The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the 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)

	September 30, 2020	December 31, 2019
	(Unaudited)	
<b>ASSETS</b>		
Real estate investments:		
Income producing property	\$ 1,531,910	\$ 1,460,723
Held for development	13,607	5,000
Construction in progress	60,810	140,601
	1,606,327	1,606,324
Accumulated depreciation	(241,859)	(224,738)
Net real estate investments	1,364,468	1,381,586
Real estate investments held for sale	—	1,460
Cash and cash equivalents	73,579	39,232
Restricted cash	5,645	4,347
Accounts receivable, net	26,465	23,470
Notes receivable, net	168,716	159,371
Construction receivables, including retentions, net	43,324	36,361
Construction contract costs and estimated earnings in excess of billings, net	215	249
Operating lease right-of-use assets	32,818	33,088
Finance lease right-of-use assets	23,691	24,130
Acquired lease intangible assets, net	57,958	68,702
Other assets	44,393	32,901
<b>Total Assets</b>	<b>\$ 1,841,272</b>	<b>\$ 1,804,897</b>
<b>LIABILITIES AND EQUITY</b>		
Indebtedness, net	\$ 886,509	\$ 950,537
Accounts payable and accrued liabilities	20,667	17,803
Construction payables, including retentions	55,825	53,382
Billings in excess of construction contract costs and estimated earnings	7,085	5,306
Operating lease liabilities	41,589	41,474
Finance lease liabilities	17,941	17,903
Other liabilities	60,219	63,045
<b>Total Liabilities</b>	<b>1,089,835</b>	<b>1,149,450</b>
<b>Total Equity</b>	<b>751,437</b>	<b>655,447</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,841,272</b>	<b>\$ 1,804,897</b>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Unaudited)			
<b>Revenues</b>				
Rental revenues	\$ 39,636	\$ 42,220	\$ 121,840	\$ 109,507
General contracting and real estate services revenues	58,617	27,638	163,283	66,118
<b>Total revenues</b>	<b>98,253</b>	<b>69,858</b>	<b>285,123</b>	<b>175,625</b>
<b>Expenses</b>				
Rental expenses	10,223	9,873	27,907	24,513
Real estate taxes	4,760	4,180	13,326	10,759
General contracting and real estate services expenses	56,509	26,446	157,401	62,855
Depreciation and amortization	14,176	15,465	42,232	38,874
Amortization of right-of-use assets - finance leases	147	145	440	230
General and administrative expenses	2,601	2,977	9,382	9,329
Acquisition, development and other pursuit costs	26	93	555	550
Impairment charges	47	—	205	—
<b>Total expenses</b>	<b>88,489</b>	<b>59,179</b>	<b>251,448</b>	<b>147,110</b>
Gain on real estate dispositions	3,612	4,699	6,388	4,699
<b>Operating income</b>	<b>13,376</b>	<b>15,378</b>	<b>40,063</b>	<b>33,214</b>
Interest income	4,417	5,710	16,055	16,622
Interest expense on indebtedness	(7,294)	(8,828)	(22,252)	(22,205)
Interest expense on finance leases	(229)	(228)	(686)	(340)
Equity in income of unconsolidated real estate entities	—	—	—	273
Change in fair value of derivatives and other	318	(530)	(1,424)	(3,926)
Unrealized credit loss release (provision)	33	—	(227)	—
Other income (expense), net	177	362	521	426
Income before taxes	10,798	11,864	32,050	24,064
Income tax benefit	28	199	220	339
<b>Net income</b>	<b>10,826</b>	<b>12,063</b>	<b>32,270</b>	<b>24,403</b>
Net loss attributable to noncontrolling interests in investment entities	45	(960)	181	(640)
Preferred stock dividends	(2,220)	(1,234)	(4,462)	(1,388)
<b>Net income attributable to common stockholders and OP Unit holders</b>	<b>\$ 8,651</b>	<b>\$ 9,869</b>	<b>\$ 27,989</b>	<b>\$ 22,375</b>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Unaudited)			
<b>Net income attributable to common stockholders and OP Unit holders</b>	\$ 8,651	\$ 9,869	\$ 27,989	\$ 22,375
Depreciation and amortization <sup>(1)</sup>	14,131	15,057	41,867	38,331
Gain on operating real estate dispositions <sup>(2)</sup>	(3,612)	(3,220)	(6,388)	(3,220)
<b>FFO attributable to common stockholders and OP Unit holders</b>	\$ 19,170	\$ 21,706	\$ 63,468	\$ 57,486
Acquisition, development and other pursuit costs	26	93	555	550
Impairment of intangible assets and liabilities	47	—	205	—
Unrealized credit loss provision (release)	(33)	—	227	—
Amortization of right-of-use assets - finance leases	147	145	440	230
Change in fair value of derivatives and other	(318)	530	1,424	3,926
<b>Normalized FFO available to common stockholders and OP Unit holders</b>	\$ 19,039	\$ 22,474	\$ 66,319	\$ 62,192
<b>Net income attributable to common stockholders and OP Unit holders per diluted share and unit</b>	\$ 0.11	\$ 0.13	\$ 0.36	\$ 0.31
<b>FFO attributable to common stockholders and OP Unit holders per diluted share and unit</b>	\$ 0.24	\$ 0.29	\$ 0.81	\$ 0.81
<b>Normalized FFO attributable to common stockholders and OP Unit holders per diluted share and unit</b>	\$ 0.24	\$ 0.30	\$ 0.85	\$ 0.87
Weighted average common shares and units - diluted	78,443	74,543	78,020	71,256

(1) The adjustment for depreciation and amortization for the three months ended September 30, 2020 and 2019 excludes \$0.1 million and \$0.4 million, respectively, of depreciation attributable to the Company's joint venture partners. The adjustment for depreciation and amortization for the nine months ended September 30, 2020 and 2019 excludes \$0.4 million and \$0.8 million, respectively, of depreciation attributable to the Company's joint venture partners. The adjustment for depreciation and amortization for the nine months ended September 30, 2019 includes \$0.2 million of depreciation attributable to the Company's investment in One City Center from January 1, 2019 to March 14, 2019, which was an unconsolidated real estate investment during this period.

(2) The adjustment for gain on operating real estate dispositions for the three and nine months ended September 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.

**Contact:**

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

# 3Q20

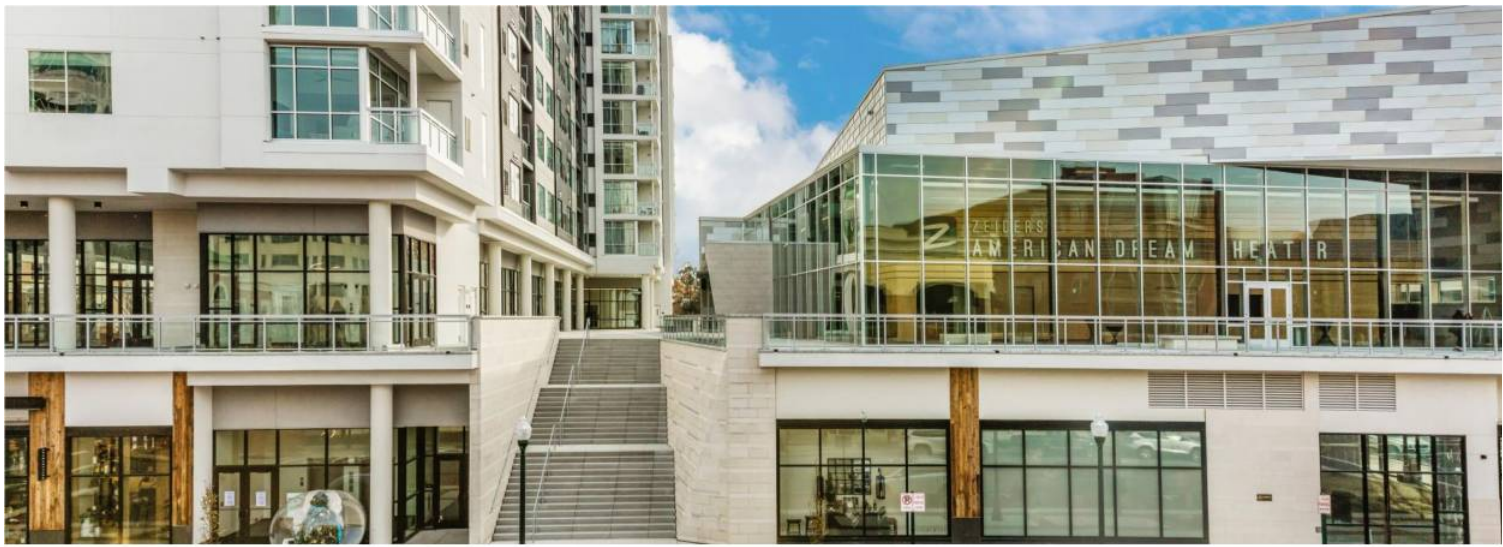
## SUPPLEMENTAL FINANCIAL PACKAGE



# TABLE OF CONTENTS

03	Forward-Looking Statements
04	Corporate Profile
05	Highlights
06	2020 Outlook & Assumptions
07	Summary Information
08	Net Asset Value Component Data
09	Summary Balance Sheet
10	Summary Income Statement
11	FFO, Normalized FFO & Adjusted FFO
12	Outstanding Debt
13	Debt Information
14	Core Debt to Core EBITDA
15	Capitalization & Financial Ratios
16	Property Portfolio
18	Development & Redevelopment Pipeline
19	Mezzanine Investments
20	Acquisitions & Dispositions
21	Construction Business Summary
22	Same Store NOI by Segment
23	Top 10 Tenants by Annualized Base Rent
24	Lease Summary
25	Office Lease Expirations
26	Retail Lease Expirations
27	COVID-19 Update
29	Appendix – Definitions & Reconciliations
33	Same Store vs Non-Same Store Properties
34	Reconciliation to Core EBITDA
35	Reconciliation to Property Portfolio NOI
36	Reconciliation to GAAP Net Income





## FORWARD-LOOKING STATEMENTS

This Supplemental Financial Package should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our proxy statement dated November 5, 2020, which has been furnished as Exhibit 99.1 to our Form 8-K filed on November 5, 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 development pipeline, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing 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 the forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and the other documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020. The Company's actual future results and trends may differ materially from the forward-looking statements 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) disruption of access to, the capital markets or disruptions in the Company's ability to borrow amounts subject to existing construction loan commitments; (ii) adverse effects 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 or better terms in the event of nonrenewal or 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 other activities and growth opportunities; and (d) the Company's ability to maintain compliance with the covenants under its existing debt agreements and to obtain any modifications to such covenants from the applicable lenders. The Company expressly disclaims any responsibility to update forward-looking statements, or to revise them as a result of new information, future events or otherwise, except as required by law.

---

# CORPORATE PROFILE

Armada Hoffler Properties, Inc. (NYSE: AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with four decades of experience developing, building, acquiring, and managing high-quality, institutional-grade office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. In addition to developing and 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](http://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  
**Michael P. O'Hara**, Chief Financial Officer  
Shawn J. Tibbetts, Chief Operating Officer  
Eric E. Apperson, President of Construction  
Shelly R. Hampton, President of Asset Management

## ANALYST COVERAGE

### Bank of America Merrill Lynch

James Feldman  
(646) 855-5808  
[james.feldman@bofa.com](mailto:james.feldman@bofa.com)

### D. A. Davidson & Co.

Barry Oxford  
(212) 240-9871  
[boxford@dadco.com](mailto:boxford@dadco.com)

### Janney, Montgomery, & Scott LLC

Robert Stevenson  
(646) 840-3217  
[robertstevenson@janney.com](mailto:robertstevenson@janney.com)

### Raymond James & Associates

Bill Crow  
(727) 567-2594  
[bill.crow@raymondjames.com](mailto:bill.crow@raymondjames.com)

### Robert W. Baird & Co.

David Rodgers  
(216) 737-7341  
[drodgers@rwbaird.com](mailto:d Rodgers@rwbaird.com)

# HIGHLIGHTS

- Net income attributable to common stockholders and OP Unit holders of \$8.7 million, or \$0.11 per diluted share, compared to \$9.9 million, \$0.13 per diluted share, for the three months ended September 30, 2019.
  - Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$19.2 million, or \$0.24 per diluted share, compared to \$21.7 million, or \$0.29 per diluted share, for the three months ended September 30, 2019. See "Non-GAAP Financial Measures."
  - Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$19.0 million, or \$0.24 per diluted share, compared to \$22.5 million, or \$0.30 per diluted share, for the three months ended September 30, 2019.
  - Recaptured two prime redevelopment sites - 3 acres in the Town Center of Virginia Beach and nearly 10 acres adjacent to James Madison University in Harrisonburg, Virginia - after terminating leases with Regal Cinemas upon tenant default. Excluding one-time charges of \$1.1 million associated with these early terminations, Normalized FFO for the third quarter would have been \$0.26 per diluted share.
  - Updated 2020 full-year Normalized FFO guidance to \$1.10 to \$1.12 per diluted share from \$1.09 to \$1.13 per diluted share.
  - Core operating property portfolio occupancy at 95.4% as of September 30, 2020 compared to 93.6% as of June 30, 2020. The Company's September 30, 2020 occupancy includes office at 96.7%, retail at 94.2%, and multifamily at 95.9%.
  - Positive releasing spreads on lease renewals during the third quarter of 3.6% on a GAAP basis and 5.1% on a cash basis.
  - Collected 96% of portfolio rents for the third quarter, including 100% of office tenant rents, 98% of multifamily tenant rents, and 93% of retail tenant rents. Refer to pages 27-28 of the Supplemental Financial Package for further details.
  - Collected 96% of October portfolio rents, including 100% of office tenant rents, 97% of multifamily tenant rents, and 94% of retail tenant rents.
  - Announced a new development project, Solis Gainesville, a \$52 million 223-unit multifamily project in downtown Gainesville, Georgia.
  - Ended the third quarter with \$122.7 million of third-party construction backlog.
  - Acquired Nexton Square, a 118,000 square foot open air lifestyle center in Summerville, South Carolina in an off-market transaction.
  - Acquired partner's 20% ownership interest of the Southern Post project in Roswell, Georgia resulting in 100% ownership of the partnership.
  - Raised \$86.3 million of net proceeds before offering expenses through an underwritten public offering of 3,600,000 shares of 6.75% Series Cumulative Redeemable Perpetual Preferred Stock at a public offering price of \$24.75 per share.
  - Completed the acquisition of the Edison Apartments in downtown Richmond, Virginia in an off-market, OP Unit transaction.
  - Completed the off-market acquisition of The Residences at Annapolis Junction, a 416-unit, Class A, LEED Gold certified mid-rise apartment community in Howard County, Maryland.
-



# 2020 OUTLOOK & ASSUMPTIONS

OUTLOOK	LOW	HIGH
Total NOI	\$108.2M	\$109.6M
Construction Segment Gross Profit	\$7.4M	\$7.8M
G&A Expenses	\$12.7M	\$13.3M
Mezzanine Interest Income	\$19.8M	\$20.2M
Interest Expense	\$30.0M	\$30.5M
Normalized FFO per diluted share	\$1.10	\$1.12

## GUIDANCE ASSUMPTIONS

- Disposition of two unencumbered assets for \$8M in cash proceeds at the end of the fourth quarter
  - Acquisition of Annapolis Junction and Edison Apartments in the fourth quarter
  - An additional \$0.5M of potential 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%
-

# SUMMARY INFORMATION

\$ IN THOUSANDS, EXCEPT PER SHARE DATE

	Three months ended			
	9/30/2020	6/30/2020	3/31/2020	12/31/2019
<b>OPERATIONAL METRICS</b>				
Net income attributable to common stockholders and OP unit holders	\$8,651	\$11,178	\$8,160	\$7,215
Net income attributable to common stockholders and OP unit holders per diluted share	<b>\$0.11</b>	<b>\$0.14</b>	<b>\$0.11</b>	<b>\$0.09</b>
Rental properties Net Operating Income (NOI)	24,653	27,373	28,581	27,811
General contracting and real estate services gross profit	2,108	2,056	1,718	1,058
Adjusted EBITDA <sup>(1)</sup>	27,756	29,933	33,103	30,843
Funds From Operations (FFO) attributable to common stockholders and OP unit holders	19,170	22,046	22,252	22,500
FFO per diluted share attributable to common stockholders and OP unit holders	<b>\$0.24</b>	<b>\$0.28</b>	<b>\$0.29</b>	<b>\$0.29</b>
Normalized FFO attributable to common stockholders and OP unit holders	19,039	22,583	24,697	22,896
Normalized FFO per diluted share attributable to common stockholders and OP unit holders	<b>\$0.24</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.30</b>
Annualized dividend yield	4.75%	NA	8.22%	4.58%
<b>CAPITALIZATION</b>				
Common shares outstanding	57,934	57,010	56,492	56,278
Operating Partnership units outstanding	20,523	21,273	21,273	21,273
Common shares and OP units outstanding	78,457	78,283	77,765	77,551
Market price per common share	\$9.26	\$9.95	\$10.70	\$18.35
Common equity capitalization <sup>(2)</sup>	\$726,512	\$778,916	\$832,085	\$1,423,061
Preferred equity capitalization	171,075	63,350	63,250	63,250
Total equity capitalization	\$897,587	\$842,266	\$895,335	\$1,486,311
Total debt <sup>(3)</sup>	885,359	956,726	1,016,293	960,819
Total capitalization	1,782,946	1,798,992	1,911,628	2,447,130
Less: cash	(79,224)	(75,111)	(52,788)	(43,579)
Total enterprise value	\$1,703,722	\$1,723,881	\$1,858,840	\$2,403,551
<b>BALANCE SHEET METRICS</b>				
Core debt / enterprise value	37.5%	43.2%	45.0%	33.6%
Core debt + preferred equity / enterprise value	47.6%	46.8%	48.4%	36.2%
Fixed charge coverage ratio	2.3x	2.9x	2.8x	2.5x
Core debt / Annualized core EBITDA	6.3x	6.8x	6.5x	6.8x
Core debt + preferred equity / Annualized core EBITDA	8.0x	7.3x	7.0x	7.3x
<b>CORE PORTFOLIO OCCUPANCY</b>				
Office <sup>(4)</sup>	96.7%	97.0%	96.6%	96.6%
Retail <sup>(4)</sup>	94.2% <sup>(6)</sup>	95.1%	96.1%	96.9%
Multifamily <sup>(5)</sup>	95.9%	87.9% <sup>(7)</sup>	93.7%	95.6%
Weighted Average <sup>(8)</sup>	95.4%	93.6%	95.6%	96.5%

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

(6) Regal leases which were terminated by the Company subsequent to the quarter are included as occupied in the calculation.

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

(8) Total occupancy weighted by annualized base rent.

# NET ASSET VALUE COMPONENT DATA

\$ IN THOUSANDS

Stabilized Portfolio NOI (Cash) <sup>(1)</sup>					Third-Party General Contracting and Real Estate Services	
	Three months ended 9/30/2020			Total	General Contracting Gross Profit	Trail
	Office <sup>(2)</sup>	Retail	Multifamily			
<b>Stable Portfolio</b>						
Portfolio NOI	\$6,415	\$11,586	\$6,145	\$24,146		
Unstabilized Properties NOI	202	(229)	(392)	(419)		
Signed Leases Not Yet Occupied or In Free Rent Period	126	981	154	1,261		
Net Deferrals and Recoveries	(27)	(124)	22	(129)		
Stable Portfolio NOI	\$6,716	\$12,214	\$5,929	\$24,859		
<b>Intra-Quarter Transactions</b>						
Net Acquisitions	-	482	-	482		
Net Dispositions	-	(80)	-	(80)		
Total	\$0	\$402	\$0	\$402		
Annualized	\$26,864	\$50,464	\$23,716	\$101,044		
<b>Non-Stabilized Portfolio</b>						
				<b>As of 9/30/2020</b>		
Development Cost - See Page 18				\$210,000		
Cosmopolitan Redevelopment Cost - See Page 18				13,000		
Total Non-Stabilized Portfolio				\$223,000		
<b>Management's Estimate of Land Value and Vacancy Opportunities</b>						
		Size	Estimated Land Value			
<b>Columbus Village II Redevelopment Opportunity</b>						
Multifamily		250 units	\$30,000-40,000/unit			
Retail		30,000 sf	\$20-25/sf			
<b>Harrisonburg Regal Redevelopment Opportunity</b>						
Multifamily		190 units	\$25,000-35,000/unit			
Retail		50,000 sf	\$12-18/sf			
		Size	Rent PSF			
<b>Other Vacant Retail with Active Prospects</b>		90,000 sf	\$22-26/sf			

Third-Party General Contracting and Real Estate Services		Trail
General Contracting Gross Profit		
<b>Non-Property Assets<sup>(3)</sup></b>		<b>As of</b>
Cash and Retriected Cash		
Accounts Receivable		
Notes Receivable, Including Mezzanine Investments <sup>(4)</sup>		
Construction receivables, including retentions <sup>(4)</sup>		
Acquired lease intangible assets, net		
Other Assets		
Total Non-Property Assets		
<b>Liabilities<sup>(3)</sup></b>		<b>As of</b>
Mortgages and Notes Payable <sup>(4)</sup>		
Accounts Payable and Accrued Liabilities		
Construction Payables, Including Retentions		
Other Liabilities		
Total Liabilities		
<b>Preferred Equity</b>		<b>Liqui</b>
Series A Cumulative Redeemable Perpetual Preferred Stock		
<b>Common Equity</b>		<b>As of</b>
Total common shares outstanding		
Total OP units outstanding		
Total Common Shares & OP Units Outstanding		

- (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) Excludes lease right of use assets and lease liabilities.
- (4) Excludes GAAP adjustments.

# SUMMARY BALANCE SHEET

\$ IN THOUSANDS

	As of	
	9/30/2020 (Unaudited)	12/31/2019
<b>Assets</b>		
Real estate investments:		
Income producing property	\$1,531,910	\$1,460,723
Held for development	13,607	5,000
Construction in progress	60,810	140,601
Accumulated depreciation	(241,859)	(224,738)
Net real estate investments	<u>1,364,468</u>	<u>1,381,586</u>
Real estate investments held for sale	-	1,460
Cash and cash equivalents	73,579	39,232
Restricted cash	5,645	4,347
Accounts receivable, net	26,465	23,470
Notes receivable, net	168,716	159,371
Construction receivables, including retentions, net	43,324	36,361
Construction contract costs and estimated earnings in excess of billings, net	215	249
Operating lease right-of-use assets, net	32,818	33,088
Finance lease right-of-use assets, net	23,691	24,130
Acquired lease intangible assets, net	57,958	68,702
Other assets	44,393	32,901
<b>Total Assets</b>	<u><u>\$1,841,272</u></u>	<u><u>\$1,804,897</u></u>
<b>Liabilities and Equity</b>		
Indebtedness, net	\$886,509	\$950,537
Accounts payable and accrued liabilities	20,667	17,803
Construction payables, including retentions	55,825	53,382
Billings in excess of costs and estimated earnings	7,085	5,306
Operating lease liabilities	41,589	41,474
Finance lease liabilities	17,941	17,903
Other liabilities	60,219	63,045
<b>Total Liabilities</b>	<u>1,089,835</u>	<u>1,149,450</u>
<b>Total Equity</b>	<u>751,437</u>	<u>655,447</u>
<b>Total Liabilities and Equity</b>	<u><u>\$1,841,272</u></u>	<u><u>\$1,804,897</u></u>

# SUMMARY INCOME STATEMENT

IN THOUSANDS, EXCEPT PER SHARE DATA

	Three months ended		Nine months ended	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
<b>Revenues</b>				
Rental revenues	\$39,636	\$42,220	\$121,840	\$
General contracting and real estate services revenues	58,617	27,638	163,283	
<b>Total Revenues</b>	<b>98,253</b>	<b>69,858</b>	<b>285,123</b>	
<b>Expenses</b>				
Rental expenses	10,223	9,873	27,907	
Real estate taxes	4,760	4,180	13,326	
General contracting and real estate services expenses	56,509	26,446	157,401	
Depreciation and amortization	14,176	15,465	42,232	
Amortization of right-of-use assets - finance leases	147	145	440	
General and administrative expenses	2,601	2,977	9,382	
Acquisition, development and other pursuit costs	26	93	555	
Impairment charges	47	-	205	
<b>Total Expenses</b>	<b>88,489</b>	<b>59,179</b>	<b>251,448</b>	
Gain on real estate dispositions	3,612	4,699	6,388	
<b>Operating Income</b>	<b>13,376</b>	<b>15,378</b>	<b>40,063</b>	
Interest income	4,417	5,710	16,055	
Interest expense on indebtedness	(7,294)	(8,828)	(22,252)	
Interest expense on finance leases	(229)	(228)	(686)	
Change in fair value of derivatives and other	318	(530)	(1,424)	
Equity in income of unconsolidated real estate entities	-	-	-	
Unrealized credit loss release (provision)	33	-	(227)	
Other income (expense), net	177	362	521	
Income before taxes	10,798	11,864	32,050	
Income tax benefit	28	199	220	
Net Income	\$10,826	\$12,063	\$32,270	
Net income attributable to noncontrolling interest in investment entities	45	(960)	181	
Preferred stock dividends	(2,220)	(1,234)	(4,462)	
Net income attributable to AHH and OP Unit holders	\$8,651	\$9,869	\$27,989	
Net income per diluted share and unit attributable to AHH and OP Unit holders	\$0.11	\$0.13	\$0.36	
Weighted Average Shares & Units - Diluted	78,443	74,543	78,020	

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

IN THOUSANDS, EXCEPT PER SHARE DATA

Three months ended (Unaudited)

	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
<b>Funds From Operations</b>					
<b>Net income attributable to AHH and OP unit holders</b>	<b>\$8,651</b>	<b>\$11,178</b>	<b>\$8,160</b>	<b>\$7,215</b>	
Earnings per diluted share	\$0.11	\$0.14	\$0.11	\$0.09	
Depreciation and amortization <sup>(2)</sup>	14,131	13,644	14,092	15,285	
Gains on dispositions of operating real estate <sup>(3)</sup>	(3,612)	(2,776)	-	-	
<b>FFO</b>	<b>\$19,170</b>	<b>\$22,046</b>	<b>\$22,252</b>	<b>\$22,500</b>	
FFO per diluted share	\$0.24	\$0.28	\$0.29	\$0.29	
<b>Normalized FFO</b>					
Acquisition, development & other pursuit costs	26	502	27	294	
Loss on extinguishment of debt	-	-	-	30	
Non cash GAAP Adjustments	161	29	682	399	
Change in fair value of interest rate derivatives	(318)	6	1,736	(327)	
<b>Normalized FFO</b>	<b>19,039</b>	<b>22,583</b>	<b>24,697</b>	<b>22,896</b>	
Normalized FFO per diluted share	\$0.24	\$0.29	\$0.32	\$0.30	
<b>Adjusted FFO</b>					
Non-cash stock compensation	456	421	1,030	274	
Acquisition, development & other pursuit costs	(26)	(502)	(27)	(294)	
Tenant improvements, leasing commissions, lease incentives <sup>(4)</sup>	(2,770)	(728)	(1,318)	(1,065)	
Property related capital expenditures	(1,373)	(2,316)	(1,014)	(2,426)	
Adjustment for loan modification and exit fees	(614)	(614)	(2,074)	(1,860)	
Non-cash interest expense <sup>(5)</sup>	874	673	638	588	
Cash ground rent payment - finance lease	(291)	(241)	(216)	(216)	
GAAP Adjustments	(684)	(6,295)	(984)	(958)	
<b>AFFO</b>	<b>\$14,611</b>	<b>\$12,981</b>	<b>\$20,732</b>	<b>\$16,939</b>	
AFFO per diluted share	\$0.19	\$0.17	\$0.27	\$0.22	
Weighted Average Common Shares Outstanding	57,923	56,668	56,398	55,581	
Weighted Average OP Units Outstanding	20,520	21,273	21,273	21,181	
Total Weighted Average Common Shares and OP Units Outstanding	78,443	77,941	77,671	76,762	

(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 on 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 9/30/2020	Maturity Date	2020	2021	2022	2023	2024	Thereafter	Outstanding as of 9/30/2020
<b>Secured Notes Payable - Core Debt</b>										
Hoffler Place	L+3.24%	3.39%	Jan-2021	-	\$31,197					\$31
Southgate Square	L+1.60%	1.75%	Apr-2021	220	19,682					19
Nexton Square	L+2.25%	2.40%	Aug-2021	-	22,909					22
Encore Apartments	3.25%	3.25%	Sep-2021	127	24,337					24
4525 Main Street	3.25%	3.25%	Sep-2021	164	31,231					31
Red Mill West	4.23%	4.23%	Jun-2022	113	465	10,386				10
Thames Street Wharf	L+1.30%	1.81% <sup>(1)</sup>	Jun-2022	-	-	70,000				70
Marketplace at Hilltop	4.42%	4.42%	Oct-2022	101	414	9,706				10
1405 Point	L+2.25%	2.40%	Jan-2023	-	714	754	51,532			53
Socastee Commons	4.57%	4.57%	Jan-2023	28	115	120	4,223			4
Sandbridge Commons <sup>(2)</sup>	L+1.75%	1.90%	Jan-2023	62	257	268	7,248			7
249 Central Park Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	59	245	260	16,092			16
Fountain Plaza Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	36	147	156	9,685			10
South Retail	L+1.60%	3.85% <sup>(1)</sup>	Aug-2023	26	107	114	7,066			7
One City Center	L+1.85%	2.00%	Apr-2024	152	628	659	691	22,734		24
Red Mill Central	4.80%	4.80%	Jun-2024	44	175	175	175	1,837		2
Premier Apartments	L+1.55%	1.70%	Oct-2024	34	208	221	234	16,053		16
Red Mill South	3.57%	3.57%	May-2025	77	315	327	338	351	4,502	5
Brooks Crossing Office	L+1.60%	1.75%	Jul-2025	206	831	846	861	876	11,897	15
Market at Mill Creek	L+1.55%	1.70%	Jul-2025	162	647	647	647	647	11,201	13
Johns Hopkins Village	L+1.25%	4.19% <sup>(1)</sup>	Aug-2025	242	988	1,031	1,075	1,116	46,649	51
North Point Center Note 2	7.25%	7.25%	Sep-2025	34	140	151	162	174	1,467	2
Lexington Square	4.50%	4.50%	Sep-2028	65	268	280	293	306	13,293	14
Red Mill North	4.73%	4.73%	Dec-2028	26	105	110	116	121	3,841	4
Greenside Apartments	3.17%	3.17%	Dec-2029	176	712	735	759	783	30,321	33
Smith's Landing	4.05%	4.05%	Jun-2035	215	880	917	956	994	13,584	17
Liberty Apartments	5.66%	5.66%	Nov-2043	73	304	322	341	361	12,549	13
The Cosmopolitan	3.35%	3.35%	Jul-2051	201	819	847	876	906	39,461	43
<b>Total - Secured Core Debt</b>				<b>2,643</b>	<b>138,840</b>	<b>99,032</b>	<b>103,370</b>	<b>47,259</b>	<b>188,765</b>	<b>579</b>
<b>Secured Notes Payable - Development Pipeline</b>										
Summit Place	L+3.24%	3.39%	Jan-2021	-	34,615					34
Wills Wharf	L+2.25%	2.40%	Jun-2023	-	-	-	57,585			57
Premier Retail	L+1.55%	1.70%	Oct-2024	17	102	109	115	7,907		8
Solis Gainesville	L+3.00%	3.75%	Aug-2024							
<b>Total - Development Pipeline</b>				<b>17</b>	<b>34,717</b>	<b>109</b>	<b>57,700</b>	<b>7,907</b>	<b>-</b>	<b>100</b>
<b>Total Secured Notes Payable</b>				<b>\$2,660</b>	<b>\$173,557</b>	<b>\$99,141</b>	<b>\$161,070</b>	<b>\$55,166</b>	<b>\$188,765</b>	<b>\$680</b>
<b>Unsecured Core Debt</b>										
Senior Unsecured Line of Credit	L+1.30%-1.85%	1.75%	Jan-2024	-	-	-	-	-	-	-
Senior Unsecured Term Loan	L+1.25%-1.80%	1.70%	Jan-2025	-	-	-	-	-	19,500	19
Senior Unsecured Term Loan	L+1.25%-1.80%	2.05% - 4.57% <sup>(1)</sup>	Jan-2025	-	-	-	-	-	185,500	185
<b>Total - Unsecured Core Debt</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,000</b>	<b>205</b>
<b>Total Notes Payable excluding GAAP Adjustments</b>				<b>\$2,660</b>	<b>\$173,557</b>	<b>\$99,141</b>	<b>\$161,070</b>	<b>\$55,166</b>	<b>\$393,765</b>	<b>\$885</b>
GAAP Adjustments										1
<b>Total Notes Payable</b>										<b>\$886</b>

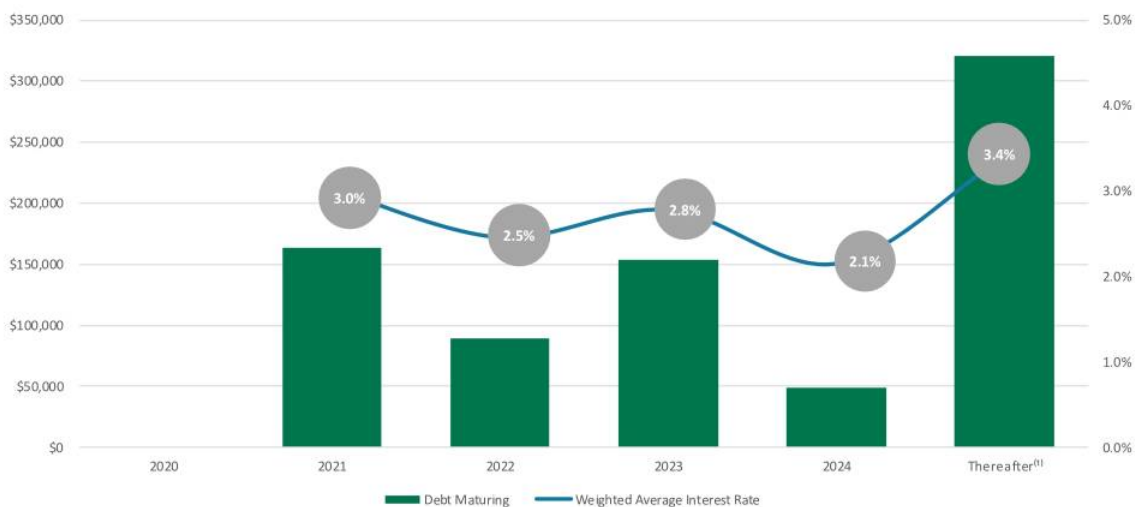
(1) Includes debt subject to interest rate swap locks.

(2) Loan was extinguished on October 6, 2020.

# DEBT INFORMATION

\$ IN THOUSANDS

## Debt Maturities



### Total Debt Composition

	% of Debt	Weighted Average	
		Interest Rate	Maturity
<b>Secured vs. Unsecured Debt</b>			
Unsecured Debt	23.2%	3.1%	4.3 Yrs
Secured Debt	76.8%	3.0%	5.4 Yrs
<b>Variable vs. Fixed-rate Debt</b>			
Variable-rate Debt <sup>(1)</sup>	36.8%	2.4%	2.3 Yrs
Fixed-rate Debt <sup>(2)(3)</sup>	63.2%	3.4%	6.8 Yrs
Fixed-rate and Hedged Debt <sup>(2)(3)</sup>	100%		
<b>Total</b>		3.0%	5.1 Yrs

### Interest Rate Cap Agreements

Effective Date	Maturity Date	Strike Rate	Number of Agreements
December 2018	January 2021	2.75%	1
May 2019	June 2022	2.50%	1
January 2020	February 2022	1.75%	1
March 2020	March 2022	1.50%	1
July 2020	July 2023	0.50%	1
<b>Total Interest Rate Caps</b>			5
Fixed-rate Debt <sup>(2)(3)</sup>			\$1,000,000
Fixed-rate and Hedged Debt			\$1,000,000
<b>Total Debt<sup>(3)</sup></b>			\$2,000,000
<b>% of Total Debt<sup>(3)</sup></b>			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

\$ IN THOUSANDS  
SEE PAGE 34 FOR CALCULATION AND RECONCILIATION.

	Three months ended				9
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	
<b>Net income attributable to common stockholders and OP unit holders</b>	\$8,651	\$11,178	\$8,160	\$7,215	
<b>Adjusted EBITDA<sup>(1)(2)(4)</sup></b>	\$27,756	\$29,933	\$33,103	\$30,843	
Other adjustments:					
Development/Redevelopment	(2,225)	(1,085)	(1,133)	(1,010)	
(Less) Acquisitions/Dispositions completed intra-quarter	(155)	(1,351)	-	-	
<b>Core EBITDA<sup>(4)</sup></b>	\$25,376	\$27,497	\$31,970	\$29,833	
<b>Annualized Core EBITDA</b>	\$101,502	\$109,989	\$127,880	\$119,332	
<b>Total debt<sup>(3)</sup></b>	\$885,359	\$956,726	\$1,016,293	\$960,819	
Adjustments to debt:					
(Less) Development/Redevelopment	(143,560)	(137,508)	(127,650)	(109,930)	
(Less) Net Acquisitions completed intra-quarter	(22,909)	-	-	-	
(Less) Cash & restricted cash	(79,224)	(75,111)	(52,788)	(43,579)	
<b>Core Debt<sup>(4)</sup></b>	\$639,666	\$744,107	\$835,855	\$807,310	
<b>Core Debt/Annualized Core EBITDA</b>	<b>6.3x</b>	<b>6.8x</b>	<b>6.5x</b>	<b>6.8x</b>	

- (1) See reconciliation on page 34.  
(2) Excludes non-recurring items.  
(3) Excludes GAAP Adjustments.  
(4) See Page 31 for definition

# CAPITALIZATION & FINANCIAL RATIOS

\$ IN THOUSANDS AS OF SEPTEMBER 30, 2020

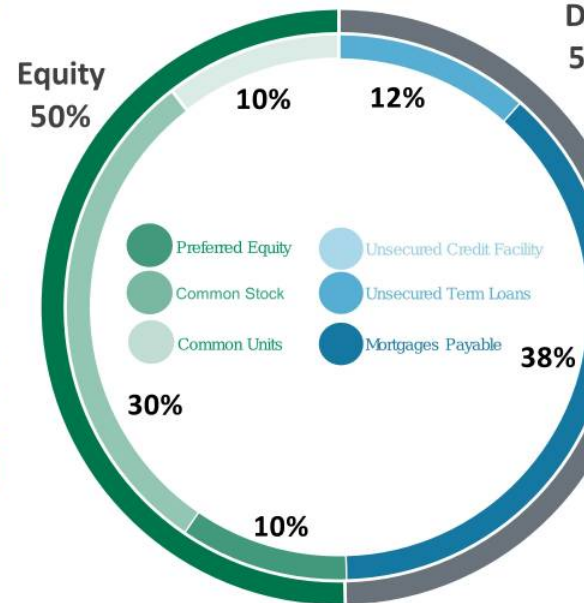
Debt	% of Total	Principal Balance
Unsecured credit facility	0%	\$0
Unsecured term loans	23%	205,000
Mortgages payable	77%	680,359
Total debt		\$885,359

Preferred Equity	Shares	Liquidation Value Per Share	Total Liquidation Value
6.75% Series A Cumulative Redeemable Perpetual Preferred Stock (NYSE: AHHPPrA)	6,843	\$25.00	\$171,075

Common Equity	% of Total	Shares/Units	Stock Price	Market Value
Common stock (NYSE: AHH)	74%	57,934	\$9.26	\$536,469
Common units	26%	20,523	\$9.26	190,043
Equity market capitalization		78,457		\$726,512
Total capitalization				\$1,782,946

Financial Ratios	
Debt Service Coverage Ratio <sup>(1)</sup>	2.8x
Fixed Charge Coverage Ratio <sup>(2)</sup>	2.3x
Net Debt to Adjusted EBITDA	8.0x
Core Debt to Core EBITDA	6.3x
Core Debt + Preferred Equity to Core EBITDA	8.0x
Debt/Market Capitalization	50%

Liquidity	
Cash on hand	\$79,224
Availability under credit facility	125,000
Availability under construction loans	52,785
	\$257,009



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 SEPTEMBER 30, 2020

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

Retail Properties	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/Redevelopment Properties	Total	Core Occupancy <sup>(2)</sup>	Development/Redevelopment Leased <sup>(1)</sup>	ABR <sup>(1)</sup>
249 Central Park Retail	Cheesecake Factory, Brooks Brothers	Virginia Beach, VA	✓	-	2004	92,400	-	92,400	89.3%	-	\$2,135
Apex Entertainment	Apex Entertainment, USI	Virginia Beach, VA	✓	100%	2002	-	103,335	103,335	-	100.0%	1,482
Broad Creek Shopping Center <sup>(6)(9)</sup>	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	-	121,504	96.7%	-	2,109
Broadmoor Plaza	Kroger	South Bend, IN		100%	1980	115,059	-	115,059	97.5%	-	1,387
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	18,349	-	18,349	66.3%	-	169
Columbus Village <sup>(6)</sup>	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	62,362	-	62,362	91.0%	-	1,719
Columbus Village II	Regal Cinemas <sup>(12)</sup> , BB&B	Virginia Beach, VA	✓	100%	1995/1996	92,061	-	92,061	96.7%	-	1,595
Commerce Street Retail	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	-	19,173	100.0%	-	888
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,177	-	3,177	100.0%	-	139
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	-	106,166	75.3%	-	1,465
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	-	35,961	100.0%	-	998
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	-	15,719	92.6%	-	328
Hanbury Village <sup>(6)</sup>	Harris Teeter	Chesapeake, VA		100%	2006/2009	101,815	-	101,815	100.0%	-	2,107
Harrisonburg Regal	Regal Cinemas <sup>(12)</sup>	Harrisonburg, VA		100%	1999	49,000	-	49,000	100.0%	-	717
Lexington Square	Lowes Foods	Lexington, SC		-	2017	85,440	-	85,440	98.3%	-	1,808
Market at Mill Creek <sup>(6)</sup>	Lowes Foods	Mt. Pleasant, SC		-	2018	80,319	-	80,319	97.7%	-	1,810
Marketplace at Hilltop <sup>(6)(9)</sup>	Total Wine, Panera, Chic-Fil-A	Virginia Beach, VA		-	2000/2001	116,953	-	116,953	98.6%	-	2,621
Nexton Square	Various Small Shops	Summerville, SC		-	2020	127,216	-	127,216	89.7%	-	2,960
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,935	-	114,935	93.6%	-	1,311
North Point Center <sup>(6)</sup>	Harris Teeter, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	-	494,746	99.1%	-	3,750
Oakland Marketplace <sup>(6)</sup>	Kroger	Oakland, TN		100%	2004	64,538	-	64,538	100.0%	-	483
Parkway Centre	Publix	Moultrie, GA		100%	2017	61,200	-	61,200	98.0%	-	814
Parkway Marketplace	Rite Aid	Virginia Beach, VA		100%	1998	37,804	-	37,804	94.4%	-	733
Patterson Place	BB&B, PetSmart, DSW	Durham, NC		100%	2004	160,942	-	160,942	81.1%	-	2,153
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	-	74,256	100.0%	-	1,280
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	-	39,162	39,162	-	75.6%	969
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	-	103,118	94.7%	-	2,690
Red Mill Commons <sup>(6)</sup>	Homegoods, Walgreens	Virginia Beach, VA		8%	2000-2005	373,808	-	373,808	89.3%	-	6,112
Sandbridge Commons <sup>(6)</sup>	Harris Teeter	Virginia Beach, VA		100% <sup>(11)</sup>	2015	76,650	-	76,650	98.5%	-	1,072
Socastee Commons	Bi-Lo <sup>(12)</sup>	Myrtle Beach, SC		-	2000/2014	57,273	-	57,273	100.0%	-	653
Southgate Square	Burlington, PetSmart, Michaels, Conn's	Colonial Heights, VA		-	1991/2016	260,131	-	260,131	93.0%	-	3,362
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	-	38,515	100.0%	-	997
South Square	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	-	109,590	98.1%	-	1,875
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,307	-	40,307	83.1%	-	697
Studio 56 Retail	Rocket Mortgage	Virginia Beach, VA	✓	100%	2007	11,594	-	11,594	15.2%	-	52
Tyre Neck Harris Teeter <sup>(6)(9)</sup>	Harris Teeter	Portsmouth, VA		100%	2011	48,859	-	48,859	100.0%	-	533
Wendover Village	BB&B <sup>(12)</sup> , T.J. Maxx, Petco	Greensboro, NC		100%	2004	176,939	-	176,939	99.4%	-	3,512
<b>Total / Weighted Avg Retail Portfolio</b>				<b>59%</b>		<b>3,547,879</b>	<b>142,497</b>	<b>3,690,376</b>	<b>94.2%</b>		<b>\$59,502</b>

Properties with Tenants Subject to Ground Lease	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	
		Square Footage	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
<b>Total / Weighted Avg</b>	<b>28</b>	<b>562,936</b>	<b>\$5,523,403</b>

# PROPERTY PORTFOLIO CONT.

AS OF SEPTEMBER 30, 2020

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

Office Properties	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development Properties	Total	Core Occupancy <sup>(2)</sup>	Development Leased <sup>(2)</sup>	ABR <sup>(3)</sup>
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	-	234,938	99.4%	-	\$6,952,774
Armada Hoffer Tower <sup>(4)(5)</sup>	AHH, Troutman Sanders, Williams Mullen	Virginia Beach, VA	✓	100%	2002	320,680	-	320,680	95.1%	-	8,899,458
Brooks Crossing Office	Huntington Ingalls Industries	Newport News, VA	-	-	2019	98,061	-	98,061	100.0%	-	1,850,411
One Columbus <sup>(5)</sup>	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,770	-	128,770	97.6%	-	3,193,112
One City Center	Duke University, WeWork	Durham, NC	-	-	2019	151,599	-	151,599	89.3%	-	4,187,530
Thames Street Wharf <sup>(4)</sup>	Morgan Stanley, JHU Medical	Baltimore, MD	-	-	2010	263,426	-	263,426	99.4%	-	7,237,479
Two Columbus	HBA Architects	Virginia Beach, VA	✓	100%	2009	108,459	-	108,459	95.4%	-	2,557,899
Willis Wharf <sup>(5)</sup>	Canopy by Hilton, EY	Baltimore, MD	-	-	2020	-	327,133	327,133	-	47.2%	2,726,155
<b>Total / Weighted Average Office Portfolio</b>				<b>39%</b>		<b>1,305,933</b>	<b>327,133</b>	<b>1,633,066</b>	<b>96.7%</b>		<b>\$37,604,818</b>

Units/Beds

Multifamily Properties	Location	Town Center	Unencumbered AQR	Year Built	Core Properties	Development/ Redevelopment Properties	Total Units	Core Occupancy <sup>(2)</sup>	Development/ Redevelopment Occupancy <sup>(2)</sup>	AQR <sup>(7)</sup>
1405 Point <sup>(8)(9)</sup>	Baltimore, MD	-	-	2018	289	-	289	92.7%	-	\$7,090,006
Encore Apartments	Virginia Beach, VA	✓	-	2014	286	-	286	98.3%	-	4,793,803
Greenside Apartments	Charlotte, NC	-	-	2018	225	-	225	96.0%	-	4,236,690
Liberty Apartments <sup>(9)</sup>	Newport News, VA	-	-	2013	197	-	197	93.9%	-	2,866,396
Premier Apartments	Virginia Beach, VA	✓	-	2018	131	-	131	97.7%	-	2,517,674
Smith's Landing <sup>(9)</sup>	Blacksburg, VA	-	-	2009	284	-	284	100.0%	-	4,826,763
The Cosmopolitan <sup>(8)</sup>	Virginia Beach, VA	✓	-	2006	-	342	342	-	95.0%	6,610,640
<b>Multifamily Total</b>					<b>1,412</b>	<b>342</b>	<b>1,754</b>	<b>98.6%</b>		<b>\$32,941,972</b>
Hoffler Place <sup>(8)(10)</sup>	Charleston, SC	-	-	2019	258	-	258	98.4%	-	\$3,289,136
Johns Hopkins Village <sup>(8)(9)(10)</sup>	Baltimore, MD	-	-	2016	568	-	568	88.2%	-	7,974,089
Summit Place <sup>(10)</sup>	Charleston, SC	-	-	2020	-	357	357	-	98.0%	3,605,451
<b>Student Housing Total</b>					<b>826</b>	<b>357</b>	<b>1,183</b>	<b>91.4%</b>		<b>\$14,868,677</b>
<b>Total / Weighted Avg Multifamily Portfolio</b>					<b>2,238</b>	<b>699</b>	<b>2,937</b>	<b>95.9%</b>		<b>\$47,810,649</b>

- (1) The net rentable square footage for each of our retail & office properties is the sum of (a) the square footage of existing leases, plus (b) for available space, management's estimate of net rentable square 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 guideline
- (2) Occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of September 30, 2020, divided by (b) net rentable square feet, expressed as a percent for our multifamily properties is calculated as (a) total units occupied as of September 30, 2020, divided by (b) total units 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 excluding tenant reimbursements for expenses paid by us) as of September 30, 2020 for in-place leases as of such date by (b) 12, and does not give effect to periodic contractual rent increases or core 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 September 30, 2020. In the 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 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 on page 16.
- (7) For the properties in our multifamily portfolio, AQR is calculated by multiplying (a) revenue for the quarter ended September 30, 2020 by (b) 4.
- (8) The AQR for Liberty, Cosmopolitan, Johns Hopkins Village, Hoffler Place, and 1405 Point excludes approximately \$0.3M, \$0.7M, \$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) 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 September 30, 2020 by the number of
- (11) Property was unencumbered as of October 6, 2020.
- (12) The Company has knowledge of an upcoming termination for this tenant. See table on page 28 for additional details.

# DEVELOPMENT & REDEVELOPMENT PIPELINE

\$ IN THOUSANDS

Schedule<sup>(1)</sup>

Projects	Property Type	Estimated <sup>(1)</sup>	% Leased or LOI	Construction Start	Initial Occupancy	Stabilized Operation <sup>(2)</sup>	Estimated Cost <sup>(1)</sup>	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants
<b>Under Development</b>											
Solis Gainesville Gainesville, GA	Multifamily	223 units	-	3Q20	2Q22	3Q23	\$52,000	\$31,000	\$8,000	95%	NA
Total Projects Under Development							\$52,000	\$31,000	\$8,000		
<b>Delivered Not Stabilized</b>											
Premier Retail (Town Center Phase VI) Virginia Beach, VA	Retail	39,000 sf	76%	4Q16	3Q18	4Q21	\$18,000	\$8,000	\$16,000	100%	Williams-Sonoma, Pottery Ba
Summit Place (Meeting Street) Charleston, SC	Multifamily	357 beds	98%	3Q17	3Q20	4Q20	56,000	35,000	56,000	90%	NA
Wills Wharf Baltimore, MD	Office	325,000 sf	53%	3Q18	2Q20	2Q22	120,000	76,000	106,000	100%	Canopy by Hilton, EY
Total Projects Delivered Not Stabilized							\$194,000	\$119,000	\$178,000		
<b>Predevelopment or On Hold</b>											
Chronicle Mill Belmont, NC	Multifamily	238 units / 10,000 sf	-	TBD	TBD	TBD	TBD	TBD	\$5,000	85% <sup>(3)</sup>	NA
Southern Post Roswell, GA	Mixed-use	138 units / 137,000 sf	-	TBD	TBD	TBD	TBD	TBD	10,000	100% <sup>(4)</sup>	TBD
Ten Tryon Charlotte, NC	Mixed-use	220,000 sf	38%	TBD	TBD	TBD	TBD	TBD	9,000	80% <sup>(3)</sup>	Publix, Fortune 100 office ten
Total Projects Predevelopment or On Hold							\$24,000				

Redevelopment	Property Type	% Leased or LOI	Out of Service	Construction Start	Anticipated Completion	Restabilized Operation <sup>(2)</sup>	Estimated Cost <sup>(1)</sup>	Cost to Date	Projected ROI	Scope
The Cosmopolitan Virginia Beach, VA	Multifamily	96%	0 units	1Q18	4Q20	4Q20	\$13,000	\$13,000	9%	Renovated 292 units including upgraded finishes, n cabinetry and flooring, energy efficient appliances, lighting; modernize resident clubhouse and busines Remainder of units to be renovated at a later date.
Apex Entertainment Building (Former Dick's Sporting Goods) Virginia Beach, VA	Mixed-use	100%	84,000 sf	1Q20	4Q20	1Q21	8,000	6,300	7%	Revitalize 84,000 SF of big box retail space within Tr into a destination entertainment concept for a new t tenant, Apex Entertainment.
Total Projects Under Redevelopment							\$21,000	\$19,300	8%	

	Q3 2020	Y
Capitalized Interest	\$534	
Capitalized Overhead	\$409	

- (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) Acquired remaining 20% ownership subsequent to quarter end.

Schedule<sup>(1)</sup>

Outstanding Investments	Property Type	Estimated <sup>(1)</sup>	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Principal Mezzanine Financing	Mezzan Interest	
Solis Apartments at Interlock Atlanta, GA	Multifamily	349 units	NA	4Q20	3Q22	13%	\$23,000	\$	
The Interlock Atlanta, GA	Mixed-use	300,000 sf	77%	4Q20	3Q22	15%	67,000	2	
Nexton Square-loan paid off during quarter									
							Total	\$90,000	\$3
							Mezzanine Interest Expense		
							Net Mezzanine Interest Income		\$3

AHH Investment to Acquisitions	Property Type	Estimated <sup>(1)</sup>	% Leased or LOI	9/30/20 Principal Financing Outstanding	Acquisition Status
Nexton Square-Phase I Summerville, SC	Mixed-use	118,000 sf	94%	\$ -	Exercised Discounted Purchase Option 9/22/20
Delray Plaza (Whole Foods) <sup>(2)</sup> Delray Beach, FL	Retail	83,000 sf	100%	12,000	Signed LOI to acquire property
The Residences at Annapolis Junction <sup>(2)</sup> Annapolis Junction, MD	Multifamily	416 units	96%	36,000	Acquired 10/30/20



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

# ACQUISITIONS & DISPOSITIONS

\$ IN THOUSANDS

## ACQUISITIONS

Properties	Location	Square Feet	Purchase Price <sup>(1)</sup>	Reinvested 1031 Proceeds	\$ Value of OP Units/Stock <sup>(2)</sup>	Cash Cap Rate	Purchase Date	Anchor Tenants
Edison Apartments	Richmond, VA	174 units	\$25,700	\$ -	\$7,600	6.8%	4Q20	NA
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
<b>Total/Weighted Average</b>		<b>3,042,449/ 174 units</b>	<b>\$678,013</b>	<b>\$ 130,124</b>	<b>\$ 149,750</b>	<b>7.2%</b>		

## DISPOSITIONS

Properties	Location	Square Feet/Units	Sale Price	Cash Proceeds	Gain on Sale	Cash Cap Rate	Disposition Date	Anchor Tenants
Hanbury Walgreens	Chesapeake, VA	14,820	\$7,300	\$7,000	\$3,558	6.1%	3Q20	Walgreens
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 <sup>(4)</sup>	5.8%	3Q19	Harris Teeter
Indian Lakes Wawa	Virginia Beach, VA	6,047	4,400	4,400	-	5.4%	2Q18	Wawa
Commonwealth of VA Buildings	Virginia Beach & Chesapeake, VA	47,366	13,150	8,000	4,194	6.8%	3Q17	Commonwealth of VA
Greentree Wawa	Chesapeake, VA	5,088	4,600	4,400	3,396	5.0%	1Q17	Wawa
Oyster Point <sup>(3)</sup>	Newport News, VA	100,139	6,500	-	3,793	16.4%	3Q16	GSA
Non-Core Retail Portfolio	Various	174,758	12,850	12,600	(27)	7.1%	2Q16 - 3Q16	Kroger, Family Dollar
Richmond Tower	Richmond, VA	206,969	78,000	77,000	26,674	7.9%	1Q16	Williams Mullen
Oceanering	Chesapeake, VA	154,000	30,000	10,000	4,987	6.7%	4Q15	Oceanering International
Whetstone Apartments	Durham, NC	203 units	35,625	17,600	7,210	5.7%	2Q15	NA
Sentara Williamsburg	Williamsburg, VA	49,200	15,450	15,200	6,197	6.3%	1Q15	Sentara
Virginia Natural Gas	Virginia Beach, VA	31,000	8,900	7,400	2,211	6.3%	4Q14	Virginia Natural Gas
<b>Total/Weighted Average</b>		<b>1,544,882 sf/ 203 units</b>	<b>\$337,050</b>	<b>\$263,400</b>	<b>\$69,446</b>	<b>7.2%</b>		

- (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

\$ IN THOUSANDS

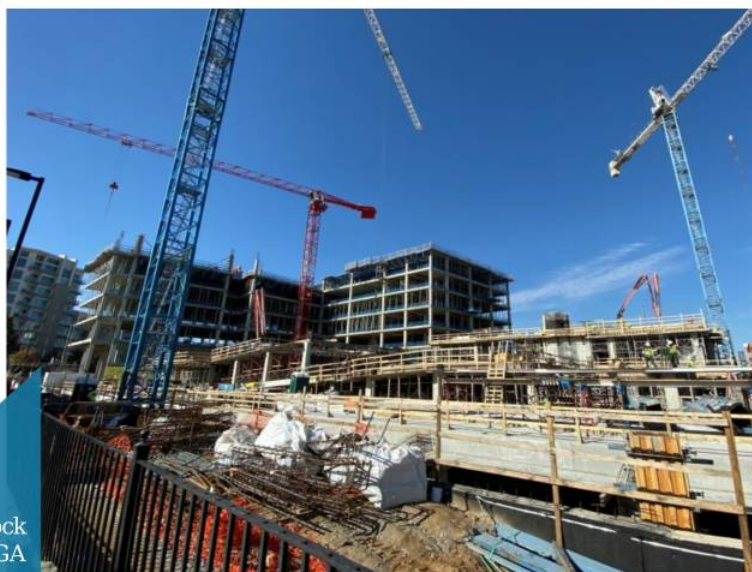
Highlighted Projects	Location	Total Contract Value	Work in Place as of 9/30/2020	Backlog	Estimated of Compl
The Interlock	Atlanta, GA	\$95,560	\$81,507	\$14,053	4Q 20
27th Street Garage and Apartments	Virginia Beach, VA	80,749	41,190	39,559	3Q 20
Solis Apartments at Interlock	Atlanta, GA	64,715	50,295	14,420	1Q 20
Boulders Lakeside Apartments	Chesterfield, VA	35,717	33,529	2,188	4Q 20
Holly Springs Apartments	Holly Springs, NC	34,755	6,632	28,123	3Q 20
Sub Total		311,496	213,153	98,343	
All Other Projects		293,017	268,669	24,348	
<b>Total</b>		<b>\$604,513</b>	<b>\$481,822</b>	<b>\$122,691</b>	

### Gross Profit Summary

	Q3 2020	Trailing 12 Months
	(Unaudited)	
Revenue	\$58,617	\$203,024
Expense	(56,509)	(196,084)
Gross Profit	\$2,108	\$6,940



The Interlock  
Atlanta, GA





# SAME STORE NOI BY SEGMENT

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

	Three months ended				Nine months ended		
	9/30/2020	9/30/2019	\$ Change	% Change	9/30/2020	9/30/2019	\$ Change
<b>Office<sup>(1)</sup></b>	(Unaudited)						
Revenue	\$10,232	\$10,283	(\$51)	-0.5%	\$15,812	\$16,148	(\$336)
Rental Expenses <sup>(2)</sup>	2,361	2,598	(237)	-9.1%	4,146	4,210	(64)
Real Estate Taxes	1,287	1,141	146	12.8%	1,664	1,588	76
Net Operating Income	\$6,584	\$6,544	\$40	0.6%	\$10,002	\$10,350	(\$348)
<b>Retail<sup>(1)</sup></b>	(Unaudited)						
Revenue	\$14,530	\$16,686	(\$2,156)	-12.9%	\$36,656	\$39,019	(\$2,363)
Rental Expenses <sup>(2)</sup>	2,206	2,273	(67)	-2.9%	4,977	5,337	(360)
Real Estate Taxes	1,724	1,784	(60)	-3.4%	4,254	4,113	141
Net Operating Income	\$10,600	\$12,629	(\$2,029)	-16.1%	\$27,425	\$29,569	(\$2,144)
<b>Multifamily<sup>(1)</sup></b>	(Unaudited)						
Revenue	\$9,152	\$8,836	\$316	3.6%	\$16,157	\$16,299	(\$142)
Rental Expenses <sup>(2)</sup>	3,108	3,053	55	1.8%	5,198	5,245	(47)
Real Estate Taxes	967	574	393	68.5%	1,468	1,167	301
Net Operating Income	\$5,077	\$5,209	(\$132)	-2.5%	\$9,491	\$9,887	(\$396)
<b>Same Store Net Operating Income (NOI)</b>	<u>\$22,261</u>	<u>\$24,382</u>	<u>(\$2,121)</u>	<u>-8.7%</u>	<u>\$46,918</u>	<u>\$49,806</u>	<u>(\$2,888)</u>
GAAP Adjustments	(261)	(1,221)	960		(2,159)	(1,492)	(667)
Same store portfolio NOI, cash basis excluding nine months ended \$2.2M of deferred rent	<u>\$22,000</u>	<u>\$23,161</u>	<u>(\$1,161)</u>	<u>-5.0%</u>	<u>\$44,759</u>	<u>\$48,314</u>	<u>(\$3,555)</u>
<b>NOI, Cash Basis</b>	(Unaudited)						
Office	\$6,298	\$5,896	\$402	6.8%	\$9,922	\$9,486	\$436
Retail	10,906	12,231	(1,325)	-10.8%	25,536	29,222	(3,686)
Multifamily	4,796	5,034	(238)	-4.7%	9,301	9,606	(305)
	<u>\$22,000</u>	<u>\$23,161</u>	<u>(\$1,161)</u>	<u>-5.0%</u>	<u>\$44,759</u>	<u>\$48,314</u>	<u>(\$3,555)</u>
<b>NOI:</b>	(Unaudited)						
Office	\$6,584	\$6,544	\$40	0.6%	\$10,002	\$10,350	(\$348)
Retail	10,600	12,629	(2,029)	-16.1%	27,425	29,569	(2,144)
Multifamily	5,077	5,209	(132)	-2.5%	9,491	9,887	(396)
	<u>\$22,261</u>	<u>\$24,382</u>	<u>(\$2,121)</u>	<u>-8.7%</u>	<u>\$46,918</u>	<u>\$49,806</u>	<u>(\$2,888)</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 \$0.5M and \$0.5M for the 3 months ended 9/30/2020 & 9/30/2019, respectively, and \$1.0M and \$1.2M for the months ended 9/30/20 & 9/30/19, respectively.

# TOP 10 TENANTS BY ABR<sup>(1)</sup>

\$ IN THOUSANDS AS OF SEPTEMBER 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	15.6%	4.1%
Clark Nexsen	1	2029	2,692	7.2%	1.9%
WeWork	1	2034	2,010	5.3%	1.4%
Duke University	1	2029	1,579	4.2%	1.1%
Huntington Ingalls	1	2029	1,544	4.1%	1.1%
Mythics	1	2030	1,211	3.2%	0.8%
Johns Hopkins Medicine	1	2023	1,149	3.1%	0.8%
Pender & Coward	1	2030	926	2.5%	0.6%
Kimley-Horn	1	2027	912	2.4%	0.6%
Troutman Sanders	1	2025	889	2.4%	0.6%
<b>Top 10 Total</b>			<b>\$ 18,791</b>	<b>50.0%</b>	<b>13.0%</b>

## Retail Portfolio<sup>(2)</sup>

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	5.8%	2.4%
Lowes Foods	2	2037 ; 2039	1,976	3.3%	1.4%
PetSmart	5	2022 - 2025	1,461	2.5%	1.0%
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	892	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%
TJ Maxx/HomeGoods	3	2022 - 2025	748	1.3%	0.5%
Safeway	1	2026	718	1.2%	0.5%
<b>Top 10 Total</b>			<b>\$ 12,895</b>	<b>21.8%</b>	<b>8.8%</b>

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

(2) Tenants with known terminations (see table on page 28) have been removed.

# 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	Weighted Average Lease Term (yrs)	TI & LC
Q3 2020	-	-	1	13,316	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	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
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
Q4 2019	2	8,147	1	3,929	25.43	24.23	4.9%	24.74	25.69	-3.7%	4.06	64,668

New Lease Summary <sup>(1)</sup>						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term	TI & LC	TI & LC per SF
Q3 2020	2	8,984	\$24.98	6.59	\$525,540	\$58.50
Q2 2020	-	-	-	-	-	-
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

## 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
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
Q1 2020	3	35,767	16	158,218	13.11	12.98	1.0%	13.15	13.00	1.1%	4.81	74,321
Q4 2019	23	110,368	14	34,291	17.94	16.79	6.9%	17.87	17.15	4.2%	5.25	202,576

New Lease Summary <sup>(1)</sup>						
Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
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
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

(1) Excludes leases from properties in development.

# OFFICE LEASE EXPIRATIONS

AS OF SEPTEMBER 30, 2020

Year	Number of Leases Expiring	Square Footage of Leases Expiring <sup>(1)</sup>	% Portfolio Net Rentable Square Feet	Annualized Base Rent <sup>(1)</sup>	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	43,057	3.3%	\$ -	-	\$ -
M-T-M	2	-	-	2,400	-	-
2020	4	3,657	0.3%	109,249	0.3%	29.87
2021	13	49,309	3.8%	1,379,195	4.0%	27.97
2022	9	47,077	3.6%	1,279,570	3.7%	27.18
2023	12	103,647	7.9%	2,764,437	7.9%	26.67
2024	10	134,075	10.3%	3,287,068	9.4%	24.52
2025	18	142,117	10.9%	4,206,527	12.1%	29.60
2026	9	45,214	3.5%	1,132,901	3.2%	25.06
2027	5	254,819	19.5%	7,355,848	21.1%	28.87
2028	7	69,036	5.3%	2,001,502	5.7%	28.99
2029	7	242,709	18.6%	6,265,518	18.0%	25.81
2030	6	107,801	8.3%	3,046,801	8.7%	28.26
Thereafter	2	63,415	4.7%	2,047,646	5.9%	32.29
<b>Total / Weighted Average</b>	<b>104</b>	<b>1,305,933</b>	<b>100.0%</b>	<b>\$ 34,878,662</b>	<b>100.0%</b>	<b>\$ 27.62</b>



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

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

# RETAIL LEASE EXPIRATIONS

AS OF SEPTEMBER 30, 2020

Year	Number of Leases Expiring	Square Footage of Leases Expiring <sup>(1)</sup>	% Portfolio Net Rentable Square Feet	Annualized Base Rent <sup>(1)</sup>	% of Portfolio Annualized Base Rent	Annualized Base Rent per Lease Square Foot
Available	-	206,920	5.7%	\$ -	-	\$ -
M-T-M	1	1,400	-	25,550	-	18.2
2020	15	204,290	5.6%	3,039,455	5.2%	14.9
2021	65	287,458	7.9%	5,032,353	8.6%	17.2
2022	75	334,540	9.2%	5,488,115	9.4%	16.2
2023	65	432,320	11.8%	6,942,875	11.9%	16.3
2024	74	317,985	8.7%	6,106,181	10.4%	19.1
2025	85	586,283	16.1%	8,220,447	14.0%	19.5
2026	39	270,117	7.4%	5,212,918	8.9%	19.1
2027	24	153,482	4.2%	3,241,593	5.5%	21.1
2028	22	98,282	2.7%	1,561,712	2.7%	15.1
2029	25	108,074	3.0%	2,285,233	3.9%	21.1
2030	24	135,702	3.7%	3,096,964	5.3%	22.1
Thereafter	23	514,361	14.0%	8,279,921	14.2%	16.1
<b>Total / Weighted Average</b>	<b>537</b>	<b>3,651,214</b>	<b>100.0%</b>	<b>\$ 58,533,317</b>	<b>100.0%</b>	<b>\$ 16.1</b>



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

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

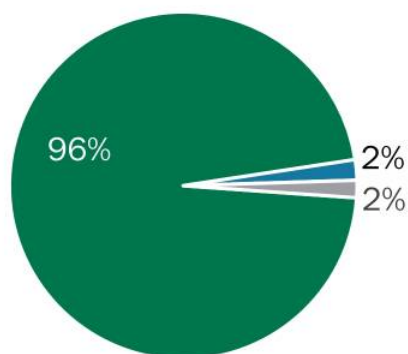
# COVID-19 OVERALL COLLECTIONS<sup>(2)</sup>

AS OF OCTOBER 27, 2020

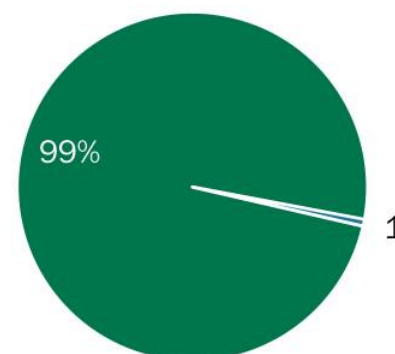
\$ in Thousands

Period	COLLECTIONS BY SECTOR							
	OFFICE		MULTIFAMILY		RETAIL		TOTAL	
	\$	%	\$	%	\$	%	\$	%
2Q20 <sup>(3)</sup>	\$ 9,811	100%	\$10,527	99%	\$12,030	72%	\$32,368	87%
3Q20	\$ 9,895	100%	\$12,187	98%	\$15,259	93%	\$37,341	96%
October <sup>(1)</sup>	\$ 3,349	100%	\$ 4,215	97%	\$ 5,190	94%	\$12,754	96%

3Q20  
COLLECTIONS<sup>(4)</sup>



3Q20 TOP 20  
COLLECTIONS<sup>(1)(4)</sup>



(1) Excludes 2 Regal leases which were terminated subsequent to 9/30/20.  
 (2) Data reported relates to rent charges and collections through 10/27/20 and does not correspond to the reporting segment classification of the properties as a whole.  
 (3) Data from second quarter supplemental package.  
 (4) As a percentage of 3Q20 rent and recovery charges due.

# COVID-19 EFFECT

AS OF OCTOBER 27, 2020

\$ in Thousands

## SIGNIFICANT KNOWN TERMINATIONS

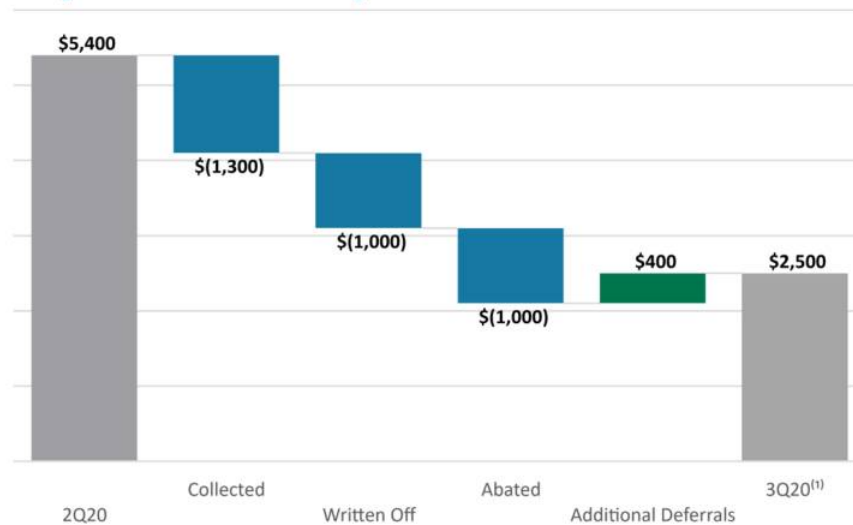
Tenant	Property	Effective Date	SF Impact	ABR Impact	ABR per Leased SF
Bed, Bath, & Beyond	North Point Center	1/31/2021	30,000	\$300,000	\$10.00
Bed, Bath, & Beyond	Wendover Village	1/31/2021	33,696	404,352	12.00
Regal Cinemas <sup>(A)</sup>	Columbus Village II	10/20/2020	51,545	995,334	19.31
Regal Cinemas <sup>(A)</sup>	Harrisonburg Regal	10/25/2020	49,000	717,850	14.65
Bi-Lo <sup>(A)</sup>	Socastee Commons	1/31/2021	46,673	492,400	10.55
<b>Total / Weighted Avg</b>			<b>210,914</b>	<b>\$2,909,936</b>	<b>\$13.80</b>
<b>Proforma Retail 3Q20 Occupancy Assuming Vacancy of Known Terminations</b>					<b>88.3%</b>
<b>Proforma Total 3Q20 Occupancy Assuming Vacancy of Known Terminations</b>					<b>92.9%</b>

(A) Vacancy of tenant allows the Company to consider redevelopment of this property

## DEFERRED RENT

Deferred Rent Outstanding <sup>(1)</sup>	Repayment Period		
	YTG 2020	2021	2022
\$2,500	\$700	\$1,700	\$10

## Quarter-Over-Quarter Rent Deferral



(1) Includes \$0.1M of unsigned deferrals that are under negotiation or with the tenant for execution.



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 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 of control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in 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.

---

# DEFINITIONS

## ADJUSTED FUNDS FROM OPERATIONS:

We calculate Adjusted Funds From Operations ("AFFO") as Normalized FFO adjusted for the impact of non-cash stock compensation, tenant improvement leasing commission and leasing incentive costs associated with second generation rental space, capital expenditures, non-cash interest expense, proceeds from the sale of a purchase option (in excess of amounts recognized in net income), straight-line rents, cash ground rent payments for finance leases, the amortization of leasing incentives and above (below) market rents and proceeds from government development grants.

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

---

## ADJUSTED EBITDA:

We calculate Adjusted EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes, depreciation and amortization, gains (or losses) from sales of depreciable operating property, impairment of real estate assets, debt extinguishment losses, non-cash stock compensation and mark-to-market adjustments on interest rate derivatives, other one time adjustments including non-recurring bad debt and termination fees, 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 recurring 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 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 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 9/30/2020 to 2019		Nine Months Ended 9/30/2020 to 2019	
	Same Store	Non-Same Store	Same Store	Non-Same Store
<b>Retail Properties</b>				
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
Nexton Square		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	
Socastee Commons	X		X	

	Three Months Ended 9/30/2020 to 2019		Nine Months Ended 9/30/2020 to 2019	
	Same Store	Non-Same Store	Same Store	Non-Same Store
<b>Retail Properties (Continued)</b>				
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
<b>Office Properties</b>				
4525 Main Street	X		X	
Armada Hoffer Tower	X		X	
Brooks Crossing (Office)	X			X
One City Center	X			X
One Columbus	X		X	
Thames Street Wharf	X			X
Two Columbus	X		X	
Wills Wharf		X		X
<b>Multifamily Properties</b>				
1405 Point	X			X
Encore Apartments	X		X	
Greenside Apartments	X			X
Hoffer Place		X		X
Johns Hopkins Village	X		X	
Liberty Apartments	X		X	
Premier Apartments	X			X
Smith's Landing	X		X	
Summit Place		X		X
The Cosmopolitan		X		X

# RECONCILIATION OF ADJUSTED EBITDA, CORE EBITDA, AND CORE DEBT<sup>(1)</sup>

\$ IN THOUSANDS	Three months ended				
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
<b>Net income attributable to common stockholders and OP unit holders</b>	\$8,651	\$11,178	\$8,160	\$7,215	\$9,869
Excluding:					
Depreciation and amortization <sup>(2)</sup>	14,131	13,644	14,092	15,285	15,057
Gain on operating real estate dispositions	(3,612)	(2,776)	-	-	(3,220)
Income tax provision (benefit)	(28)	65	(257)	(152)	(199)
Interest expense <sup>(2)</sup>	7,249	6,904	7,805	8,359	8,624
Change in fair value of interest rate derivatives	(318)	6	1,736	(327)	530
Loss on extinguishment of debt	-	-	-	30	-
GAAP adjustments related to finance leases	160	158	160	159	166
Non-Recurring Bad Debt	1,100 <sup>(4)</sup>	450 <sup>(5)</sup>	-	-	-
Unrealized credit loss provision (release)	(33)	(117)	377	-	-
Non-cash stock compensation	456	421	1,030	274	323
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>\$27,756</b>	<b>\$29,933</b>	<b>\$33,103</b>	<b>\$30,843</b>	<b>\$31,150</b>
Development/Redevelopment:					
Premier Retail	(223)	(207)	(210)	(115)	(159)
The Cosmopolitan Apartments	(981)	(878)	(923)	(904)	-
Wills Wharf	(633)	-	-	-	-
Summit Place	(388)	-	-	-	-
Other Development	-	-	-	9	(1,340)
Total Development/Redevelopment	(2,225)	(1,085)	(1,133)	(1,010)	(1,499)
Dispositions completed intra-quarter	(80)	(1,351)	-	-	(226)
Acquisitions completed intra-quarter	(75)	-	-	-	-
<b>Core EBITDA</b>	<b>\$25,376</b>	<b>\$27,497</b>	<b>\$31,970</b>	<b>\$29,833</b>	<b>\$29,425</b>
<b>Annualized Core EBITDA</b>	<b>\$101,502</b>	<b>\$109,989</b>	<b>\$127,880</b>	<b>\$119,332</b>	<b>\$117,700</b>
<b>Total debt<sup>(6)</sup></b>	<b>\$885,359</b>	<b>\$956,726</b>	<b>\$1,016,293</b>	<b>\$960,819</b>	<b>\$951,891</b>
(Less) Development/Redevelopment					
Premier Retail	(8,250)	(8,250)	(8,250)	(8,250)	(7,440)
The Cosmopolitan Apartments	(43,110)	(43,309)	(43,506)	(43,702)	(43,896)
Wills Wharf	(57,585)	(53,660)	(45,759)	(29,154)	(17,714)
Summit Place	(34,615)	(32,289)	(30,135)	(28,824)	(26,950)
Other Development	-	-	-	-	(26,597)
Total Development/Redevelopment	(143,560)	(137,508)	(127,650)	(109,930)	(122,597)
(Less) Net Acquisitions completed intra-quarter	(22,909)	-	-	-	-
(Less) Cash & restricted cash	(79,224)	(75,111)	(52,788)	(43,579)	(47,606)
<b>Core Debt</b>	<b>\$639,666</b>	<b>\$744,107</b>	<b>\$835,855</b>	<b>\$807,310</b>	<b>\$781,688</b>

(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.

# RECONCILIATION TO PROPERTY PORTFOLIO NOI

\$ IN THOUSANDS

	Three months ended 9/30		Nine months ended 9/30	
	2020	2019	2020	2019
<b>Office Same Store<sup>(1)</sup></b>				
Rental revenues	\$10,232	\$10,283	\$15,812	\$16,148
Property expenses	3,648	3,739	5,810	5,798
NOI	6,584	6,544	10,002	10,350
Non-Same Store NOI <sup>(2)</sup>	455	(155)	10,512	4,459
Segment NOI	\$7,039	\$6,389	\$20,514	\$14,809
<b>Retail Same Store<sup>(1)</sup></b>				
Rental revenues	\$14,530	\$16,686	\$36,656	\$39,019
Property expenses	3,930	4,057	9,231	9,450
NOI	10,600	12,629	27,425	29,569
Non-Same Store NOI <sup>(2)</sup>	643	2,836	13,292	13,224
Segment NOI	\$11,243	\$15,465	\$40,717	\$42,793
<b>Multifamily Same Store<sup>(1)</sup></b>				
Rental revenues	\$9,152	\$8,836	\$16,157	\$16,299
Property expenses	4,075	3,627	6,666	6,412
NOI	5,077	5,209	9,491	9,887
Non-Same Store NOI <sup>(2)</sup>	1,294	1,104	9,885	6,746
Segment NOI	\$6,371	\$6,313	\$19,376	\$16,633
<b>Total Property Portfolio NOI</b>	<b>\$24,653</b>	<b>\$28,167</b>	<b>\$80,607</b>	<b>\$74,235</b>

(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.



