

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **May 2, 2019**

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))

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.

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

Item 2.02. Results of Operations and Financial Condition.

On May 2, 2019, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of March 31, 2019, results of operations for the three months ended March 31, 2019 and other related information. Also on May 2, 2019, the Company made available on its website at www.ArmadaHoffer.com certain supplemental information concerning the Company's financial results and operations for the three months ended March 31, 2019. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

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

Item 7.01. Regulation FD Disclosure.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated May 2, 2019, issued by Armada Hoffer Properties, Inc., providing its financial position as of March 31, 2019 and results of operations for the three months ended March 31, 2019.
99.2	Armada Hoffer Properties, Inc. First Quarter 2019 Supplemental Information.

SIGNATURES

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

ARMADA HOFFLER PROPERTIES, INC.

Date: May 2, 2019

/s/ Michael P. O'Hara

Michael P. O'Hara

Chief Financial Officer, Treasurer and Secretary



ARMADA HOFFLER PROPERTIES REPORTS FIRST QUARTER 2019 RESULTS

Net Income of \$0.10 Per Diluted Share

Normalized FFO of \$0.27 Per Diluted Share

Reaffirmed 2019 Full-Year Normalized FFO Guidance

VIRGINIA BEACH, VA, May 2, 2019 – Armada Hoffler Properties, Inc. (NYSE:AHH) today announced its results for the quarter ended March 31, 2019 and provided an update on current events.

Highlights include:

- Net income of \$6.5 million, or \$0.10 per diluted share, for the quarter ended March 31, 2019 compared to net income of \$7.0 million, or \$0.11 per diluted share, for the quarter ended March 31, 2018.
- Normalized Funds From Operations (“FFO”) of \$18.5 million, or \$0.27 per diluted share, for the quarter ended March 31, 2019 compared to Normalized FFO of \$15.4 million, or \$0.25 per diluted share, for the quarter ended March 31, 2018.
- FFO of \$16.6 million, or \$0.25 per diluted share, for the quarter ended March 31, 2019 compared to FFO of \$16.3 million, or \$0.26 per diluted share, for the quarter ended March 31, 2018.
- The Company reaffirmed 2019 full-year Normalized FFO guidance of \$1.11 to \$1.17 per diluted share.
- Core operating property portfolio occupancy at 96.0% as of March 31, 2019 compared to 95.8% as of December 31, 2018.
- Same Store Net Operating Income (“NOI”) for the quarter ended March 31, 2019 increased 2.6% on a GAAP basis and 2.4% on a cash basis compared to the quarter ended March 31, 2018. Multifamily Same Store NOI for the quarter ended March 31, 2019 increased 9.0% on a GAAP basis and 8.0% on a cash basis compared to the quarter ended March 31, 2018.
- Positive releasing spreads on office renewals during the first quarter of 17.0% on a GAAP basis and 2.5% on a cash basis. Positive releasing spreads on retail renewals during the first quarter of 5.5% on a GAAP basis and 3.4% on a cash basis.
- Increased the first quarter 2019 cash dividend by 5% over the prior quarter's cash dividend to \$0.21 per common share. This marks the fifth increase in five years and represents cumulative growth of over 31%.
- Completed the acquisition and refinancing of the commercial office and retail components of our One City Center development project in downtown Durham, North Carolina from the joint venture partnership.
- Exercised our at-cost purchase option to acquire a 79% controlling interest in 1405 Point, the 17-story luxury high-rise apartment building located in the Harbor Point area of the Baltimore waterfront, in exchange for the Company's mezzanine loan investment and the assumption of existing debt.

- Agreed to acquire Red Mill Commons and Marketplace at Hilltop in exchange for 4.1 million Operating Partnership units each valued at \$15.55 per unit, the assumption of \$36 million of debt, and \$5 million in cash for aggregate consideration of \$105 million.
- Raised \$30.6 million of gross proceeds through our at-the-market equity offering program at an average price of \$14.78 per share during the quarter ended March 31, 2019.

"We are extremely optimistic about the company's prospects for the rest of 2019 as well as our ability to deliver on our promises over a multi-year timeframe," said Louis Haddad, President & CEO. "As the company's largest equity holder, management will continue to operate a business model that includes a variety of deal structures, OP unit acquisitions, and disposition of development projects, at cost options, and stable assets. As we look toward 2020 and the number of projects we intend to deliver and stabilize at that time, we feel strongly that our investors will continue to realize great value creation well into the future."

Financial Results

Net income for the first quarter decreased to \$6.5 million compared to \$7.0 million for the first quarter of 2018. The period-over-period change was primarily due to a \$2.4 million swing in the change in fair value of interest rate derivatives and a \$1.5 million increase in interest expense. This was partially offset by a \$3.1 million increase in interest income and an increase in property net operating income due to 2018 and 2019 property acquisitions and certain development projects coming online.

Normalized FFO for the first quarter increased to \$18.5 million compared to \$15.4 million for the first quarter of 2018. FFO for the first quarter increased to \$16.6 million compared to \$16.3 million for the first quarter of 2018. The period-over-period changes in Normalized FFO and FFO were positively impacted by property acquisitions, completion of development projects, and higher interest income. These increases in Normalized FFO and FFO were partially offset by increased interest expense.

Operating Performance

At the end of the first quarter, the Company's office, retail and multifamily core operating property portfolios were 94.9%, 96.1% and 97.2% occupied, respectively.

Total construction contract backlog was \$160.9 million at the end of the first quarter.

Balance Sheet and Financing Activity

As of March 31, 2019, the Company had \$744.1 million of total debt outstanding, including \$91.0 million outstanding under its revolving credit facility. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 56.8% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of March 31, 2019. After considering LIBOR interest rate caps with strike prices at or below 250 basis points as of March 31, 2019, 97.1% of the Company's debt was either fixed or hedged.

There is no debt maturing during the remainder of 2019.

Outlook

The Company is reaffirming its 2019 full-year Normalized FFO guidance range of \$1.11 to \$1.17 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 2019 earnings guidance during today's webcast and conference call.

Full-year 2019 Guidance ^[1]	Expected Ranges	
Total NOI	\$96.9M	\$97.7M
Construction Segment Gross Profit	\$4.9M	\$5.7M
G&A Expenses	\$11.0M	\$11.5M
Mezzanine Interest Income (Net of Interest Expense) ^{[2][3]}	\$15.2M	\$15.7M
Interest Expense (Net of Mezzanine Interest Expense) ^[3]	\$24.7M	\$25.7M
Normalized FFO per diluted share ^[4]	\$1.11	\$1.17

^[1] Includes the following assumptions:

- Acquired 79% partnership interest of 1405 Point apartments on April 25th, 2019.
- Sale of Lightfoot Marketplace, a Harris Teeter grocery-anchored shopping center with expected proceeds of approximately \$25 million in the third quarter of 2019.
- Acquisition of Red Mill Commons and Marketplace at Hilltop for \$105 million in the second quarter of 2019. Total consideration composed of 4.1 million Operating Partnership units each valued at \$15.55, assumed mortgage debt of \$36 million, and \$5 million in cash. The transaction is expected to add \$8.1 million of annual net operating income.
- Interest expense is calculated based on the Forward LIBOR Curve, which forecasts rates ending the year at 2.36%.
- Opportunistic sale of approximately \$50 million through the ATM program, for a full year weighted average share count of 72.3 million.

^[2] Includes \$4.5 million of Annapolis Junction purchase option proceeds.

^[3] Includes \$5.4 million of interest expense associated with funding the Company's mezzanine program.

^[4] Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, severance related costs, and other non-comparable items. See "Non-GAAP Financial Measures." The Company does not provide a reconciliation for its guidance range of Normalized FFO per diluted share to net income per diluted share, the most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimate of reconciling items and the information is not available without unreasonable effort as a result of the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income per diluted share. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for its guidance range of Normalized FFO per diluted share would imply a degree of precision for its forward-looking net income per diluted share that could be misleading to investors.

Supplemental Financial Information

Further details regarding operating results, properties and leasing statistics can be found in the Company's supplemental financial package available at www.ArmadaHoffler.com.

Webcast and Conference Call

The Company will host a webcast and conference call on Thursday, May 2, 2019 at 8:30 a.m. Eastern Time to review financial results and discuss recent events. The live webcast will be available through the Investors page of the Company's website, www.ArmadaHoffler.com. To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through Sunday, June 2, 2019 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the pass code 13688835.

About Armada Hoffler Properties, Inc.

Armada Hoffler Properties, Inc. (NYSE: AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with nearly 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. The Company also provides general construction and development services to third-party clients, in

addition to developing and building properties to be placed in its stabilized portfolio. 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, financing activities, as well as acquisitions, dispositions 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, 2018, and the other documents filed by the Company with the Securities and Exchange Commission from time to time.

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, severance related costs, and other non-comparable items.

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

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

	March 31, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Real estate investments:		
Income producing property	\$ 1,102,803	\$ 1,037,917
Held for development	2,994	2,994
Construction in progress	145,366	135,675
	1,251,163	1,176,586
Accumulated depreciation	(196,518)	(188,775)
Net real estate investments	1,054,645	987,811
Real estate investments held for sale	929	929
Cash and cash equivalents	15,577	21,254
Restricted cash	3,382	2,797
Accounts receivable, net	18,297	19,016
Notes receivable	152,172	138,683
Construction receivables, including retentions	17,784	16,154
Construction contract costs and estimated earnings in excess of billings	317	1,358
Equity method investments	—	22,203
Lease right-of-use assets	32,242	—
Other assets	63,909	55,177
Total Assets	\$ 1,359,254	\$ 1,265,382
LIABILITIES AND EQUITY		
Indebtedness, net	\$ 737,621	\$ 694,239
Accounts payable and accrued liabilities	15,904	15,217
Construction payables, including retentions	42,293	50,796
Billings in excess of construction contract costs and estimated earnings	3,622	3,037
Lease liabilities	41,697	—
Other liabilities	40,431	46,203
Total Liabilities	881,568	809,492
Total Equity	477,686	455,890
Total Liabilities and Equity	\$ 1,359,254	\$ 1,265,382

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

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
Revenues		
Rental revenues	\$ 30,909	\$ 28,699
General contracting and real estate services revenues	17,036	23,050
Total revenues	47,945	51,749
Expenses		
Rental expenses	6,725	6,424
Real estate taxes	3,128	2,813
General contracting and real estate services expenses	16,286	22,414
Depreciation and amortization	9,904	9,278
General and administrative expenses	3,401	2,961
Acquisition, development and other pursuit costs	400	84
Total expenses	39,844	43,974
Operating income	8,101	7,775
Interest income	5,319	2,232
Interest expense	(5,886)	(4,373)
Equity in income of unconsolidated real estate entities	273	—
Change in fair value of interest rate derivatives	(1,463)	969
Other income	60	114
Income before taxes	6,404	6,717
Income tax benefit	110	266
Net income	6,514	6,983
Net income attributable to noncontrolling interests	(1,630)	(1,943)
Net income attributable to stockholders	4,884	5,040
Net income per diluted share and unit	\$ 0.10	\$ 0.11
Weighted average shares and units outstanding	67,919	62,538

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

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
Net income	\$ 6,514	\$ 6,983
Depreciation and amortization ⁽¹⁾	10,129	9,278
Funds From Operations (FFO)	\$ 16,643	\$ 16,261
Acquisition, development and other pursuit costs	400	84
Change in fair value of interest rate derivatives	1,463	(969)
Normalized FFO	\$ 18,506	\$ 15,376
Net income per diluted share and unit	\$ 0.10	\$ 0.11
FFO per diluted share and unit	\$ 0.25	\$ 0.26
Normalized FFO per diluted share and unit	\$ 0.27	\$ 0.25
Weighted average common shares and units - diluted	67,919	62,538

(1) The adjustment for depreciation and amortization includes depreciation attributable to the Company's investment in One City Center from January 1, 2019 to March 14, 2019, which was an unconsolidated real estate investment during this period.

Contact:

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



**ARMADA
HOFFLER
PROPERTIES**

1Q 2019

SUPPLEMENTAL FINANCIAL PACKAGE

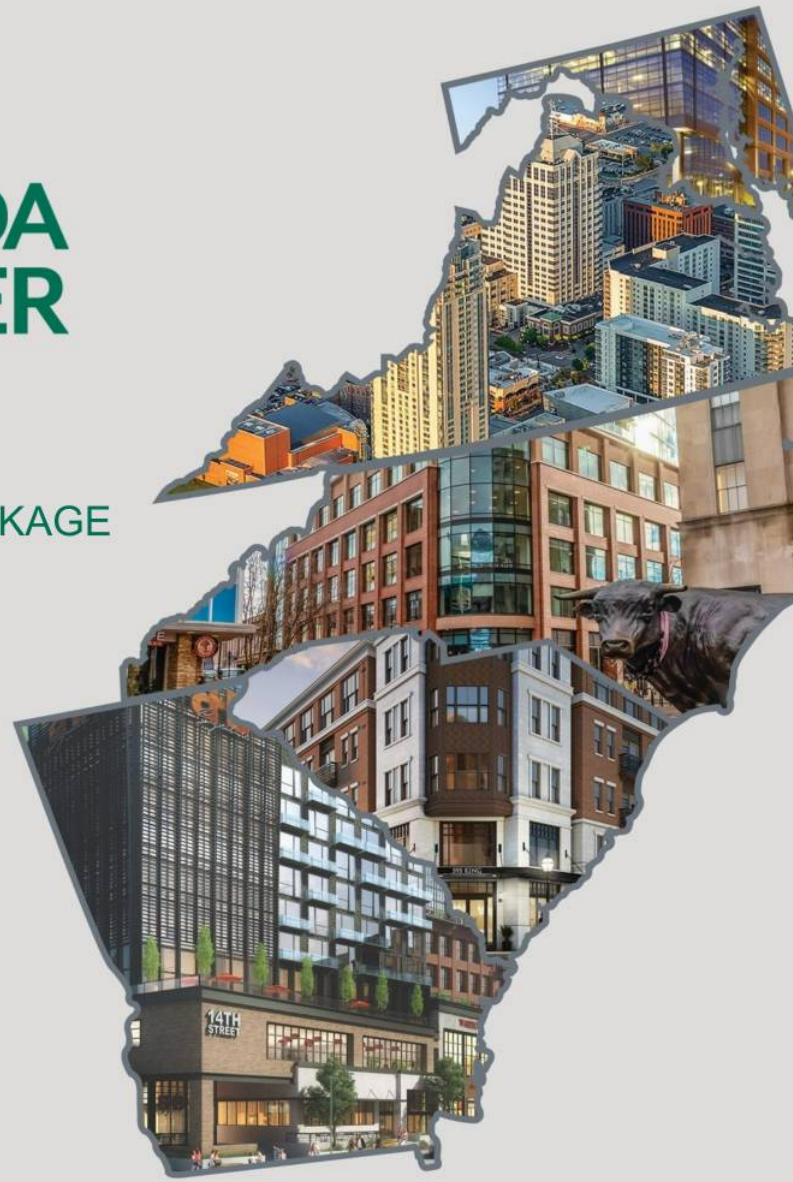
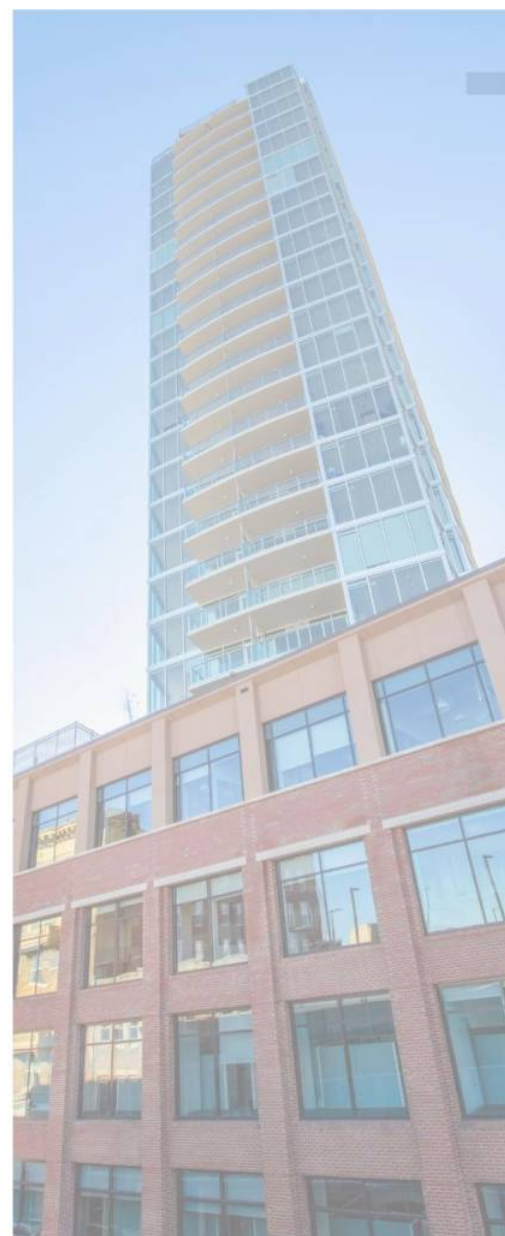


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FORWARD LOOKING STATEMENTS

Armada Hoffler

This Supplemental Financial Package should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated May 2, 2019, which has been furnished as Exhibit 99 to our Form 8-K filed on May 2, 2019. 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")). In particular, statements pertaining to our capital resources, portfolio performance, mezzanine loan program, development pipeline and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth of our funds from operations, normalized funds from operations, adjusted funds from operations, and net operating income are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, estimates, data or methods which may be incorrect or imprecise, and actual results may vary materially from those anticipated, estimated or projected. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). For further discussion of risk factors and other events that could impact our future results, please refer to the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), and the documents subsequently filed by us from time to time with the SEC.

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 managing 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 federal income tax purposes.

BOARD OF DIRECTORS

Daniel A. Hoffler, Executive Chairman of the Board
A. Russell Kirk, Vice Chairman of the Board
Louis S. Haddad, Director
John W. Snow, Lead Independent Director

George F. Allen, Independent Director
James A. Carroll, Independent Director
James C. Cherry, Independent Director
Eva S. Hardy, Independent Director

Corporate Officers

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

Investor Relations

Michael P. O'Hara, Chief Financial Officer
757-366-6684
mohara@armadahoffler.com

Analyst Coverage

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

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

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

Stifel, Nicolaus & Company
John Guinee
(443) 224-1307
jwguinee@stifel.com

D. A. Davidson & Co.
James Lykins
(503) 603-3041
jlykins@dadco.com

B. Riley FBR
Craig Kucera
(540) 277-3366
craigkucera@brileyfbr.com

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

Highlights

- Net income of \$6.5 million, or \$0.10 per diluted share, for the quarter ended March 31, 2019 compared to net income of \$7.0 million, or \$0.11 per diluted share, for the quarter ended March 31, 2018.
 - Normalized Funds From Operations (“FFO”) of \$18.5 million, or \$0.27 per diluted share, for the quarter ended March 31, 2019 compared to Normalized FFO of \$15.4 million, or \$0.25 per diluted share, for the quarter ended March 31, 2018.
 - FFO of \$16.6 million, or \$0.25 per diluted share, for the quarter ended March 31, 2019 compared to FFO of \$16.3 million, or \$0.26 per diluted share, for the quarter ended March 31, 2018.
 - The Company reaffirmed 2019 full-year Normalized FFO guidance of \$1.11 to \$1.17 per diluted share.
 - Core operating property portfolio occupancy at 96.0% as of March 31, 2019 compared to 95.8% as of December 31, 2018.
 - Same Store Net Operating Income (“NOI”) for the quarter ended March 31, 2019 increased 2.6% on a GAAP basis and 2.4% on a cash basis compared to the quarter ended March 31, 2018. Multifamily Same Store NOI for the quarter ended March 31, 2019 increased 9.0% on a GAAP basis and 8.0% on a cash basis compared to the quarter ended March 31, 2018.
 - Positive releasing spreads on office renewals during the first quarter of 17.0% on a GAAP basis and 2.5% on a cash basis. Positive releasing spreads on retail renewals during the first quarter of 5.5% on a GAAP basis and 3.4% on a cash basis.
 - Increased the first quarter 2019 cash dividend by 5% over the prior quarter's cash dividend to \$0.21 per common share. This marks the fifth increase in five years and represents cumulative growth of over 31% since inception.
 - Completed the acquisition and refinancing of the commercial office and retail components of our One City Center development project in downtown Durham, North Carolina from the joint venture partnership.
 - Exercised our at-cost purchase option to acquire a 79% controlling interest in 1405 Point, the 17-story luxury high-rise apartment building located in the Harbor Point area of the Baltimore waterfront, in exchange for the Company's mezzanine loan investment and the assumption of existing debt.
 - Agreed to acquire Red Mill Commons and Marketplace at Hilltop in exchange for 4.1 million Operating Partnership units each valued at \$15.55 per unit, the assumption of \$36 million of debt, and \$5 million in cash for aggregate consideration of \$100 million.
 - Raised \$30.6 million of gross proceeds through our at-the-market equity offering program at an average price of \$14.78 per share during the quarter ended March 31, 2019.
-

2019 Outlook & Assumptions

Outlook	Low	High
Total NOI	\$96.9M	\$97.7M
Construction Segment Gross Profit	\$4.9M	\$5.7M
G&A expenses	\$11.0M	\$11.5M
Mezzanine Interest Income (Net of Interest Expense) ⁽¹⁾⁽²⁾	\$15.2M	\$15.7M
Interest Expense (Net of Mezzanine Interest Expense) ⁽²⁾	\$24.7M	\$25.7M
Normalized FFO per diluted share	\$1.11	\$1.17

(1) Includes \$4.5M of Annapolis Junction purchase option proceeds.

(2) Includes \$5.4M of interest expense associated with funding the Company's mezzanine program.

GUIDANCE ASSUMPTIONS

- Acquired 79% interest of the partnership in 1405 Point apartments on April 25th, 2019.
- Sale of Lightfoot Marketplace a Harris Teeter grocery-anchored shopping center with expected proceeds of approximately \$25M in the third quarter of 2019.
- Acquisition of Red Mill Commons and Marketplace at Hilltop for \$105 million in the second quarter of 2019. Transaction composed of 4.1 million Operating Partnership units each valued at \$15.55, assumed mortgage debt of \$36 million, and \$5 million in cash. The transaction is expected to add \$8.1 million of annual net operating income.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 2.36%.
- Opportunistic sale of approximately \$50 million through the ATM program, for a full year weighted average share count of 72.3 million.



Summary Information

\$ in thousands, except per share data

	Three months ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
OPERATIONAL METRICS					
Net income	\$6,514	\$4,895	\$5,669	\$5,945	\$6,900
Net income per diluted share	\$0.10	\$0.07	\$0.09	\$0.09	\$0.10
Rental properties Net Operating Income (NOI)	21,056	20,563	18,987	19,341	19,400
General contracting and real estate services gross profit	750	551	977	567	600
Adjusted EBITDA ⁽¹⁾⁽²⁾	24,038	25,110	20,124	19,466	19,300
Funds From Operations (FFO)	16,643	17,089	15,865	15,124	16,200
FFO per diluted share	\$0.25	\$0.26	\$0.24	\$0.24	\$0.25
Normalized FFO	18,506	20,190	15,650	15,242	15,300
Normalized FFO per diluted share	\$0.27	\$0.30	\$0.24	\$0.24	\$0.25
Annualized dividend yield	5.39%	5.69%	5.29%	5.37%	5.8%
CAPITALIZATION					
Total common shares outstanding	52,327	50,014	49,576	48,768	45,200
Operating Partnership units outstanding	16,992	17,110	17,167	17,291	17,400
Common shares and OP units outstanding	69,319	67,124	66,743	66,059	62,600
Market price per common share	\$15.59	\$14.06	\$15.11	\$14.90	\$13.00
Equity market capitalization ⁽³⁾	\$1,080,683	\$943,763	\$1,008,487	\$984,279	\$857,600
Total debt ⁽⁴⁾	744,123	700,722	660,608	586,821	595,600
Total market capitalization	1,824,806	1,644,485	1,669,095	1,571,100	1,453,200
Less: cash	(18,959)	(24,051)	(20,648)	(15,418)	(19,300)
Total enterprise value	\$1,805,847	\$1,620,434	\$1,648,447	\$1,555,682	\$1,433,900
BALANCE SHEET METRICS					
Core Debt/enterprise value	32.5%	36.7%	34.9%	34.1%	38%
Fixed charge coverage ratio	3.3x	3.7x	3.5x	3.5x	3.3x
Core Debt/Annualized Core EBITDA	6.3x	6.6x	7.1x	6.8x	7.1x
CORE PORTFOLIO OCCUPANCY					
Office ⁽⁵⁾	94.9%	93.3%	93.8%	93.7%	92%
Retail ⁽⁵⁾	96.1%	96.2%	96.6%	96.7%	96%
Multifamily ⁽⁶⁾	97.2%	97.3%	97.1%	89.2% ⁽⁷⁾	96%
Weighted Average ⁽⁸⁾	96.0%	95.8%	96.1%	94.8%	95%

(1) Excludes gains on dispositions of real estate and mark-to-market adjustments on interest rate derivatives.

(2) Includes gain on non-operating real estate of \$3.4M and approximately \$688K of severance for the three months ended 12/31/18.

(3) Includes common shares and OP units.

(4) Excludes unamortized GAAP adjustments.

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

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

(7) Includes impact of seasonality, attributed to the reduced summer occupancy at the JHU student housing property.

(8) Total occupancy weighted by annualized base rent.

Net Asset Value Component Data

In thousands

Stabilized Portfolio NOI (Cash) ⁽¹⁾		
	Three months ended	Annualized
	3/31/2019	3/31/2019
Stabilized Virginia Beach (VB) Town Center⁽¹⁾		
Office ⁽²⁾	\$3,287	\$13,148
Retail ⁽²⁾	2,125	8,500
Multifamily	1,661	6,644
Total Stabilized VB Town Center NOI	\$7,073	\$28,292
Stabilized Portfolio (Excludes VB Town Center)⁽¹⁾		
Office	\$0	\$0
Retail	10,338	41,352
Multifamily	2,560	10,240
Total Stabilized Portfolio (Excludes VB Town Center)	\$12,898	\$51,592
Combined Stabilized Portfolio NOI	\$19,971	\$79,884
Run Rate Adjustments⁽¹⁾		
Signed Leases Not Yet Occupied or In Free Rent Period	\$1,675	\$6,702
Net Acquisitions/Dispositions Completed Intra-Quarter	198	792
Total Run Rate Adjustments	\$1,873	\$7,494
Total	\$21,844	\$87,378
Non-Stabilized Portfolio and Development Pipeline (Cost Basis)⁽³⁾		
	As of 3/31/2019	
Income Producing Properties	\$108,000	
Construction In Process	140,000	
Other Assets	3,000	
Total Non-Stabilized Portfolio	\$251,000	

General Contracting and Real Estate Services	
	Trailing 12 Mo
General Contracting Gross Profit ⁽⁴⁾	\$

Non-Property Assets ⁽⁵⁾	
	As of 3/31/2019
Cash and Cash Equivalents	\$1
Restricted cash	
Accounts Receivable	1
Notes Receivable, Including Mezzanine Investments ⁽⁶⁾	15
Construction Receivables, Including Retentions	1
Other Assets	6
Land Held for Development (Book Value)	
Total Non-Property Assets	\$27

Liabilities ⁽⁵⁾	
	As of 3/31/2019
Mortgages and Notes Payable ⁽⁶⁾	\$74
Accounts Payable and Accrued Liabilities	1
Construction Payables, Including Retentions	4
Other Liabilities	4
Total Liabilities	\$84

Share Count	
	As of 3/31/2019
Total common shares outstanding	5
Total OP units outstanding	1
Total common shares & OP units outstanding	6

- (1) NOI from non-stabilized portfolio and development pipeline excluded from stabilized portfolio.
- (2) Includes leases for space occupied by Armada Hoffer which are eliminated for GAAP purposes.
- (3) NOI not included in Stabilized.
- (4) Includes \$3.4 million from the sale of a distribution center.
- (5) Lease right of use assets and lease liabilities excluded.
- (6) Excludes unamortized GAAP adjustments.

Summary Balance Sheet

	As of	
	3/31/2019 (Unaudited)	12/31/2018
Assets		
Real estate investments:		
Income producing property	\$1,102,803	\$1,037,917
Held for development	2,994	2,994
Construction in progress	145,366	135,675
Accumulated depreciation	(196,518)	(188,775)
Net real estate investments	1,054,645	987,811
Real estate investments held for sale	929	929
Cash and cash equivalents	15,577	21,254
Restricted cash	3,382	2,797
Accounts receivable, net	18,297	19,016
Notes receivable	152,172	138,683
Construction receivables, including retentions	17,784	16,154
Costs and estimated earnings in excess of billings	317	1,358
Equity method investments	-	22,203
Lease right of use assets	32,242	-
Other assets	63,909	55,177
Total Assets	\$1,359,254	\$1,265,382
Liabilities and Equity		
Indebtedness, net	\$737,621	\$694,239
Accounts payable and accrued liabilities	15,904	15,217
Construction payables, including retentions	42,293	50,796
Billings in excess of costs and estimated earnings	3,622	3,037
Lease liabilities	41,697	-
Other liabilities	40,431	46,203
Total Liabilities	881,568	809,492
Total Equity	477,686	455,890
Total Liabilities and Equity	\$1,359,254	\$1,265,382

Summary Income Statement

In thousands, except per share data

	Three months ended	
	<u>3/31/2019</u>	<u>3/31/2018</u>
	(Unaudited)	
Revenues		
Rental revenues	\$30,909	\$28,699
General contracting and real estate services	17,036	23,050
Total Revenues	<u>47,945</u>	<u>51,749</u>
Expenses		
Rental expenses	6,725	6,424
Real estate taxes	3,128	2,813
General contracting and real estate services	16,286	22,414
Depreciation and amortization	9,904	9,278
General and administrative	3,401	2,961
Acquisition, development & other pursuit costs	400	84
Total Expenses	<u>39,844</u>	<u>43,974</u>
Operating Income	8,101	7,775
Interest income	5,319	2,232
Interest expense	(5,886)	(4,373)
Equity in income of unconsolidated real estate entities	273	-
Change in fair value of interest rate derivatives	(1,463)	969
Other income	60	114
Income before taxes	<u>6,404</u>	<u>6,717</u>
Income tax benefit	110	266
Net Income	<u>\$6,514</u>	<u>\$6,983</u>
Per Diluted Share & Unit	\$0.10	\$0.11
Weighted Average Shares & Units - Diluted	67,919	62,538

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FFO, Normalized FFO & AFFO⁽¹⁾

\$ in thousands, except per share data

	Three months ended (Unaudited)				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Funds From Operations					
Net income	\$6,514	\$4,895	\$5,669	\$5,945	\$6,514
Earnings per diluted share	\$0.10	\$0.07	\$0.09	\$0.09	\$0.10
Depreciation and amortization ⁽²⁾	10,129	11,525	10,196	9,179	9,179
Gains on dispositions of operating real estate ⁽³⁾	-	(833)	-	-	-
Impairment of real estate assets ⁽⁴⁾	-	1,502	-	-	-
FFO	\$16,643	\$17,089	\$15,865	\$15,124	\$16,643
FFO per diluted share	\$0.25	\$0.26	\$0.24	\$0.24	\$0.25
Normalized FFO					
Acquisition, development & other pursuit costs	400	190	69	9	400
Loss on extinguishment of debt	-	-	11	-	-
Impairment of intangible assets and liabilities	-	16	3	98	-
Severance related costs	-	688	-	-	-
Change in fair value of interest rate derivatives	1,463	2,207	(298)	11	1,463
Normalized FFO	\$18,506	\$20,190	\$15,650	\$15,242	\$18,506
Normalized FFO per diluted share	\$0.27	\$0.30	\$0.24	\$0.24	\$0.27
Adjusted FFO					
Non-cash stock compensation	689	55	252	271	689
Acquisition, development & other pursuit costs	(400)	(190)	(69)	(9)	(400)
Tenant improvements, leasing commissions, lease incentives ⁽⁵⁾	(809)	(2,447)	(899)	(1,102)	(809)
Property related capital expenditures	(1,494)	(2,961)	(884)	(1,098)	(1,494)
Adjustment for Annapolis Junction purchase option	(1,118)	4,489	-	-	(1,118)
Non-cash interest expense	304	289	270	231	304
Net effect of straight-line rents	(840)	(915)	(709)	(415)	(840)
Amortization of leasing incentives & above (below) market rents	(10)	(29)	(43)	(46)	(10)
AFFO	\$14,828	\$18,481	\$13,568	\$13,074	\$14,828
AFFO per diluted share	\$0.22	\$0.28	\$0.20	\$0.21	\$0.22
Weighted Average Common Shares Outstanding	50,926	49,726	49,194	45,928	45,928
Weighted Average Operating Partnership ("OP") Units Outstanding	16,993	17,110	17,168	17,286	17,286
Total Weighted Average Common Shares and OP Units Outstanding	67,919	66,836	66,362	63,214	63,214

(1) See definitions on pages 28-29.

(2) The adjustment for depreciation and amortization includes fourth quarter 2018 and first quarter 2019 depreciation attributable to the Company's investment in One City Center, which was an unconsolidated real estate investment until 3/14/19.

(3) Excludes gain on non-operating real estate of \$3.4M for the three months ended 12/31/18.

(4) Disposition of Waynesboro Commons.

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

Outstanding Debt

\$ in thousands

Debt Maturities & Principal Payments

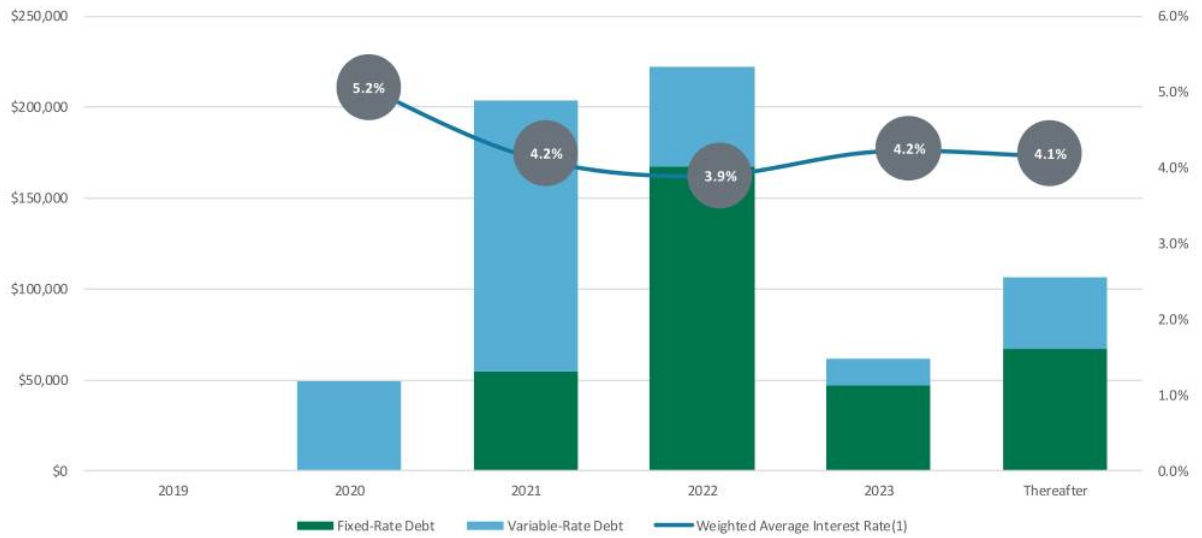
Debt	Stated Rate	Effective Rate as of 3/31/2019	Maturity Date	Debt Maturities & Principal Payments						Outstanding 3/31/20	
				2019	2020	2021	2022	2023	Thereafter		
Secured Notes Payable - Core Debt											
Southgate Square	L+1.60%	4.09%	4/29/2021	\$660	\$880	\$19,682					\$
Encore Apartments	3.25%	3.25%	9/10/2021	124	504	24,338					
4525 Main Street	3.25%	3.25%	9/10/2021	158	646	31,230					
Hanbury Village	3.78%	3.78%	8/15/2022	377	522	544	17,449				
Socastee Commons	4.57%	4.57%	1/6/2023	79	109	115	120	4,222			
Sandbridge Commons	L+1.75%	4.24%	1/17/2023	179	247	257	268	7,248			
249 Central Park Retail	L+1.60%	3.85% ⁽¹⁾	8/10/2023	164	230	245	260	16,093			
South Retail	L+1.60%	3.85% ⁽¹⁾	8/10/2023	72	101	107	114	7,066			
Fountain Plaza Retail	L+1.60%	3.85% ⁽¹⁾	8/10/2023	100	139	147	156	9,684			
Lightfoot Marketplace	L+1.75%	4.77% ⁽²⁾	10/12/2023					17,900			
Johns Hopkins Village	L+1.25%	4.19% ⁽³⁾	8/7/2025	677	941	988	1,031	1,075	47,765		
North Point Center Note 2	7.25%	7.25%	9/15/2025	92	130	140	151	162	1,642		
Lexington Square	4.50%	4.50%	9/1/2028	165	256	268	280	293	13,598		
Smith's Landing	4.05%	4.05%	6/1/2035	620	856	892	928	966	14,521		
Liberty Apartments	5.66%	5.66%	11/1/2043	205	288	304	332	341	12,900		
The Cosmopolitan	3.35%	3.35%	7/1/2051	577	792	819	847	876	40,368		
Total - Secured Core Debt				\$4,249	\$6,641	\$80,076	\$21,936	\$65,926	\$130,794		\$3
Secured Notes Payable - Development Pipeline											
Greenside Apartments	L+2.95%	5.44%	2/24/2020		27,409						
Premier	L+2.75%	5.24%	6/29/2020		21,830						
Summit Place	L+3.24%	5.73%	1/1/2021			19,529					
Hoffler Place	L+3.24%	5.73%	1/1/2021			19,337					
One City Center	L+1.85%	4.34%	4/1/2024	339	574	628	659	691	22,734		
Market at Mill Creek	L+1.55%	4.04%	7/12/2025						13,549		
Brooks Crossing Office	L+1.60%	4.09%	7/1/2025						11,222		
Total - Development Pipeline				339	49,813	39,494	659	691	47,505		1
Total Secured Notes Payable				\$4,588	\$56,454	\$119,570	\$22,595	\$66,617	\$178,299		\$4
Unsecured Core Debt											
Senior unsecured line of credit	L+1.40% - 2.00%	4.04%	10/26/2021			91,000					
Senior unsecured term loan	L+1.35% - 1.95%	3.99%	10/26/2022				55,000				
Senior unsecured term loan	L+1.35% - 1.95%	3.50% - 4.28% ⁽¹⁾⁽³⁾	10/26/2022				150,000				1
Total - Unsecured Core Debt				-	-	91,000	205,000	-	-		2
Total Notes Payable excluding GAAP Adjustments				\$4,588	\$56,454	\$210,570	\$227,595	\$66,617	\$178,299		\$7
GAAP Adjustments											
Total Notes Payable											\$7

- (1) Includes debt subject to interest rate swap locks, established 4/4/19.
- (2) Includes \$10.5 of debt subject to interest rate swap locks.
- (3) Includes debt subject to interest rate swap locks.

Debt Information

\$ in thousands

Debt Maturities



Total Debt Composition

	% of Debt	Weighted Average	
		Interest Rate	Maturity
Secured vs. Unsecured Debt			
Unsecured Debt	39.8%	3.9%	3.3 Yrs
Secured Debt	60.2%	4.3%	7.8 Yrs
Variable vs. Fixed-rate Debt			
Variable-rate Debt ⁽²⁾	43.2%	4.5%	2.9 Yrs
Fixed-rate Debt ⁽¹⁾⁽³⁾	56.8%	3.9%	8.3 Yrs
Fixed-rate and Hedged Debt ⁽¹⁾⁽³⁾	97.1%		
Total		4.2%	6.0 Yrs

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

Interest Rate Cap Agreements

Effective Date	Maturity Date	Strike Rate	No. of Agreements
June-2017	July-2019	1.50%	1
September-2017	October-2019	1.50%	1
November-2017	December-2019	1.50%	1
March-2018	April-2020	2.25%	1
July-2018	August-2020	2.50%	1
December-2018	January-2021	2.75%	1
Total Interest Rate Caps			3
Fixed-rate Debt ⁽²⁾⁽³⁾			4
Fixed-rate and Hedged Debt			7
% of Total Debt⁽³⁾			7

Core Debt to Core EBITDA⁽¹⁾

\$ in thousands

	Three months ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Net Income	\$6,514	\$4,895	\$5,669	\$5,945	\$5,945
Excluding:					
Interest expense ⁽²⁾	6,042	5,692	4,677	4,497	4,497
Income tax provision (benefit)	(110)	523	(120)	(166)	(166)
Depreciation and amortization ⁽²⁾	10,129	11,525	10,196	9,179	9,179
(Gain) Loss on operating real estate dispositions	-	(833)	-	-	-
Impairment of real estate assets	-	1,502	-	-	-
Change in fair value of interest rate derivatives	1,463	2,207	(298)	11	11
Adjusted EBITDA	\$24,038	\$25,511⁽³⁾	\$20,124	\$19,466	\$19,466
Other adjustments:					
Loss on extinguishment of debt	-	-	11	-	-
Non-cash stock compensation	689	55	252	271	271
Development Pipeline ⁽²⁾	(1,362)	(1,129)	(94)	(106)	(106)
Total Other Adjustments	(673)	(1,074)	169	165	165
Core EBITDA	\$23,365	\$24,437	\$20,293	\$19,631	\$19,631
Total Debt⁽⁴⁾	\$744,123	\$719,179	\$660,608	\$586,821	\$586,821
Adjustments to Debt:					
(Less) Development Pipeline ⁽⁴⁾	(138,501)	(100,268)	(64,365)	(40,232)	(40,232)
(Less) Cash & restricted cash	(18,959)	(24,051)	(20,648)	(15,418)	(15,418)
Core Debt	\$586,663	\$594,860	\$575,595	\$531,171	\$531,171
Core Debt/Annualized Core EBITDA	6.3x	6.6x	7.1x	6.8x	6.8x

(1) See definitions on page 30.

(2) The adjustment for depreciation and amortization as well as interest expense includes fourth quarter 2018 and first quarter 2019 activity attributable to the Company's investment in One City Center, which was an unconsolidated real estate investment until 3/14/19.

(3) Includes gain on non-operating real estate of \$3.4M and approximately \$688K of severance for the three months ended 12/31/18. These amounts are not annualized in the Core Debt/Annualized Core EBITDA calculation.

(4) Excludes GAAP Adjustments.

Capitalization & Financial Ratios

\$ in thousands

Capitalization as of March 31, 2019

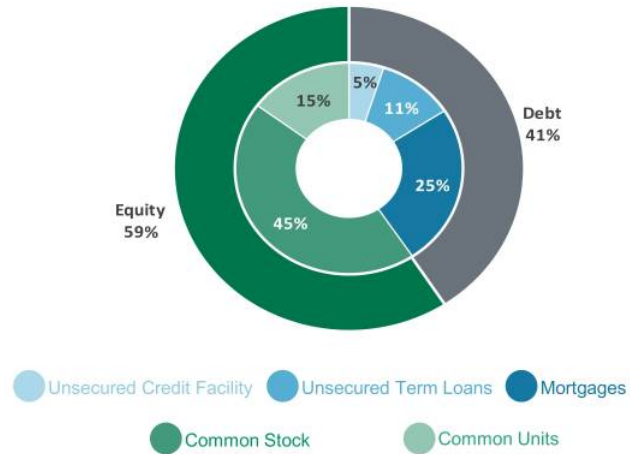
Debt	% of Total	Principal Balance
Unsecured credit facility	12%	\$91,000
Unsecured term loans	28%	205,000
Mortgages payable	60%	448,123
Total debt		\$744,123

Equity	% of Total	Shares/Units	Stock Price	Market Value
Common stock (NYSE: AHH)	75%	52,327	\$15.59	\$815,778
Common units	25%	16,992	\$15.59	264,905
Equity market capitalization		69,319		\$1,080,683
Total market capitalization				\$1,824,806
Debt/Market capitalization				41%

Liquidity as of March 31, 2019

Cash on hand	\$18,959
Availability under credit facility	56,594
Availability under construction loan	40,183
Total	\$115,736

Capital Structure as of March 31, 2019



Unencumbered Properties as of March 31, 2019

% of Total Properties
% of Annualized Base Rent

Property Portfolio

As of March 31, 2019

Net Rentable Square Feet (RSF)⁽¹⁾

Property	Anchor Tenant(s)	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development Properties	Total	Core Occupancy ⁽²⁾	Development Leased ⁽²⁾	ABR ⁽³⁾
Retail Properties											
249 Central Park Retail ⁽⁴⁾	Cheesecake Factory, Brooks Brothers, Gordon Biersch	Virginia Beach, VA	✓	-	2004	92,710	-	92,710	97.9%	-	\$2,607,307
Alexander Pointe	Harris Teeter	Salisbury, NC		100%	1997	57,710	-	57,710	95.1%	-	636,150
Bermuda Crossroads ⁽⁶⁾	Food Lion, OfficeMax	Chester, VA		100%	2001	122,566	-	122,566	98.4%	-	1,717,090
Broad Creek Shopping Center ⁽⁶⁾⁽⁹⁾	Food Lion, PetSmart	Norfolk, VA		100%	1997/2001	121,504	-	121,504	95.5%	-	2,054,231
Broadmoor Plaza	Kroger, Staples, Jo-Ann Fabrics	South Bend, IN		100%	1980	115,059	-	115,059	97.5%	-	1,376,691
Brooks Crossing Retail	Various Small Shops	Newport News, VA		100%	2016	-	18,349	18,349	-	66.3%	169,380
Columbus Village	Barnes & Noble, Shake Shack	Virginia Beach, VA	✓	100%	1980/2013	62,362	-	62,362	100.0%	-	1,539,823
Columbus Village II	Regal Cinemas, BB&B	Virginia Beach, VA	✓	100%	1995/1996	92,061	-	92,061	96.7%	-	1,595,334
Commerce Street Retail ⁽⁵⁾	Yard House	Virginia Beach, VA	✓	100%	2008	19,173	-	19,173	100.0%	-	869,292
Courthouse 7-Eleven	7-Eleven	Virginia Beach, VA		100%	2011	3,177	-	3,177	100.0%	-	139,311
Dick's at Town Center	Dick's Sporting Goods, USI	Virginia Beach, VA	✓	100%	2002	103,335	-	103,335	100.0%	-	1,251,255
Dimmock Square	Best Buy, Old Navy	Colonial Heights, VA		100%	1998	106,166	-	106,166	97.2%	-	1,769,587
Fountain Plaza Retail	Ruth's Chris, Ann Taylor	Virginia Beach, VA	✓	-	2004	35,961	-	35,961	100.0%	-	1,026,320
Gainsborough Square	Food Lion, Rite Aid	Chesapeake, VA		100%	1999	88,862	-	88,862	91.1%	-	1,240,570
Greentree Shopping Center	Various Small Shops	Chesapeake, VA		100%	2014	15,719	-	15,719	83.7%	-	267,151
Hanbury Village ⁽⁵⁾	Harris Teeter, Walgreens	Chesapeake, VA		32%	2006/2009	116,635	-	116,635	98.6%	-	2,494,916
Harper Hill Commons ⁽⁶⁾	Harris Teeter	Winston-Salem, NC		100%	2004	96,914	-	96,914	86.9%	-	956,076
Harrisonburg Regal	Regal Cinemas	Harrisonburg, VA		100%	1999	49,000	-	49,000	100.0%	-	683,550
Indian Lakes Crossing ⁽⁶⁾	Harris Teeter	Virginia Beach, VA		100%	2008	64,973	-	64,973	95.0%	-	842,432
Lexington Square	Lowes Foods	Lexington, SC		-	2017	85,531	-	85,531	93.3%	-	1,698,782
Lightfoot Marketplace ⁽⁶⁾	Harris Teeter, CHKD	Williamsburg, VA		-	2016	124,735	-	124,735	85.6%	-	1,833,533
North Hampton Market	PetSmart, Hobby Lobby	Taylors, SC		100%	2004	114,935	-	114,935	100.0%	-	1,473,083
North Point Center ⁽⁶⁾	Harris Teeter, PetSmart, Home Depot, Costco	Durham, NC		88%	1998/2009	494,746	-	494,746	100.0%	-	3,821,387
Oakland Marketplace ⁽⁶⁾	Kroger	Oakland, TN		100%	2004	64,538	-	64,538	100.0%	-	475,429
Parkway Centre	Publix	Moultrie, GA		100%	2017	61,200	-	61,200	98.0%	-	810,360
Parkway Marketplace	Rite Aid	Virginia Beach, VA		100%	1998	37,804	-	37,804	94.4%	-	717,906
Patterson Place	BB&B, PetSmart, DSW, AC Moore	Durham, NC		100%	2004	160,942	-	160,942	94.6%	-	2,390,333
Perry Hall Marketplace	Safeway	Perry Hall, MD		100%	2001	74,256	-	74,256	100.0%	-	1,261,436
Premier Retail	Williams Sonoma, Pottery Barn	Virginia Beach, VA	✓	-	2018	-	38,586	38,586	-	75.8%	957,730
Providence Plaza	Cranfill, Sumner & Hartzog, Chipotle	Charlotte, NC		100%	2007/2008	103,118	-	103,118	95.4%	-	2,657,319
Renaissance Square	Harris Teeter	Davidson, NC		100%	2008	80,467	-	80,467	88.0%	-	1,221,216
Sandbridge Commons ⁽⁶⁾	Harris Teeter	Virginia Beach, VA		-	2015	69,417	-	69,417	100.0%	-	916,254
Socassee Commons	Bi-Lo	Myrtle Beach, SC		-	2000/2014	57,273	-	57,273	96.7%	-	631,087
Southgate Square	Burlington, PetSmart, Michaels	Colonial Heights, VA		-	1991/2016	220,131	-	220,131	89.7%	-	2,706,472
South Retail	lululemon, free people, CPK	Virginia Beach, VA	✓	-	2002	38,515	-	38,515	100.0%	-	977,399
South Square ⁽⁶⁾	Ross, Petco, Office Depot	Durham, NC		100%	1977/2005	109,590	-	109,590	95.3%	-	1,793,427
Southshore Shops	Buffalo Wild Wings	Chesterfield, VA		100%	2006	40,333	-	40,333	88.8%	-	747,695
Stone House Square ⁽⁶⁾	Weis Markets	Hagerstown, MD		100%	2008	112,274	-	112,274	93.1%	-	1,767,874
Studio 56 Retail	McCormick & Schmick's	Virginia Beach, VA	✓	100%	2007	11,594	-	11,594	84.8%	-	419,296
Tyre Neck Harris Teeter ⁽⁹⁾	Harris Teeter	Portsmouth, VA		100%	2011	48,859	-	48,859	100.0%	-	533,285
Wendover Village	BB&B, T.J. Maxx, Petco	Greensboro, NC		100%	2004	176,939	-	176,939	100.0%	-	3,480,991
Total / Weighted Avg Retail Portfolio				73%		3,651,084	56,935	3,708,019	96.1%	72.7%	\$56,524,760

Property Portfolio Cont.

As of March 31, 2019

Net Rentable Square Feet (RSF) ⁽¹⁾												
Office Properties	Anchor Tenant	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development Properties	Total	Core Occupancy ⁽²⁾	Development Leased ⁽²⁾	ABR ⁽³⁾	ABR per Leased SF ⁽³⁾
4525 Main Street	Clark Nexsen, Anthropologie, Mythics	Virginia Beach, VA	✓	-	2014	234,938	-	234,938	98.1%	-	\$6,597,818	\$28
Armada Hoffer Tower ⁽⁴⁾⁽⁵⁾	AHH, Troutman Sanders, Williams Mullen	Virginia Beach, VA	✓	100%	2002	324,247	-	324,247	92.0%	-	8,754,011	27
One Columbus ⁽⁵⁾	BB&T, HBA	Virginia Beach, VA	✓	100%	1984	128,876	-	128,876	92.2%	-	2,948,523	23
One City Center	Duke University, WeWork	Durham, NC	-	-	2019	-	153,666	153,666	-	84.7%	4,142,424	27
Two Columbus	The Art Institute	Virginia Beach, VA	✓	100%	2009	108,459	-	108,459	100.0%	-	2,845,964	26
Total / Weighted Average Office Portfolio				58%		796,520	153,666	950,186	94.9%	84.7%	\$25,288,741	\$28

Units												
Multifamily	Location	Town Center	Unencumbered ABR	Year Built	Core Properties	Development/Redevelopment Properties	Total	Core Occupancy ⁽²⁾	Development/Redevelopment Occupancy ⁽²⁾	ABR ⁽⁷⁾	Monthly Rent Occupied Units	
Encore Apartments	Virginia Beach, VA	✓	-	2014	286	-	286	94.4%	-	\$4,238,652	\$1,300	
Greenside Apartments	Charlotte, NC	-	-	2018	-	225	225	-	58.2%	2,460,408	1,560	
Johns Hopkins Village ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	Baltimore, MD	-	-	2016	157	-	157	99.5%	-	7,635,720	1,120	
Liberty Apartments ⁽⁸⁾⁽¹⁰⁾	Newport News, VA	-	-	2013	197	-	197	95.3%	-	2,381,836	1,050	
Premier Apartments	Virginia Beach, VA	✓	-	2018	-	131	131	-	80.9%	1,804,680	1,410	
Smith's Landing ⁽⁹⁾	Blacksburg, VA	-	-	2009	284	-	284	100.0%	-	4,070,568	1,190	
The Cosmopolitan ⁽⁸⁾⁽¹¹⁾	Virginia Beach, VA	✓	-	2006	-	300	300	-	93.0% ⁽¹¹⁾	5,350,027	1,590	
Total / Weighted Avg Multifamily Portfolio					924	656	1,580	97.2%	78.7%	\$27,941,891	\$1,320	

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

(2) Occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of March 31, 2019, divided by (b) net rentable square feet, expressed as a percentage. Occupancy for our multifamily properties is calculated as (a) total units occupied as of March 31, 2019, divided by (b) total units available, as of such date expressed as a percentage.

(3) For the properties in our office and retail portfolios, annualized base rent, or ABR, is calculated by multiplying (a) monthly base rent (defined as cash base rent, before contractual tenant concessions and abatements, and excluding tenant reimbursements for expenses paid by us) as of March 31, 2019 for in-place leases as of such date by (b) 12, and does not give effect to periodic contractual rent increases or contingent rental revenue (e.g., percentage rent based on tenant sales thresholds). ABR per leased square foot is calculated by dividing (a) ABR by (b) square footage under in-place leases as of March 31, 2019. In the case of triple net or modified gross leases, our calculation of ABR does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

(4) As of March 31, 2019, the Company occupied 43,034 square feet at these two properties at an ABR of \$1.4M, or \$31.58 per leased square foot, which amounts are reflected in this table. The rent paid by us is eliminated in accordance with GAAP in the consolidated financial statements.

(5) Includes ABR pursuant to a rooftop lease.

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

Properties Subject to Ground Lease	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	ABR
Bermuda Crossroads	2	11,000	\$179,000
Broad Creek Shopping Center	6	23,825	639,000
Columbus Village	1	3,403	200,000
Hanbury Village	2	55,586	1,082,000
Harper Hill Commons	1	41,520	373,000
Indian Lakes	1	50,311	592,000
Lightfoot Marketplace	3	60,442	660,000
North Point Center	4	280,556	1,138,000
Oakland Marketplace	1	45,000	186,000
Sandbridge Commons	1	53,288	583,000
South Square	1	1,778	60,000
Stone House Square	1	3,650	181,000
Tyre Neck Harris Teeter	1	48,859	533,000
Total / Weighted Avg	25	679,218	\$6,410,000

(7) For the properties in our multifamily portfolio, ABR is calculated by multiplying (a) base payments for the month ended March 31, 2019 by (b) 12.

(8) The ABR for Liberty, Cosmopolitan, and Johns Hopkins Village excludes \$293K, \$875K from ground floor retail leases, respectively.

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

(10) Monthly rent per occupied unit is calculated by dividing total base rental payments for ended March 31, 2019 by the number of occupied beds.

(11) Excludes 42 units offline for redevelopment for occupancy.

Development and Redevelopment Pipeline

\$ in thousands

Schedule⁽¹⁾

Projects	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Construction Start	Initial Occupancy	Stabilized Operation ⁽²⁾	Estimated Cost ⁽¹⁾	Loan Commitment	Cost to Date	AHH Ownership %	Anchor Tenants & Other Notes
Under Development											
Brooks Crossing - Office Newport News, VA	Office	100,000 sf	100%	1Q18	2Q19	3Q19	\$20,000	\$15,625	\$18,000	65% ⁽³⁾	Huntington Ingalls Industries
Hoffler Place (King Street) Charleston, SC	Multifamily	74 units	48%	3Q17	3Q19	3Q20	48,000	31,750	40,000	93%	NA
Market at Mill Creek Mt. Pleasant, SC	Retail	73,000 sf	93%	1Q18	1Q19	3Q19	23,000	16,185	22,000	70% ⁽³⁾	Lowes Foods
Summit Place (Meeting Street) Charleston, SC	Multifamily	114 units	-	3Q17	TBD	TBD	53,000	34,750	42,500	90%	NA
Wills Wharf Baltimore, MD	Office	325,000 sf	68%	3Q18	1Q20	3Q20	119,000	-	32,000	100%	WeWork, Canopy by Hilton
Total Projects Under Development							243,000	82,685	136,500		
Delivered Not Stabilized											
Brooks Crossing - Retail Newport News, VA	Retail	18,000 sf	66%	3Q15	3Q16	4Q19	3,000	-	3,000	65% ⁽³⁾	Misc. small shops
Greenside (Harding Place) Charlotte, NC	Multifamily	225 Units	73%	3Q16	3Q18	4Q19	51,000	29,750	50,500	80% ⁽³⁾	NA
One City Center Durham, NC	Office	153,000 sf	85%	1Q16	3Q18	2Q19	48,000	27,625	46,000	100%	Duke University, WeWork
Premier Apartments (Town Center Phase VI) Virginia Beach, VA	Multifamily	131 Units	92%	4Q16	2Q18	2Q19	30,000	16,666	30,000	100%	NA
Premier Retail (Town Center Phase VI) Virginia Beach, VA	Retail	39,000 sf	76%	4Q16	3Q18	2Q20	15,000	8,334	12,500	100%	Williams-Sonoma, Pottery Barn
Total Projects Delivered Not Stabilized							653,000	263,370	433,000		
Total							\$896,000	\$346,055	\$569,500		

Redevelopment	Property Type	Units Out of Service	% Leased	Construction Start	Anticipated Completion	Same-Store Sales	Estimated Cost ⁽¹⁾	Loan Commitment	Cost to Date
The Cosmopolitan Virginia Beach, VA	Multifamily	42 units	93%	1Q18	4Q20	4Q21	\$10,000	NA	\$2,400



	Q1 2019
Capitalized Interest	\$1,549
Capitalized Overhead	\$664

- (1) Represents estimates that may change as the development process progresses.
- (2) First fully-stabilized quarter. See same store definition on page 30.
- (3) AHH earns a preferred return on equity prior to any distributions to JV Partners.

Mezzanine Investments

\$ in thousands

Schedule⁽¹⁾

	Property Type	Estimated ⁽¹⁾	% Leased or LOI	Initial Occupancy	Loan Maturity	Interest Rate	Principal Mezzanine Financing	Mezzanine Interest QTD	Option to Purchase
Investments with Discounted Purchase Options									
1405 Point (Point Street Apartments) ⁽²⁾ Baltimore, MD	Multifamily	289 units	98%	1Q18	3Q21	8%	\$31,000	\$610	\$97,000
Nexton Square Summerville, SC	Retail	135,000 sf	70%	2Q19	4Q20	15%	14,000	509	42,000
Short Term Investments									
The Residences at Annapolis Junction Annapolis Junction, MD	Multifamily	416 units	89%	3Q17	4Q19	10%	37,000	906	-
\$5M Annapolis Junction Purchase Option sale							-	1,118	-
North Decatur Square (Whole Foods) Decatur, GA	Retail	86,000 sf	100%	4Q18	2Q22	15%	19,000	638	-
Delray Plaza (Whole Foods) Delray Beach, FL	Retail	83,000 sf	94%	3Q19	4Q20	15%	10,000	310	-
Solis Apartments at Interlock Atlanta, GA	Multifamily	345 units	NA	3Q20	3Q22	13%	15,000	463	-
The Interlock Atlanta, GA	Mixed-use	304,000 sf	63%	3Q20	3Q22	15%	24,000	743	-
Total ⁽³⁾							\$150,000	\$5,297	
Mezzanine Interest Expense ⁽⁴⁾								(1,321)	
Net Mezzanine Interest Income								\$3,976	



- (1) Represents estimates that may change as the development process proceeds.
- (2) Exercised purchase option subsequent to quarter end.
- (3) Excludes GAAP adjustments.
- (4) Includes \$5.4M of interest expense associated with funding the Company's mezzanine program.

Acquisitions & Dispositions

\$ in thousands

ACQUISITIONS

Properties	Location	Square Feet	Purchase Price ⁽¹⁾	Reinvested 1031 Proceeds	\$ Value of OP Units/Stock ⁽²⁾	Cash Cap Rate	Purchase Date	Anchor Tenant
Wendover Village III	Greensboro, NC	5,286	\$2,783	\$2,424	-	9.2%	1Q19	Verizon
Lexington Square ⁽³⁾	Lexington, SC	85,531	26,758	-	\$2,624	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 Kic
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 & Beyon
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, Bu
Retail Portfolio (11 properties)	Mid-Atlantic	1,082,681	170,500	87,000	-	7.2%	1Q16	Harris Teeter, Bed Bath & B
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 Market
Dimmock Square	Colonial Heights, VA	106,166	19,662	-	9,662	7.3%	3Q14	Old Navy, Best Buy, Pier
Total/Weighted Average		2,290,158	\$446,313	\$130,124	\$78,250	7.1%		

DISPOSITIONS

Properties	Location	Square Feet/Units	Sale Price	Cash Proceeds	Gain on Sale	Cash Cap Rate	Disposition Date	Anchor Tenant
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 ⁽⁴⁾	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 Internation
Whetstone Apartments	Durham, NC	203 units	35,625	17,600	7,210	5.7%	2Q15	NA
Sentara Williamsburg	Williamsburg, VA	49,200	15,450	15,200	6,197	6.3%	1Q15	Sentara
Virginia Natural Gas	Virginia Beach, VA	31,000	8,900	7,400	2,211	6.3%	4Q14	Virginia Natural Gas
Total/Weighted Average		774,567 sf/ 203 units	\$209,475	\$156,600	\$58,635	7.2%		

(1) Contractual purchase price.

(2) Value of OP Units/Stock at issuance.

(3) Units are issuable contingent on the achievement of certain further occupancy requirements.

(4) Anchor tenant vacated 12/31/16, which would represent a 2.5% Cash Cap Rate.

Construction Business Summary

Highlighted Projects	Location	Total Contract Value	Work in Place as of 3/31/2019	Backlog	Estimated Date of Completion
Interlock Commercial	Atlanta, GA	\$85,909	\$5,937	\$79,972	4Q 2020
Solis Apartments at Interlock	Atlanta, GA	62,300	183	62,117	1Q 2021
Sub Total		148,209	6,120	142,089	
All Other Projects		367,060	348,278	18,782	
Total		\$515,269	\$354,398	\$160,871	

Gross Profit Summary

	Q1 2019	Trailing 12 Months ⁽¹⁾
	(Unaudited)	
Revenue	\$17,036	\$73,761
Expense	(16,286)	(67,500)
Gross Profit	\$750	\$6,261



(1) Includes gain on non-operating real estate of \$3.4M for the three months ended 12/31/18.

Same Store NOI by Segment

\$ in thousands

(Reconciliation to GAAP located in appendix on pg. 34)

	Three months ended			
	3/31/2019	3/31/2018	\$ Change	% Change
Office⁽¹⁾	(Unaudited)			
Revenue	\$5,326	\$5,100	\$226	4.4%
Expenses ⁽²⁾	1,859	1,859	-	0.0%
Net Operating Income	3,467	3,241	226	7.0%
Retail⁽¹⁾				
Revenue	14,604	14,568	36	0.2%
Expenses ⁽²⁾	3,406	3,327	79	2.4%
Net Operating Income	11,198	11,241	(43)	-0.4%
Multifamily⁽¹⁾				
Revenue	5,449	5,035	414	8.2%
Expenses ⁽²⁾	2,086	1,951	135	6.9%
Net Operating Income	3,363	3,084	279	9.0%
Same Store Net Operating Income (NOI)	\$18,028	\$17,566	\$462	2.6%
Net effect of straight-line rents	(\$596)	(518)	(78)	
Amortization of lease incentives and above (below) market rents	(\$6)	(32)	26	
Same store portfolio NOI, cash basis	\$17,426	\$17,016	\$410	2.4%
NOI, Cash Basis:				
Office	\$3,136	\$2,930	\$206	7.0%
Retail	11,028	11,067	(39)	-0.4%
Multifamily	3,262	3,019	243	8.0%
	\$17,426	\$17,016	\$410	2.4%
NOI:				
Office	\$3,467	\$3,241	\$226	7.0%
Retail	11,198	11,241	(43)	-0.4%
Multifamily	3,363	3,084	279	9.0%
	\$18,028	\$17,566	\$462	2.6%

(1) See page 31 for Same Store vs. Non – Same Store Properties.

(2) Excludes expenses associated with the Company's in house asset management division of \$472K and \$502K for the 3 months ended 3/31/2019 & 3/31/2018.

Top 10 Tenants by ABR

\$ in thousands
As of March 31, 2019

Office Portfolio

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent ⁽¹⁾	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Clark Nexsen	1	2029	\$ 2,588	10.2%	2.4%
Wework	1	2034	2,204	8.7%	2.0%
Duke	1	2029	1,540	6.1%	1.4%
Mythics	1	2030	1,187	4.7%	1.1%
Hampton University	2	2019 - 2024	1,085	4.3%	1.0%
Pender & Coward	1	2030	904	3.6%	0.8%
Kimley-Horn	1	2027	876	3.5%	0.8%
Troutman Sanders	1	2025	872	3.4%	0.8%
The Art Institute	1	2019	869	3.4%	0.8%
City of Va Beach Development Authority	1	2024	744	2.9%	0.7%
Top 10 Total			\$ 12,869	50.8%	11.8%

Retail Portfolio

Tenant	Number of Leases	Lease Expiration	Annualized Base Rent ⁽¹⁾	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Harris Teeter/Kroger	11	2020 - 2036	\$ 6,188	10.9%	5.6%
Regal Cinemas	2	2022 - 2024	1,679	3.0%	1.5%
Bed, Bath, & Beyond	4	2020 - 2024	1,677	3.0%	1.5%
PetSmart	5	2020 - 2022	1,438	2.5%	1.3%
Food Lion	3	2019 - 2022	1,291	2.3%	1.2%
Lowes Foods, LLC	1	2037	930	1.6%	0.8%
Dick's Sporting Goods	1	2020	840	1.5%	0.8%
Weis Markets	1	2028	802	1.4%	0.7%
Ross Dress for Less	2	2022 - 2025	762	1.3%	0.7%
Petco	3	2020 - 2027	743	1.3%	0.7%
Top 10 Total			\$ 16,350	28.8%	14.8%

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

Office Lease Summary

Renewal Lease Summary

Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	GAAP			Cash			Weighted Average Lease Term (yrs)	TI & LC
					Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread		
Q1 2019	1	11,995	3	15,865	\$24.92	\$21.30	17.0%	\$23.76	\$23.18	2.5%	5.00	\$164,875
Q4 2018	3	5,490	2	1,915	26.13	24.97	4.6%	26.50	26.27	0.9%	3.86	165,800
Q3 2018	-	-	1	9,337	-	-	0.0%	-	-	0.0%	-	-
Q2 2018	3	28,910	6	13,225	28.88	28.41	1.7%	27.68	30.86	-10.3%	8.77	2,169,711

New Lease Summary⁽¹⁾

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term	TI & LC	TI & LC per SF
Q1 2019	4	15,889	\$25.07	4.88	\$498,213	\$31.36
Q4 2018	1	1,242	24.00	5.21	13,585	10.94
Q3 2018	1	1,806	26.00	5.00	14,958	8.28
Q2 2018	4	20,899	23.22	7.18	853,977	40.86

(1) Excludes leases from properties in development.



Office Lease Expirations

As of March 31, 2019

Year	Number of Leases Expiring	Square Footage of Leases Expiring ⁽¹⁾	% Portfolio Net Rentable Square Feet	Annualized Base Rent ⁽¹⁾	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	64,047	6.7%	\$ -	-	\$ -
M-T-M	4	1,753	0.2%	61,840	0.2%	35.28
2019	13	82,090	8.6%	2,284,057	9.0%	27.82
2020	8	26,537	2.8%	787,030	3.1%	29.66
2021	9	51,479	5.4%	1,468,956	5.8%	28.54
2022	9	73,394	7.7%	2,085,561	8.2%	28.42
2023	11	63,441	6.7%	1,830,270	7.2%	28.85
2024	7	98,813	10.4%	2,522,331	10.0%	25.53
2025	7	70,062	7.4%	1,955,315	7.7%	27.91
2026	5	21,966	2.3%	522,296	2.1%	23.78
2027	3	49,081	5.2%	1,421,603	5.6%	28.96
2028	6	63,319	6.7%	1,731,733	6.8%	27.35
2029	6	146,437	15.4%	4,322,180	17.1%	29.52
Thereafter	3	137,767	14.4%	4,295,567	17.0%	31.18
Total / Weighted Average	91	950,186	99.9%	\$ 25,288,739	100.0%	\$ 28.54



Square Feet Under Lease	% of Portfolio ABR
2,500 or less	3%
2,501-10,000	16%
10,001-20,000	25%
20,001-40,000	25%
40,001-100,000	30%
Office Portfolio Total	100%

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

Retail Lease Summary

Renewal Lease Summary

Quarter	Number of Leases Signed	Net Rentable SF Signed	Leases Expiring	Net Rentable SF Expiring	GAAP			Cash			Weighted Average Lease Term (yrs)	TI & LC
					Contractual Rent per SF	Prior Rent per SF	Releasing Spread	Contractual Rent per SF	Prior Rent per SF	Releasing Spread		
Q1 2019	24	128,088	11	30,729	\$16.08	\$15.25	5.5%	\$15.96	\$15.43	3.4%	5.36	\$123,41
Q4 2018	23	169,261	13	67,429	15.91	15.14	5.0%	15.78	15.36	2.8%	3.98	175,81
Q3 2018	10	28,101	11	19,775	29.36	27.23	7.8%	29.95	28.19	6.2%	5.23	115,73
Q2 2018	19	64,064	1	1,900	19.55	18.71	4.5%	19.33	19.13	1.0%	5.60	261,45

New Lease Summary⁽¹⁾

Quarter	Number of Leases Signed	Net Rentable SF Signed	Cash Contractual Rent per SF	Weighted Average Lease Term (yrs)	TI & LC	TI & LC per SF
Q1 2019	3	4,001	\$16.10	4.89	\$22,127	\$5.53
Q4 2018	7	60,363	15.09	10.83	2,710,665	44.91
Q3 2018	7	10,444	19.60	5.95	366,032	35.05
Q2 2018	9	29,646	25.08	8.63	1,041,670	35.14



(1) Excludes leases from properties in development.

Retail Lease Expirations

As of March 31, 2019

Year	Number of Leases Expiring	Square Footage of Leases Expiring ⁽¹⁾	% Portfolio Net Rentable Square Feet	Annualized Base Rent ⁽¹⁾	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	194,720	5.2%	\$ -	-	\$ -
M-T-M	1	1,400	-	25,550	-	18.25
2019	46	250,884	6.7%	3,931,611	6.9%	15.67
2020	76	533,662	14.2%	7,707,508	13.6%	14.44
2021	68	306,147	8.1%	5,668,873	10.0%	18.52
2022	62	398,538	10.6%	6,808,144	12.0%	17.08
2023	59	432,951	11.5%	6,642,818	11.7%	15.34
2024	51	330,492	8.8%	5,428,848	9.6%	16.43
2025	24	297,789	7.9%	3,515,541	6.2%	11.81
2026	22	172,745	4.6%	3,021,398	5.3%	17.49
2027	19	121,426	3.2%	2,627,999	4.6%	21.64
2028	24	266,508	7.1%	3,882,909	6.9%	14.57
2029	13	84,929	2.3%	1,542,976	2.7%	18.17
Thereafter	16	368,243	9.8%	5,865,861	10.5%	15.93
Total / Weighted Average	481	3,760,434	100.0%	\$ 56,670,034	100.0%	\$ 15.89



Square Feet Under Lease	% of Portfolio ABR
2,500 or less	13%
2,501-10,000	30%
10,001-20,000	16%
20,001-40,000	15%
40,001-100,000	24%
Greater than 100,000	2%
Retail Portfolio Total	100%

(1) Includes leases from properties in development.



Appendix

Definitions & Reconciliations

Definitions

NET OPERATING INCOME:

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

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

FUNDS FROM OPERATIONS:

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

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

NORMALIZED FUNDS FROM OPERATIONS:

We calculate Normalized Funds From Operations ("Normalized FFO") as FFO calculated in accordance with the standards established by Nareit, adjusted for acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment of intangible assets and liabilities, mark-to-market adjustments on interest rate derivatives, 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, 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 and mark-to-market adjustments on interest rate derivatives. 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 EBITDA, excluding certain items, including, but not limited to, debt extinguishment losses, mark-to-market adjustments on interest rate derivatives, non-cash stock compensation and the impact of development pipeline projects that are still in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Management believes that Core EBITDA provides useful supplemental information to investors regarding our ongoing operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Core EBITDA or similarly entitled measures and, accordingly, our Core EBITDA may not always be comparable to Core EBITDA or other similarly entitled measures of other REITs.

CORE DEBT:

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

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 3/31/2019 to 2018			Three Months Ended 3/31/2019 to 2018	
	Same Store	Non-Same Store		Same Store	Non-Same Store
Retail Properties					
249 Central Park Retail	X		Providence Plaza	X	
Alexander Pointe	X		Renaissance Square	X	
Bermuda Crossroads	X		Sandbridge Commons	X	
Broad Creek Shopping Center		X	Socastee Commons	X	
Brooks Crossing (Retail)		X	South Retail	X	
Broadmoor Plaza	X		South Square	X	
Columbus Village	X		Southgate Square	X	
Columbus Village II	X		Southshore Shops	X	
Commerce Street Retail	X		Stone House Square	X	
Courthouse 7-Eleven	X		Studio 56 Retail	X	
Dick's at Town Center	X		Tyre Neck Harris Teeter	X	
Dimmock Square	X		Waynesboro Commons		X
Greentree Shopping Center	X		Wendover Village	X	
Fountain Plaza Retail	X		Wendover Village Outparcel	X	
Gainsborough Square	X		Wendover Village III		X
Hanbury Village	X		Office Properties		
Harper Hill Commons	X		4525 Main Street	X	
Harrisonburg Regal	X		Armada Hoffer Tower	X	
Indian Lakes Crossing		X	One City Center		X
Lexington Square		X	One Columbus	X	
Lightfoot Marketplace		X	Two Columbus	X	
North Hampton Market	X		Multifamily Properties		
North Point Center	X		Encore Apartments	X	
Oakland Marketplace	X		Greenside Apartments		X
Parkway Centre		X	Liberty Apartments	X	
Parkway Marketplace	X		Premier Apartments		X
Patterson Place	X		Smith's Landing	X	
Perry Hall Marketplace	X		The Cosmopolitan		X
Premier Retail		X	Johns Hopkins Village	X	

Reconciliation to Property Portfolio NOI

\$ in thousands

	Three months ended 3/31	
	2019	2018
<u>Office Same Store⁽¹⁾</u>		
Rental revenues	\$5,326	\$5,100
Property expenses	<u>1,859</u>	<u>1,859</u>
NOI	3,467	3,241
Non-Same Store NOI ⁽²⁾	<u>77</u>	<u>(94)</u>
Segment NOI	\$3,544	\$3,147
<u>Retail Same Store⁽¹⁾</u>		
Rental revenues	\$14,604	\$14,568
Property expenses	<u>3,406</u>	<u>3,327</u>
NOI	11,198	11,241
Non-Same Store NOI ⁽²⁾	<u>1,648</u>	<u>1,133</u>
Segment NOI	\$12,846	\$12,374
<u>Multifamily Same Store⁽¹⁾</u>		
Rental revenues	\$5,449	\$5,035
Property expenses	<u>2,086</u>	<u>1,951</u>
NOI	3,363	3,084
Non-Same Store NOI ⁽²⁾	<u>1,303</u>	<u>857</u>
Segment NOI	\$4,666	\$3,941
Total Property Portfolio NOI	<u><u>\$21,056</u></u>	<u><u>\$19,462</u></u>

(1) See page 32 for the Same Store vs. Non-Same Store properties

(2) Includes expenses associated with the company's in house asset management division.

Reconciliation to Property Portfolio NOI

\$ in thousands

Three months ended 3/31/2019

Diversified Portfolio

NOI - Cash Basis	
Net effect of straight-line rents	
Amortization of lease incentives and (above) below market rents	
NOI	

Office	Retail	Multifamily	Total
\$0	\$10,338	\$2,560	\$12,898
0	154	113	267
-	177	(13)	164
\$0	\$10,669	\$2,660	\$13,329

Town Center of Virginia Beach

NOI - Cash Basis	
Net effect of straight-line rents	
Amortization of lease incentives and (above) below market rents	
Elimination of AHH rent	
NOI	

\$3,287	\$2,125	\$1,661	\$7,073
403	(33)	27	397
(72)	(73)	-	(145)
(232)	(109)	-	(341)
\$3,386	\$1,910	\$1,688	\$6,984

NOI

Diversified Portfolio	
Town Center of Virginia Beach	
Unstabilized Properties	
Total Property Portfolio NOI	

\$0	\$10,669	\$2,660	\$13,329
3,386	1,910	1,688	6,984
158	267	318	743
\$3,544	\$12,846	\$4,666	\$21,056

