

**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): June 7, 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))

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

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 1.01. Entry into a Material Definitive Agreement.**

On June 7, 2019, a wholly owned subsidiary of Armada Hoffler, L.P., the operating partnership subsidiary of Armada Hoffler Properties, Inc. (the “Company”), entered into an agreement with an unrelated third party to acquire Thames Street Wharf, a 263,426 square foot, LEED Gold Certified office building located in the Harbor Point submarket of Baltimore, Maryland, for \$101 million.

As of June 10, 2019, the building was 100% occupied by seven tenants with a weighted-average remaining lease term of 7.4 years, including anchor tenants Morgan Stanley and Johns Hopkins Medicine, which together lease 92% of the building.

The acquisition is expected to close in the second quarter of 2019, subject to the satisfaction of certain customary closing conditions.

Based on the Company’s underwriting, the Company estimates that the capitalization rate for the acquisition is approximately 7.1%, which was determined by dividing the Company’s estimate of the building’s expected aggregate cash net operating income for the 12 months immediately following the closing of the acquisition by the contractual purchase price for the building. For purposes of calculating the estimated capitalization rate, net operating income consists of expected rental income and expense reimbursements from in-place leases and anticipated leasing activity reduced by expected operating expenses, real estate taxes, management fees and insurance expenses. Included in expected cash net operating income is approximately \$0.3 million of net operating income for space leased by the Company, which will be eliminated for GAAP accounting purposes.

Investors are cautioned not to place undue reliance on the estimate of the cash capitalization rate for the acquisition because such estimate is based on certain assumptions applied by the Company related to anticipated occupancy, rental rates and expenses over the twelve months immediately following the expected acquisition date and is calculated on a non-GAAP basis. The Company’s experience operating this property may change its expectations with respect to its underwritten cash capitalization rate. In addition, the actual cash capitalization rate may differ from the estimated cash capitalization rate described above based on numerous factors, including the Company’s difficulties achieving assumed occupancy and/or rental rates, unanticipated expenses, results of final purchase price allocations and property tax reassessments, as well as the risk factors set forth in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and the Company’s subsequent filings with the Securities and Exchange Commission. The Company can provide no assurance that the actual cash capitalization rate for this property will be consistent with the estimated cash capitalization rate set forth above. See “Cautionary Note Regarding Forward-Looking Statements.”

**Item 7.01. Regulation FD Disclosure.**

On June 10, 2019, the Company issued a press release announcing the acquisition of Thames Street Wharf, which is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in Item 7.01 of this Current Report on Form 8-K, including exhibit 99.1 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.

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

(d) Exhibits.

**Exhibit**

**No.**

**Description**

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[99.1](#) Press Release, dated June 10, 2019.

**Cautionary Note Regarding Forward-Looking Statements**

*Certain matters within this Current Report on Form 8-K, including with respect to the details of the acquisition, the scheduled timing of closing, and the estimated capitalization rate, 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 statements. 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.*

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**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.**

Dated: June 10, 2019

By: /s/ Michael P. O'Hara

Michael P. O'Hara

Chief Financial Officer, Treasurer and Corporate Secretary

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PRESS RELEASE

**Armada Hoffler Properties to Acquire Trophy Office Building in Baltimore's Harbor Point**

VIRGINIA BEACH, VA, June 10, 2019 — Armada Hoffler Properties, Inc. (NYSE: AHH) (the "Company") announced today that it has entered into an agreement to acquire the Thames Street Wharf office building, located in the Harbor Point development of Baltimore, MD, for \$101 million.

Anchored by Morgan Stanley and Johns Hopkins Medicine, which together lease 92% of the property's 263,426 rentable square feet, the LEED Gold certified building is currently 100% occupied with an average remaining lease term of 7.4 years and in-place triple net rent levels amongst the highest in the Baltimore market. The Company expects the purchase to be accretive to Funds From Operations, with the property generating an expected cash net operating income of approximately \$7.1 million in the first full year of ownership, which equates to an estimated underwritten cash capitalization rate of 7.1%. Subject to the satisfaction of customary closing conditions, the Company expects to complete the transaction in the second quarter of 2019.

"Thames Street Wharf is a trophy asset and one of the highest-quality office properties in the entire Mid-Atlantic," said Louis Haddad, President & Chief Executive Officer of Armada Hoffler Properties. "Combined with our investments in the adjacent Wills Wharf and 1405 Point Apartments, Thames Street Wharf is a natural strategic acquisition and allows us to capitalize on the opportunity that comes with operating multiple asset classes in a synergistic environment."

Completed by Armada Hoffler Construction in 2010, Thames Street Wharf was the first building in Baltimore's Harbor Point neighborhood. Situated between Harbor East and Fell's Point, Harbor Point is the city's largest downtown waterfront development site with capacity for up to three million square feet of mixed-use space on 27 acres. Thames Street Wharf is strategically located next to both 1405 Point, the 17-story luxury apartment high-rise building, and Wills Wharf, the 325,000 square foot, mixed-use building currently being developed by the Company.

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**Forward-Looking Statements**

Certain matters within this press release, including with respect to the details of the acquisition, timing of closing, and its financial impact on the Company 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 statements. 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.

**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. Hoffer, the Company has elected to be taxed as a REIT for U.S. federal income tax purposes.

**Contact:**

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