Armada Hoffler Completes $24 Million Retail Sale at a 4.0% Exit Cap Rate

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Proceeds significantly exceed projections; Company enhanced property's value by executing early lease extensions

VIRGINIA BEACH, Va., July 05, 2022 (GLOBE NEWSWIRE) -- Armada Hoffler (NYSE: AHH) announced that the Company closed on the disposition of two single-tenant assets leased to Costco and Home Depot, located in Durham, North Carolina for $24 million. The transaction was completed on June 29, 2022.

The 4.0% exit capitalization rate represents a substantial improvement over the 4.5% goal shared by the Company during its Q1 2022 Earnings Conference Call on May 3, 2022. The Company had previously announced its intent to sell up to $200 million of noncore assets that were expected to yield premium prices in the current market environment before the end of the year.

"Despite recent market volatility, investor demand for high credit, single-tenant, net leased assets with longer lease terms remains strong," said Lou Haddad, President and CEO of Armada Hoffler. "After securing early long-term lease extensions with both tenants, we capitalized on this demand and successfully transacted at a price that far exceeded our expectations. As we discussed earlier this year, selling assets in the low to mid 4% cap range represents the most cost-effective funds available to us and should have little, if any, impact on earnings. More importantly, this disposition, along with others pending, allow us to self-fund our equity needs for the remainder of the year."

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

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