

Armada Hoffler Properties, Inc.  
Form 10-Q  
August 01, 2018

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-35908

ARMADA HOFFLER PROPERTIES, INC.  
(Exact Name of Registrant as Specified in its Charter)

Maryland 46-1214914  
(State of Organization) (IRS Employer Identification No.)

222 Central Park Avenue, Suite 2100 23462  
Virginia Beach, Virginia  
(Address of Principal Executive Offices) (Zip Code)

(757) 366-4000  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  
 No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated

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filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.  
Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company  
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.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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As of July 31, 2018, the Registrant had 48,891,867 shares of common stock outstanding.

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ARMADA HOFFLER PROPERTIES, INC.

QUARTERLY REPORT ON FORM 10-Q  
FOR THE QUARTER ENDED JUNE 30, 2018

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## PART I. Financial Information

## Item 1. Financial Statements

ARMADA HOFFLER PROPERTIES, INC.  
Condensed Consolidated Balance Sheets

(In thousands, except par value and share data)

	June 30, 2018 (Unaudited)	December 31, 2017
<b>ASSETS</b>		
Real estate investments:		
Income producing property	\$934,929	\$ 910,686
Held for development	1,474	680
Construction in progress	157,795	83,071
	1,094,198	994,437
Accumulated depreciation	(177,966 )	(164,521 )
Net real estate investments	916,232	829,916
Cash and cash equivalents	12,279	19,959
Restricted cash	3,139	2,957
Accounts receivable, net	16,444	15,691
Notes receivable	93,478	83,058
Construction receivables, including retentions	19,868	23,933
Construction contract costs and estimated earnings in excess of billings	1,287	245
Equity method investments	14,538	11,411
Other assets	55,106	55,953
Total Assets	\$1,132,371	\$ 1,043,123
<b>LIABILITIES AND EQUITY</b>		
Indebtedness, net	\$580,446	\$ 517,272
Accounts payable and accrued liabilities	11,525	15,180
Construction payables, including retentions	40,719	47,445
Billings in excess of construction contract costs and estimated earnings	1,711	3,591
Other liabilities	41,000	39,352
Total Liabilities	675,401	622,840
Stockholders' equity:		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, none issued and outstanding as of June 30, 2018 and December 31, 2017	—	—
Common stock, \$0.01 par value, 500,000,000 shares authorized, 48,768,363 and 44,937,763 shares issued and outstanding as of June 30, 2018 and December 31, 2017, respectively	488	449
Additional paid-in capital	338,577	287,407
Distributions in excess of earnings	(70,648 )	(61,166 )
Total stockholders' equity	268,417	226,690
Noncontrolling interests	188,553	193,593
Total Equity	456,970	420,283
Total Liabilities and Equity	\$1,132,371	\$ 1,043,123

See Notes to Condensed Consolidated Financial Statements.

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ARMADA HOFFLER PROPERTIES, INC.  
Condensed Consolidated Statements of Income

(In thousands, except per share data)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues				
Rental revenues	\$28,598	\$26,755	\$57,297	\$53,987
General contracting and real estate services revenues	20,654	56,671	43,704	120,190
Total revenues	49,252	83,426	101,001	174,177
Expenses				
Rental expenses	6,522	6,171	12,946	