

ACADIA  
REALTY TRUST

Rails

SAVOIR  
EXTRAORDINARY BEDS

Theory  
WOMEN

Theory  
MEN

FRAME

A.L.C.

STAUD

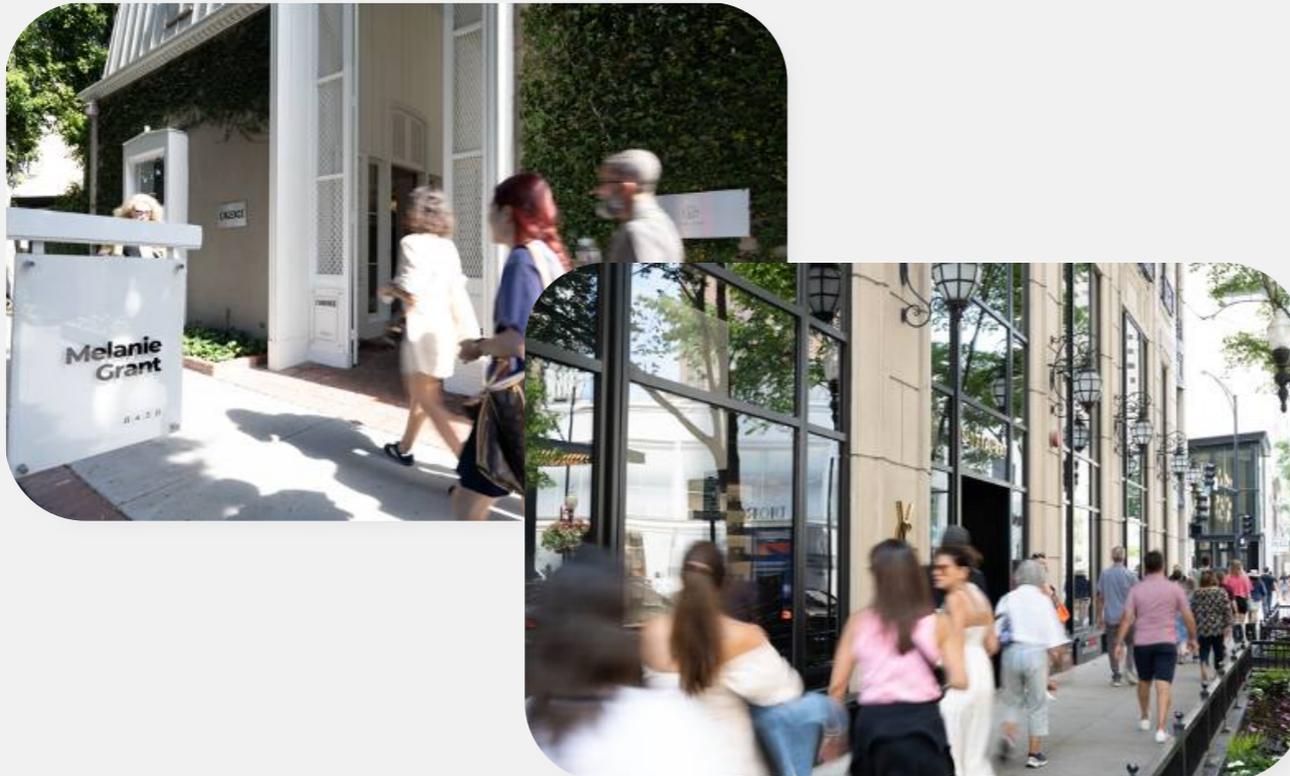
September 2023



# INTRODUCTION



# Business Model Differentiation - Dual Platform



## CORE/ON-BALANCE SHEET

- **Public Capital**
- **Strategy:** Open-air retail format agnostic depending on cycle and opportunities. Focused on high growth markets.

## FUNDS BUSINESS/ THIRD-PARTY CAPITAL

- **Private Capital:** Utilizing discretionary fund vehicles and other third-party capital.
- **Strategy:** Opportunistic/Value-Add across capital stack, high-yielding, redevelopments and restructurings.



# Acadia Realty Snapshot

Acadia Realty Trust is an equity real estate investment trust focused on delivering long-term, profitable growth via its dual operating platforms (Core Portfolio and Fund) and its disciplined, location-driven investment strategy.

## Acadia Realty Trust accomplishes this goal by:

- Building a best-in-class Core real estate portfolio with meaningful concentrations of assets in the nation’s most dynamic corridors
- Making profitable opportunistic and value-add investments through its series of discretionary, institutional funds
- And maintaining a strong balance sheet.

## ACADIA TOTAL OPERATING PORTFOLIO<sup>1</sup>

<b>Core Portfolio</b>	GLA at 100% Total	Pro-rata Share Total	Pro-rata Share Occupancy	Pro-rata Share Leased
Street & Urban	1,476	1,274	88.0%	91.3%
Suburban	3,910	3,751	93.7%	96.5%
<b>Total Core</b>	<b>5,386</b>	<b>5,025</b>	<b>92.2%</b>	<b>95.2%</b>
<b>Funds Portfolio</b>				
<b>Total Funds</b>	<b>8,357</b>	<b>1,824</b>	<b>87.6%</b>	<b>92.4%</b>
<b>Total</b>	<b>13,743</b>	<b>6,849</b>		

<sup>1</sup>As of 6/30/2023 AKR Supplemental Report

**VIOLET GREY**

THE INDUSTRY'S BEAUTY EDIT

8452  
MELROSE PLACE

**MELROSE PLACE**  
LOS ANGELES, CA

WALDORF ASTORIA

BRASS TACK

VERONICA BEARD

DO NOT  
ENTER

Rush-Walton  
Chicago, IL



907 W ARMITAGE AVE  
CHICAGO, IL



**M STREET**  
GEORGETOWN, WASHINGTON, D.C.



**WILLIAMSBURG**  
BROOKLYN, NY

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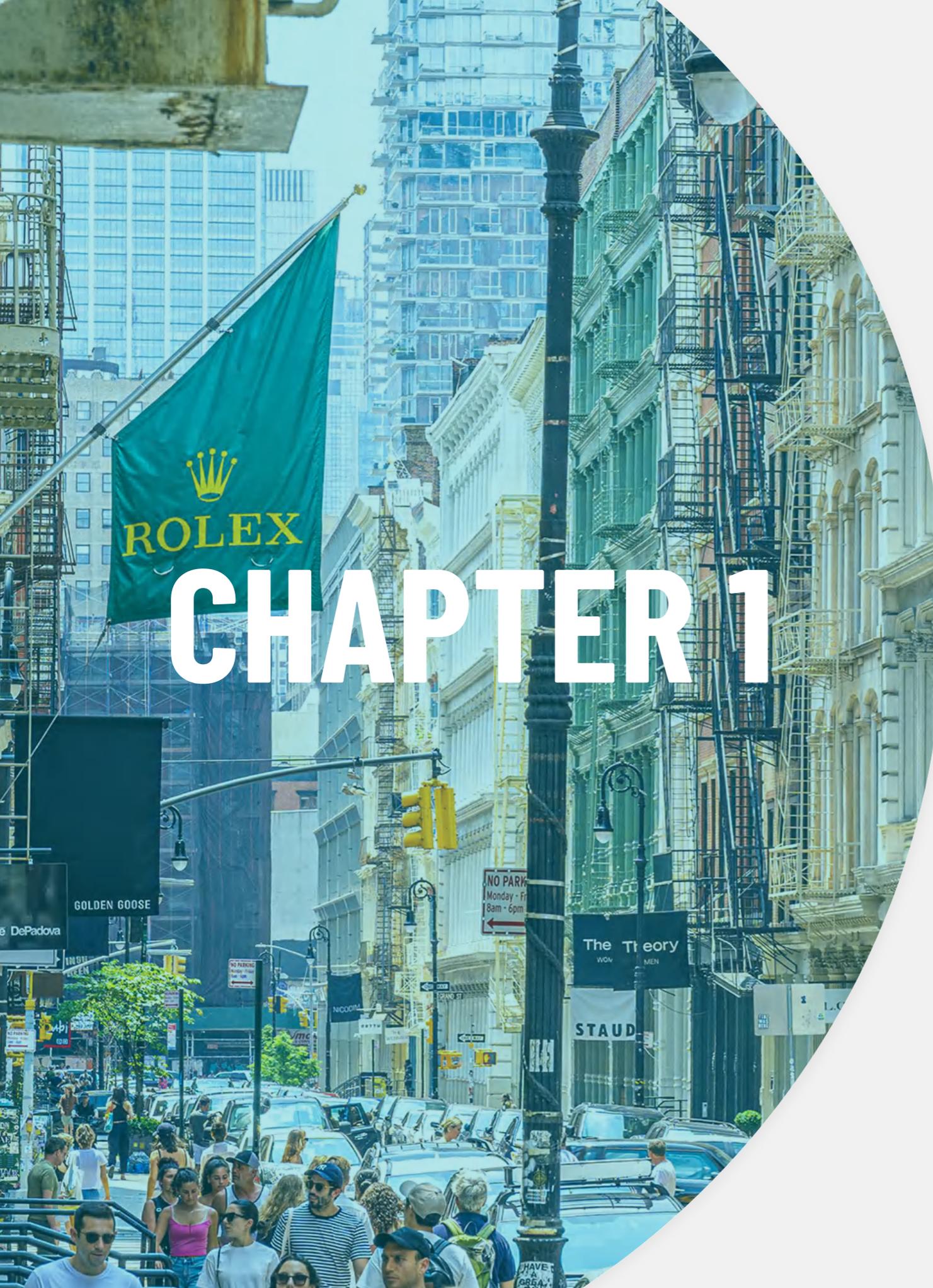
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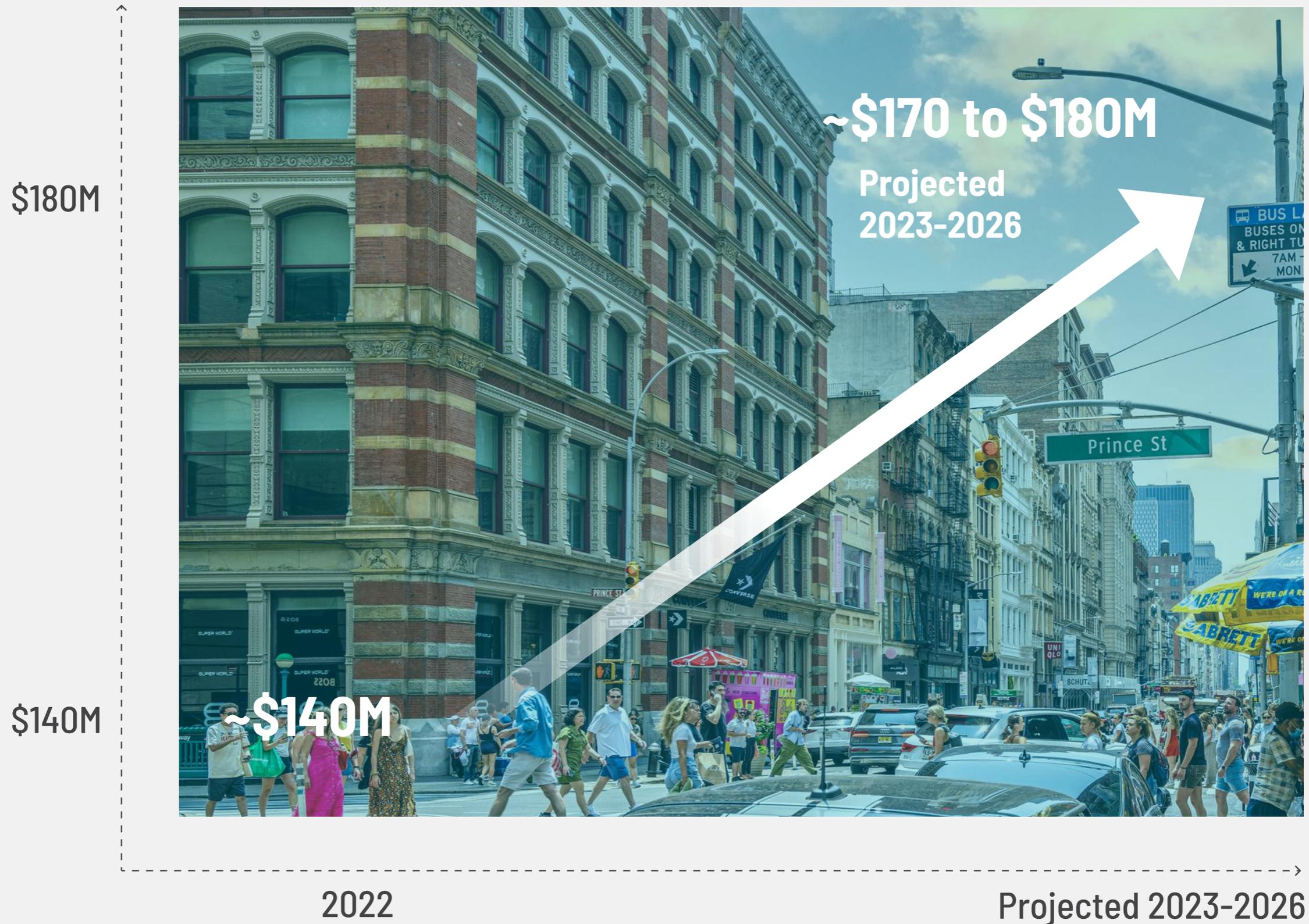




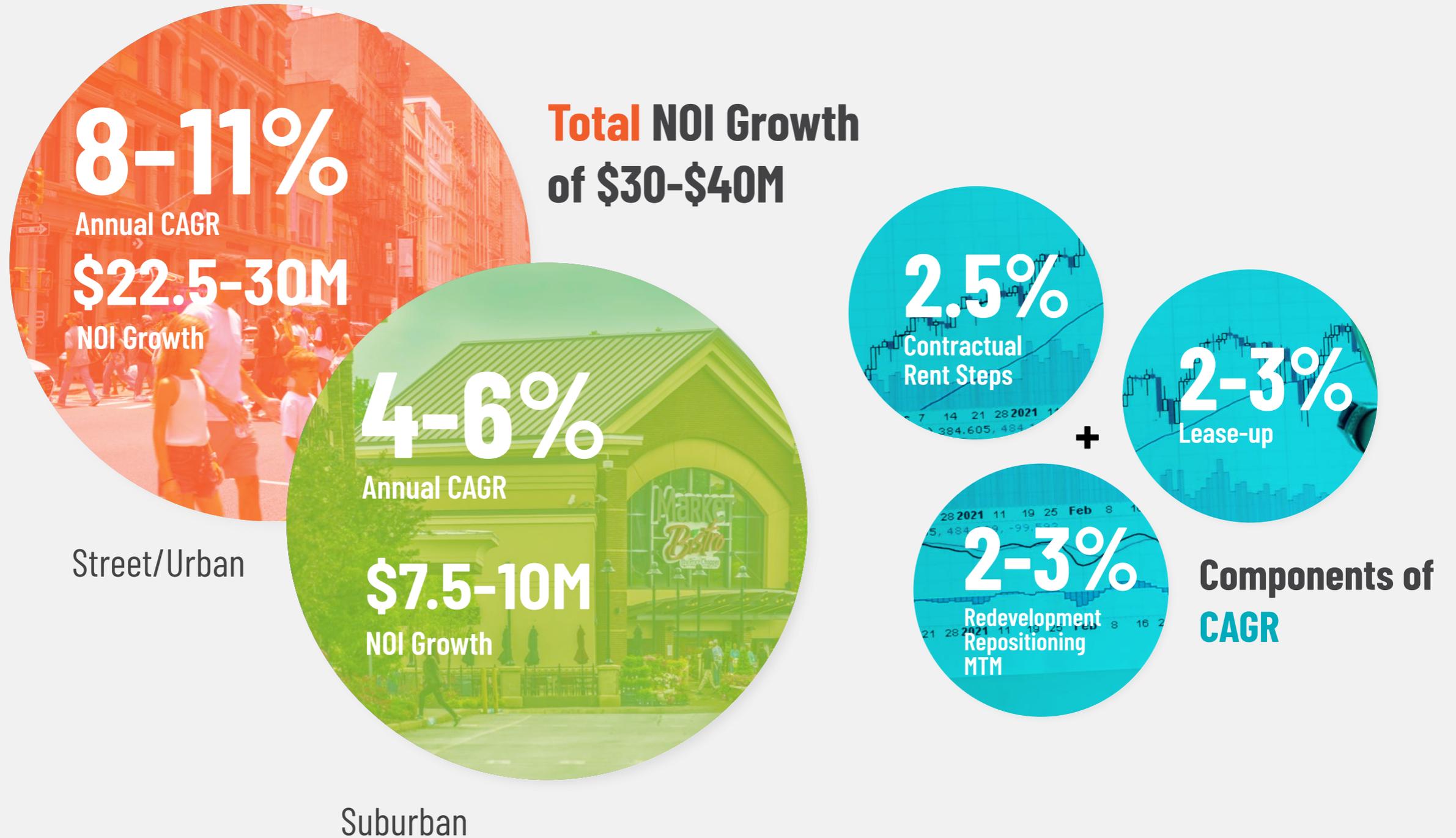
# CHAPTER 1

**Peer Leading Internal Growth Has Driven and Will Continue Driving Bottom Line Earnings Growth**

# \$30 - 40M of Internal NOI Growth = \$0.30 - 0.40 cents of Earnings Growth



# Building Blocks of Projected Core Internal NOI Growth



Note: Based upon projected 2023 through year-end 2026

# Acadia Realty Snapshot



	FFO	FFO Growth	SS NOI Growth
<b>2023 Guidance<sup>1</sup> (Midpoint)</b>	\$1.25	5.0%	5.5% (Estimate)
<b>2022 Actual</b>	\$1.19	7.2%	6.3%

**Initial Guidance:** \$1.17-\$1.26

**1Q23 Update:** \$1.19-\$1.26

**2Q23 Update:** \$1.21-\$1.29

Approx. +3% increase over Initial Guidance

**2023 Guidance Assumptions Include**  
Same Store NOI of 5-6%, comprised of:

**6-7%**  
Street & Urban Growth

**2-4%**  
Suburban Growth

<sup>1</sup>Excludes impact of 2023 unbudgeted incremental portion of BBBY early lease termination

# Beyond Words, We **Delivered**

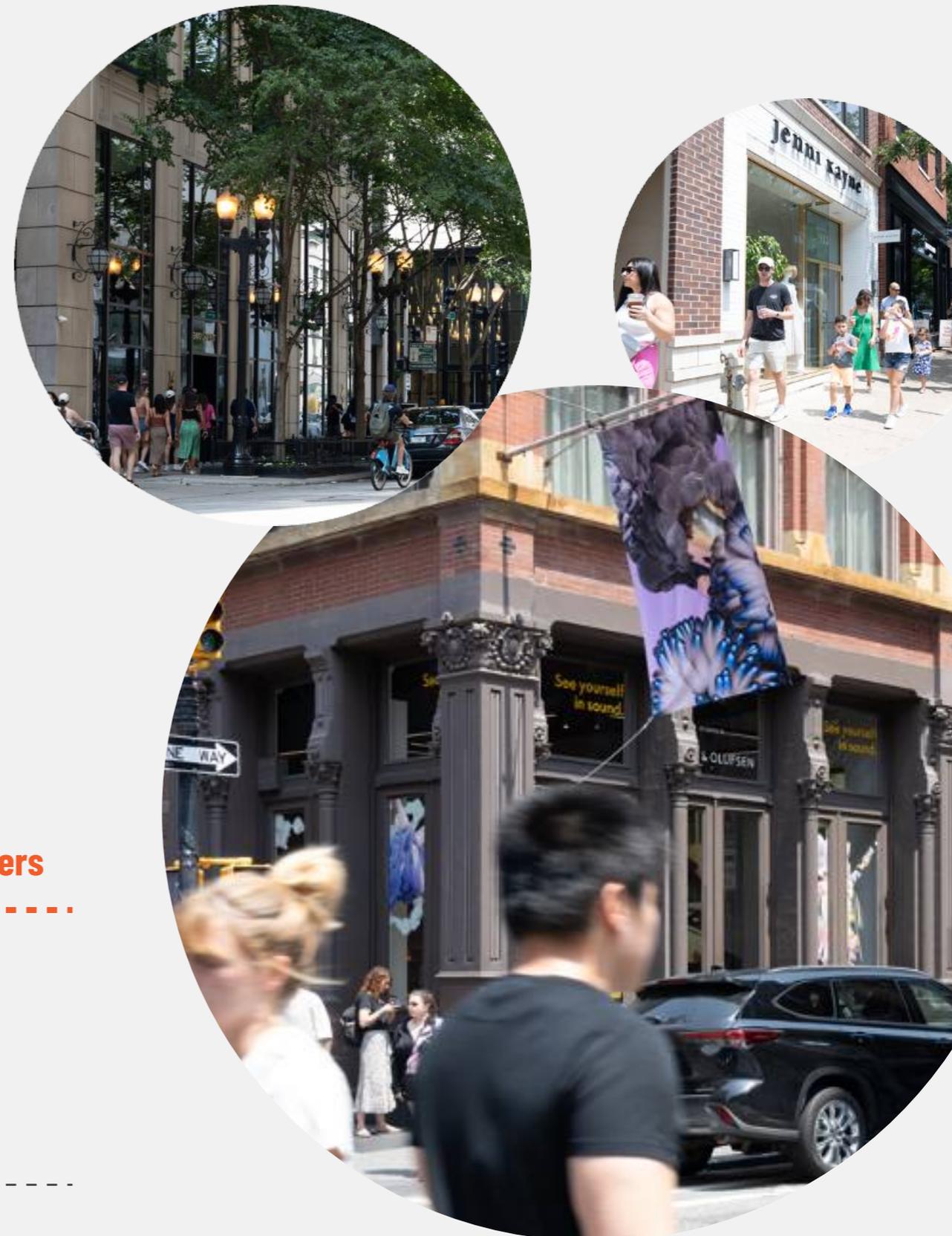
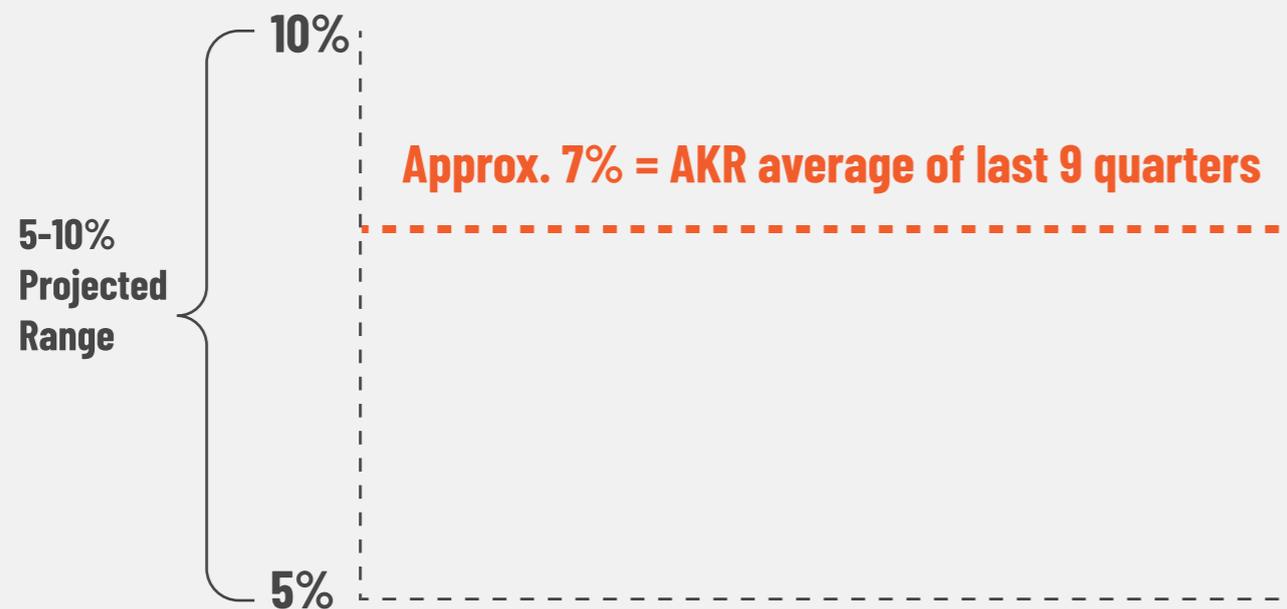
Our Core Portfolio HAS and is POISED to grow 5-10%

## What We **Said**

“In terms of the multi-year Core NOI growth trajectory...we are also starting to see the building blocks forming to grow above and beyond that...And we are becoming increasingly optimistic that it shows up within the next few years.”

(Q4-2020 Earnings Call)

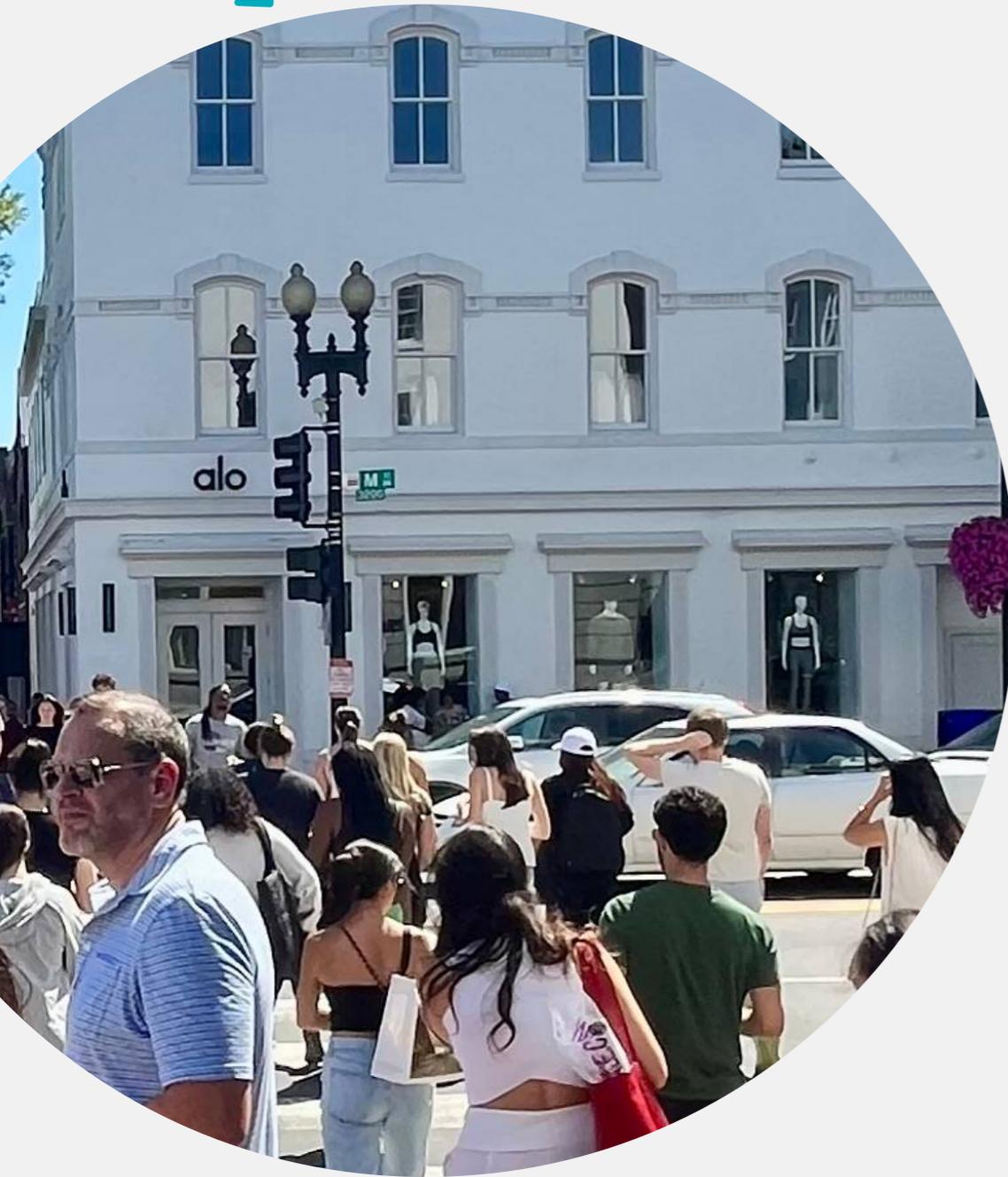
## What We **Did**



# Moving Pieces = Net Growth

**\$16M of Core Leases Signed in Last 18 Months**

Record leasing volumes over past 18 months  
offset expected rollovers and move-outs



**555 Ninth Street**



**Core N. Michigan Avenue Assets**

**N. Michigan and  
555 Ninth Street:**

**~40% of ABR Rollover  
impact realized in 2023**

**~60% of ABR Rollover  
impact realized in 2024**





# CHAPTER 2

## **Our Street Portfolio: What It Is...and What It Is Not**

# Our Street Portfolio – What It Is



**Higher** contractual annual rent steps



**Lower** leasing capex as a percentage of total rents and lower maintenance capex



**Fair value resets** results drive outsized rental growth

# Our Street Differentiation is Driving Growth

Live, work, play



**~70%** of street portfolio  
is in key high growth corridors  
Projected internal NOI growth (total Core  
portfolio) >20% over the next 3 years



# High Growth Markets Represent

## ~70% OF OUR STREET PORTFOLIO



Greenwich, CT



Melrose Place  
Los Angeles, CA



Henderson Ave,  
Dallas, TX



Soho, NYC, NY



Williamsburg,  
Brooklyn, NY



Armitage Ave,  
Chicago, IL

Projected multi-year **annual growth of 10%**  
with **Mark to Market ranging from 10%-50%**



Rush-Walton,  
Chicago, IL

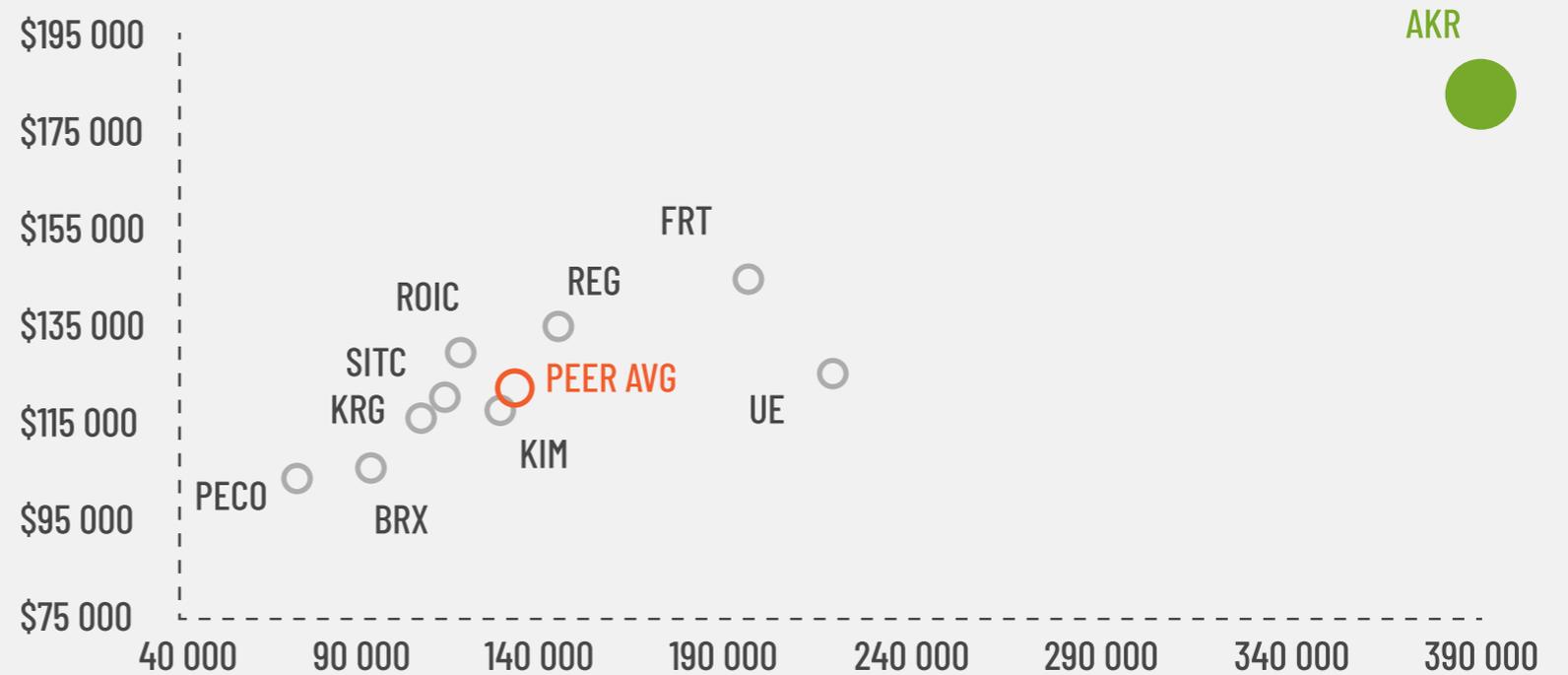


Georgetown,  
Washington D.C.

# Best in Class Portfolio Demographics

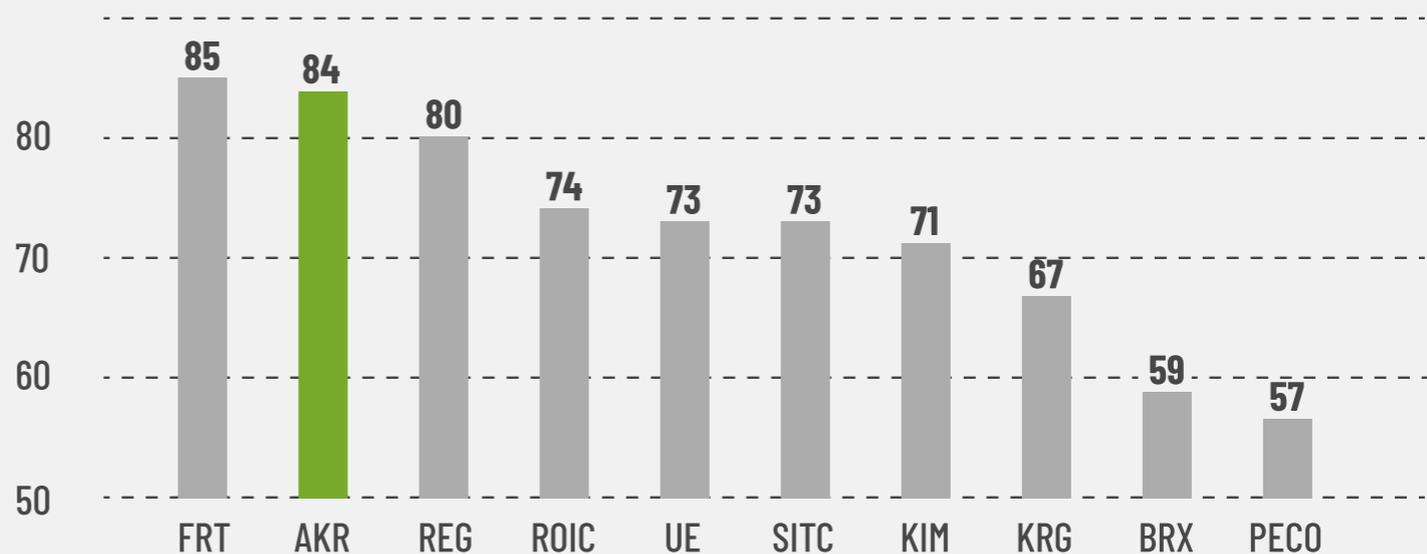
**Driven By High Growth Street & Urban Markets**

### Demographic Information for AKR Properties vs Peers <sup>1</sup>



**Higher Incomes More Durable through Cycles**

### Green Street TAP Score <sup>2</sup>

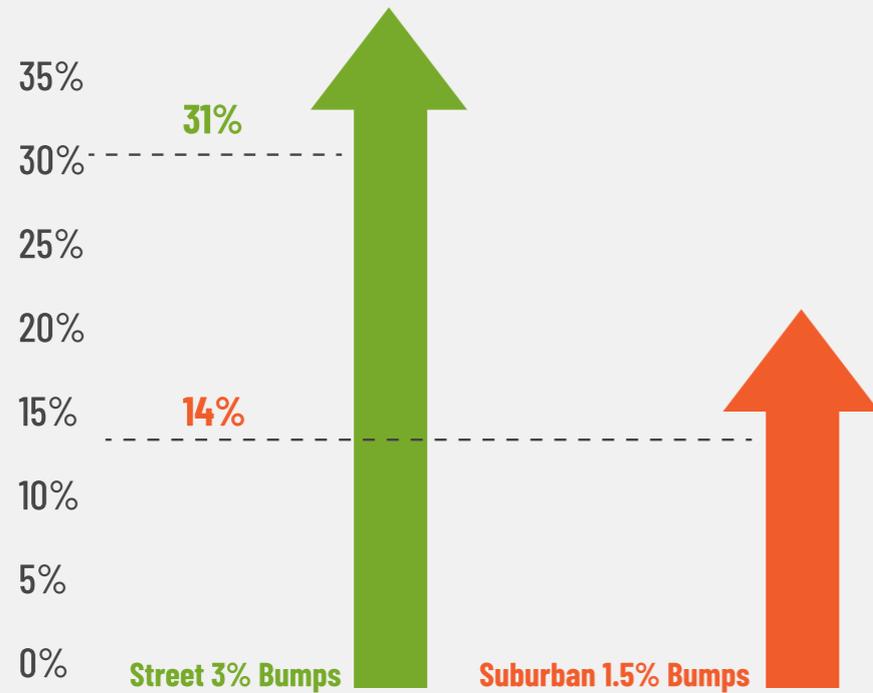


<sup>1</sup>Source: Green Street for Peer Data REGIS for AKR Data, Weighted Average on 1Q23 ABR

<sup>2</sup>Source: Green Street Strip Center Sector Update 6/30/2023

# Not All Space is Created Equal

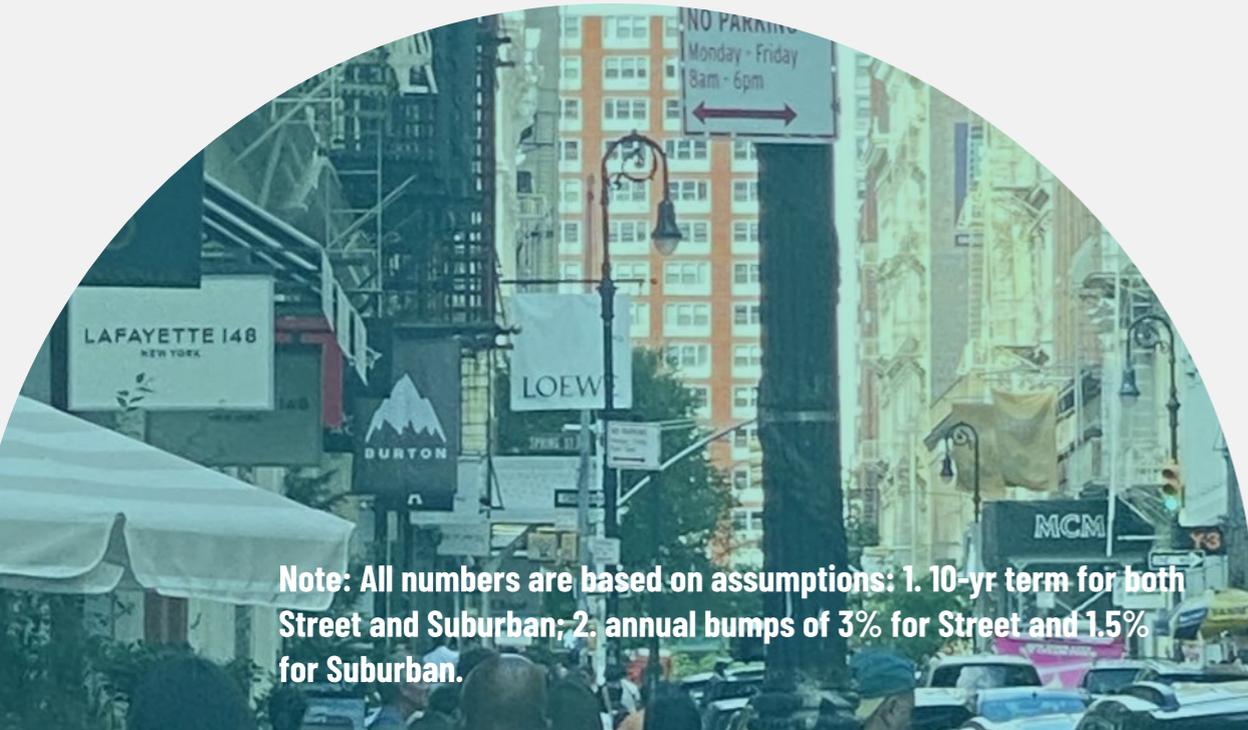
Cumulative Growth During 10-year Lease Term



**Bigger Contractual Bumps - Higher Internal Growth!**

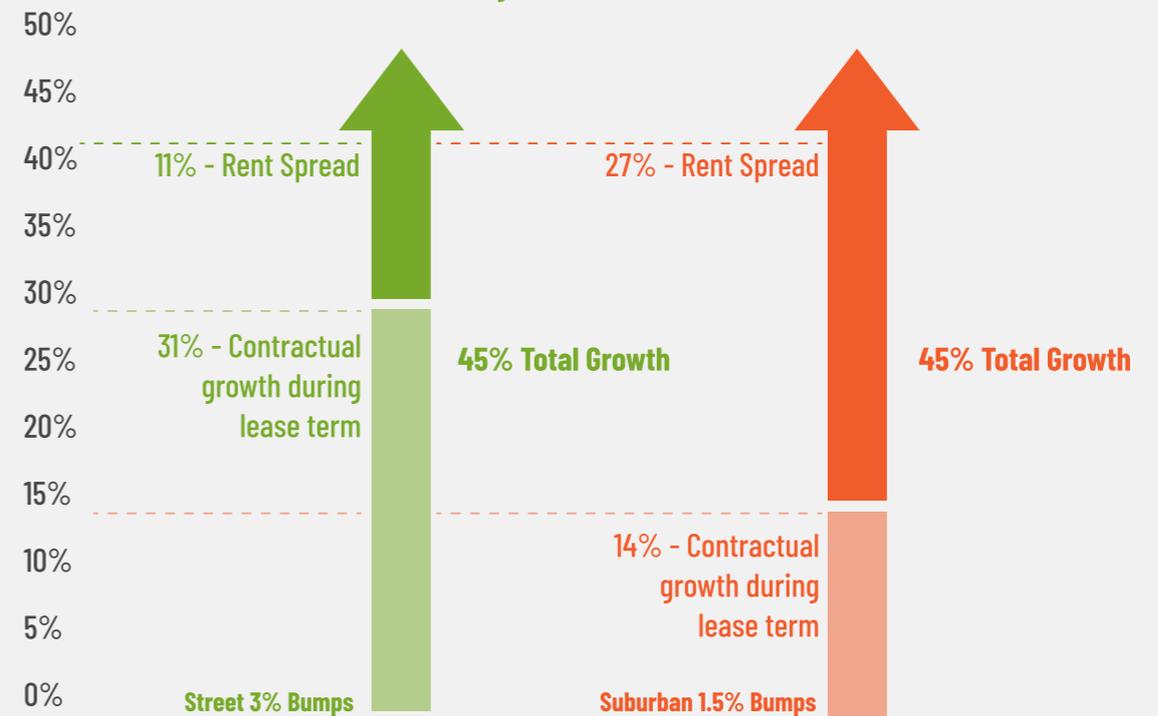
**Lower Leasing Capex as % of Rents - Higher Net Effective Rents/Higher Cash Flow!**

	Street	Suburban
Starting Rent:	\$200	\$20
Leasing Capex:	\$200	\$100
Capex Multiple:	1.0x	5.0x
Payback Period:	Year 1	Year 5
Net Effective Rent:	\$210	\$11
Spread Between Start Rent and NER:	5%	-43%



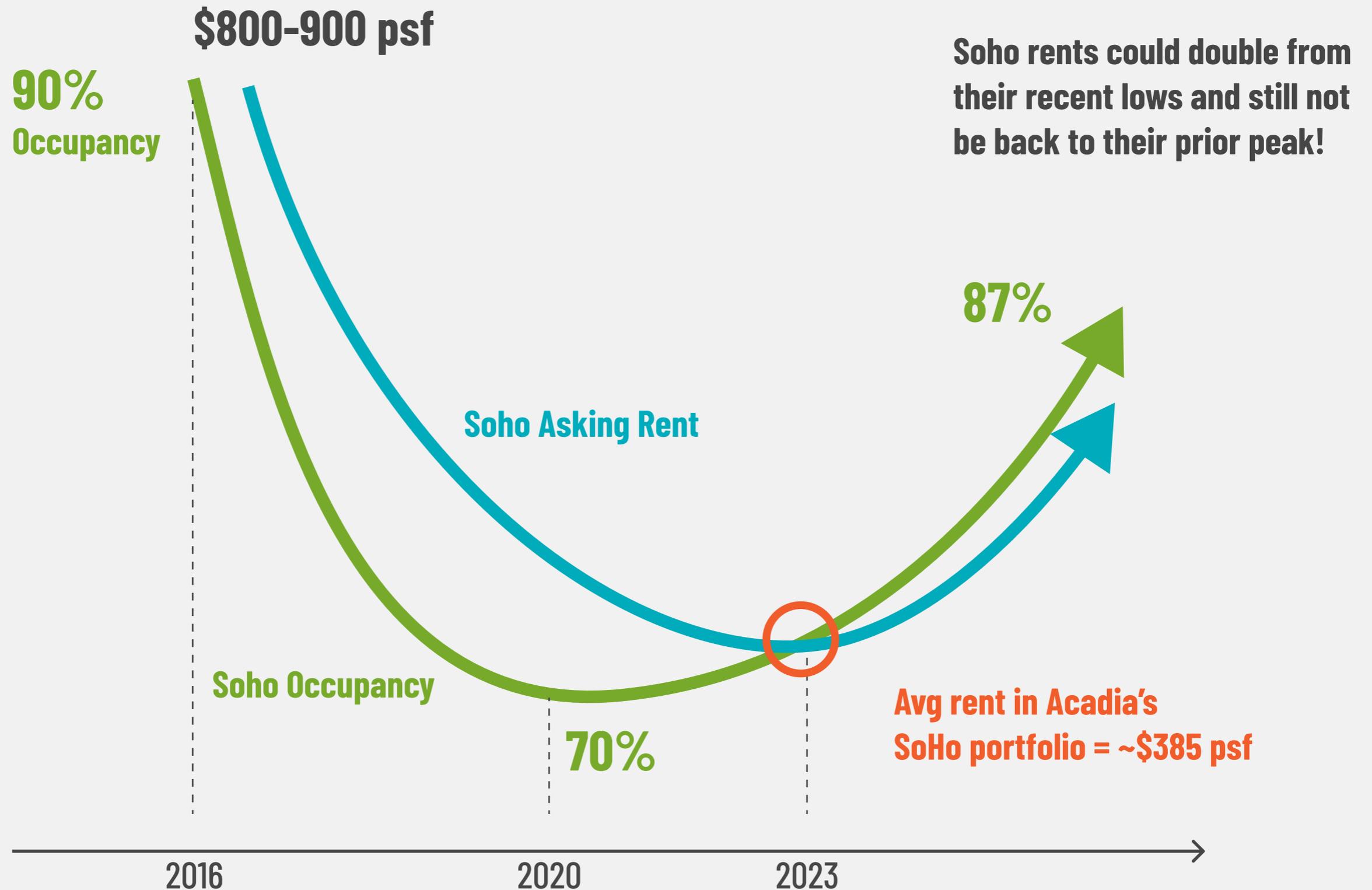
**Note: All numbers are based on assumptions: 1. 10-yr term for both Street and Suburban; 2. annual bumps of 3% for Street and 1.5% for Suburban.**

Lease Spread Required at End of Term to Have Start Rent of New Lease be 45% Higher Than Start Rent of Prior Lease



**Lower Lease Spreads Required at the End of Leases!**

# Soho Rents Poised for Growth



# Post Quarter Highlight: 565 Broadway in SoHo released at a 45% spread

- Prior leased **signed October 2021**
- **45% Cash Spread** =  
~\$1M of NOI/  
~\$0.01 of FF0/  
100 BPS of SS NOI
- **Including lease buyout,**  
< 1-year pay back on total  
lease capex



565 Broadway - RENDERING  
Soho, NYC, NY

# Streets Apart: Fair Value Reset Provisions

## MELROSE PLACE LOS ANGELES, CA



**GREATER of a 3% INCREASE or FMV**

**THREE** fair market resets at  
Melrose Place averaged **~30%**  
cash spreads

# Our Street Portfolio – What It Is **Not**



**NOT Return to Office  
Dependent**



**Chicago Beyond  
the Headlines**



**San Francisco  
Location Matters**

# BREAKING NEWS: FALSE NARRATIVE VS REALITY



**Stalled return to Office and Hybrid Work has a negative Impact on ALL "Urban Retail"**

**The false narrative generally conflates amenity-oriented retail with dynamic retail corridors**

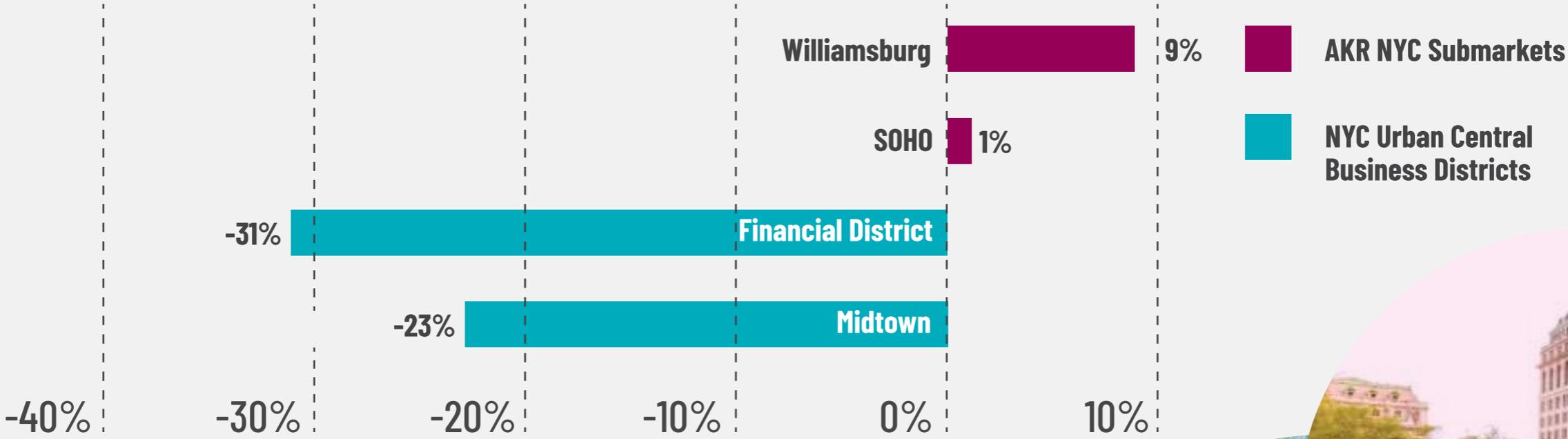


Williamsburg, September 2023

**Amenity-oriented retail in office dense submarkets are dependent on workers & commuters**  
**HOWEVER dynamic retail corridors have completely different traffic drivers**

# And the Data Shows....Foot Traffic in Select Submarkets

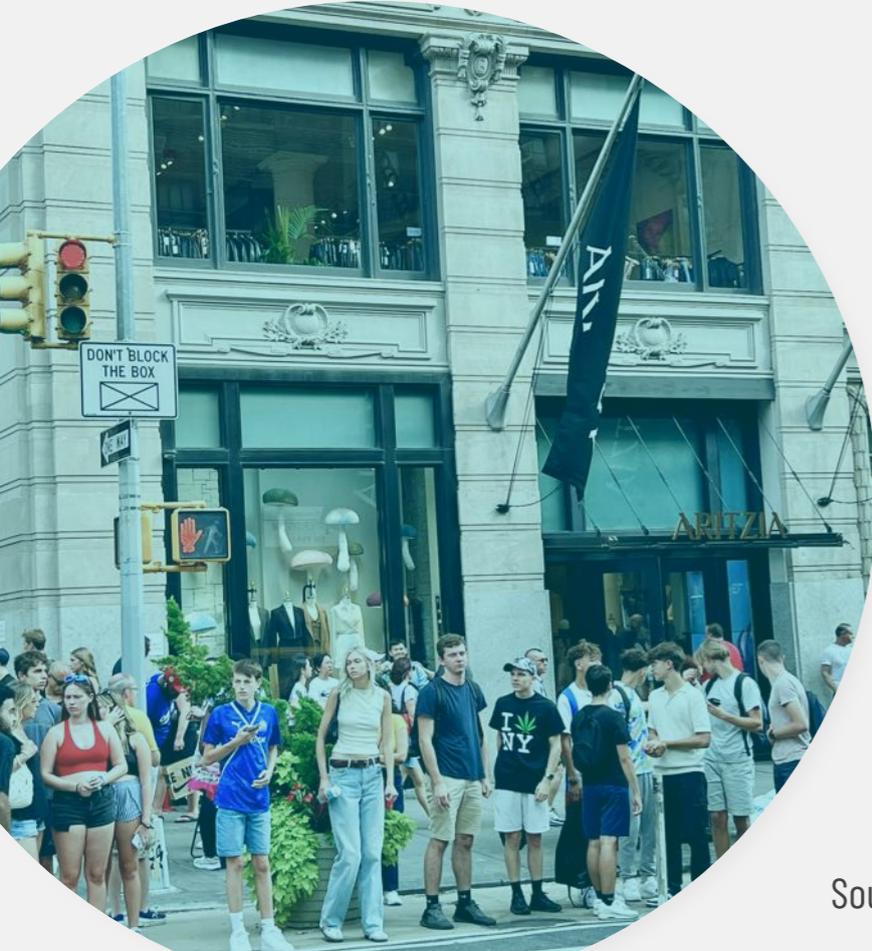
Foot Traffic YTD 2023 vs Same Month 2019 (pre-pandemic)



Change in Foot Traffic

### Impact on Acadia

- Office Attendance is NOT relevant to our portfolio
- Under 5% of our Annual Base Rent is office worker dependent



Source: Placer.ai

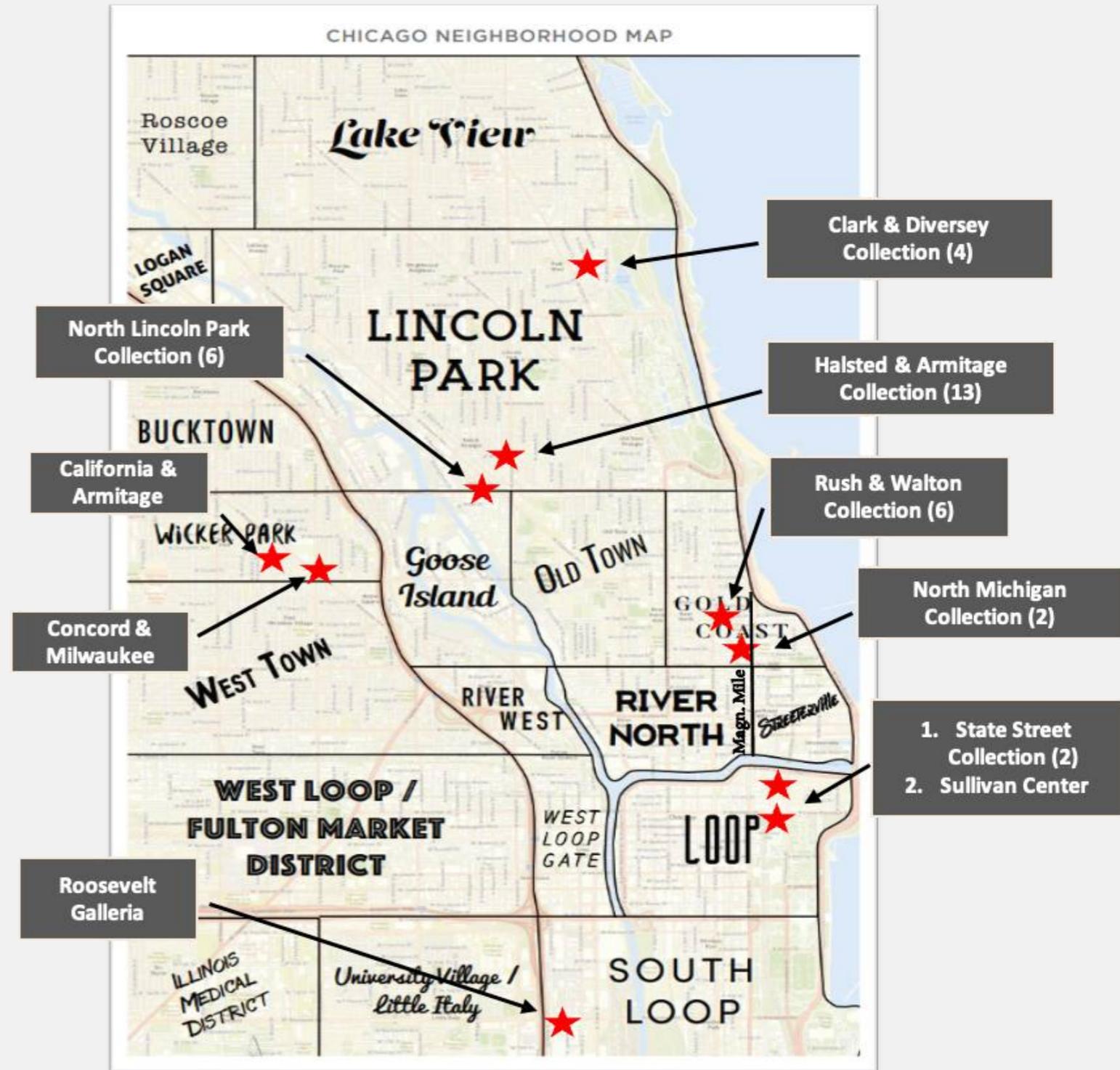
# Chicago by the Numbers

## Percent of Chicago ABR

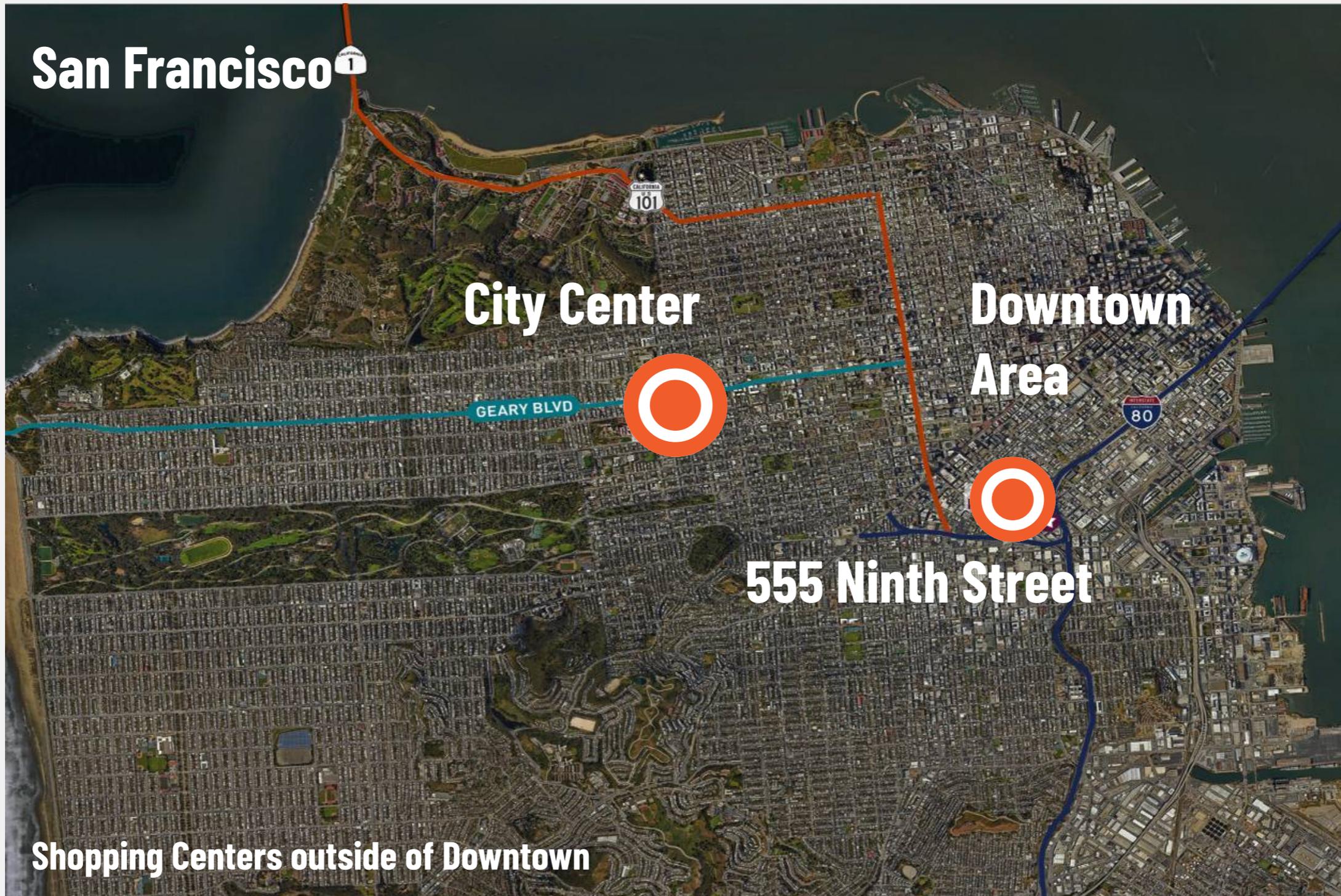
45% High-Growth

35% Stable / Credit

20% Challenged



# San Francisco 555 Ninth Street and City Center: Location Matters

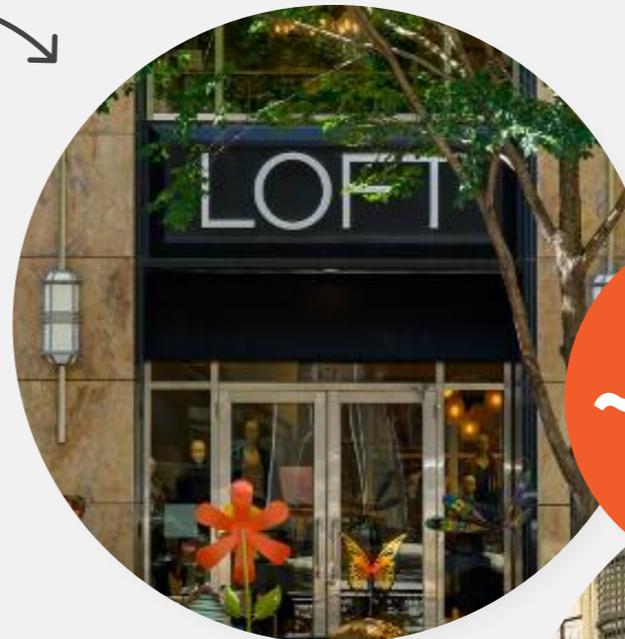


# Throwing Out the Baby with the Bath Water?

AKR Consensus NAV/Share<sup>1</sup>

~\$20

Core N. Michigan Avenue Assets



~\$0.85



555 Ninth Street

<sup>1</sup>AKR Consensus NAV from Citi Hunter 8-18-23 Report

# CHAPTER 3

CITY POINT

PRINCE STREET

**City Point:  
Meaningful Value  
and Earnings  
Accretion ~5%**

# City Point Update



**BARBIE PREMIERE  
AT ALAMO WITH  
GRETA GERWIG**



# Meaningful Earnings and Value Creation

**\$0.04-\$0.06 of FFO and  
~5% of NAV**



# Leasing Continues to Accelerate

With **~60,000 sq. feet of leases signed** but not yet open:

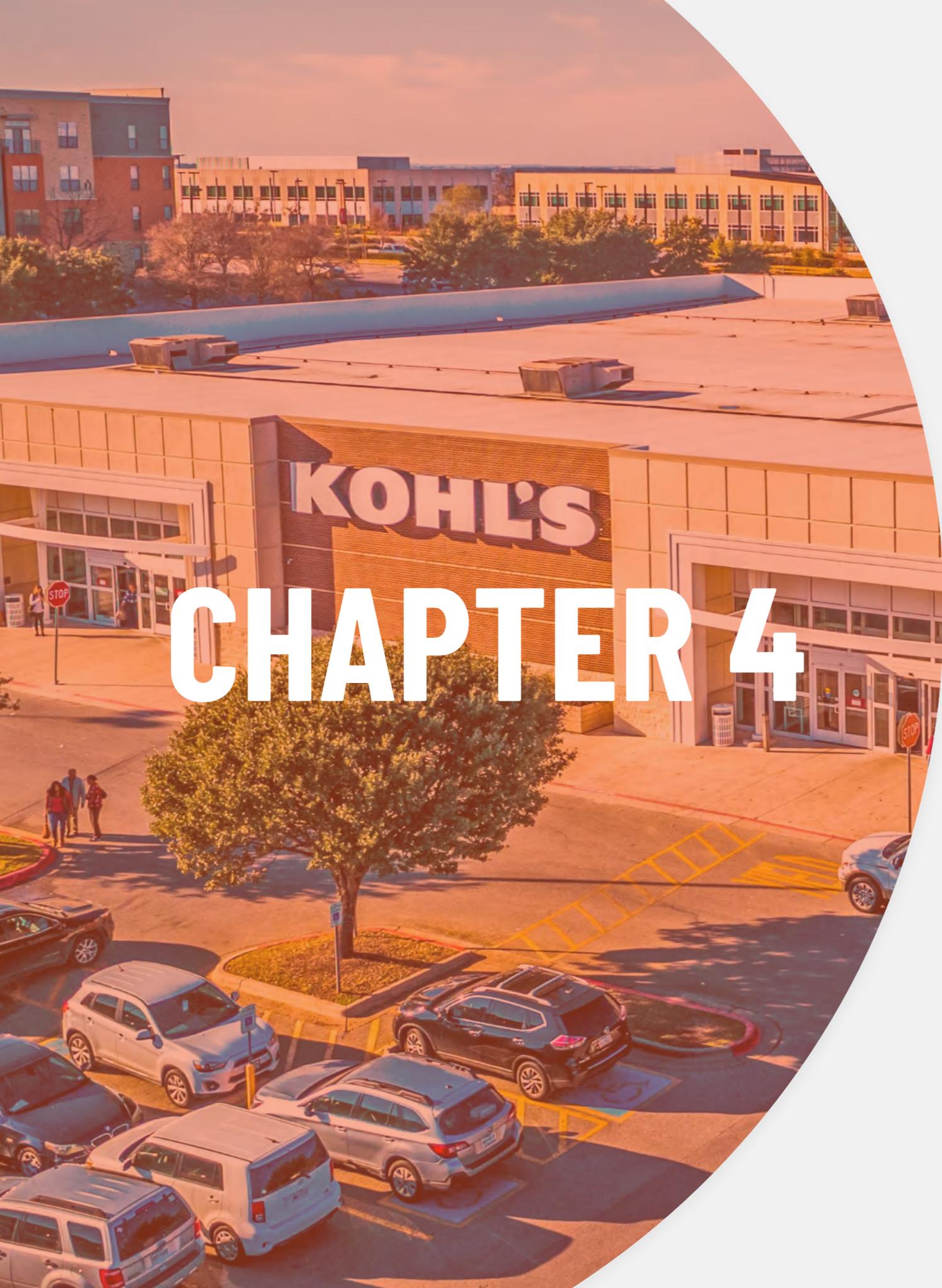
Fogo de Chao  
Dig  
Court 16  
Alamo expansion  
and...

**More leases in advanced stages of negotiation!**



Opened its doors on  
September 5, 2023!

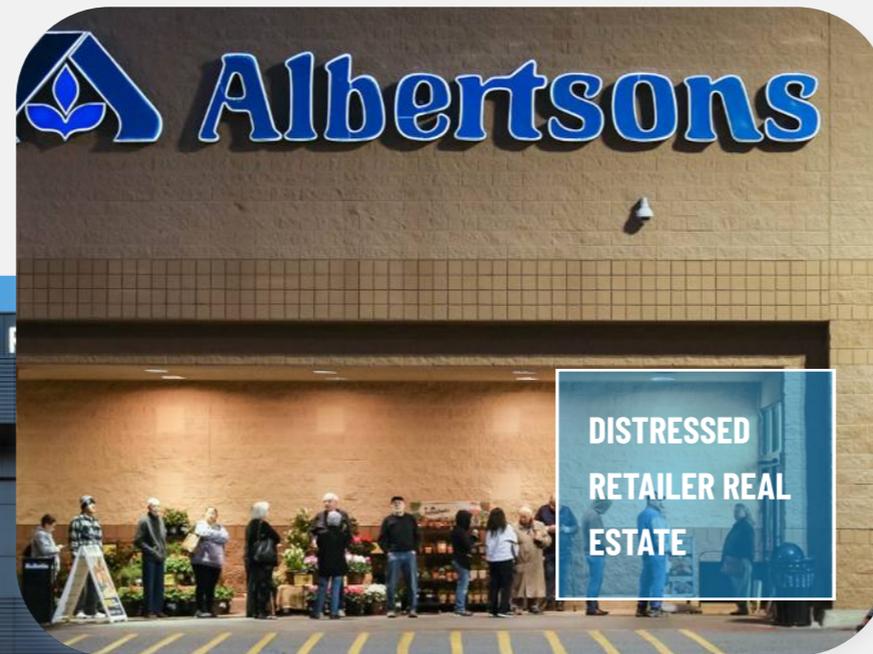
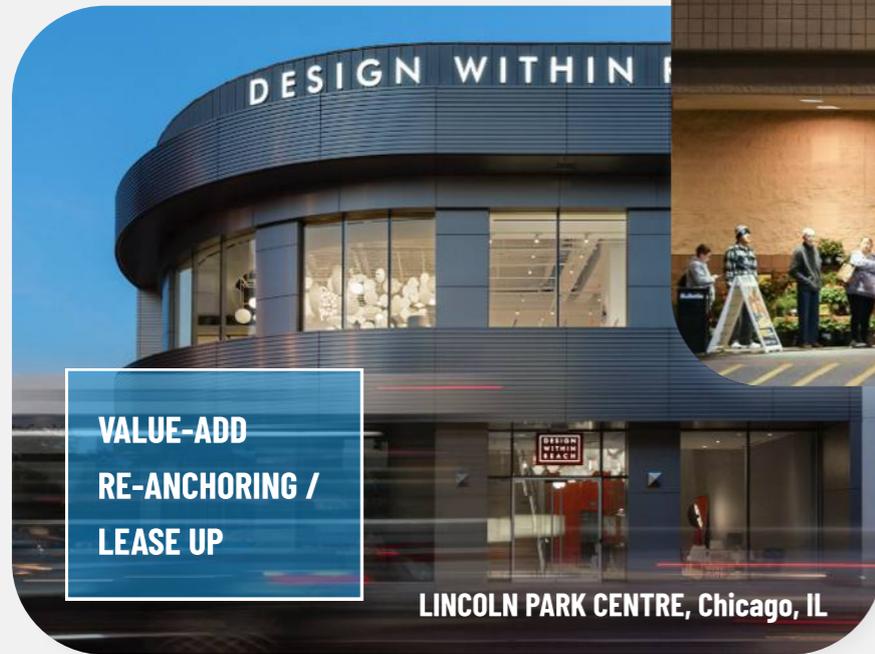




# CHAPTER 4

**Dual Platform /  
Ability to Move  
the Needle**

# STRATEGIES



# Fund V in Excess of \$1B High-Quality Suburban Shopping Center Portfolio





# CHAPTER 5

## Resilient Balance Sheet

# Solid Balance Sheet

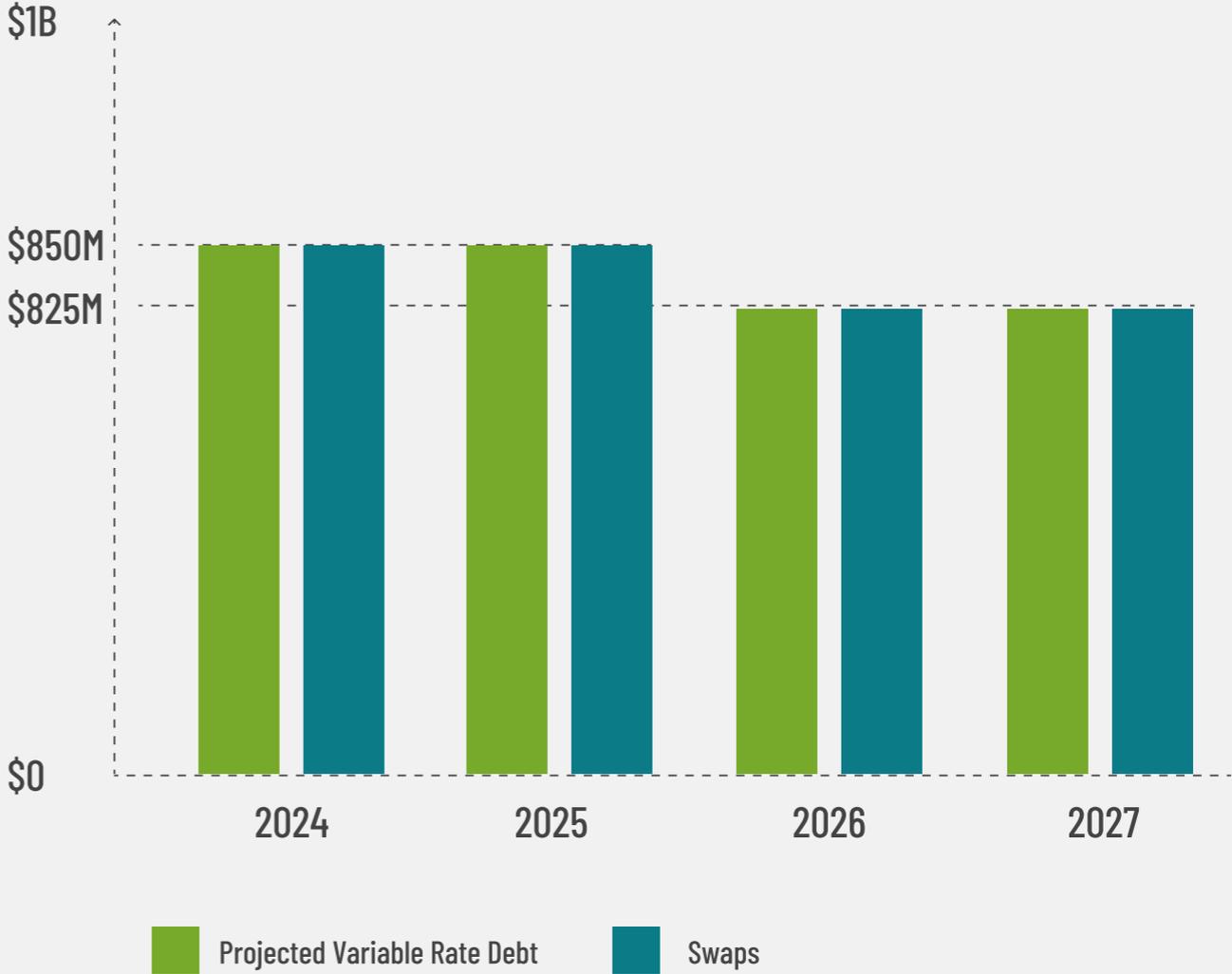
- Core debt portfolio **96% fixed**
- No material scheduled  
Core debt maturities until **2026**
- Core is substantially fixed  
(inclusive of interest rate  
swaps) through 2027
- No material construction or  
development cost commitments



# Core Balance Sheet Intact: Fully Hedged



**Sullivan Center**  
CHICAGO, IL





# CHAPTER 6

## What We've Been Up To



# Recent Tenant Upgrades



# Cypress Creek

Tampa, FL



July 2023

Fund V Acquisition: ~\$50M

~\$32M

The amount funded through new origination non-recourse mortgage.

98%

Current occupancy rate

Expected double-digit current leveraged returns

Anchored by Burlington Coat, Home Goods and Total Wine



# DENSIFICATION / VALUE ENHANCEMENT

CITY CENTER  
SAN FRANCISCO, CA

# 555 Ninth Street, San Francisco, CA



- Ready for Repositioning
- BBY space recaptured
- Jr Anchor / Container Store lease signed for part of 2nd level
- AKR development team successfully removed a significant zoning hurdle - eliminating significant time / cost typically required for national retailers to open and operate in San Francisco



**555 Ninth Street - RENDERING**  
**SAN FRANCISCO, CA**

# Corporate Responsibility



We believe that responsible environmental, social and community stewardship and responsible corporate governance are an essential part of our mission to build a successful business and create long-term value for our company and our stakeholders. We have established goals around our material ESG Program initiatives and are committed to reporting our performance in our annual Corporate Responsibility Report.



## ENVIRONMENTAL

- Named a **Green Lease Leader Gold Status**
- Pursuing initiatives to reduce our energy and water consumption and increase reliance on renewable energy sources, including:
  - Upgrade parking lot lighting with LED bulbs and smart lighting controls
  - Install smart irrigation controls
  - Source electricity from renewable energy for landlord-controlled common areas
  - Leasing space on our rooftops and common areas for solar projects and electric vehicle charging stations
- Received the **Outstanding Achievement in Land Use Award** from Green Business Partnership in 2019 for our commitment to sustainable operating practices at our headquarters

## GOVERNANCE

- Dedicated to maintaining a **high standard for corporate governance** predicated on integrity, ethics, diversity and transparency
- **33%** of our Board of Trustees represent gender, racial and/or ethnic diversity, as of the 2023 Annual Meeting
- Received the **2022 NAREIT Investor CARE Award** for the 5th consecutive year, recognizing our continued commitment to investor reporting, transparency and governance

## SOCIAL

- In 2020, our CEO signed the **CEO Action Pledge for Inclusion and Diversity**, and we established a formal DEI Steering Committee that is charged with advancing our DEI Program
- Our DEI program is focused on fostering a professional environment that fully embraces the fundamental values of diversity, equity and inclusion, starting with education through required DEI trainings
- Women represent **50%** of our employees and **32%** of our management-level positions, and racially and ethnically diverse employees represent **25%** of our employees and **24%** of our management-level positions, as of December 31, 2022
- Support our communities by hosting community events at our properties and donating time and resources to local schools and charitable organizations
- We were **certified as a Great Place to Work** in 2022 for the fourth consecutive year

# RECAP OF 6 KEY TAKEAWAYS



**Peer Leading Internal Growth  
Has Driven and Will Continue  
Driving Bottom Line  
Earnings Growth**

AKR is the only publicly traded company with meaningful exposure to Street Retail and these assets are enjoying a renaissance in terms of demand from a wide range of desirable retailers.



**Our Street Retail...  
What it is...  
What it is Not**

Despite the narrative that hybrid office working paradigm had negative implications for “Urban Retail,” our Street Retail locations have COMPLETELY different traffic drivers than that of office workers & commuters. We are seeing retail space INVENTORY DWINDLE and MARKET RENTS INCREASING.



**City Point: Meaningful  
Value and Earnings  
Accretion ~5%**

City Point is still a Fund asset, but we have gradually increased our ownership to ~ 60% and expect to eventually be at ~100%. The increased ownership and stabilization of this asset will be \$0.04 - \$0.06 accretive to earnings.



## Dual Platform / Ability to Move the Needle

Leveraging third-party capital is a core competency of Acadia – As our most recent Fund V becomes fully invested, we are evaluating various co-investment formats and we are well-positioned to access our institutional relationships for continued growth while our cost of capital keeps us on the sidelines.



## Resilient Balance Sheet

Core debt portfolio is 96% fixed and there are no material scheduled Core debt maturities until 2026.



## What We've Been Up To

1. Lease up of remaining vacancy on HIGH RENT STREETS,
2. Average RENT BUMPS of 2.5%,
3. Strong MARK-TO-MARKET, and
4. In-process REDEVELOPMENTS which require minimal capital. As demonstrated by the recent lease on Prince Street, the 45% rent spread alone is 1% accretive to earnings and we can MOVE THE NEEDLE.

## SAFE HARBOR STATEMENT

Certain statements in this press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations are generally identifiable by the use of words, such as "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project," or the negative thereof, or other variations thereon or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results and financial performance to be materially different from future results and financial performance expressed or implied by such forward-looking statements, including, but not limited to: (i) macroeconomic conditions, such as a disruption of or lack of access to the capital markets, disruptions and instability in the banking and financial services industries and rising inflation; (ii) the Company's success in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (iii) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and their effect on the Company's revenues, earnings and funding sources; (iv) increases in the Company's borrowing costs as a result of rising inflation, changes in interest rates and other factors, including the discontinuation of the USD London Interbank Offered Rate, which was effected on June 30, 2023; (v) the Company's ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (vi) the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (vii) the Company's ability to obtain the financial results expected from its development and redevelopment projects; (viii) the tenants' ability and willingness to renew their leases with the Company upon expiration, the Company's ability to re-lease its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations the Company may incur in connection with the replacement of an existing tenant; (ix) the Company's potential liability for environmental matters; (x) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; (xi) the economic, political and social impact of, and uncertainty surrounding, any public health crisis, such as COVID-19 Pandemic, which adversely affected the Company and its tenants' business, financial condition, results of operations and liquidity; (xii) uninsured losses; (xiii) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (xiv) information technology security breaches, including increased cybersecurity risks relating to the use of remote technology; (xv) the loss of key executives; and (xvi) the accuracy of the Company's methodologies and estimates regarding environmental, social and governance ("ESG") metrics, goals and targets, tenant willingness and ability to collaborate towards reporting ESG metrics and meeting ESG goals and targets, and the impact of governmental regulation on its ESG efforts.

The factors described above are not exhaustive and additional factors could adversely affect the Company's future results and financial performance, including the risk factors discussed under the section captioned "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and other periodic or current reports the Company files with the SEC. Any forward-looking statements in this press release speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any changes in the Company's expectations with regard thereto or changes in the events, conditions or circumstances on which such forward-looking statements are based.

The Company uses, and intends to continue to use, the Investors page of its website, which can be found at [www.acadiarealty.com](http://www.acadiarealty.com), as a means of disclosing material nonpublic information and of complying with its disclosure obligations under Regulation FD, including, without limitation, through the posting of investor presentations that may include material nonpublic information. Accordingly, investors should monitor the Investors page, in addition to following the Company's press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.