



## **Acadia Realty Trust Acquires Three Shopping Centers for \$26.7 Million**

September 19, 2002

NEW YORK, Sep 19, 2002 (BUSINESS WIRE) -- Acadia Realty Trust (NYSE: AKR), a fully integrated shopping center real estate investment trust, announced today the completion of the acquisition of three supermarket-anchored shopping centers located in Ohio through its acquisition joint venture, Acadia Strategic Opportunity Fund, LP.

The total purchase price for the three properties, which aggregate 324,000 square feet, was \$26.7 million, representing an 11.6% cap rate on the current net operating income before structural reserves and imputed management fees (10.7% cap rate inclusive of these adjustments). Two of the centers, located in Cleveland, are anchored by Giant Eagle, the dominant supermarket in the region. The third center, located in Columbus, is anchored by Big Bear Supermarket, the number two grocer in that market.

Sheffield Crossing is anchored by a 59,000 square foot Giant Eagle supermarket and CVS drugstore and is currently 88% occupied. The shopping center, which was developed in 1997, totals 112,000 square feet and is uniquely positioned at two major intersections in Sheffield, a suburb of Cleveland.

Amherst Marketplace, also located in the Cleveland Metropolitan area, is well-located along State Route 2, a four-lane highway, in Amherst. The 80,000 square foot shopping center, which was developed in 1996, is 100% occupied and is anchored by a 66,000 square foot Giant Eagle supermarket.

Granville Center is located in a densely populated section of Columbus. The 132,000 square foot shopping center, which is currently 91% occupied, was completely redeveloped in 1999/2000 with a new 55,000 square foot Big Bear Supermarket as the anchor.

The favorable cap rate is due, in part, to the two Giant Eagle anchored centers being encumbered by existing above-market-rate debt. The Company is assuming \$12.6 million of fixed-rate debt on two of the properties at a blended rate of 8.1% and obtaining a new \$6.0 million loan on the third property at a floating rate of LIBOR plus 2%. The current weighted average rate for the combined \$18.6 million of debt is 6.7%.

Commenting on the purchase, Kenneth Bernstein, President and CEO, stated "We consider these purchases, which are the first for our acquisition joint venture, a good initial step in filling our \$300 million acquisition pipeline. These well-located shopping centers, with solid market demographics, complement our existing mid-west portfolio of necessity-based retail anchored shopping centers. Even after adjusting for the above-market rate debt, we have acquired these properties at an attractive cap rate. In addition to the favorable pricing, there is additional upside related to future potential occupancy increases at the properties. Although the competition for buying shopping centers remains intense, we believe our creativity and flexibility in structuring deals as well as our ability to execute quickly and efficiently keep us extremely competitive and enable us to achieve attractive returns for our shareholders and joint venture partners"

As previously disclosed the Company is the general partner of the joint venture with a 22% interest in the joint venture and, additionally, is entitled to a profit participation in excess of its invested capital based on certain investment return thresholds. The Company will also earn various market-rate property level fees.

Acadia Realty Trust, headquartered on Long Island, NY, is a self-administered equity real estate investment trust structured as an UPREIT, which specializes in the operation, management, leasing, renovation and acquisition of shopping centers. The Company currently owns and operates 35 properties totaling approximately 7 million square feet, located primarily in the Eastern and Midwestern regions of the United States.

Certain matters in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and as such may involve known and unknown risk, uncertainties and other factors which may cause the actual results, performances or achievements of Acadia to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this document. Acadia expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Acadia's expectations with regard thereto or change in events, conditions or circumstances on which any such statement is based.

For more information visit Acadia Realty Trust's Web site at [www.acadiarealty.com](http://www.acadiarealty.com)

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