



## **Acadia Realty Trust Further Reduces Kmart Exposure - Sells Two Shopping Centers for \$16.8 Million**

October 14, 2002

NEW YORK, Oct 14, 2002 (BUSINESS WIRE) -- Acadia Realty Trust (NYSE: AKR), a fully integrated shopping center real estate investment trust, announced today the sale of two shopping centers to Armstrong Capital LLC, a real estate investment fund, for \$16.8 million.

Manahawkin Village Shopping Center, located in Manahawkin, New Jersey, is currently 100% occupied and anchored by an 112,000 square foot Kmart and a 10-screen Hoyt's theater. Kmart's base rent at this center was the highest among all of the Kmart locations within Acadia's portfolio. To date, none of the Kmart stores in Acadia's portfolio have been closed or any of the leases rejected.

The remaining five Kmart locations within Acadia's portfolio pay an average base rent of \$3.60 per square foot and the stores average sales of \$190 per square foot. Acadia also has a 49% joint venture interest in a shopping center located in White Plains, New York which has a Kmart store with rent of \$5.60 and sales of \$330 per square foot.

The second property sold was Valmont Plaza, a 200,000 square foot shopping center located in West Hazelton, Pennsylvania. Acadia recently finalized a 41,000 square foot lease with Big Lots as a new anchor for the center.

Assuming redeployment of net proceeds, the transaction is not anticipated to have a material impact on 2003 earnings. The Company eliminated \$7.3 million of debt in connection with the property sale, including \$4.0 million of above-market fixed rate debt. To expedite the transaction, Acadia provided the buyer with \$12.6 million of short-term financing which is anticipated to be repaid in 2002.

Earlier this year, Acadia had completed its non-core property disposition initiative which included the sale of six Ames and three Kmart locations. Today's sales are part of the Company's ongoing capital recycling program. The Company anticipates redeploying the capital from such sales through its acquisition joint venture which, as previously announced, recently purchased three properties and is seeking to acquire a total of \$300 million of shopping centers.

Commenting on the purchase, Kenneth Bernstein, President and CEO, stated "This transaction serves two important goals for Acadia. First, it enables us to efficiently recycle capital and maximize the return to our shareholders by reinvesting capital in more accretive opportunities such as our acquisition joint venture. Second, this transaction reduces our exposure to Kmart. Although our Kmart stores, including the Manahawkin Shopping Center location, are productive with above average sales, this transaction is important in achieving our goal to diversify our national tenant base and to reduce our exposure to any one retailer, including Kmart."

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 (or has a joint venture interest in) and operates 36 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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