



Acadia Realty Trust Announces Purchase of Non-Performing Loan; 235,000 Kroger Anchored Center in Aiken, South Carolina

March 11, 2004

NEW YORK--(BUSINESS WIRE)--March 11, 2004--Acadia Realty Trust (NYSE: AKR - the "Company") today announced that its affiliated acquisition venture, Acadia Strategic Opportunity Fund ("Acadia Fund I"), in conjunction with its long time investment partner, Hendon Properties ("Hendon"), purchased a first mortgage loan from New York Life Insurance Company secured by a 235,000 square foot shopping center in Aiken, South Carolina. The \$9.6 million loan, which is currently in default, was purchased for \$5.5 million.

Acadia Fund I and Hendon have acquired the loan with the intention of pursuing ownership of the property securing the debt. The property is currently anchored by a Kroger supermarket and a vacant Kmart with a current occupancy of 56%. The Company believes that the ultimate acquisition of this under-utilized retail shopping center will present an opportunity for a value-added investment with above average returns.

Kenneth F. Bernstein, Acadia's President and CEO commented that, "The investment represented by Hitchcock Plaza is consistent with our opportunistic and value-added acquisition focus. Acadia has made several important investments with Charlie Hendon and his team. We look forward to this acquisition being another profitable transaction."

Acadia Realty Trust, headquartered in White Plains, NY, is a fully integrated and self-managed real estate investment trust which specializes in the acquisition, redevelopment and operation of shopping centers which are anchored by grocery and value-oriented retail. Acadia currently owns, or has interests in, and operates 62 properties totaling approximately nine million square feet, located primarily in the Northeast, Mid-Atlantic and Midwest United States.

Certain matters in this press release may constitute forward-looking statements within the meaning of federal securities law 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. The Company also refers you to the documents filed by the Company, from time to time, with the Securities and Exchange Commission, including without limitation the Company's Annual Report on Form 10-K and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference therein, for a discussion of such risks and uncertainties.

For more information on the joint venture partners, visit their Web sites at www.acadiarealty.com, www.klaffrealty.com, and www.lubertadler.com

CONTACT: Investor Relations:
Jon Grisham, 914-288-8142

SOURCE: Acadia Realty Trust