



Acadia Realty Trust Announces Purchase of 400 East Fordham Road in The Bronx, NY

September 29, 2004

Launches Urban/Infill Redevelopment Program with 117,000 Square Foot Building Anchored by Sears

NEW YORK--(BUSINESS WIRE)--Sept. 29, 2004-- Acadia Realty Trust (NYSE: AKR - the "Company") in conjunction with its investment partners, Aaron Malinsky and Paul Slayton of P/A Associates, today announced it has purchased 400 East Fordham Road in The Bronx, NY. The property, a multi-level retail and commercial building, is located at the intersection of East Fordham Road and Webster Avenue, near Fordham University. Fordham Road is the strongest retail area in The Bronx and is the third largest retail corridor in New York City, with over 650,000 people in a two-mile radius and retail sales in excess of \$500 million. Sears is the major tenant of the property, retailing on four levels.

The redevelopment of the property is scheduled to commence in 2007 following the expiration of the Sears' lease, which was originally signed in 1964. The strength of the retail market is evidenced by rents exceeding \$75 per square foot with many retailers utilizing multi-level formats. As part of the redevelopment, there is the potential for additional expansion of up to 85,000 square feet of space.

The total cost of the redevelopment project, including the acquisition cost, is estimated to be between \$35 and \$40 million, depending on the ultimate scope of the project. Upon completion of the redevelopment, it is anticipated the project will earn an unleveraged yield in excess of 10%.

Kenneth F. Bernstein, Acadia's President and Chief Executive Officer, commented, "The Fordham Road redevelopment is the first of what we expect will be several New York urban/infill redevelopment projects that we plan to execute with P/A Associates. Fordham Road is a unique, high barrier-to-entry market which is currently underserved by national retailers. Acadia has successfully completed several infill redevelopments and, at this point in the investment cycle, we believe that these value-added projects are an excellent use of our capital and resources. We have known Aaron Malinsky and Paul Slayton of P/A Associates for many years and look forward to working with them as co-developer on the Fordham project as well as on potential future redevelopments."

Acadia is acquiring this asset through Acadia Strategic Opportunity Fund II, LLC ("Fund II"). Fund II, with \$300 million of committed discretionary capital, has been established to acquire up to \$900 million of real estate assets on a leveraged basis as well as invest in Acadia's Retailer Controlled Property Venture with The Klaff Organization. Acadia will earn a pro rata return on its invested equity as well as fees for asset management, property management, leasing and construction services. Acadia also has the opportunity to earn additional amounts based on certain investment return thresholds.

About P/A Associates - P/A Associates, LLC was formed by Aaron Malinsky and Paul Slayton, to concentrate on urban development/redevelopment opportunities. Aaron Malinsky is the former Vice Chairman and Chief Development Officer for the Great Atlantic and Pacific Tea Company ("A&P"). Mr. Malinsky is one of the principals of the recently completed River Plaza, a 235,000 square foot, \$90 million shopping center located at 225th Street in The Bronx, NY and anchored by a 130,000 square foot Target and a 35,000 square foot Marshall's. The property was an assemblage of a number of parcels including the purchase of a former commissary for Columbia University Hospital.

Paul Slayton has been an active real estate developer for over 40 years, including the development of 6 million square feet of shopping centers, 4 million square feet of office and industrial space and 1.5 million square feet of self-storage.

About Acadia - 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 68 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 visit Acadia Realty Trust's Web site at www.acadiarealty.com

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