



Acadia Realty Trust Prices \$100 Million of 3.75% Convertible Notes Due 2026

December 6, 2006

NEW YORK--(BUSINESS WIRE)--Dec. 6, 2006--Acadia Realty Trust (NYSE: AKR - "Acadia" or the "Company"), a real estate investment trust ("REIT"), today announced it has priced a private offering of \$100 million aggregate principal amount of 3.75% convertible notes (the "Notes") due 2026. The sale of the Notes is expected to close on December 11, 2006. The Company has granted to the initial purchasers a 30 day option to purchase up to an additional \$15 million aggregate principal of the Notes. The Notes will be unsecured obligations of the Company. The Notes will be convertible, prior to the close of business on the second business day prior to the stated maturity date at any time on or after December 15, 2025 and also earlier upon the satisfaction of certain conditions, into cash up to their principal amount and, at the Company's option, cash, the Company's common shares or a combination of cash and the Company's common shares in respect to the remainder, if any, of the conversion value in excess of such principal amount.

The Company expects to use the net proceeds from the sale of the notes for the repayment of outstanding indebtedness, to fund capital commitments and use the remainder of the proceeds for general company purposes.

Interest on the Notes will be payable in cash on June 15 and December 15 of each year, beginning on June 15, 2007, and the Notes will mature on December 15, 2026. The Notes will have an initial conversion rate of 32.4002 of the Company's common shares for each \$1,000 principal amount of the Notes, representing a conversion price of approximately \$30.86 per common share, representing a conversion premium of approximately 20.0% based on the December 5, 2006 closing sale price of the Company's common stock as reported on the New York Stock Exchange of \$25.72. The initial conversion rate is subject to adjustment under certain circumstances.

Prior to December 20, 2011, the Company will not have the right to redeem the Notes, except to preserve its status as a REIT. After that time, the Company has the right to redeem the Notes, in whole or in part, at any time and from time to time, for cash equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest to, but not including, the redemption date.

Holder of the Notes may require the Company to repurchase their Notes, in whole or in part, on December 20, 2011, December 15, 2016, and December 15, 2021 for cash equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest to, but not including, the repurchase date.

If certain change of control transactions occur prior to December 20, 2011, holders of the Notes may require the Company to repurchase their Notes, in whole or in part, for cash equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest to, but not including, the repurchase date.

The Notes will be sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The Notes and any Company common shares that may be issued upon conversion of the Notes have not been registered under the Securities Act or any state securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of these securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

Acadia Realty Trust, headquartered in White Plains, NY, is a fully integrated, self-managed and self-administered equity REIT focused primarily on the ownership, acquisition, redevelopment and management of retail properties, including neighborhood/community shopping centers and mixed-use properties with retail components.

Safe Harbor Statement

Certain matters in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements 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. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in the Company's most recent annual report on Form 10-K filed with the SEC on March 16, 2006, as amended and retrospectively adjusted, and other periodic reports filed with the SEC, including risks related to: (i) the Company's reliance on revenues derived from major tenants; (ii) the Company's limited control over joint venture investments; (iii) the Company's partnership structure; (iv) real estate and the geographic concentration of our properties; (v) market interest rates; (vi) leverage; (vii) liability for environmental matters; (viii) the Company's growth strategy; (ix) the Company's status as a REIT; (x) uninsured losses; and (xi) the loss of key executives. Any forward-looking statements in this press release speak only as of the date hereof. 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.

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SOURCE: Acadia Realty Trust