



Acadia Realty Trust Announces Completion of 2007 Disposition Activities and Related Special Dividend

December 21, 2007

NEW YORK--(BUSINESS WIRE)--Dec. 21, 2007--Acadia Realty Trust (NYSE: AKR)("Acadia" or the "Company"), a real estate investment trust ("REIT"), today announced the successful completion of its 2007 disposition initiatives. In connection with the taxable gains arising from these and earlier property dispositions, the Company's Board of Trustees has approved a special dividend totaling \$7.4 million, or 22.25(cents) per Common Share, payable on January 15, 2008 to the holders of record as of December 31, 2007.

During December 2007, Acadia completed the sale of a wholly-owned multi-family property located in Columbia, Missouri, and two shopping centers located near Cleveland, Ohio, owned through its Fund I. These sales are a continuation of the Company's non-core recycling program, which over the last twelve months has also included the sale of five properties located primarily in secondary markets. Consistent with Acadia's focus on recycling into high-barrier, supply-constrained markets, it has replaced certain of these assets in tax efficient transactions including properties in the Bronx, Staten Island, Manhattan and Philadelphia. To the extent that suitable replacement assets were not identified, a portion of these sales resulted in taxable capital gains.

"Over the past several years, we've been focused on opportunistically disposing of assets that are inconsistent with our long-term portfolio strategy", stated Kenneth F. Bernstein, President and CEO of Acadia Realty Trust. "Recently we believed it prudent to aggressively reduce our shareholders' exposure to low-growth or secondary assets. Where we have been able to identify attractive replacement assets, we have recycled much of this capital on an advantageous tax basis into high barrier-to-entry markets including several properties in New York City. Where simply selling assets and distributing the proceeds is in our shareholders' best interests, we have done that as well. Either way, we believe these dispositions are a key component of building a strong core portfolio and creating long-term shareholder value. With a solid core portfolio, and strong financial position, we are looking forward to 2008. We are excited to expand on Acadia's current strategic initiatives as well as identifying other opportunistic investments through our recently launched Fund III."

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 and community shopping centers and mixed-use properties with retail components.

Certain matters in this press release may constitute forward-looking statements within the meaning of the federal securities laws and as such may involve known and unknown risks, 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 1, 2007 (the "Form 10-K") 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. Copies of the Form 10-K and the other periodic reports Acadia files with the SEC are available on the Company's website at www.acadiarealty.com. 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