



Acadia Realty Trust Announces the Purchase of Cortlandt Towne Center in Westchester County, New York

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NEW YORK--(BUSINESS WIRE)-- Acadia Realty Trust (NYSE:AKR – “Acadia”) announced today that it has purchased Cortlandt Towne Center (the “Property”) through Acadia Strategic Opportunity Fund III, LLC (“Fund III”), its third discretionary investment fund. The Property is a 640,000 square foot regional shopping center located in the Town of Cortlandt in Westchester County, NY, a trade area with high barriers-to-entry for regional and national retailers. The Property is anchored by quality national tenants including Wal-Mart, A&P Food Market, Marshalls, Barnes & Noble, Regal Entertainment Group and Best Buy. With category-dominant retailers that have had strong historic sales performance at this location, the Cortlandt Towne Center has proven to be the premier retail center in the market.

The total cost of the acquisition is \$78 million, all cash. This price equates to \$122 per square foot, a 40% discount to replacement cost.

Historically, the net operating income on the Property has been in excess of \$9 million with occupancy greater than 95%. The Property has recently experienced two vacancies of junior anchors due to the bankruptcies of Linens-N-Things and Levitz, reducing net operating income to approximately \$7 million and occupancy to 85%. These vacant spaces afford significant lease-up opportunities. There is currently strong interest from national retailers for a substantial portion of the 100,000 square feet of available space.

Kenneth F. Bernstein, Acadia's President and CEO, stated “The purchase of Cortlandt Towne Center allows us to acquire a proven asset at a discount to replacement cost with an attractive going-in yield, even after providing for additional potential reserves against the soft retailing market. The Property is well-situated, well-anchored, and located in a high barriers-to-entry market with significant upside potential. The current anchors are retailers that are well-positioned to outperform their peers during this phase of the economic cycle. The liquidity provided by Fund III and its credit line enables us to acquire this superb asset at a compelling price. Our opportunity fund structure provides us with a competitive advantage during a period of significant capital constraint in the marketplace. Although we may be acting ahead of the real estate market's trough, we think we are being well rewarded by buying irreplaceable real estate at a great price.”

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 and mixed-use properties including neighborhood and community shopping centers located in urban and suburban markets in major metropolitan areas.

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 February 29, 2008 (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.

Source: Acadia Realty Trust

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