



Acadia Realty Trust Provides Update on \$392 Million of Transactions

September 8, 2014

WHITE PLAINS, N.Y.--(BUSINESS WIRE)--Sep. 8, 2014-- Acadia Realty Trust (NYSE:AKR) today announced that it has completed both the previously-reported sale of six retail properties in Miami Beach, Florida owned by its fund platform and the acquisition of a retail property in Manhattan's Soho submarket on behalf of its core portfolio.

Fund Platform Dispositions: Lincoln Rd, Miami Beach, FL

Last month, Acadia completed the previously-announced sale of its two Lincoln Rd portfolios – one of which was owned by Acadia Strategic Opportunity Fund III LLC ("Fund III") and the other by Acadia Strategic Opportunity Fund IV LLC ("Fund IV") – in a single transaction for \$342.0 million.

Fund III Transaction Summary. In February 2011, Fund III acquired a 59,677 square foot, three-property portfolio situated on the Lincoln Rd corridor for \$51.9 million, in partnership with Miami Beach-based Terranova Corporation. During its 3.5-year hold period, the partnership incurred incremental costs of \$2.7 million. In August, the portfolio was sold for \$141.8 million, generating a 46% IRR and 3.0x equity multiple for Fund III. Including the net sale proceeds from this transaction, Fund III has now returned \$361.2 million to its investors, which represents 97.1% of previously-invested capital.

Fund IV Transaction Summary. In December 2012, Fund IV acquired a 54,864 square foot, three-property portfolio situated on the Lincoln Rd corridor for \$139.0 million, also in partnership with Terranova Corporation. During its 1.7-year hold period, the partnership incurred incremental costs of \$2.0 million. In August, the portfolio was sold for \$200.2 million, generating a 48% IRR and a 1.9x equity multiple for Fund IV.

The sale generated a total distribution of net sale proceeds to the funds of \$187.7 million, of which Acadia's pro-rata share totaled \$41.7 million.

Core Portfolio Acquisition: Prince St, New York, NY

As previously discussed, in August, Acadia added to its Soho collection in Lower Manhattan with the acquisition of a 3,200 square foot retail property located at 131-135 Prince St for \$50.0 million. The market rent for Soho's prime locations has already surpassed \$1,000 per square foot. In view of that, today, this well-located asset contains significant embedded growth, which the company will have an opportunity to realize over the next several years as the leases for the existing tenants, Folli Follie and Uno de 50, expire. The company acquired this asset in a private negotiation and funded its investment primarily with operating partnership units ("OP units"). This is the second time in eight months that the company has issued OP units to acquire a Manhattan street-retail property.

Year to date, Acadia has now completed the acquisition of \$242.4 million of core retail properties, of which \$178.5 million, or 74%, is street retail.

About Acadia Realty Trust

Acadia Realty Trust, a fully-integrated equity real estate investment trust, is focused on the acquisition, ownership, management and redevelopment of high-quality retail properties located in key street and urban retail corridors as well as suburban locations within high-barrier-to-entry, densely-populated metropolitan areas along the East Coast and in Chicago. Acadia owns, or has an ownership interest in, these properties through its core portfolio and through a series of opportunistic/value-add investment funds. Additional information may be found on the Company's website at www.acadiarealty.com.

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 risks, uncertainties and other factors that 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. These forward-looking statements include statements regarding Acadia's future financial results and its ability to capitalize on potential opportunities arising from continued economic uncertainty. Factors that could cause the Company's forward-looking statements to differ from its future results include, but are not limited to, those discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent annual report on Form 10-K filed with the SEC on February 26, 2014 ("Form 10-K") and other periodic reports filed with the SEC, including risks related to: (i) the current global financial environment and its effect on retail tenants; (ii) the Company's reliance on revenues derived from major tenants; (iii) the Company's limited control over joint venture investments; (iv) the Company's partnership structure; (v) real estate and the geographic concentration of the Company's properties; (vi) market interest rates; (vii) leverage; (viii) liability for environmental matters; (ix) the Company's growth strategy; (x) the Company's status as a REIT; (xi) uninsured losses and (xii) 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

Acadia Realty Trust
Jon Grisham, 914-288-8100