



## Acadia Realty Trust to Present at NAREIT's REITWeek Investor Forum and Provides Core Portfolio Transaction Update

June 3, 2016

RYE, N.Y.--(BUSINESS WIRE)--Jun. 3, 2016-- Acadia Realty Trust (NYSE:AKR) ("Acadia" or the "Company") today provided an update on its core portfolio ("Core") acquisition activity, and announced that year-to-date, the Company has closed on \$121.5 million of Core acquisitions and is under contract to acquire another \$290.6 million, for a total of \$412.1 million of Core acquisitions. These high-quality street and urban retail properties are located within key retail corridors in gateway cities, serving consumers' and retailers' continued desire for live-work-play retail experiences.

At the close of the first quarter, the Company announced \$115.3 million of Core acquisitions. Subsequently, the Company has closed on or is under contract to acquire an additional \$296.8 million of Core acquisitions, as discussed below:

**The Smithfield Portfolio, Chicago, IL.** The Company previously announced that it had entered into a contract to acquire a retail portfolio for \$150 million. The contract is for the Smithfield Portfolio, a five property portfolio located in Chicago totaling 183,800 square feet. The five stabilized retail assets are located in prime retail markets of Chicago, including State Street, Lincoln Park, Bucktown, and Logan Square. The Portfolio benefits from solid in-place tenancy, below market leases and strong demographics, with median household incomes above \$94,000 within one mile of the two State Street properties and over \$92,000 within one mile of the North & Kingsbury property. State Street is surrounded by many of Chicago's premier attractions including Millennium Park, the Art Institute, Orchestra Hall, the Theater District, and Grant Park. The Company expects to assume \$59.7 million of in-place mortgage debt with various lenders in connection with this transaction.

The two State Street properties and the North & Kingsbury property are the three largest properties in the portfolio and are located in two of the top street retail shopping corridors in the city. Together they represent in excess of 90% of the portfolio's value.

State & Washington Shops is a 78,800 square foot street retail condominium 100% leased to Nordstrom Rack, H&M, and Walgreens. The property is located in the middle of the Loop's main shopping corridor and Chicago's Central Business District, benefiting from a 24/7 neighborhood with strong tourist, office worker, and residential populations. The robust tenant sales and low vacancy levels on State Street are a testament to these demographics. The Property benefits from co-tenancy with many national retailers including Zara, Anthropologie, DSW, Saks Off 5<sup>th</sup>, and Urban Outfitters. Given its strong tenancy, robust tenant sales and below market rents, this property benefits from long-term stability, with significant longer term growth potential.

151 North State is a 27,400 square foot street retail condominium at the corner of State and Randolph that is 100% leased to a flagship Walgreens. The location and quality of the retail are among the best in the corridor and Walgreens has created a showpiece store for the brand, as it continues to execute its urban live-work-play initiatives.

North & Kingsbury Center is a 41,700 square foot shopping center located on one of the best corners of Lincoln Park's premier North Avenue retail corridor. The property is 100% leased to Old Navy, Blick Art Supplies, Modani Furniture, and Pier 1 Imports. The property benefits from its excellent visibility, on-grade parking lot and position next to a high volume 75,000 square foot Whole Foods. All four of the leases are below market rents, presenting long term upside. The center adds to the Company's other property on North Avenue, 865 West North Avenue, which is 100% leased to Forever 21. Other tenants on the street include Apple, Crate & Barrel, The Container Store, Sephora, J. Crew, and Victoria's Secret.

**555 9<sup>th</sup> Street, San Francisco, CA.** The Company is under contract to acquire a 149,000 square foot urban shopping center, located in San Francisco, for \$140.6 million. 555 9<sup>th</sup> Street is anchored by Trader Joe's, Nordstrom Rack, and Bed Bath & Beyond, all of which have been successfully operating at the property for over 15 years. The infill property is centrally located in SoMa, at the confluence of several of the fastest growing submarkets in San Francisco. 555 9<sup>th</sup> Street is situated in close proximity to the city's two major highways and has ample parking capacity, a rarity among urban shopping centers in the market. High population density (over 522,000 within three miles), affluence (\$95,000 median income within three miles), and substantial barriers to entry for national retail users in the market have led to strong rent growth. The property is nearly 100% leased to credit tenants with substantial lease term, though, given the vintage of the leases and strong market rental growth, multiple leases are at below-market rents, which provides long term upside opportunities. This is Acadia's second core acquisition in San Francisco. With this acquisition, Acadia will own two of the most dominant urban shopping centers in the city of San Francisco. The Company expects to assume \$60.0 million of in-place mortgage debt in connection with this acquisition.

**165 Newbury St, Boston, MA.** In May 2016, the Company acquired a 100% interest in 165 Newbury Street for \$6.3 million. 165 Newbury is a 1,600 square foot retail condominium located along Newbury Street, the premier retail corridor in Boston. The property is the Company's first core acquisition on Newbury Street, and is occupied by Starbucks. The property's growth is driven by Starbucks' lease, which has 3% annual contractual rent growth. Newbury Street has a high concentration of national, credit retailers, and the property shares the Dartmouth-Exeter block with Intermix, Steven Alan, Jack Wills, and Bluemercury.

"Given some market volatility and increased desire for certainty of execution by sellers, we have been able to acquire fortress

quality urban/street retail properties with strong defensive profiles and superior long term growth potential,” stated Kenneth F. Bernstein, President and CEO of Acadia Realty Trust. “These acquisitions address the ongoing trends in demographics toward more key, flagship urban markets and address retailers’ demand to focus on brand enhancing, highly productive, unique locations in the key gateway markets where shoppers live, work, and play.”

No assurance can be given that the Company will successfully close on the above acquisitions under contract, which are subject to customary closing conditions and lender approval of the assumption of existing mortgage debt.

**NAREIT’s REITWeek Investor Forum.** As previously announced, the Company will participate in REITWeek 2016: NAREIT’s Investor Forum®, which will be held on June 7-9, 2016 in New York, New York. Mr. Bernstein, is scheduled to make a company presentation on Wednesday, June 8, 2016 at 2:45 p.m. ET.

### **About Acadia Realty Trust**

Acadia Realty Trust is an equity real estate investment trust focused on delivering long-term, profitable growth via its dual – core and fund – operating platforms and its disciplined, location-driven investment strategy. Acadia Realty Trust is accomplishing this goal by building a best-in-class core real estate portfolio with meaningful concentrations of assets in the nation’s most dynamic urban and street-retail corridors; making profitable opportunistic and value-add investments through its series of discretionary, institutional funds; and maintaining a strong balance sheet. For further information, please visit [www.acadiarealty.com](http://www.acadiarealty.com).

### **Safe Harbor Statement**

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 investment opportunities. 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 19, 2016 (“Form 10-K”) and other periodic reports filed with the SEC, including risks related to: (i) political and economic uncertainty; (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](http://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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Acadia Realty Trust  
Amy L. Racanello, 914-288-8100