



Acadia Realty Trust Completes \$1.1 Billion of Transactions in 2016

January 18, 2017

RYE, N.Y.--(BUSINESS WIRE)--Jan. 18, 2017-- Acadia Realty Trust (NYSE:AKR) ("Acadia" or the "Company") today announced that it completed \$1.1 billion of total transactions during 2016, comprised of \$627 million of core acquisitions, \$261 million of fund acquisitions, and \$212 million of fund dispositions.

During the fourth quarter, the Company completed \$395 million of total transactions, comprised of \$141 million of core acquisitions, \$196 million of fund acquisitions, and \$58 million of fund dispositions.

In addition, looking ahead, the Company's transaction pipeline currently includes \$35 million of fund acquisitions and \$48 million of fund dispositions. Although no assurance can be given, all of these transactions are anticipated to close during first quarter 2017.

CORE PORTFOLIO

Core Acquisitions

During 2016, the Company completed \$627 million of previously-announced core acquisitions, of which approximately 70% were street retail and 30% were urban retail. All were completed within five key gateway markets – New York, NY; Chicago, IL; San Francisco, CA; Washington, DC; and Boston, MA – where more than 85% of Acadia's total core portfolio is now concentrated.

As anticipated, during the fourth quarter, Acadia closed on the \$141 million acquisition of 555 9th St, an urban retail property located in San Francisco.

Acquisition Matchfunding & Balance Sheet

During 2016, Acadia fueled all of its acquisition activities by issuing \$481 million of equity, net of related costs, via: (i) a third-quarter block trade (\$172 million), (ii) its at-the-market ("ATM") facility (\$156 million), (iii) a public offering on a forward basis (\$125 million, of which the final \$95 million was settled during the fourth quarter in connection with the acquisition of 555 9th St), and (iv) issuance of operating-partnership units (\$28 million). In the aggregate, this new capital was raised at an average gross price of \$35.25 per unit/share (\$34.72 per unit/share net of related costs).

FUND PLATFORM

Fund Acquisitions – Closed

During 2016, Acadia, on behalf of Fund IV, completed \$261 million of opportunistic and value-add investments. Of this amount, \$196 million was completed during the fourth quarter, as discussed below:

Northeast Grocery Portfolio, Various U.S. In October 2016, Fund IV acquired a portfolio of seven grocery-anchored shopping centers, totaling 1.1 million square feet, for \$83 million. Additionally, Fund IV made a short-term, \$9 million loan to the seller on an eighth grocery-anchored center (124,300 square feet), with an opportunity to purchase the property. The portfolio is located throughout the Northeast: Maine (five assets), Pennsylvania (two assets), and New York (one asset). The properties have excellent visibility and access to major thoroughfares and provide essential products and services to regional and urban areas. The grocery anchors include Hannaford, Price Chopper, and Shaw's. The portfolio's leased rate is 89%. This investment is consistent with the Fund platform's high-yield opportunistic strategy.

717 N Michigan Ave, Gold Coast, Chicago, IL. In December 2016, Fund IV acquired a 61,600-square foot, four-story street-retail property, located in Chicago, IL, for \$104 million. This flagship property anchors a prime corner of the Magnificent Mile, one of the nation's premier shopping districts. Neighboring retailers include Saks Fifth Avenue, Zara, Tiffany & Co., Stuart Weitzman, and Brooks Brothers. The property is 25% leased to The Disney Store, who has operated at the property since 1999. Acadia intends to redevelop the balance of the property, which was previously occupied by Saks Fifth Avenue Men's Store.

Fund Acquisitions – Pipeline

As previously reported, Acadia has entered into a contract to acquire a high-yielding shopping center, on behalf of Fund IV, for \$35 million. Although no assurance can be given, this transaction is anticipated to close during first quarter 2017.

As of the third quarter, this pipeline investment, together with the Northeast Grocery Portfolio and 717 N Michigan Ave, were included in Acadia's disclosed \$231 million fund acquisition pipeline.

Fund Platform Dry Powder

As previously announced, Acadia has approximately \$1.5 billion of buying power, on a leveraged basis, through its newly-raised

Fund V. This fund, which raised \$520 million of total capital commitments during 2016, is the fifth in a series of institutional funds dedicated to making opportunistic and value-add investments in retail real estate.

Fund Dispositions – Closed

During 2016, the Company completed \$212 million of dispositions on behalf of Fund III. Of this amount, \$58 million was completed during the fourth quarter, as discussed below:

Cortlandt Town Center, Mohegan Lake, NY. In December 2016, Fund III successfully completed the sale of its remaining 35% interest in Cortlandt Town Center, a 641,000-square foot power center located in Westchester County, NY, for \$58 million. This equates to a \$165 million valuation for 100% of the property, compared to Fund III's all-in cost basis of \$95 million. In January 2009, Fund III acquired the property for \$78 million. At the time, the property was 84% occupied, due to the bankruptcies of junior-anchors Linens 'n Things and Levitz Furniture. During its 7.9-year hold period, Fund III successfully increased the property's occupancy to 97%. In January 2016, the fund sold a 65% interest in this property to the same institutional investor at the same pricing. Fund III has now realized a 43% IRR and 3.5x multiple on its total equity investment in this asset.

Fund Dispositions – Pipeline

During fourth quarter 2016, Acadia entered into contracts to sell two fund investments, one each from Fund III and Fund IV, for an aggregate \$48 million. Although no assurance can be given, both transactions are anticipated to close during first quarter 2017.

Fund III Promote

During 2016, Fund III generated approximately \$10.3 million (\$0.13 per share) of net promote income for the Company; of this amount, approximately \$3.4 million (\$0.04 per share) was generated during the fourth quarter by sale and refinancing activities.

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.

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; (xii) information technology security threats and (xiii) 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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