



## Acadia Realty Trust Provides Update on Operations and Partial Monetization of Its Investment in Albertsons Companies, Inc.

July 6, 2020

RYE, N.Y.--(BUSINESS WIRE)--Jul. 6, 2020-- Acadia Realty Trust (NYSE: AKR) ("Acadia" or the "Company") provided an update on its Core portfolio operations and partial monetization of its investment in Albertsons Companies, Inc.

### **Core Portfolio Operations Update**

As of June 30, 2020, approximately 86% of its pro-rata gross leasable area in the Company's Core portfolio was open for business. The Company has been actively preparing its locations and working with its tenants to ensure that they are able to reopen as safely and successfully as possible.

As of June 30, 2020, the Company has collected cash and/or reached payment deferral plans on approximately 83% of its second quarter billed rents and recoveries within its Core portfolio. This is comprised of cash collections of 71% and payment deferral plans of 12%. The majority of these deferral plans are with national credit tenants and provide for repayment within one year. Of the remaining 17% of billed rent and recoveries, the Company is in active discussions with its tenants to bring these accounts current as locations continue to reopen.

To date, the Company has agreed to abatements of less than one percent of its annualized base rent ("ABR"). The Company anticipates recognizing these abatements in its second quarter 2020 operating results.

The Company's Street and Urban portfolio is located in key gateway markets and comprises approximately 60% of its Core ABR. During the second quarter of 2020, the Company collected approximately 70% of its Street and Urban portfolio's billed rents and recoveries. The Company's Suburban portfolio represents approximately 40% of its Core ABR, of which the Company collected approximately 72% of its billed rents and recoveries during the second quarter of 2020.

The Company's cash collections of 71% for the three months ended June 30, 2020 compares favorably to its two most recent interim updates of 56% and 50% previously provided on June 1 and May 5, 2020, respectively.

Additional repayment plans are currently in the process of being finalized. There can be no assurance that all payment deferral plans will be consummated on the agreed-upon terms and/or if consummated, repaid as required by terms of the agreement.

### **Albertsons Companies Inc.**

In 2004, the Company (on behalf of Fund II) formed its Retailer Controlled Property Venture ("RCP Venture") with an affiliate of Lubert-Adler/Klauff for the purpose of making investments in high-quality real estate owned or controlled by retailers. The RCP Venture made a variety of successful investments, including approximately \$23.5 million in Albertsons Companies, Inc. ("Albertsons").

During the second quarter of 2020, following a series of transactions, including an initial public offering, the RCP Venture monetized a portion of its interest in Albertsons, resulting in cash proceeds of approximately \$23.2 million. Following these transactions, the RCP Venture has a remaining ownership interest in Albertsons of approximately 4.0 million shares at June 30, 2020.

To date, inclusive of the distributions received during the second quarter of 2020, the RCP Venture has received cash distributions in excess of \$100 million from its investment in Albertsons.

The Company's proportionate ownership interest in the RCP Venture for each of the amounts stated above is approximately 28%.

### **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 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 statements in this press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project," or the

negative thereof, or other variations thereon or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results and financial performance to be materially different from future results and financial performance expressed or implied by such forward-looking statements, including, but not limited to: (i) economic, political and social uncertainty surrounding the COVID-19 pandemic, including (a) the effectiveness or lack of effectiveness of governmental relief in providing assistance to large and small businesses, including the Company's tenants, that have suffered significant declines in revenues as a result of mandatory business shut-downs, "shelter-in-place" or "stay-at-home" orders and social distancing practices, as well as individuals adversely impacted by the COVID-19 pandemic, (b) the duration of any such orders or other formal recommendations for social distancing and the speed and extent to which revenues of the Company's retail tenants recover following the lifting of any such orders or recommendations, (c) the potential impact of any such events on the obligations of the Company's tenants to make rent and other payments or honor other commitments under existing leases, (d) to the extent we were seeking to sell properties in the near term, significantly greater uncertainty regarding our ability to do so at attractive prices, (e) the potential adverse impact on returns from development and redevelopment projects, and (f) the broader impact of the severe economic contraction and increase in unemployment that has occurred in the short term and negative consequences that will occur if these trends are not quickly reversed; (ii) the ability and willingness of the Company's tenants (in particular its major tenants) and other third parties to satisfy their obligations under their respective contractual arrangements with the Company; (iii) macroeconomic conditions, such as a disruption of or lack of access to the capital markets; (iv) the Company's success in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (v) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and their effect on the Company's revenues, earnings and funding sources; (vi) increases in the Company's borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of the London Interbank Offered Rate after 2021; (vii) the Company's ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (viii) the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (ix) the Company's ability to obtain the financial results expected from its development and redevelopment projects; (x) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration, the Company's ability to re-lease its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations the Company may incur in connection with the replacement of an existing tenant; (xi) the Company's liability for environmental matters; (xii) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; (xiii) uninsured losses; (xiv) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (xv) information technology security breaches, including increased cybersecurity risks relating to the use of remote technology during the COVID-19 pandemic; and (xvi) the loss of key executives. The risks described above are not exhaustive and additional factors could adversely affect the Company's business and financial performance, including the risk factors discussed under the section captioned "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and other periodic or current reports the Company files with the SEC. Any forward-looking statements in this press release speak only as of the date hereof. The Company 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 the Company's expectations with regard thereto or change in the events, conditions or circumstances on which such forward-looking statements are based.

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