UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-12002

ACADIA REALTY TRUST
(Exact name of registrant in its charter)

MARYLAND	23-2715194
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

20 SOUNDVIEW MARKETPLACE, PORT WASHINGTON, NY 11050
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (516) 767-8830

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of August 11, 1999, there were 26,115,615 common shares of beneficial interest, par value $.001 per share, outstanding.

FORM 10-Q

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Item 1. Financial Statements

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	June 30, 1999 (unaudited)	December 31, 1998
Assets		
Real estate:		
Land	$ 79,761	$ 76,136
Buildings and improvements	474,141	452,300
Properties under development	25,674	22,813
	579,576	551,249
Less: accumulated depreciation	95,955	87,202
Net real estate	483,621	464,047
Property held for sale	--	7,073
Cash and cash equivalents	12,779	15,183
Cash in escrow	13,830	12,650
Investments in unconsolidated partnerships	7,219	7,516
Rents receivable, net	7,087	6,006
Prepaid expenses	1,295	2,797
Deferred charges, net	12,013	11,461
Other assets	1,870	1,779
	$539,714	$528,512
Liabilities and Shareholders' Equity		
Mortgage notes payable	$294,775	$277,561
Accounts payable and accrued expenses	6,632	10,673
Due to related parties	320	176
Dividends and distributions payable	4,392	--
Other liabilities	3,087	3,817
Total liabilities	309,206	292,227
Minority interest in Operating Partnership	76,923	79,344
Minority interests in majority-owned partnerships	2,350	2,350
Total minority interests	79,273	81,694
Shareholders' Equity:		
Common shares, $.001 par value, authorized 100,000,000 shares, issued and outstanding 25,515,615 and 25,419,215 shares, respectively	26	25
Additional paid-in capital	167,409	170,746
Deficit	(16,180)	(16,180)
Less: 3,600 treasury shares, at cost	(20)	--
Total shareholders' equity	151,235	154,591
	$539,714	$528,512

See accompanying notes

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1999 AND 1998
(in thousands, except per share amounts)

	Three months ended June 30, 1999	Three months ended June 30, 1998	Six months ended June 30, 1999	Six months ended June 30, 1998
	(unaudited)		(unaudited)	
Revenues				
Minimums rents	$17,500	$ 8,509	$34,853	$16,973
Percentage rents	686	524	1,473	1,089
Expense reimbursements	3,037	1,527	6,495	3,280
Other	681	189	1,333	358
Total revenues	21,904	10,749	44,154	21,700
Operating expenses				
Property operating	5,427	2,263	11,308	4,555
Real estate taxes	2,564	1,403	5,115	2,831
General and administrative	1,638	589	3,104	1,045
Non-recurring charges	--	554	--	554
Depreciation and amortization	4,965	3,512	9,651	6,985
Total operating expenses	14,594	8,321	29,178	15,970
Operating income	7,310	2,428	14,976	5,730
Equity in earnings of unconsolidated partnerships	157	--	340	--
Loss on sale of properties	--	--	(1,284)	--
Interest expense	(5,581)	(3,996)	(11,005)	(7,919)
Income (loss) before extraordinary item and minority interest	1,886	(1,568)	3,027	(2,189)
Extraordinary item - loss on extinguishment of debt	--	(268)	--	(268)
Minority interest in Operating Partnership	(597)	275	(973)	363
Net Income (loss)	$ 1,289	$(1,561)	$ 2,054	$(2,094)
Net income (loss) per Common Share - basic and diluted:				
Income (loss) before extraordinary item	$ .05	$ (.15)	$ .08	$ (.21)
Extraordinary item	--	(.03)	--	(.03)
Net income (loss) per Common Share - basic and diluted	$ .05	$ (.18)	$ .08	$ (.24)

See accompanying notes

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 1999 AND 1998
(in thousands)

	June 30, 1999 (unaudited)	June 30, 1998 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 2,054	$ (2,094)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	9,651	6,985
Minority interest in Operating Partnership	973	(363)
Equity in income of unconsolidated partnerships	(340)	--
Provision for bad debts	893	578
Loss on sale of properties	1,284	--
Extraordinary item - loss on extinguishment of debt	--	268
Other	--	29
Changes in assets and liabilities:		
Funding of escrows, net	(1,180)	(1,091)
Rents receivable	(1,974)	245
Prepaid expenses	1,502	421
Due to/from related parties	144	177
Other assets	(312)	116
Accounts payable and accrued expenses	(4,041)	(686)
Other liabilities	(730)	(186)
Net cash provided by operating activities	7,924	4,399
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for real estate and improvements	(14,626)	(8,026)
Net proceeds from sale of property	6,128	--
Investments in unconsolidated partnerships	637	--
Payment of deferred leasing costs	(863)	(2,125)
Net cash used in investing activities	(8,724)	(10,151)

See accompanying notes

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1999 AND 1998
(in thousands)

	June 30, 1999 (unaudited)	June 30, 1998 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgages	$(1,863)	$(9,730)
Proceeds received on mortgage notes	5,194	19,619
Payment of deferred financing and other costs	(523)	(1,446)
Dividends paid ($0.12 per Common Share)	(3,050)	--
Distributions to minority interests	(1,342)	(19)
Repurchase of Common Shares	(20)	--
Net cash (used in) provided by financing activities	(1,604)	8,424
(Decrease) increase in cash and cash equivalents	(2,404)	2,672
Cash and cash equivalents, beginning of period	15,183	1,287
Cash and cash equivalents, end of period	$12,779	$ 3,959
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest, net of amounts capitalized of $732 and $342, respectively	$11,624	$ 7,807
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Acquisition of real estate by assumption of debt	$13,883	

See accompanying notes

ACADIA REALTY TRUST AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except per share amounts)

1. THE COMPANY

Acadia Realty Trust (the "Company"), formerly known as Mark Centers Trust, is a fully integrated and self-managed real estate investment trust ("REIT") focused primarily on the ownership, acquisition, redevelopment and management of neighborhood and community shopping centers, and multi-family properties.

All of the Company's assets are held by, and all of its operations are conducted through, Acadia Realty Limited Partnership (the "Operating Partnership"), formerly known as Mark Centers Limited Partnership, and its majority owned partnerships. As of June 30, 1999, the Company controlled 69% of the Operating Partnership as the sole general partner.

The Company currently operates fifty-seven properties, which it owns or has an ownership interest in, consisting of forty-six neighborhood and community shopping centers, three enclosed malls, one mixed use (retail/office) property, five multi-family properties and two redevelopment properties located in the Eastern and Midwestern regions of the United States.

2. BASIS OF PRESENTATION

The consolidated financial statements include the consolidated accounts of the Company and its majority owned partnerships, including the Operating Partnership, and have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Non-controlling investments in partnerships are accounted for under the equity method of accounting as the Company exercises significant influence. The information furnished in the accompanying consolidated financial statements reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned consolidated financial statements for the interim periods. The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

(in thousands, except per share amounts)

2. BASIS OF PRESENTATION, CONTINUED

Actual results could differ from these estimates. Operating results for the six-month period ended June 30, 1999 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 1999. For further information refer to the consolidated financial statements and accompanying footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

Certain 1998 amounts were reclassified to conform to the 1999 presentation.

3. ACQUISITION OF PROPERTY

On May 5, 1999, the Company acquired the general partner's interest in the entity owning the Gateway Mall (formerly the Mall 189), a 122,000 square foot shopping center located in South Burlington, Vermont for approximately $6,547. The interest was acquired out of bankruptcy by restructuring and assuming the mortgage debt of $6,222. The center, which is currently a partially enclosed mall, will be redeveloped into a conventional strip center format.

4. SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

The following table summarizes the change in the shareholders' equity and minority interests since December 31, 1998:

	Shareholders' Equity	Minority Interests
Balance at December 31, 1998	$154,591	$81,694
Dividends and distributions declared of $0.24 per Common Share and Operating Partnership ("OP") Unit	(6,112)	(2,672)
Conversion of 100,000 OP Units by OP Unitholder	722	(722)
Repurchase of Common Shares	(20)	--
Net income for the period January 1 through June 30, 1999	2,054	973
Balance at June 30, 1999	$151,235	$79,273

Minority interests represent the limited partners' interest of 11,084,143 and 1,623,000 units in the Operating Partnership at June 30, 1999 and 1998, respectively. In addition, at June 30, 1999, minority interests also include an aggregate amount of $2,350 representing interests held by third parties in four partnerships in which the Company has a majority ownership position.

On June 16, 1999 the Board of Trustees approved a stock repurchase program. Management is authorized, in its discretion, to repurchase up to $10,000 of its currently outstanding Common Shares on the open market. As of June 30, 1999, the Company had repurchased 3,600 shares at a total cost of $20. The program may be discontinued or extended at any time and there is no assurance that the Company will purchase the full amount authorized.

(in thousands, except per share amounts)

5. INVESTMENT IN PARTNERSHIPS

The Company owns a 49% interest in the Crossroads Joint Venture and Crossroads II Joint Venture (collectively "Crossroads") and accounts for this investment using the equity method. Summary financial information of the Crossroads and the Company's investment in and share of income from Crossroads follows:

	June 30, 1999
Balance Sheet	
Assets:	
Rental property, net	$ 8,982
Other assets	4,219
Total assets	$13,201
Liabilities and partners' equity	
Mortgage note payable	$35,320
Other liabilities	656
Partners' equity	(22,775)
Total liabilities and partners' equity	$13,201
Company's investment in partnerships	$ 7,219

	Six months ended June 30, 1999	Three months ended June 30, 1999
Statement of Operations		
Total revenue	$3,527	$1,724
Operating and other expenses	898	435
Interest expense	1,271	637
Depreciation and amortization	264	132
Net income	$1,094	$ 520
Company's share of net income	$ 536	$ 255
Amortization of excess investment (See below)	196	98
Income from partnerships	$ 340	$ 157

The unamortized excess of the Company's investment over its share of the net equity in Crossroads at the date of acquisition was $19,580. The portion of this excess attributable to buildings and improvements is being amortized over the life of the related property.

6. MORTGAGE LOANS

On May 5, 1999, the Company assumed $6,222 in mortgage debt in connection with the acquisition of the general partner's interest in the Gateway Mall (formerly the Mall 189). The debt, which matures September 1, 2002, bears interest at a fixed-rate of 7.5% and requires the payment of interest only through May 4, 2001. Thereafter, and through the maturity date, the loan bears interest at a fixed-rate of 9.875% and requires total monthly payments of $55 representing interest and principal. The debt can be prepaid commencing May 4, 2002, without any prepayment fees.

7. RELATED PARTY TRANSACTIONS

The Company manages three properties in which certain current shareholders of the Company or their affiliates have ownership interests. Management fees earned by the Company under these contracts are at rates of 3.25% and 3.5% of collections, or in one case, a fixed annual fee of $110. Such fees aggregated $296 and $153 during the six and three-month periods ended June 30, 1999.

On April 9, 1999, Marvin Slomowitz, a current trustee of the Company, converted 100,000 OP Units to 100,000 Common Shares. Mr. Slomowitz converted an additional 600,000 OP Units to 600,000 Common Shares subsequent to June 30, 1999. (Note 12)

8. DIVIDENDS AND DISTRIBUTIONS PAYABLE

On June 16, 1999, the Board of Trustees of the Company approved and declared a quarterly dividend for the quarter ended June 30, 1999 of $0.12 per Common Share. The dividend was paid on July 15, 1999 to the shareholders of record as of June 30, 1999.

9. PER SHARE DATA

Basic earnings per share was determined by dividing the net income applicable to common shareholders by the weighted average number of Common Shares outstanding during each period consistent with the guidelines of the Financial Accounting Standards Board Statement No. 128. The weighted average number of Common Shares for the six-month periods ended June 30, 1999 and 1998 totaled 25,465,071 and 8,554,810, respectively. The weighted average number of Common Shares for the three-month periods ended June 30, 1999 and 1998 totaled 25,510,424 and 8,555,346, respectively. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted into Common Shares or resulted in the issuance of Common Shares that then shared in the earnings of the Company. Options to purchase an aggregate of 2,342,350 Common Shares at option prices ranging from $5.75 to $9.00 per share were outstanding during the six month period ended June 30, 1999 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the Common Shares and, therefore, the effect would be antidilutive. For the six months ended June 30, 1998, no additional Common Shares were reflected as the impact would be anti-dilutive due to the net loss for the period.

10. SEGMENT REPORTING

The Company has two reportable segments: retail properties and multi-family properties. The Company evaluates property performance primarily based on net operating income before depreciation, amortization and certain non-recurring items. The reportable segments are managed separately due to the differing nature of the leases and property operations associated with the retail versus residential tenants. The following table sets forth certain segment information for the Company as of and for the six and three-month periods ended June 30, 1999 and 1998 (does not include unconsolidated partnerships).

	Six months ended June 30, 1999			
	Retail Properties	Multi-Family Properties	All Other	Total
Revenues	$ 35,927	$ 7,390	$ 837	$ 44,154
Property operating expenses and real estate taxes	13,483	2,940	--	16,423
Net property income before depreciation, amortization and certain nonrecurring items	22,444	4,450	837	27,731
Depreciation and amortization	8,701	880	70	9,651
Interest expense	8,980	2,025	--	11,005
Real estate at cost	497,960	81,616	--	579,576
Total assets	449,571	82,924	7,219	539,714
Gross leasable area (multi-family - 2,273 units)	8,709	2,039	--	10,748
Expenditures for real estate and improvements	13,976	650	--	14,626

Reconciliation to income (loss) before minority interest

Net property income before depreciation, amortization and certain nonrecurring items	$ 27,731
Depreciation and amortization	(9,651)
General and administrative	(3,104)
Non-recurring charges	
Equity in earnings of uncomsolidated partnerships	340
Loss on sale of property	(1,284)
Interest expense	(11,005)
Income (loss) before extraordinary item and minority interest	$ 3,027

[RESTUBED TABLE FOR ABOVE]

	Three months ended June 30, 1999			
	Retail Properties	Multi-Family Properties	All Other	Total
Revenues	$17,668	$3,696	$540	$21,904
Property operating expenses and real estate taxes	6,441	1,550	--	7,991
Net property income before depreciation, amortization and certain nonrecurring items	11,227	2,146	540	13,913
Depreciation and amortization	4,448	447	70	4,965
Interest expense	4,574	1,007	--	5,581
Real estate at cost	--	--	--	--
Total assets	--	--	--	--
Gross leasable area (multi-family - 2,273 units)	--	--	--	--
Expenditures for real estate and improvements	3,259	397	--	3,656

Reconciliation to income (loss) before minority interest

Net property income before depreciation, amortization and certain nonrecurring items	$13,913
Depreciation and amortization	(4,965)
General and administrative	(1,638)
Non-recurring charges	
Equity in earnings of uncomsolidated partnerships	157
Loss on sale of property	--
Interest expense	(5,581)
Income (loss) before extraordinary item and minority interest	$ 1,886

[RESTUBED TABLE FOR ABOVE]

	Six months ended June 30, 1998			
	Retail Properties	Multi-Family Properties	All Other	Total
Revenues	$ 21,430	$ --	$270	$ 21,700
Property operating expenses and real estate taxes	7,386	--	--	7,386
Net property income before depreciation, amortization and certain nonrecurring items	14,044	--	270	14,314
Depreciation and amortization	6,884	--	101	6,985
Interest expense	7,914	--	5	7,919
Real estate at cost	315,206	--	--	315,206
Total assets	539,714	--	--	539,714
Gross leasable area (multi-family - 2,273 units)	7,269	--	--	7,269
Expenditures for real estate and improvements	8,026	--	--	8,026

Reconciliation to income (loss) before minority interest

Net property income before depreciation, amortization and certain nonrecurring items	$ 14,314
Depreciation and amortization	(6,985)
General and administrative	(3,104)
Non-recurring charges	
Equity in earnings of uncomsolidated partnerships	340
Loss on sale of property	(1,284)
Interest expense	(7,919)
Income (loss) before extraordinary item and minority interest	$ (4,638)

[RESTUBED TABLE FOR ABOVE]

	Three months ended June 30, 1998			
	Retail Properties	Multi-Family Properties	All Other	Total
Revenues	$10,6190	--	$130	$10,749
Property operating expenses and real estate taxes	3,666	--	--	3,666
Net property income before depreciation, amortization and certain nonrecurring items	6,953	--	130	7,083
Depreciation and amortization	3,411	--	101	3,512
Interest expense	3,993	--	3	3,996
Real estate at cost	--	--	--	--
Total assets	--	--	--	--
Gross leasable area (multi-family - 2,273 units)	--	--	--	--
Expenditures for real estate and improvements	4,216	--	--	4,216

Reconciliation to income (loss) before minority interest

Net property income before depreciation, amortization and certain nonrecurring items	$ 7,083
Depreciation and amortization	(3,512)
General and administrative	(589)
Non-recurring charges	(554)
Equity in earnings of uncomsolidated partnerships	--
Loss on sale of property	--
Interest expense	(3,996)
Income (loss) before extraordinary item and minority interest	$(1,568)

11. SHARE OPTION PLAN

On June 16, 1999, the Company adopted the 1999 Share Incentive Plan (the "Plan"), authorizing the issuance of up to 8% of the Common Shares outstanding on a fully diluted basis, subject to other additional limitations. The Company has terminated all outstanding options under the former plan with the exception of 300,000 share options issued to the Former Principal Shareholder. Pursuant to the Plan, the Company has issued 2,037,350 share options which vested 1/3 on the grant date and 1/3 on each of the following two anniversaries of the grant date. The options are exercisable at prices ranging from $5.75 to $7.50 per share for a period of ten years. The Company has also issued 5,000 share options to non-employee trustees which vested 1/5 on the grant date and 1/5 on each of the following four anniversaries of the grant date. The options are exercisable at $5.75 for a period of ten years.

(in thousands, except per share amounts)

12. SUBSEQUENT EVENTS

On July 7, 1999 the Company closed on a $14,000 financing with Sun America Life Insurance Company. The debt, which is secured by the Merrillville Plaza, matures in July 2002 and requires monthly payments of interest at a rate of LIBOR plus 205 basis points adjusted on a quarterly basis and principal amortized over 25 years. The Company has also purchased an interest rate swap agreement which caps LIBOR at 6.50%.

On July 8, 1999 the Company received a $1,370 settlement related to the liability of a tenant-assigner of a lease to a former tenant who had filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy laws.

On July 16, 1999, Marvin Slomowitz, a current trustee of the Company, converted 600,000 OP Units to 600,000 Common Shares.

13. PRO FORMA INFORMATION

The following unaudited pro forma condensed consolidated information for the six months ended June 30, 1998 is presented as if the RDC Transaction as described in the Company's Annual Report on Form 10-K for the year ended December 31, 1998, had occurred on January 1, 1997.

	June 30, 1998
Revenue	$41,400
Income before extraordinary item	$ 2,153
Net income	$ 1,973
Net income per share- basic and diluted	$ 0.08
Weighted average number of Common Shares outstanding	24,677,191
Weighted average number of Common Shares outstanding-assuming dilution	24,680,358

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is based on the consolidated financial statements of Acadia Realty Trust (the "Company") as of June 30, 1999 and 1998 and for the three and six months then ended. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Certain statements contained in this report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, among other things, affect demand for rental space, the availability and creditworthiness of prospective tenants, lease rents and the availability of financing; adverse changes in the Company's real estate markets, including, among other things, competition with other companies; risks of real estate development and acquisition; governmental actions and initiatives; and environmental/safety requirements.

RESULTS OF OPERATIONS

The following comparison for the three and six-month periods ended June 30, 1999 as compared to the same periods for 1998 reference the effect of the properties acquired on August 12, 1998 (the "RDC Properties") as a result of the RDC Transaction as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

Comparison of the three-month period ended June 30, 1999 ("1999") to the three-month period ended June 30, 1998 ("1998")

Total revenues increased $11.2 million, or 104%, to $21.9 million for 1999 compared to $10.7 million for 1998.

Minimum rents increased $9.0 million, or 106%, to $17.5 million for 1999 compared to $8.5 million for 1998. $8.9 million, or 99%, of the increase was attributable to the RDC Properties.

Percentage rents increased $162,000, or 31%, to $686,000 for 1999 compared to $524,000 for 1998. $68,000 of the increase was attributable to the RDC properties. The remaining increase was primarily attributable to the impact from the Company's adopting the Emerging Issue Task Force ("EITF") Issue No. 98-9 "Accounting for Contingent Rent in Interim Financial Periods" in 1998, which requires lessors to defer income recognition for percentage rent until the tenant sales breakpoint is met.

Expense reimbursements increased $1.5 million, or 99%, from $1.5 million for 1998 to $3.0 million for 1999, which was primarily attributable to the RDC Properties which had expense reimbursements of $1.4 million for 1999.

Other income increased $492,000 for 1999 which was primarily a result of $163,000 in management fees earned in 1999 under four contracts acquired in the RDC Transaction and an increase in interest earning assets in 1999.

Total operating expenses increased $6.3 million, or 75%, to $14.6 million for 1999, from $8.3 million for 1998.

Property operating expenses increased $3.1 million, or 140%, to $5.4 million for 1999 compared to $2.3 million for 1998. Of this increase, $2.5 million, or 78%, was attributable to the RDC Properties. The remaining increase was primarily due to additional staffing in the leasing and property management departments following the RDC Transaction.

Real estate taxes increased $1.2 million, or 83%, from $1.4 million for 1998 to $2.6 million for 1999 primarily attributable to the RDC Properties which had real estate tax expense in 1999 of $1.2 million.

Depreciation and amortization increased $1.5 million, or 41%, for 1999 primarily attributable to the RDC Properties.

General and administrative expense increased $1.0 million, or 178%, from $589,000 for 1998 to $1.6 million for 1999, which was primarily attributable to additional staffing and administration costs following the RDC Transaction.

Non-recurring charges of $554,000 in 1998 are costs incurred related to the RDC Transaction and primarily represent payments made to certain officers and key employees pursuant to change in control provisions of employment contracts.

Interest expense of $5.6 million for 1999 increased $1.6 million, or 40%, from $4.0 million for 1998 primarily attributable to the mortgage debt associated with the RDC Properties partially offset by the paydown of certain existing debt with the proceeds from the RDC Transaction.

RESULTS OF OPERATIONS, continued

Comparison of the six-month period ended June 30, 1999 ("1999") to the six-month period ended June 30, 1998 ("1998")

Total revenues increased $22.5 million, or 103%, to $44.2 million for 1999 compared to $21.7 million for 1998.

Minimum rents increased $17.9 million, or 105%, to $34.9 million for 1999 compared to $17.0 million for 1998 of which $17.5 million, or 98%, of the increase was attributable to the RDC Properties.

Percentage rents increased $384,000, or 35%, to $1.5 million for 1999 compared to $1.1 million for 1998. $158,000 of the increase was attributable to the RDC properties. The remaining increase was primarily attributable to the impact from the Company's adopting EITF No. 98-9 in 1998.

Expense reimbursements increased $3.2 million, or 98%, for 1999, of which $3.0 million resulted from the RDC Properties.

Other income increased $975,000 for 1999; a result primarily of $319,000 in management fees earned in 1999 under four contracts acquired in the RDC Transaction and a $257,000 increase in interest income resulting from a higher balance of interest earning assets in 1999.

Total operating expenses increased $13.2 million, or 83%, to $29.2 million for 1999, from $16.0 million for 1998.

Property operating expenses increased $6.7 million, or 148%, to $11.3 million for 1999 compared to $4.6 million for 1998. $4.2 million, or 63% of the increase, was attributable to the RDC Properties. $1.0 million, or 15% of the increase, was due to additional staffing in the leasing and property management departments following the RDC Transaction. $440,000 of the remaining increase resulted from increased contract services, primarily snow removal, as a result of the comparatively mild winter season in 1998.

Real estate taxes increased $2.3 million, or 81%, from $2.8 million for 1998 to $5.1 million for 1999 primarily attributable to the RDC Properties.

Depreciation and amortization increased $2.7 million, or 38%, for 1999 of which $3.0 million was attributable to the RDC Properties. This was offset by the reduction in depreciation expense following the sale of three properties subsequent to 1998.

General and administrative expense increased $2.1 million, or 197%, from $1.0 million for 1998 to $3.1 million for 1999, which was primarily attributable to additional staffing and administration costs following the RDC Transaction.

Interest expense of $11.0 million for 1999 increased $3.1 million, or 39%, from $7.9 million for 1998 primarily attributable to the mortgage debt associated with the RDC Properties partially offset by the paydown of certain existing debt with the proceeds from the RDC Transaction.

Funds from Operations

The Company, along with most industry analysts, consider funds from operations("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT")as an appropriate supplemental measure of operating performance. However, FFO does not represent cash generated from operations as defined by generally accepted accounting principles and is not indicative of cash available to fund cash needs. It should not be considered as an alternative to net income for the purpose of evaluating the Company's performance or to cash flows as a measure of liquidity.

RESULTS OF OPERATIONS, continued

Generally, NAREIT defines FFO as net income (loss) before gains (losses) on sales of property, non-recurring charges and extraordinary items, adjusted for certain non-cash charges, primarily depreciation and amortization of capitalized leasing costs. The reconciliation of net income to FFO for the three and six-month periods ended June 30, 1999 and 1998 is as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	1999	1998	1999	1998
Net income (loss)	$ 1,289	$(1,561)	$ 2,054	$(2,094)
Depreciation of real estate and amortization of leasing costs:				
Wholly owned and consolidated subsidiaries	4,769	3,279	9,282	6,560
Unconsolidated subsidiaries	156	--	311	--
Non-recurring RDC transaction charges	--	554	--	554
Income (loss) attributable to minority interest	597	(275)	973	(363)
Loss on sale of property	--	--	1,284	--
Other adjustments	--	19	--	29
Establish reserve for environmental remediation costs	--	88	--	88
Extraordinary item - loss on extinguishment of debt	--	268	--	268
Funds from Operations (a)	$6,811	$ 2,372	$13,904	$ 5,042
Funds from Operations per Share (b)	$ 0.19	$ 0.23	$ 0. 38	$ 0.50

(a) Commencing in 1999, the Company includes the effect of the straight-lining of rents in computing FFO in accordance with the NAREIT definition. Prior to 1999, straight-line rents, net of related write-offs, were excluded in reporting FFO. The above 1998 amounts have been restated to include the effect from the straight-lining of rents.

(b) Assumes full conversion of 11,084,143 and 1,623,000 OP Units into Common Shares for the three months ended June 30, 1999 and 1998, respectively, for a total weighted average Common Shares and OP Units of 36,603,358 and 10,178,346, respectively. For the six months ended June 30, 1999 and 1998, full conversion of 11,084,143 and 1,623,000 OP Units into Common Shares is assumed, respectively, for a total weighted average Common Shares and OP Units of 36,603,358 and 10,177,810, respectively

LIQUIDITY AND CAPITAL RESOURCES

Financing and Debt

On May 5, 1999, the Company assumed $6.2 million in mortgage debt in connection with the acquisition of the general partner's interest in the Gateway Mall (formerly the Mall 189). The debt, which matures September 1, 2002, bears interest at a fixed-rate of 7.5% and requires the payment of interest only through May 4, 2001. Thereafter, and through the maturity date, the loan bears interest at a fixed-rate of 9.875% and requires total monthly payments of $55,000 representing interest and principal. The debt can be prepaid commencing May 4, 2002, without any prepayment fees.

LIQUIDITY AND CAPITAL RESOURCES, continued

On July 7, 1999 the Company closed on a $14.0 million financing with Sun America Life Insurance Company. The debt, which is secured by the Merrillville Plaza, matures in July 2002 and requires monthly payments of interest at a rate of LIBOR plus 205 basis points adjusted on a quarterly basis and principal amortized over 25 years. The Company has also purchased an interest rate swap agreement which caps LIBOR at 6.50% for this debt.

As of June 30, 1999 interest on the Company's mortgage indebtedness ranged from 6.2% to 9.6% with maturities that ranged from September 1999 to March 2022. Of the total outstanding debt, $259.8 million, or 88%, was carried at fixed interest rates with a weighted average of 8.4% and $35.0 million, or 12%, was carried at variable rates with a weighted average of 6.7%. Of the total outstanding debt, $150.1 million will mature by 2001 (outstanding principal at maturity dates), with scheduled maturities of $13.0 million in 1999 at a weighted average interest rate of 7.7%, $94.9 million in 2000 at a weighted average interest rate of 8.5% and $42.2 million in 2001 at a weighted average interest rate of 7.8%. As the Company does not anticipate having sufficient cash on hand to repay such indebtedness, it will need to refinance this indebtedness or select other alternatives based on market conditions at that time.

The following table summarizes the Company's mortgage indebtedness as of June 30, 1999:

	June 30, 1999	December 31, 1998	Interest Rate
Mortgage notes payable - variable-rate			
General Electric Capital Corp.	$ 7,187	$ 6,989	7.69% (Commercial paper rate +2.75%)
Fleet Bank, N.A.	9,157	8,268	6.71% (LIBOR + 1.78%)
KBC Bank	14,634	14,760	6.19% (LIBOR + 1.25%)
Fleet Bank, N.A.	3,992	-	6.69% (LIBOR + 1.75%)
Total variable-rate debt	34,970	30,017	
Mortgage notes payable - fixed rate			
Sun America Life Insurance Company	8,610	8,717	7.75%
The Manufacturers Life Insurance Company (USA)	4,337	4,372	7.73%
John Hancock Mutual Life Insurance Company	54,147	54,445	9.11%
Metropolitan Life Insurance Company	41,000	41,000	7.75%
Sun America Life Insurance Company	43,449	43,832	7.75%
Anchor National Life Insurance Company	3,909	3,950	7.93%
Lehman Brothers Holdings, Inc.	18,058	18,140	8.32%
Northern Life Insurance Company	3,293	3,409	7.70%
Bankers Security Life	2,271	2,351	7.70%
Morgan Stanley Mortgage Capital	44,418	44,729	8.84%
Nomura Asset Capital Corporation	22,467	22,599	9.02%
Mellon Mortgage Company	7,624	-	9.60%
Huntoon Hastings Capital Corporation	6,222	-	7.50%
Total fixed-rate debt	259,805	247,544	
	$294,775	$277,561	

	Maturity	Properties Encumbered	Payment Terms
Mortgage notes payable - variable-rate			
General Electric Capital Corp.	01/01/02	(1)	(18)
Fleet Bank, N.A.	05/31/02	(2)	(18)
KBC Bank	12/31/02	(3)	(18)
Fleet Bank, N.A.	03/15/02	(4)	(18)
Mortgage notes payable - fixed rate			
Sun America Life Insurance Company	09/24/99	(5)	$74(18)
The Manufacturers Life Insurance Company (USA)	12/10/99	(6)	$34(18)
John Hancock Mutual Life Insurance Company	04/01/00	(7)	$455(18)
Metropolitan Life Insurance Company	06/01/00	(8)	(17)
Sun America Life Insurance Company	01/01/01	(9)	$346(18)
Anchor National Life Insurance Company	01/01/04	(10)	$33(18)
Lehman Brothers Holdings, Inc.	03/01/04	(11)	$139(18)
Northern Life Insurance Company	12/01/08	(12)	$41(18)
Bankers Security Life	12/01/08	(12)	$28(18)
Morgan Stanley Mortgage Capital	11/01/21	(13)	$380(18)
Nomura Asset Capital Corporation	03/11/22	(14)	$193(18)
Mellon Mortgage Company	05/23/05	(15)	$71(18)
Huntoon Hastings Capital Corporation	09/01/02	(16)	(17)

Notes:

(1) Soundview Marketplace

(2) Village Commons

(3) Marley Run Apartments

(4) Town Line

(5) Village Apartments

(6) Hobson West Plaza

(7) New Loudon Centre
Ledgewood Mall
Plaza 422
Berlin Shopping Center
Route 6 Mall
Tioga West
Bradford Towne Centre

(8) Valmont Plaza
Luzerne Street Plaza
Green Ridge Plaza
Crescent Plaza
East End Centre

(9) Bloomfield Town Square
Atrium Mall
Walnut Hill Shopping Center
GHT Apartments
Colony Apartments

(10) Pittston Plaza

(11) Glen Oaks Apartments

(12) Manahawkin Shopping Center

(13) Midway Plaza
Northside Mall
New Smyrna Beach
Cloud Springs Plaza
Troy Plaza
Martintown Plaza
Kings Fairgrounds
Shillington Plaza
Dunmore Plaza
Kingston Plaza
Twenty Fifth Street Shopping Center
Circle Plaza
Mountainville Plaza
Plaza 15
Birney Plaza
Monroe Plaza
Ames Plaza

(14) Northwood Centre

(15) Mad River

(16) Gateway Mall

(17) Interest only monthly

(18) Monthly principal and interest

LIQUIDITY AND CAPITAL RESOURCES, continued

Payment of Dividend

On June 16, 1999, the Board of Trustees of the Company approved and declared a quarterly dividend for the quarter ended June 30, 1999 of $0.12 per Common Share. The dividend was paid on July 15, 1999 to the shareholders of record as of June 30, 1999.

Stock Repurchase Plan

On June 16, 1999 the Board of Trustees also approved a stock repurchase program. Management is authorized, in its discretion, to repurchase up to $10.0 million of its currently outstanding Common Shares on the open market. As of August 11, 1999, the Company has repurchased 21,400 shares at a total cost of $115,000. The program may be discontinued or extended at any time and there is no assurance that the Company will purchase the full amount authorized.

Acquisition and development of properties

The Company's acquisition program focuses on acquiring sub-performing neighborhood and community shopping centers that are well-located and creating significant value through retenanting and property redevelopment. The Company is currently redeveloping two such properties; both located in the Northeast region. The Company is currently redeveloping a 39,700 square foot retail and residential building located in Greenwich, Connecticut. During June 1999, Restoration Hardware, the lead anchor for the center occupying 12,300 square feet of the retail space, commenced paying rent. The building, which was formerly vacant, is being completely refurbished, and when completed in late 1999 will consist of approximately 17,000 square feet of total retail space and 21 apartments (approximately 15,000 square feet). As of June 30, 1999, costs incurred to date were $13.8 million. The Company expects that an additional $2.4 million will be required to complete this project. The second redevelopment property, which was acquired on May 5, 1999 for approximately $6.5 million, is the Gateway Mall (formerly the Mall 189), a 122,000 square foot shopping center located in South Burlington, Vermont. The Company acquired the general partner's interest in the entity owning the center, which was acquired out of bankruptcy by restructuring and assuming the mortgage debt of $6.2 million. The Gateway Mall is a partially enclosed mall that will be redeveloped into a conventional strip center format at an estimated cost of $4.6 million. The existing tenants include a 31,600 square foot Grand Union supermarket that is currently paying a below-market rent.

Other redevelopment and expansion activity in the portfolio included the completion of construction of a 10-screen movie theater at the Wesmark Plaza in Sumter, South Carolina. On May 28, 1999, the tenant commenced paying an annual base rent of $252,000 plus operating expense pass-throughs. Total costs incurred through June 30, 1999 for this project were $1.1 million. Retenanting activity included the installation and commencement of rent for A.J. Wright in 29,000 square feet at the Walnut Hill Plaza in Woonsocket, Rhode Island and the replacement of BiLo (Penn Traffic) with a Redner's Market, which opened June 9, 1999 at the Pittston Plaza in Pittston, Pennsylvania. At the Ledgewood Mall, in Ledgewood, New Jersey, Stern's was expanded by 11,600 square feet and the Company signed a lease with Phar-Mor for 47,300 square feet of space bringing the total leased percentage of the center to 94%. The Company currently estimates remaining capital outlays of $730,000 for these projects. Additionally, the Company currently estimates that for the remaining portfolio, capital outlays of approximately $2.2 million will be required for tenant improvements, related renovations and other property improvements related to executed leases.

LIQUIDITY AND CAPITAL RESOURCES, continued

Sources of capital for funding property development, property expansion and renovation and future property acquisitions are expected to be obtained from additional debt financings, sales of existing properties and additional equity offerings. As of June 30, 1999, the Company had total cash available of $12.8 million as well as 10 properties that are currently unencumbered and therefore available as potential collateral for future borrowings.

The Company anticipates that cash flow from operating activities will continue to provide adequate capital for all debt service payments, recurring capital expenditures and REIT distribution requirements.

HISTORICAL CASH FLOW

The following discussion of historical cash flow compares the Company's cash flow for the six month period ended June 30, 1999 ("1999") with the Company's cash flow for the six month period ended June 30, 1998 ("1998").

Net cash provided by operating activities increased from $4.4 million for 1998 to $7.9 million for 1999. This variance was primarily attributable to an increase in operating income before non-cash expenses in 1999 offset, primarily, by $3.4 million additional cash used in 1999 for the payment of accounts payable and accrued expenses.

Investing activities used $8.7 million during 1999, representing a $1.4 million decrease from $10.2 million of cash used during 1998. This variance was the result of a $5.3 million increase in expenditures for real estate acquisitions, development and tenant installation in 1999, offset by net sales proceeds of $6.1 million received in 1999 following the sale of two properties and $637,000 of distributions received from an unconsolidated subsidiary partnership.

Net cash used in financing activities of $1.6 million for 1999 decreased $10.0 million compared to $8.4 million provided in 1998. The decrease resulted primarily from the combination of a $5.6 million decrease in 1999 of net proceeds provided from refinancings and dividends and distributions of $4.4 million being paid in 1999.

INFLATION

The Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation on the Company's net income. Such provisions include clauses enabling the Company to receive percentage rents based on tenants' gross sales, which generally increase as prices rise, and/or, in certain cases, escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indexes. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek to increase rents upon re-rental at market rates if rents are below the then existing market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

YEAR 2000 COMPLIANCE

The year 2000 ("Y2K") problem refers to computer applications using only the last two digits to refer to a year rather than all four digits. As a result, these applications could fail or create erroneous results if they recognize "00" as the year 1900 rather than year 2000. The Company has taken Y2K initiatives in three general areas which represent the areas that could have an impact on the Company: information technology systems, non-information technology systems and third party issues. The following is a summary of these initiatives:

Information technology and related costs: The Company's information technology systems generally consist of file servers, workstations, operating systems and applications which are all purchased systems. The Company's assessment and testing of these systems has revealed that they are Y2K compliant.

Non-information technology and related costs: Non-information technology consists mainly of facilities management systems such as telephone, utility and security systems for its properties. The Company is in the process of identifying date sensitive systems and equipment including HVAC units, telephones, security systems and alarms, fire and flood warning systems and general office systems at its properties. Assessment, testing and remediation of these systems is approximately 85% complete and is expected to be fully completed during the early fourth quarter of 1999. The identification and remediation of systems at the properties is being accomplished by Company personnel with the assistance of consultants, for which both costs are being recorded as normal operating expenses. Based on preliminary assessment the cost of any upgrades or replacement is not expected to be significant.

Third parties and related costs: The Company has assessed major third parties' Y2K readiness including tenants, contractors and key suppliers of out-sourced services including, property maintenance, stock transfer, debt servicing, banking collection and disbursement, payroll and benefits. Some of these third parties are publicly traded corporations subject to disclosure requirements for which the Company currently monitors Y2K disclosures in SEC filings. The majority of the Company's private vendors are small suppliers that the Company believes can manually execute their business and are readily replaceable. Management also believes there is no material risk of being unable to procure necessary supplies and services. The Company has requested all significant vendors and tenants to complete Y2K questionnaires and to date has not received any response from such third parties indicating that they have a significant Y2K problem. Based on the responses received to date, the Company believes there are no conditions related to third party readiness that would require material remediation costs. The assessment of third party readiness has been conducted by Company personnel whose costs are recorded as normal operating expenses.

Risks: The principal risk to the Company relating to the implementation of its accounting system hardware and software upgrades is failure to correctly bill tenants by December 31, 1999 and pay invoices when due. Management believes it has adequate resources, or could obtain the needed resources, to manually bill tenants and pay bills until the systems become operational.

The principal risks to the Company relating to non-information systems at the properties are failure to identify time-sensitive systems and inability to find an appropriate replacement system. The Company believes that adequate replacement components or new systems are available at reasonable prices and are in good supply. The Company also believes that adequate time and resources are available to remediate these areas as needed.

The principal risks to the Company in its relationship with third parties are failure of third party systems used to conduct business such as: disruption of tenant operations at the properties; banks being unable to process receipts and disbursements; vendors being unable to supply needed materials and services to the Company's properties; and processing of out-sourced employee payroll. Based on Y2K compliance work done to date, the Company has no reason to believe that key tenants, banks and suppliers will not be Y2K compliant in all material respects or cannot be replaced within an acceptable timeframe.

YEAR 2000 COMPLIANCE, continued

Contingency plans: The Company intends to deal with contingency planning after all the results of the above assessments and related remediations are known. To date, the Company is not aware of any conditions requiring further material expenditures for remediation.

The Company's description of its Y2K compliance issue is based upon information obtained by management through evaluations of internal business systems and tenant and vendor compliance efforts. No assurance can be given that the Company will be able to address the Y2K issues for all its systems in a timely manner or that it will not encounter unexpected difficulties or significant expenses relating to adequately addressing the Y2K issue. If the Company or the major tenants or vendors with whom the Company does business fail to address their major issues, the Company's operating results or financial position could be materially adversely affected.

Item 3. Quantitative and qualitative disclosures about market risk

The Company's primary market risk exposure is to changes in interest rates related to the Company's mortgage debt. See the discussion under Item 2. of this report for certain quantitative details related to the Company's mortgage debt. Currently, the Company manages its exposure to fluctuations in interest rates primarily through the use of fixed-rate debt. As of June 30, 1999, the Company had total mortgage debt of $294.8 million of which $259.8 million, or 88%, is fixed-rate and $35.0 million, or 12%, is variable-rate based upon either LIBOR or the lender's commercial paper rate, plus certain spreads. The Company may seek variable-rate financing if and when pricing and other commercial and financial terms warrant. As such, the Company would consider hedging against the interest rate risk related to such variable-rate debt through interest rate swaps, as was done related to the $14.0 million financing with Sun America Life Insurance Company that closed in July 1999, or other means.

Part II. Other Information

Item 1. Legal Proceedings

There have been no material legal proceedings beyond those previously disclosed in the Registrants previously filed Annual Report on Form 10-K for the year ended December 31, 1998.

Item 2. Changes in Securities

Other

On April 9 and July 16, 1999, Marvin Slomowitz, the former principal shareholder, converted 100,000 and 600,000 OP Units, respectively, to Common Shares on a one-for-one basis.

Item 3. Defaults Upon Senior Securities
None

Item 4. Submission of Matters to a Vote of Security Holders

On June 16, 1999 the Registrant held its annual meeting of shareholders. The shareholders voted, in person or by proxy for the following proposals. The results of the voting are shown below:

Proposal 1 -

	Votes Cast For	Votes Against
Election of Trustees:		
Ross Dworman	25,320,364	98,850
Kenneth Bernstein	25,320,364	98,850
Martin L. Edelman, Esq.	25,320,364	98,850
Marvin J. Levine, Esq.	25,319,839	99,375
Lawrence J. Longua	25,319,864	99,350
Gregory White	25,320,364	98,850
Marvin Slomowitz	25,320,059	99,155

Proposal 2 -
The ratification of the appointment of Ernst & Young, LLP as independent auditors for the Company for the fiscal year ending December 31, 1999:

Votes Cast For	Votes Cast Against	Abstain	Unvoted
25,333,949	62,665	22,600	--

Proposal 3 -
The approval of the Company's 1999 Share Incentive Plan:.

Votes Cast For	Votes Cast Against	Abstain	Unvoted
19,007,004	664,470	2,033,123	3,714,318

Proposal 4 -
Such other business as may properly come before the Annual Meeting Or adjournments thereof:

Votes Cast For	Votes Cast Against	Abstain	Unvoted
22,606,693	2,394,878	417,643	--

Item 6. Exhibits and Reports on Form 8-K

The following exhibit is included herein:

27 Financial Data Schedule (EDGAR filing only)

Reports on Form 8-K - The Company did not file any report on Form 8-K during the three month period ended June 30, 1999.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has fully caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ACADIA REALTY TRUST

By:

/s/ Ross Dworman
Chairman and Chief Executive
Officer (Principal Executive
Officer)

/s/ Perry Kamerman
Senior Vice President of Finance
(Principal Financial and
Accounting Officer)

Date: August 13, 1999

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ACADIA REALTY TRUST
1,000

6-MOS
DEC-31-1999
JAN-01-1999
JUN-30-1999
12,779
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