

Risk Factors Comparison 2025-02-14 to 2024-02-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

There are risks relating to investments in real estate that could adversely affect our financial condition, cash flows, results of operations, and ability to satisfy our debt service obligations and make distributions to our shareholders. • We rely on revenues derived from tenants, in particular our key tenants, and a decrease in those revenues could adversely affect our ability to make distributions to our shareholders. • Anchor tenants and co-tenancy are crucial to the success of retail properties and vacated anchor space directly and indirectly affects our rental revenues. • The bankruptcy of, or a downturn in the business of, any of our major tenants or a significant number of our smaller tenants may adversely affect our financial condition, cash flows, results of operations and property values. • We may not be able to renew current leases or the terms of re-letting (including the cost of concessions to tenants) may be less favorable to us than current lease terms. • Our business is significantly influenced by demand for retail space generally, and a decrease in such demand may have a greater adverse effect on our business than if we owned a more diversified real estate portfolio. • E-commerce ~~can have an impact on our business because it~~ may cause a downturn in the business of our current tenants and affect future leases, **which could adversely affect our financial condition**. • Many of our real estate costs are fixed, even if income from our properties decreases, which would cause a decrease in net income. • Our ability to change our portfolio is limited because real estate investments are illiquid. • We could be adversely affected by conditions in the markets where our properties are geographically concentrated. • Our development and construction activities could affect our operating results. • Developments and acquisitions may fail to perform as expected, which could adversely affect our results of operations. • We may not be able to recover our investments in marketable securities or other investments, which may result in significant losses to us. • Our real estate assets may be subject to impairment charges. • If a third-party vendor fails to provide agreed upon services, we may suffer losses. • Actual or perceived threats associated with epidemics, pandemics or other public health crises, ~~including the COVID-19 Pandemic,~~ have had and could continue to have a material adverse effect on our and our tenants' businesses, financial condition, results of operations, cash flow, liquidity, and ability to access the capital markets and satisfy debt service obligations. Risks related to our liquidity and indebtedness • If we decided to employ higher leverage levels, we would be subject to increased debt service requirements and a higher risk of default on our debt obligations, which could adversely affect our financial conditions, cash flows and ability to make distributions to our shareholders. In addition, increases or changes in interest rates could cause our borrowing costs to rise and may limit our ability to refinance debt. • Our inability to raise capital or to carry out our growth strategy could adversely affect our financial condition, cash flows and results of operations. • Our structured financing portfolio is subject to specific risks relating to the structure and terms of the instruments and the underlying collateral. Risks related to litigation, environmental matters and government regulation • We are exposed to possible liability relating to environmental matters. • Uninsured losses or a loss in excess of insured limits could adversely affect our financial condition, cash flows and results of operations. • We may from time to time be subject to litigation that could negatively impact our financial condition, cash flows, results of operations and the trading price of our Common Shares **(as defined below)**. • Compliance with the Americans with Disabilities Act **of 1990, as amended (the "ADA")** and fire, safety and other regulations may require us to make unplanned expenditures that could adversely affect our financial condition, cash flows and results of operations. Risks related to our management and structure • The loss of key management members could have an adverse effect on our business, financial condition, and results of operations. • We have pursued and may in the future continue to pursue extensive growth opportunities, including investing in new markets, which may result in significant demands on our operational, administrative, and financial resources. • Our Board may change our investment policy or objectives without shareholder approval. • Concentration of ownership by certain investors may allow these investors to exert influence over the business and affairs of our Company. • Restrictions on a potential change of control could prevent changes that would be beneficial to our shareholders. • Certain provisions of Maryland law may limit the ability of a third party to acquire control of our Company. • Our rights and **our** shareholders' rights to take action against trustees and officers are limited, which could limit recourse in the event of actions not in the best interests of shareholders. • We operate through a partnership structure, which could have an adverse effect on our ability to manage our assets. • Our joint venture investments carry additional risks not present in our direct investments. **• We are subject to risks and liabilities in connection with forming and attracting third-party investment in co-investment ventures, investing in new or existing co-investment ventures, and managing properties through co-investment ventures**. Risks related to our REIT status • There can be no assurance we have qualified or will remain qualified as a REIT for federal income tax purposes. • Legislative or regulatory tax changes could have an adverse effect on our status as a REIT for federal income tax purposes. • We may be required to borrow funds or sell assets to satisfy the REIT distribution requirements. • Dividends payable by REITs generally do not qualify for reduced tax rates. • Complying with REIT requirements may cause us to forego otherwise attractive opportunities or liquidate otherwise attractive investments. • We have limits on ownership of our shares of beneficial interest. • Distribution requirements imposed by law limit our operating flexibility. General risk factors • The economic environment may cause us to lose tenants and may impair our ability to borrow money to purchase properties, refinance existing debt or finance our current development projects. • Political and economic uncertainty could have an adverse effect on our business. • Inflation may adversely affect our financial condition, cash flows and results of operations. • Competition may adversely affect our ability to purchase properties and to attract and retain tenants. • Changes in market conditions could have an adverse effect on our share price and our ability to access the public equity markets. • Outages, computer viruses and similar events could disrupt our operations. • Increased Information Technology ("IT") security threats and more sophisticated computer crime could pose a

risk to our systems, networks, and services. • Use of social media may adversely impact our reputation and business. • Climate change and natural disasters could adversely affect our properties and business. • Future terrorist attacks or civil unrest could harm the demand for, and the value of, our properties. • Increased scrutiny by and changing expectations from investors, tenants, employees, and other stakeholders regarding our **ESG corporate responsibility** practices and reporting could cause us to incur additional costs and adversely impact our reputation, tenant and employee acquisition and retention, and access to capital.

PART I ITEM 1. BUSINESS. GENERAL Acadia Realty Trust (the “ Trust ”) was formed on March 4, 1993 as a Maryland **real estate investment trust (“REIT ”)**. All references to “ Acadia, ” “ we, ” “ us, ” “ our ” and “ Company ” refer to the Trust and its consolidated subsidiaries. We are a fully integrated REIT focused on the ownership, acquisition, development, and management of high- quality retail properties located primarily in high- barrier- to- entry, supply- constrained, densely populated metropolitan areas in the United States. We currently own or have an ownership interest in these properties through our Core Portfolio (as defined below). We generate additional growth through our **Funds Investment Management** (as defined below) in which we co- invest with high- quality institutional investors. All of our assets are held by, and all of our operations are conducted through, Acadia Realty Limited Partnership (the “ Operating Partnership ”) and entities in which the Operating Partnership owns an interest. As of December 31, **2023-2024**, the Trust controlled approximately **95-96** % of the Operating Partnership as the sole general partner. As the general partner, the Trust is entitled to share, in proportion to its percentage interest, in the cash distributions and profits and losses of the Operating Partnership. The limited partners primarily represent entities or individuals that contributed their interests in certain properties or entities to the Operating Partnership in exchange for common or preferred units of limited partnership interest (“ Common OP Units ” or “ Preferred OP Units, ” respectively, and collectively, “ OP Units ”) and employees who have been awarded restricted Common OP Units as long- term incentive compensation (“ LTIP Units ”). Limited partners holding Common OP and LTIP Units are generally entitled to exchange their units on a one- for- one basis for our common shares of beneficial interest, par value \$ 0. 001 per share, of the Company (“ Common Shares ”). This structure is referred to as an umbrella partnership REIT, or “ UPREIT. ”

BUSINESS OBJECTIVES AND STRATEGIES Our primary business objective is to acquire and manage commercial retail properties that will provide cash for distributions to shareholders while also creating the potential for capital appreciation to enhance investor returns. We focus on the following fundamentals to achieve this objective: • Own and operate a portfolio of high- quality retail properties located primarily in high- barrier- to- entry, densely populated metropolitan areas (“ Core Portfolio ”). Our goal is to create value through accretive development and re- tenanting activities within our existing portfolio and grow this platform through the acquisition of high- quality assets that have the long- term potential to outperform the asset class. • Generate additional growth through **Investment Management our Funds** (as defined below) in which we co- invest with high- quality institutional investors. Our **Fund Investment Management** strategy focuses on opportunistic yet disciplined acquisitions with high inherent opportunity for the creation of additional value. We execute on this opportunity and realize value through the sale of these assets. In connection with this strategy, we focus on: ▪ value- add investments in street retail properties, located in established and “ next- generation ” submarkets, with re- tenanting or repositioning opportunities, ▪ opportunistic acquisitions of well- located real estate anchored by distressed retailers, and ▪ other opportunistic acquisitions, which vary based on market conditions and may include high- yield acquisitions and purchases of distressed debt. • Some of these Core Portfolio and **Fund Investment Management** investments historically have also included, and may in the future include joint ventures with private equity investors for the purpose of making investments in operating retailers with significant embedded value in their real estate assets. • Maintain a strong and flexible balance sheet through conservative financial practices while ensuring access to sufficient capital to fund future growth.

Investment Strategy — Generate External Growth through our Dual Platforms: Core Portfolio and Funds Investment Management The objective that acquisitions be accretive on a long- term basis based on our cost of capital, as well as increase the overall Core Portfolio quality and value, is a key strategic consideration to the growth of our Core Portfolio. As such, we constantly evaluate the blended cost of equity and debt and adjust the amount of acquisition activity to align the level of investment activity with capital flows. Given the growing importance of technology and e- commerce, many of our retail tenants are appropriately focused on omni- channel sales and how to best utilize e- commerce initiatives to drive sales at their stores. Considering these initiatives, we have found retailers are becoming more selective as to the location, size and format of their next- generation stores and are focused on dense, high- traffic retail corridors, where they can utilize smaller and more productive formats closer to their shopping population. Accordingly, our focus for Core Portfolio and **Fund Investment Management** acquisitions is on those properties which we believe will not only remain relevant to our tenants but become even more so in the future. In addition to our Core Portfolio investments in real estate assets, we have also capitalized on our expertise in the acquisition, development, leasing, and management of retail real estate by establishing **an Investment Management discretionary opportunity funds. Our Fund- platform, through which our is an investment vehicle where the Operating Partnership and invests, along with outside institutional investors, including, but not limited to, endowments, foundations, pension funds and investment management companies, invest in primarily opportunistic and value- add retail real estate (“ Investment Management ”)**. To date **As part of the Investment Management platform**, we have **launched five active investments through the following opportunity funds (“ Funds ”): Acadia Strategic Opportunity Fund- I, including: LP (“ Fund I, ” which was liquidated in 2015), Acadia Strategic Opportunity Fund II, LLC (“ Fund II ”), Acadia Strategic Opportunity Fund III LLC (“ Fund III ”), Acadia Strategic Opportunity Fund IV LLC (“ Fund IV ”), and Acadia Strategic Opportunity Fund V LLC (“ Fund V ” and our, collectively with Fund II, Fund III, and Fund IV, the “ Funds current fund ”)**. The investment period for our **current most recent** fund was completed in August 2023. Thus, as of December 31, we have closed on all new investments in our Funds, and any remaining obligations to our Funds are related to existing investments. Due to our level of control, we consolidate these Funds for financial reporting purposes. **Fund I and Fund II As part of the Investment Management platform, we also have active also included investments in operating companies through Acadia Mervyn other co- investment vehicles that allows us to partner with large institutional investors investors I, LLC. We align our**

interests with our partners by holding significant ownership interests in our three unconsolidated co-investment ventures (ranging from 5% to 20% “Mervyns I,” which was liquidated in 2018). Each co-investment is negotiated; Acadia Mervyn Investors II, LLC (“Mervyns II”) and, in certain instances, directly through Fund II, all on a non-recourse ~~an individual~~ basis. These investments comprise, and could result in varying economic terms are referred to as, the Company’s Retailer Controlled Property Venture (“RCP Venture”). The Operating Partnership is the sole general partner or managing member of the Funds and Mervyns II and earns priority distributions or fees for asset management, property management, construction, development, leasing, and legal services. Cash flows from the Funds and the RCP Venture are distributed pro-rata to their respective partners and members (including the Operating Partnership) until each receives a certain cumulative return (“Preferred Return”), and the return of all capital contributions. Thereafter, remaining cash flows are distributed 20% to the Operating Partnership (“Promote”) and 80% to the partners or members (including the Operating Partnership). We earn revenues from our unconsolidated co-investment ventures, principally through asset management and property management services. We earn additional revenues by providing leasing, acquisition, construction management, development and legal services. In certain ventures, we also have the ability to earn revenues through incentive fees (“promotes” or “promote revenues”) periodically during the life of a venture, upon liquidation of a venture or upon stabilization of individual venture assets based primarily on the total return of the investments over certain financial hurdles. We plan to grow this business and increase revenues by increasing our co-investment assets under management in existing or new ventures. See Note 1 to Consolidated Financial Statements for a detailed discussion of the Funds.

Capital Strategy — Balance Sheet Focus and Access to Capital Our primary capital objective is to maintain a strong and flexible balance sheet through conservative financial practices, including moderate use of leverage within our Core Portfolio, while ensuring access to sufficient capital to fund future growth. We intend to continue financing acquisitions and property development and redevelopment with sources of capital determined by management to be the most appropriate based on, among other factors, availability in current capital markets, pricing, and other commercial and financial terms. Such sources of capital may include the issuance of public equity, unsecured debt, property mortgage loans and construction loans, and other capital alternatives including strategic capital and the issuance of OP Units. We manage our interest rate risk through the use of fixed-rate debt and, where we use variable-rate debt, through the use of certain derivative instruments, including Secured Overnight Financing Rate (“SOFR”) swap agreements and interest rate caps as discussed further in Item 7A. Quantitative and Qualitative Disclosures about Market Risk of this Report. We maintain a share repurchase program that authorizes management, at its discretion, to repurchase up to \$ 200.0 million of outstanding Common Shares. The program may be discontinued or extended at any time. We did not repurchase any shares during the years ended December 31, 2024, 2023, or 2022 or 2021. As of December 31, 2023-2024, management may repurchase up to approximately \$ 122.5 million of Common Shares under the program. See Note 10. We also maintain an at-the-market equity issuance program (the “ATM Program”) that provides us with an efficient and low-cost vehicle for raising capital through public equity issuances on an as-we-go basis to fund our capital needs. Through the ATM Program, we have been able to effectively “match-fund” a portion of the required capital for our Core Portfolio and Fund Investment Management acquisitions through the issuance of Common Shares over extended periods employing a price averaging strategy. In addition, from time to time, we have issued and intend to continue to issue equity in follow-on offerings separate from our ATM Program. Net proceeds raised through our ATM Program and follow-on offerings are primarily used for acquisitions, both for our Core Portfolio and our pro-rata share of Fund Investment Management acquisitions, the repayment of outstanding indebtedness and for other general corporate purposes. During the year ended December 31, 2023-2024, we did not raised net proceeds of \$ 732.0 million through the issue issuance any Common of 33.8 million Shares shares under from primary offerings and our ATM Program program. During the year ended December 31, 2022, we inclusive of shares issued on a forward basis (5,525,419 Common Shares under our ATM Program for gross proceeds of \$ 123.9 million. During the year ended December 31, 2021, we issued 2,889,371 Common Shares under our ATM Program for gross proceeds of \$ 64.9 million. See Note 10. In January 2024, we completed an underwritten offering of 6,900,000 Common Shares (inclusive of the underwriters’ option to purchase 900,000 additional shares) for net proceeds of \$ 113.0 million (Note 17).

Operating Strategy — Experienced Management Team with Proven Track Record Our senior management team has decades of experience in the real estate industry. We have capitalized on our expertise in the acquisition, development / redevelopment, leasing, and management of retail real estate by creating value through property development / redevelopment, re-tenanting and establishing joint ventures, such as the Funds Investment Management platform, in which we may earn, in addition to a return on our equity interest, a promotes Promote, priority distributions and or fees. Operating functions such as leasing, property management, construction, finance and legal are generally provided by our personnel, providing for a vertically integrated operating platform.

INVESTING ACTIVITIES