

ACADIA REALTY TRUST  
Form 424B5  
July 05, 2016

**Filed Pursuant to Rule 424(b)(5)**

**Registration No. 333-195665**

**CALCULATION OF REGISTRATION FEE**

<b>Title of Securities Being Registered</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Common shares of beneficial interest, par value \$0.001 per share	\$ 250,000,000	\$ 25,175 (1)

(1) Calculated in accordance with Rule 457(o) under the Securities Act of 1933, as amended, based on the proposed maximum aggregate offering price.

**Prospectus Supplement**

(To prospectus dated May 2, 2014)

**\$250,000,000**

**Acadia Realty Trust**

***Common Shares of Beneficial Interest***

On July 5, 2016, we entered into an ATM Equity Offering Sales Agreement (the "Sales Agreement"), with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Wells Fargo Securities, LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Jefferies LLC (the "Agents"), relating to the offering of up to \$250,000,000 of our common shares of beneficial interest, par value \$0.001 per share, to be offered by this prospectus supplement and the accompanying prospectus.

In accordance with the terms of the Sales Agreement, we may offer and sell the common shares offered hereby from time to time through the Agents acting as sales agents or directly to the Agents acting as principal. Sales of the common shares, if any, will be made by means of ordinary brokers' transactions on the New York Stock Exchange (the "NYSE"), or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or negotiated transactions, or as otherwise agreed with the applicable Agent. Upon entering into the Sales Agreement, we simultaneously terminated the ATM Equity Offering Sales Agreement, as amended, dated December 2, 2014, that we entered into with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Wells Fargo Securities, LLC, Goldman, Sachs & Co., and Citigroup Global Markets Inc. in connection with a prior "at-the-market" offering program established December 2014.

Our common shares are listed on the NYSE under the symbol "AKR." The last reported sale price of our common shares on the NYSE on July 5, 2016 was \$36.47 per share.

Each Agent will receive from us a commission that will not exceed, but may be lower than, 2.0% of the gross sales price of the common shares sold through it under the Sales Agreement. Subject to the terms and conditions of the Sales Agreement, the Agents will use their commercially reasonable efforts consistent with their normal trading and sales practices and applicable law and regulation to sell on our behalf any common shares to be offered by us under the Sales Agreement. The offering of common shares pursuant to the Sales Agreement will terminate upon the earlier of (1) the sale of all the common shares subject to the Sales Agreement and (2) the termination of the Sales Agreement, pursuant to its terms, by either the Agents or us.

Under the terms of the Sales Agreement, we also may sell common shares to each of the Agents as principal, for its own account, at a price per share to be agreed upon at the time of sale. If we sell common shares to any Agent, acting as principal, we will enter into a separate agreement with the Agent setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement or pricing supplement.

In order to assist us in maintaining our qualification as a real estate investment trust (“REIT”) for federal income tax purposes, among other purposes, our declaration of trust imposes certain restrictions on the ownership and transfer of our common shares. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” in the accompanying prospectus.

**Investing in our common shares involves risks. Please refer to “Risk Factors” on page S-5 of this prospectus supplement and the Risk Factors section of our most recent Annual Report on Form 10-K and our other periodic reports filed with the Securities and Exchange Commission (the “SEC”) and incorporated by reference herein.**

**Neither the SEC nor any state securities commission has approved or disapproved of the common shares or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

**BofA Merrill Lynch**

**Barclays**

**Wells Fargo Securities**

**Goldman, Sachs & Co.**

**Citigroup**

**Jefferies**

The date of this prospectus supplement is July 5, 2016

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, nor has any Agent, authorized anyone

to provide you with different or additional information.

We and the Agents are offering to sell and seeking offers to buy the common shares only in places where such offers and sales are permitted.

You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of the document containing such information or such other dates as may be specified therein. Our business, financial condition, liquidity, results of operations and prospects may have changed since these dates.

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## CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by these forward-looking statements. 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,” “project,” or the negative of t or other similar words or terms. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to:

· general economic, business and political conditions;

· general market factors, including an increase in market interest rates;

· our ability to maintain rental rates;

· the financial health of our major tenants and the impact of tenant bankruptcies and any leases rejected during a tenant’s bankruptcy proceedings;

· the availability and creditworthiness of prospective tenants;

· demand for rental space;

· consumer migration towards e-commerce sales;

· our access to capital markets and the cost of capital and the application of any proceeds from any such capital raising activities;

· our ability to meet our debt service requirements and the continuing viability of our counterparties in interest rate swap transactions;

- adverse changes in our real estate markets;
- competition with other companies;
- risks of real estate development and acquisition, and the risks of holding interests in real property;
- our ability to carry out our growth strategy without compromising our overall performance;
- our ability to identify and consummate acquisitions, including pending acquisitions that we have under contract;
- the performance of our opportunity funds and the ability of our fund partners to contribute capital as needed;
- the performance of our joint venture investments and the financial health of our joint venture partners;
- the loss of a key executive officer;
- the risk that our partnership structure adversely affects our ability to manage assets;
- our board of trustees deciding to change our investment policy without shareholder approval;
- certain provisions of Maryland law that may limit the ability of a third party to acquire control of us;
- environmental/safety requirements and possible liability;
- changes in laws and regulations (including tax laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance;
- the limited recourse shareholders have against our trustees and officers;
- governmental actions and initiatives;
- our ability to maintain our qualification for taxation as a REIT for federal income tax purposes;

requirements that we distribute a certain percentage of our taxable income in order to maintain our qualification for taxation as a REIT for federal income tax purposes;

local or national political and economic impacts of terrorist attacks, such as those that occurred on September 11, 2001, and civil unrest;

- climate change and risk from natural perils, including severe storms, flooding and other natural disasters;

- uninsured losses or losses in excess of insured limits;

- our structured financing and the terms of the instruments and other underlying collateral;

security breaches or cyber-attacks of our computer systems or those of our third-party representatives, vendors and service providers;

- disruptions to our information technology systems and services; and

the other risk factors set forth in our most recent Annual Report on Form 10-K and the other documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We caution you that any forward-looking statement reflects only our belief at the time the statement is made. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update any of the forward-looking statements to reflect subsequent events or developments.

## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which adds to, updates and supersedes, to the extent there are any inconsistencies, the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which does not apply to this offering of common shares. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, the information in



this prospectus supplement shall control. The SEC allows us to “incorporate by reference” certain information we file with the SEC, which means that we can disclose important information to you by referring to the other information we have filed with the SEC. The information that we incorporate by reference is considered a part of this prospectus supplement and the accompanying prospectus and information that we file later with the SEC prior to the termination of this offering of the common shares will automatically update and supersede the information contained in this prospectus supplement and the accompanying prospectus and in previously incorporated filings. It is important for you to read and consider all information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. See “Where You Can Find More Information” in this prospectus supplement.

In this prospectus supplement, unless otherwise stated or the context otherwise requires, the terms “our Company,” “we,” “us,” “our” and other similar terms refer to the consolidated business of Acadia Realty Trust, a Maryland REIT, and all of its subsidiaries. The term “you” refers to a prospective investor.

## **PROSPECTUS SUPPLEMENT SUMMARY**

*The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the section entitled “Risk Factors” and the documents incorporated by reference herein, including our financial statements and the notes thereto and management’s discussion and analysis thereof contained in such documents, before making an investment decision.*

### **Our Company**

We are a fully integrated REIT focused on the ownership, acquisition, redevelopment 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 dual investment platforms, which consist of (i) a core portfolio (“Core Portfolio”) and (ii) opportunity funds (“Funds”) which we manage and co-invest in with unaffiliated 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 March 31, 2016, we controlled approximately 94% of the Operating Partnership as the sole general partner. As the general partner, we are entitled to share, in proportion to our 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 (“OP Units”) and employees who have been awarded restricted OP Units as long-term incentive compensation (“LTIP Units”). Limited partners holding OP Units and LTIP Units are generally entitled to exchange their units on a one-for-one basis for our common shares. This structure is referred to as an umbrella partnership REIT or UPREIT.

Our executive offices are located at 411 Theodore Fremd Avenue, Suite 300, Rye, New York 10580, and our telephone number is (914) 288-8100.

### **Recent Developments**

## Core Portfolio Developments

### *Acquisitions*

The Renaissance Portfolio, Georgetown, Washington, DC - During June 2016, the Company acquired a 20% interest in an 17-property portfolio primarily located in the Georgetown submarket of Washington, DC for \$67.6 million. The acquisition included the assumption of 20% of the existing \$100 million loan on the portfolio. The portfolio is 305,000 square feet across 17 stabilized assets with a 96% occupancy rate housing major tenants including Sephora, Brooks Brothers, Lululemon, Intermix, and Design Within Reach, among others.

165 Newbury St, Boston, MA – During May 2016, the Company acquired a 100% interest in 165 Newbury Street for \$6.3 million. The property is a 1,600 square foot retail condominium located along Newbury Street and is occupied by Starbucks.

### *Under Contract*

555 9th Street, San Francisco, CA – During May 2016, the Company entered into contract to acquire 555 9<sup>th</sup> Street, a 149,000 square foot urban shopping center, located in San Francisco, for \$140.6 million. The property is anchored by Trader Joe's, Nordstrom Rack, and Bed Bath & Beyond. The Company expects to assume \$60.0 million of in-place mortgage debt in connection with this acquisition. No assurance can be given that the Company will successfully close on this transaction which is subject to customary closing conditions and lender approval of the assumption of the existing mortgage debt.

## Equity Issuances

During the three months ended June 30, 2016, the Company issued 2.5 million common shares under its \$200.0 million at-the-market ("ATM") equity program, generating gross proceeds of \$85.6 million and net proceeds of \$84.5 million.

On June 8, 2016, the Company issued 867,212 common shares in partial settlement of its obligations under its forward sale agreement entered into in connection with an equity offering on April 4, 2016, generating gross proceeds of \$30.6 million and net proceeds of \$30.0 million.

### Structured Finance

During May 2016, the Company invested \$108.9 million in a first mortgage loan. This new loan was combined with the Company's existing \$44.5 million mezzanine investment for a combined \$153.4 million first mortgage loan (the "Loan"). The Loan, which earns interest of 8.1% and matures on April 30, 2019, is collateralized by the 77.8% unaffiliated ownership interests in an approximately one million square foot retail portfolio located in Wilmington, Delaware ("Brandywine Portfolio"). The Company currently owns a 22% interest in the Brandywine Portfolio. The Loan was made in conjunction with the Brandywine Portfolio's repayment of the \$140.0 million fixed-rate debt obligation which bore interest at 5.99%.

### Credit Agreement

On June 27, 2016, the Company entered into a new \$300 million unsecured credit agreement (the "Credit Agreement") with Bank of America, N.A., as Administrative Agent, Swing Line Lender, Letter of Credit Issuer, and as a lender along with PNC Bank, National Association and Wells Fargo Bank, National Association as Co-Documentation Agents and as lenders and TD Bank, N.A. as lender (collectively, the "Lenders").

The Lenders have agreed to provide to the Company an unsecured revolving credit facility (the "Facility") of up to \$150 million and an unsecured term loan (the "Term Loan") of \$150 million. The Credit Agreement provides that the Company may from time to time request additional aggregate commitments of up to \$150 million under certain conditions as defined in the Credit Agreement.

The Facility matures on June 27, 2020; the Company has the ability to extend the maturity date for two six-month periods subject to certain conditions set forth in the Credit Agreement including the payment of an additional 0.075% fee for each extension. The Term Loan matures on June 27, 2021.

## THE OFFERING

*The following summary of the offering contains basic information about the offering and the common shares and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the common shares, please refer to the section of the accompanying prospectus entitled “Description of Our Common Shares.”*

Issuer	Acadia Realty Trust, a Maryland real estate investment trust.
Common Shares Offered	Up to \$250,000,000 of common shares.
Use of Proceeds	We intend to use the net proceeds of this offering for general corporate purposes, which may include, among other things, repayment of our debt; purchasing notes; entering into loans; future acquisitions, directly (or indirectly through joint ventures) and through our Funds; and redevelopments of and capital improvements to our properties. To the extent that we determine to use a portion of the net proceeds of this offering to pay down our debt, certain affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, and Jefferies LLC, each of whom is an Agent, would receive a portion of the proceeds with respect to the debt described in “Plan of Distribution.” See “Plan of Distribution – Other Relationships.”
Risk Factors	Before deciding to invest in our common shares, you should read carefully the risks set forth under the caption “Risk Factors” on page S-5 of this prospectus supplement and page 2 of the accompanying prospectus, and the risks set forth under the caption “Item 1A. Risk Factors” included in our most recent Annual Report on Form 10-K and the other information that we file with the SEC from time to time and incorporate by reference herein for certain considerations relevant to an investment in our common shares.
Restrictions on Ownership	In order to assist us in maintaining our qualification as a REIT for federal income tax purposes, among other purposes, actual or constructive ownership, by any person of more than 9.8% in value or number (whichever is more restrictive) of common shares is restricted by our declaration of trust. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” in the accompanying prospectus.
NYSE Symbol	“AKR”
Transfer Agent and Registrar	American Stock Transfer & Trust Company

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## **RISK FACTORS**

You should carefully consider the risks described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including those described in (i) our most recent Annual Report on Form 10-K and (ii) other documents we file with the SEC after the date of this prospectus supplement and that are deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. These risks are not the only ones facing our Company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations and future prospects. Our business, financial condition, liquidity, results of operations and prospects could be materially adversely affected by the materialization of any of these risks. The trading price of our common shares could decline due to the materialization of any of these risks, and you may lose all or part of your investment.

## **USE OF PROCEEDS**

We intend to use the net proceeds of this offering for general corporate purposes, which may include, among other things, repayment of our debt; purchasing notes; entering into loans; future acquisitions, directly (or indirectly through joint ventures) and through our Funds; and redevelopments of and capital improvements to our properties. Such decisions will depend upon numerous factors including price, commission and other strategic considerations. Pending such usage, we expect to invest proceeds in short-term instruments. To the extent that we determine to use a portion of the net proceeds of this offering to pay down our debt, certain affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, and Jefferies LLC, each of whom is an Agent, would receive a portion of the proceeds with respect to the debt described in “Plan of Distribution.” See “Plan of Distribution – Other Relationships.”

## **PLAN OF DISTRIBUTION**

We have entered into the Sales Agreement, under which we may issue and sell from time to time up to \$250,000,000 of our common shares through the Agents. Sales of the common shares to which this prospectus supplement and the accompanying prospectus relate, if any, will be made by means of ordinary brokers’ transactions on the NYSE, or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or negotiated transactions, or as otherwise agreed with the applicable Agent. As our sales agents, the Agents will not engage in any transactions that stabilize our common shares.

The Agents will offer our common shares, subject to the terms and conditions of the Sales Agreement, on a daily basis or as otherwise agreed upon by us and the Agents. On any trading day, we will offer and sell common shares through only one of the Agents. We will designate the maximum number of common shares to be sold through an Agent on a

daily basis or otherwise determine such maximum number together with the applicable Agent. Subject to the terms and conditions of the Sales Agreement, each Agent will use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulation to sell on our behalf all of the common shares to be sold through it. We may instruct an Agent not to sell common shares if the sales cannot be effected at or above the price designated by us in any such instruction. We or an Agent may suspend the offering of common shares being made through the applicable Agent under the Sales Agreement upon proper notice to the other party.

In connection with the sale of the common shares on our behalf, an Agent may be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation paid to an Agent may be deemed to be an underwriting commission or discount. We have agreed in the Sales Agreement to provide indemnification and contribution to the Agents against certain civil liabilities, including liabilities under the Securities Act.

If we or any Agent has reason to believe that our common shares are no longer an “actively-traded security” as defined under Rule 101(c)(1) of Regulation M under the Exchange Act, that party will promptly so notify the other party, and sales of our common shares under the Sales Agreement will be suspended until that or other exemptive provisions have been satisfied in the judgment of us and the Agents.

The offering of common shares pursuant to the Sales Agreement will terminate upon the earlier of (1) the sale of \$250,000,000 of our common shares or (2) the termination of the Sales Agreement, pursuant to its terms, by either the Agents or us.



## **Commissions**

Each Agent will receive from us a commission that will not exceed, but may be lower than, 2.0% of the gross sales price of the common shares sold through it under the Sales Agreement. The remaining sales proceeds, after deducting any expenses payable by us and any transaction fees imposed by any governmental, regulatory or self-regulatory organization in connection with the sales, will equal our net proceeds for the sale of such common shares.

We estimate that the total expenses of the offering payable by us, excluding commissions payable to the Agents under the Sales Agreement, will be approximately \$250,000.

## **Settlement Procedures**

Each Agent will provide written confirmation to us following the close of trading on the NYSE on each day during which our common shares were sold by it for us under the Sales Agreement. Each confirmation will include the number of common shares sold on that day, the gross sales price per share, the compensation payable by us to the Agent and the proceeds to us net of such compensation.

Settlement for sales of common shares will occur, unless the parties agree otherwise, on the third business day following the date on which such sales were made in return for payment of the proceeds to us net of compensation paid by us to the applicable Agent. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Under the terms of the Sales Agreement, we also may sell common shares to each of the Agents, as principal for its own account, at a price per share to be agreed upon at the time of sale. If we sell common shares to any Agent as principal, we will enter into a separate agreement with the applicable Agent, setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement or pricing supplement.

## **Reporting**

We will deliver to the NYSE copies of this prospectus supplement and the accompanying prospectus pursuant to the rules of the NYSE. Unless otherwise required, we will report at least quarterly the number of common shares sold through the Agents under the Sales Agreement, the net proceeds to us and the compensation paid by us to the Agents in connection with the sales of common shares.

## Other Relationships

As described in “Use of Proceeds,” we may use a portion of the net proceeds of this offering to repay indebtedness. Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), Wells Fargo Securities, LLC (“Wells Fargo”), and Jefferies LLC (“Jefferies”), each an Agent in this offering, are lenders under various loan agreements and facilities to which we are a party. As a result, such affiliates will receive a portion of the net proceeds of this offering to the extent we determine to repay any amounts outstanding under these agreements or facilities. As of July 5, 2016, the lenders under the Facility were affiliates of Merrill Lynch, Wells Fargo and Jefferies, and the lenders under the Term Loan were affiliates of Merrill Lynch, Wells Fargo and Jefferies. Additionally, as of July 5, 2016, we had a \$50 million unsecured term note with affiliates of Merrill Lynch, a \$50 million unsecured term note with affiliates of Wells Fargo, and a \$50 million unsecured term note with affiliates of Jefferies. No amounts were outstanding under the Facility as of July 5, 2016. Inclusive of its share of the Facility, Term Loan and \$50 million unsecured term note, we had \$527.2 million of outstanding mortgage and other indebtedness funded by an affiliate of Merrill Lynch as of March 31, 2016. In addition, as of July 5, 2016, we had interest rate swap agreements with an affiliate of Merrill Lynch with an aggregate principal amount of approximately \$162.8 million.

In the ordinary course of business, the Agents and their affiliates have provided in the past, and may provide from time to time in the future, certain commercial banking, financial advisory, investment banking and other services to us for which they have received or will receive customary fees and commissions.

In addition, in the ordinary course of their business activities, the Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. The Agents and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **LEGAL MATTERS**

Legal matters, excluding tax matters, relating to this prospectus supplement, will be passed upon for us by Goodwin Procter LLP, New York, New York. The legal matters described under “Material United States Federal Income Tax Considerations” beginning on page 21 of the accompanying prospectus, as supplemented by the legal matters described under “Additional Material United States Federal Income Tax Considerations”, herein, will be passed upon for us by Seyfarth Shaw LLP, New York, New York. See “Additional Material United States Federal Income Tax Considerations.” Sidley Austin LLP, New York, New York, will represent the Agents in connection with this offering. Certain matters of Maryland law, including the validity of the common shares, will be passed upon for us by Venable LLP, Baltimore, Maryland. With respect to matters of Maryland law, Goodwin Procter LLP and Sidley Austin LLP may rely on the opinion of Venable LLP.

## **ADDITIONAL MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

*This summary supplements the discussion contained under the caption “Material United States Federal Income Tax Considerations” in the accompanying prospectus, which is incorporated by reference herein, and should be read in conjunction therewith.*

The following is a summary of additional Material United States Federal income tax considerations with respect to the purchase, ownership and disposition of our common shares, and our qualification and taxation as a REIT under the Code. This summary supplements and, where applicable, supersedes the discussion under “Material United States Federal Income Tax Considerations” in the accompanying prospectus, and should be read together with such discussion.

### **Taxation of Our Company**

As discussed in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Taxation of Acadia Realty Trust as a REIT,” even if we qualify as a REIT, we will be subject to federal tax in certain circumstances. Among those circumstances, we will be subject to a 100% excise tax on income from certain transactions with a taxable REIT subsidiary (a “TRS”) that are not on an arm’s-length basis. Pursuant to the Protecting Americans from Tax Hikes Act of 2015, which was signed into law on December 18, 2015 (the “Act”), and effective for taxable years beginning after December 31, 2015, such transactions will include those pursuant to which a TRS of ours provides services to us, if such transaction is determined to have not been conducted on an arm’s-length basis.

## **REIT Gross Income Tests**

As discussed in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Requirements for REIT Qualification—In General—REIT Gross Income Tests,” we must satisfy two REIT Gross Income Tests annually to maintain our qualification as a REIT. Qualifying income for purposes of the 95% REIT Gross Income Test generally includes the items described under “REIT Gross Income Tests” in the accompanying prospectus; however, effective for taxable years beginning after December 31, 2015, gain from the sale of “real estate assets” also includes gain from the sale of a debt instrument issued by a “publicly offered REIT” (i.e., a REIT that is required to file annual and periodic reports with the SEC under the Exchange Act) even if not secured by real property or an interest in real property. However, for purposes of the 75% income test, gain from the sale of a debt instrument issued by a publicly offered REIT would not be treated as qualifying income to the extent such debt instrument would not be a real estate asset but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets effective for taxable years beginning after December 31, 2015, as described below under “REIT Asset Tests.”

*Interest.* As discussed in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Requirements for REIT Qualification—In General—REIT Gross Income Tests” interest income generally constitutes qualifying mortgage interest for purposes of the 75% REIT Gross Income Test to the extent that the obligation upon which such interest is paid is secured by a mortgage on real property. Except as provided in the following sentence, if we receive interest income with respect to a mortgage loan that is secured by both real and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we agreed to originate or acquire the mortgage loan or on the date we modified the loan (if the modification is treated as “significant modification” for tax purposes), the interest income will be apportioned between the real property and the other collateral, and our income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property. For taxable years beginning after December 31, 2015, in the case of mortgage loans secured by both real property and personal property, if the fair market value of such personal property does not exceed 15% of the total fair market value of all property securing the loan, then the personal property securing the loan will be treated as real property for purposes of determining whether the mortgage loan is a qualifying asset for the 75% asset test and whether the related interest income qualifies for purposes of the 75% gross income test.

*Prohibited Transactions.* The Act provides increased flexibility in satisfying the dealer sales safe harbor described in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Requirements for REIT Qualification—In General—REIT Gross Income Tests.” That subsection describes three alternative requirements with respect to the number of sales or the tax basis or value of such sales, one of which must be met to satisfy the safe harbor. In addition to those three requirements, effective for taxable years beginning after December 31, 2015, a REIT may also satisfy this portion of the safe harbor if:

the aggregate adjusted tax bases of all property sold by the REIT (other than foreclosure property or sales to which section 1033 of the Code applies) during the year did not exceed 20% of the aggregate tax bases of all property of the REIT at the beginning of the year and the average annual percentage of properties sold by the REIT compared to all the REIT’s properties (measured by adjusted tax bases) in the current and two prior years did not exceed 10%; or

the aggregate fair market value of all such property sold by the REIT during the year did not exceed 20% of the aggregate fair market value of all property of the REIT at the beginning of the year and the average annual percentage of properties sold by the REIT compared to all the REIT’s properties (measured by fair market value) in the current and two prior years did not exceed 10%.

*Foreclosure Property.* As discussed in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Requirements for REIT Qualification—In General—REIT Gross Income Tests” property generally ceases to be foreclosure property as of the close of the third taxable year following the taxable year in which we acquired the property. However, property shall cease to be foreclosure property on a date prior to such date under certain circumstances, including if the property is used in a trade or business which is conducted by the REIT more than 90 days after the REIT acquires the property. An exception to this rule provides that such property may be used in such a trade or business if such activity is conducted through an “independent contractor” or, effective for taxable years beginning after December 31, 2015, a TRS.

*Hedging Transactions.* Effective for taxable years beginning after December 31, 2015, if we have entered into a hedging transaction as described in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Requirements for REIT Qualification—In General—REIT Gross Income Tests (an “Original Hedge”), and a portion of the hedged indebtedness is extinguished or the related property is disposed of and in connection with such extinguishment or disposition we enter into a new clearly identified hedging transaction that would counteract the Original Hedge (a “Counteracting Hedge”), income from the Original Hedge and income from the Counteracting Hedge (including gain from the disposition of the Original Hedge and the Counteracting Hedge) will not be treated as gross income for purposes of the 95% and 75% REIT Gross Income Tests.

### **REIT Asset Tests**

As discussed in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Requirements for REIT Qualification—In General—REIT Asset Tests,” to maintain our qualification as a REIT, we also must satisfy several REIT Asset Tests at the end of each quarter of each taxable year. Under the first test described in the accompanying prospectus, at least 75% of the value of our total assets must consist of the items listed in the accompanying prospectus. In addition to those items, qualifying assets for purposes of the 75% REIT Asset Test include, effective for taxable years beginning after December 31, 2015, (i) personal property leased in connection with real property to the extent that rents attributable to such personal property are treated as “rents from real property,” and (ii) debt instruments issued by publicly offered REITs.

In addition, the final test described in the accompanying prospectus in such subsection is to be replaced in its entirety by the following:

not more than 20% (25% for our 2009 taxable year through our 2017 taxable year) of the value of our total assets may be represented by securities of one or more TRSs.

Finally, an additional test, effective for taxable years beginning after December 31, 2015, provides that not more than 25% of the value of our total assets may be represented by debt instruments issued by publicly offered REITs to the extent not secured by real property or interests in real property.

### **Taxation of Taxable U.S. Shareholders**

The accompanying prospectus discusses the taxation of U.S. shareholders on distributions with respect to “qualified dividend income” and “capital gain dividends” under the caption “Material United States Federal Income Tax Considerations—Taxation of Taxable U.S. Shareholders.” In addition to the discussion contained therein, effective for distributions in taxable years beginning after December 31, 2015, the aggregate amount of dividends that we may designate as “capital gain dividends” or “qualified dividend income” with respect to any taxable year may not exceed the dividends paid by us with respect to such year, including dividends that are paid in the following year (if they are declared before we timely file our tax return for the year and if made with or before the first regular dividend payment after such declaration) are treated as paid with respect to such year.

### **Special Tax Considerations For Non-U.S. Shareholders**

*FATCA.* In the paragraph relating to the Foreign Account Tax Compliance Act (“FATCA”), in the accompanying prospectus under “Material United States Federal Income Tax Considerations—Special Tax Considerations For Non-U.S. Shareholders”, the reference to “December 31, 2016” is replaced with a reference to “December 31, 2018.”

*FIRPTA.* The accompanying prospectus discusses the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”) exemption on distributions attributable to gain from sales or exchanges by us of United States real property interests (“USRPIs”) with respect to non-U.S. shareholders that own no more than 5% of our common share during the applicable period under “Material United States Federal Income Tax Considerations—Special Tax Considerations For Non-U.S. Shareholders.” The FIRPTA exemption limit on distributions on publicly traded REIT share has been increased from ownership of more than 5% of such share to ownership of more than 10% of such share for distributions on or after December 18, 2015.

In addition, the accompanying prospectus notes that if gain on the sale or exchange of our shares were subject to taxation under FIRPTA, the purchases of the shares would be required to withhold 10% of the amount realized by the seller on the sale of such shares. This 10% withholding requirement was increased to 15% under the Act for distributions after February 16, 2016.

In addition, the Act provides for additional exemptions from FIRPTA applicable to “qualified shareholders” and “qualified foreign pension plans.” The provisions of the Act relating to qualified shareholders and qualified foreign pension funds are complex. Shareholders should consult their tax advisors with respect to the impact of the Act on them.

## **EXPERTS**

The consolidated financial statements and schedule as of December 31, 2015 and 2014 and for each of the years in the three-year period ended December 31, 2015 and the effectiveness of internal control over financial reporting as of December 31, 2015 incorporated by reference in this prospectus supplement and the accompanying prospectus have been so incorporated in reliance on the reports of BDO USA, LLP, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.



## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act to register the common shares offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus are part of the registration statement. This prospectus supplement and the accompanying prospectus do not contain all the information contained in the registration statement because we have omitted certain parts of the registration statement in accordance with the rules and regulations of the SEC. We also file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filing number is 1-12002. Our filings with the SEC are available to the public on the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document that we file with the SEC at its Public Reference Room, 100 F Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room and its copy charges.

The information incorporated by reference herein is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement and the accompanying prospectus is automatically updated and superseded if information contained in a subsequent filing or in this prospectus supplement, or information that we later file with the SEC prior to the termination of this offering, modifies or replaces this information. The following documents filed with the SEC are incorporated by reference into this prospectus supplement and the accompanying prospectus, except for any document or portion thereof "furnished" to the SEC:

· our Annual Report on Form 10-K for the year ended December 31, 2015;

· our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016;

· our Current Reports on Form 8-K filed on March 22, 2016, April 8, 2016, April 18, 2016, May 9, 2016 and July 1, 2016;

· our Definitive Proxy Statement dated March 30, 2016; and

· all documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this prospectus supplement and prior to the termination of this offering.

To receive a free copy of any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus (other than exhibits, unless they are specifically incorporated by reference in the

documents), write us at the following address or call us at the telephone number listed below:

**ACADIA REALTY TRUST**  
**411 Theodore Fremd Avenue**  
**Suite 300**  
**Rye, New York 10580**  
**Attention: Jason Blacksberg, Esq.**

**(914) 288-8100**

We maintain an internet website at <http://www.acadiarealty.com>. We are not incorporating by reference in this prospectus supplement or the accompanying prospectus any material from our website. Information on our website is not and shall not be deemed to be a part of this prospectus supplement or the accompanying prospectus. The reference to our website is an inactive textual reference to the uniform resource locator (URL) and is for your reference only.

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## **PROSPECTUS**

### **Acadia Realty Trust**

### **Common Shares of Beneficial Interest**

### **Preferred Shares of Beneficial Interest**

### **Depository Shares**

### **Warrants**

### **Subscription Rights**

### **Share Purchase Units or Contracts**

### **Units**

### **Debt Securities**

We may offer to the public and sell from time to time one or more series or classes of (i) common shares of beneficial interest, par value \$0.001 per share, or “common shares,” (ii) preferred shares of beneficial interest, or “preferred shares,” (iii) depository shares, (iv) warrants, (v) subscription rights, (vi) share purchase units or contracts, (vii) units, and (viii) debt securities. We will provide specific terms of these securities in supplements to this prospectus. The securities may be offered, separately or together, in separate classes or series, in amounts, at prices and on terms to be determined at the time of the offering and set forth in one or more supplements to this prospectus.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of the securities will be set forth in the applicable prospectus supplement or free writing prospectus. Such specific terms may include limitations on direct or beneficial ownership and restrictions on transfer of the securities, in each case as may be consistent with our declaration of trust or otherwise appropriate to, among other purposes, preserve our status as a real estate investment trust for U.S. federal income tax purposes. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” beginning on page 17 of this prospectus.

The applicable prospectus supplement will also contain information, where appropriate, about the risk factors and U.S. federal income tax considerations relating to, and any listing on a securities exchange of, the securities covered by that prospectus supplement or free writing prospectus. We may offer the securities directly, through agents designated by us from time to time, or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of the securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth or will be calculable from the information set forth in the applicable prospectus supplement. See “Plan of Distribution.” No securities may be sold without delivery of a prospectus supplement describing the method and terms of the offering of those securities.

Our common shares are traded on the New York Stock Exchange under the symbol “AKR”. On May 1, 2014, the last reported sale price of our common shares, as reported on the New York Stock Exchange, was \$27.19 per share.

**Investing in our securities involves risks. Please refer to “Risk Factors” beginning on page 2 of this prospectus as well as the risk factors contained in our filings with the Securities and Exchange Commission, which are incorporated by reference in this prospectus, for a discussion of risk factors that you should consider before investing in our securities.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

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**The date of this prospectus is May 2, 2014.**

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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## PROSPECTUS SUMMARY

### **About This Prospectus**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the “SEC”) using a “shelf” registration process or continuous offering process. Under this shelf registration process, we are registering an unspecified amount of any combination of the securities described in this prospectus and may sell such securities, at any time and from time to time, in one or more offerings, and selling securityholders may from time to time offer such securities owned by them. This prospectus provides you with a general description of the securities that may be offered by us and/or selling securityholders. We may also file, from time to time, a prospectus supplement or an amendment to the registration statement of which this prospectus forms a part containing additional information about us and/or selling securityholders and the terms of the offering of the securities. That prospectus supplement or amendment may include additional risk factors or other special considerations applicable to the securities. Any prospectus supplement or amendment may also add, update or supersede information in this prospectus. If there is any supplement or amendment, you should rely on the information in that prospectus supplement or amendment.

This prospectus and any accompanying prospectus supplement do not contain all of the information included in the registration statement. For further information, we refer you to the registration statement and any amendments to such registration statement, including its exhibits. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC’s rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read both this prospectus and any prospectus supplement together with additional information described below under the heading “Where You Can Find More Information” on page 43 of this prospectus. Information incorporated by reference with the SEC after the date of this prospectus, or information included in any prospectus supplement or an amendment to the registration statement of which this prospectus forms a part, may add, update or supersede information in this prospectus or any prospectus supplement. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of each document.

All references to the “Company,” “we” and “us” in this prospectus means Acadia Realty Trust (the “Trust”) and all entities owned or controlled by us except where it is clear that the term means only the Trust. The term “you” refers to a prospective investor.

## **Our Company**

We are a fully integrated equity real estate investment trust (“REIT”) focused primarily on the acquisition, ownership, management and redevelopment of high-quality retail properties located in key street and urban retail corridors as well as suburban locations within high-barrier-to-entry, supply constrained, densely-populated metropolitan areas in the United States along the East Coast and in Chicago. We also have private equity investments in other retail real estate related opportunities in which we have a minority equity interest. Our primary business objective is to invest in the above assets to provide cash for distributions to shareholders while also creating the potential for capital appreciation to enhance investor returns.

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 March 31, 2014, the Trust controlled 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 (“LTIP Units”) as long-term incentive compensation. 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. This structure is referred to as an umbrella partnership REIT (“UPREIT”).

Our executive offices are located at 1311 Mamaroneck Avenue, Suite 260, White Plains, New York 10605 and our telephone number is (914) 288-8100.



## RISK FACTORS

Investing in our securities involves risks and uncertainties that could affect us and our business as well as the real estate industry generally. Before you invest in our securities, in addition to the other information in this prospectus and any applicable prospectus supplement, you should carefully consider the risk factors under the heading “Risk Factors” contained in Part I, Item 1A in our most recent Annual Report on Form 10-K, which is incorporated by reference into this prospectus and any accompanying prospectus supplement, as the same may be updated from time to time by our future filings under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, new risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. These risks could result in a decrease in the value of our securities and your investment therein.

## CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION

This prospectus and the information incorporated by reference in this prospectus include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Exchange Act, and as such may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by these forward-looking statements. 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,” “project,” or the negative of t or other similar words or terms. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to:

- general economic, business and political conditions, including the recent global financial crisis;

- general market factors, including an increase in market interest rates;

- our ability to maintain rental rates;

- the financial health of our major tenants;

- the availability and creditworthiness of prospective tenants;

· demand for rental space;

· consumer migration towards e-commerce sales;

· the impact of tenant bankruptcies and any leases rejected during a tenant's bankruptcy proceedings;

· access to capital markets and the cost of capital and the application of any proceeds from any such capital raising activities;

· our access to financing;

· our ability to meet our debt service requirements and the continuing viability of our counterparties in interest rate swap transactions;

· adverse changes in our real estate markets;

· competition with other companies;

· risks of real estate development and acquisition, and the risks of holding interests in real property;

· our ability to carry out our growth strategy without compromising our overall performance;

- the performance of our opportunity funds and the ability of our fund partners to contribute capital as needed;
- the performance of our joint venture investments and the financial health of our joint venture partners;
- the loss of a key executive officer;
- the risk that our partnership structure adversely affects our ability to manage assets;
- our board of trustees deciding to change our investment policy without shareholder approval;
- the concentration of ownership of our common shares by certain investors;
- certain provisions of Maryland law that may limit the ability of a third party to acquire control of us;
- environmental/safety requirements and possible liability;
- changes in laws and regulations (including tax laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance;
- the limited recourse shareholders have against our trustees and officers;
- governmental actions and initiatives;
- requirements that we distribute a certain percentage of our taxable income in order to maintain our qualification as a REIT for federal income tax purposes;
- our ability to maintain our status as a REIT;
- local or national political and economic impacts of terrorist attacks, such as those that occurred on September 11, 2001, and civil unrest;
- climate change and risk from natural perils, including severe storms, flooding, and other natural disasters;

uninsured losses or losses in excess of insured limits;

our structured financing and the terms of the instruments and other underlying collateral;

disruptions to our information technology systems and services; and

the other risk factors set forth in our most recent Annual Report on Form 10-K and the other documents incorporated by reference into this prospectus or any prospectus supplement.

These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference in this prospectus. We caution you that any forward-looking statement reflects only our belief at the time the statement is made. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update any of the forward-looking statements to reflect events or developments after the date of this prospectus.

## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated. We note that we do not have any outstanding preferred shares and have not had any preferred shares outstanding during the periods indicated, so the following table also sets forth our historical ratios of earnings to combined fixed charges and preferred share dividends for the periods indicated:

	<b>Three Months</b>					
	<b>Ended March</b>	<b>Year Ended December 31,<sup>1</sup></b>				
	<b>31, 2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Ratio of Earnings to Fixed Charges</b>	2.12x	1.29x	1.15x	1.13x	2.37x	1.27x

The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges. For these purposes, earnings have been calculated by adding minority interest attributable to continuing operations, income or loss from equity investees, fixed charges and distributed income of equity investees to income from continuing operations before income taxes, less capitalized interest and preferred distributions of consolidated subsidiaries. Fixed charges consist of interest costs, whether expensed or capitalized, amortization of deferred financing costs, amortization of discounts or premiums related to indebtedness and preferred distributions of consolidated subsidiaries.

## USE OF PROCEEDS

Unless otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from our sale of the securities for general corporate purposes, which may include, among other things, repayment of our debt, purchasing notes, entering into loans, future acquisitions, directly (or indirectly through a joint venture) and through our opportunity funds, and redevelopments of and capital improvements to our properties. Such decisions will depend upon numerous factors including price, discount, and other strategic considerations. Pending such usage, we expect to invest proceeds in short term instruments. Unless otherwise described in any applicable prospectus supplement, we will not receive the proceeds of sales by selling securityholders, if any.

## DESCRIPTION OF OUR COMMON SHARES

*The following summary of the material terms and provisions of our common shares does not purport to be complete and is subject to the detailed provisions of our declaration of trust and our bylaws, each as supplemented, amended or restated, each of which is incorporated by reference into this prospectus. You should carefully read each of these*

*documents in order to fully understand the terms and provisions of our common shares. For information on incorporation by reference, and how to obtain copies of these documents, see the section entitled “Where You Can Find More Information” on page 43 of this prospectus.*

## General

Under our declaration of trust, we may issue 100,000,000 shares of beneficial interest, which may consist of common shares, par value \$0.001 per share, or such other types or classes of securities of the Company as the trustees may create and authorize from time to time. All common shares offered hereby, when issued, will be duly authorized, fully paid and nonassessable. This means that once the full price for the shares has been paid at the time of issuance, any holder of such shares will not later be required to pay us any additional money for the same. As of March 31, 2014, 56,739,739 common shares were issued and outstanding, as were 2,195,834 Common OP Units of the Operating Partnership, which are convertible into the same number of our common shares (subject to anti-dilution adjustments).

<sup>1</sup> The ratio of earnings to fixed charges from prior years have been amended and restated to take into account discontinued operations.

A total of 188 Series A Preferred OP Units were outstanding as of March 31, 2014. These Series A Preferred OP Units are convertible into Common OP Units at a conversion price of \$7.50 per unit and are entitled to a preferred quarterly distribution of the greater of (a) \$22.50 per Series A Preferred OP Unit (9% annually) or (b) the quarterly distribution attributable to a Series A Preferred OP Unit if such unit were converted into a Common OP Unit.

Other than the common shares, the Common OP Units, the Series A Preferred OP Units and the Convertible Notes discussed under “Description of Our Debt Securities” on page 13 of this prospectus, as of the date of this prospectus, we have no other securities outstanding.

Our common shares have equal dividend, liquidation and other rights, and have no preference, exchange or appraisal rights. Holders of our common shares have no conversion, sinking fund or redemption rights, or preemptive rights to subscribe for any of our securities.

#### Distributions

Holders of our common shares are entitled to receive distributions out of assets that we can legally use to pay distributions, when and if they are authorized by our board of trustees and declared by us, and to share ratably in our assets that are legally available for distribution to our shareholders in the event we are liquidated, dissolved or our affairs are wound up.

#### Voting Rights

Holders of common shares have the power to vote on all matters presented to our shareholders, including the election of trustees, except as otherwise provided by Maryland law. Our declaration of trust prohibits us from merging with or consolidating into another entity where we are not the surviving entity, or selling all or substantially all of our assets, without the approval of the holders of not less than two-thirds of the outstanding shares that are entitled to vote on such matters. Holders of common shares are entitled to one vote per share on all matters upon which shareholders are entitled to vote.

There is no cumulative voting in the election of our trustees, which means that holders of more than 50% of the common shares voting for the election of trustees can elect all of the trustees if they choose to do so and the holders of the remaining shares cannot elect any trustees. See “Certain Provisions of Maryland Law and Our Declaration of Trust and Bylaws” beginning on page 19 of this prospectus.

## Restrictions on Ownership and Transfer

To qualify as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, we must satisfy certain ownership requirements that may limit the ownership and transferability of our common shares. Our declaration of trust contains provisions intended to assist us in satisfying these requirements. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” beginning on page 17 of this prospectus.

## Transfer Agent and Registrar

The transfer agent and registrar for our common shares is American Stock Transfer & Trust Company, which has an address at 40 Wall Street, New York, NY 10005.

## DESCRIPTION OF OUR PREFERRED SHARES

*The following summary of the material terms and provisions of our preferred shares does not purport to be complete and is subject to the detailed provisions of our declaration of trust (including any applicable articles supplementary, amendment or annex to our declaration of trust designating the terms of a series of preferred shares) and our bylaws, each as supplemented, amended or restated, each of which is incorporated by reference into this prospectus. You should carefully read each of these documents in order to fully understand the terms and provisions of our preferred shares. For information on incorporation by reference, and how to obtain copies of these documents, see the section entitled “Where You Can Find More Information” on page 43 of this prospectus.*

## General

Subject to limitations prescribed by Maryland law and our declaration of trust, our board of trustees is authorized to classify one or more series of preferred shares from time to time and, with respect to any such series, to fix the designations, numbers, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption of such series. As of the date of this prospectus, we do not have any series of preferred shares outstanding.

Reference is made to any supplement to this prospectus relating to the preferred shares offered thereby for specific items, including:



the title and stated value of the preferred shares;

the number of preferred shares offered, the liquidation preference per share and the offering price of the preferred shares;

the dividend rate(s), period(s), and/or payment date(s) or method(s) of calculation thereof applicable to the preferred shares;

- the date from which dividends on the preferred shares will accumulate, if applicable;

- the provisions for a sinking fund, if any, for the preferred shares;

- the provisions for redemption, if applicable, of the preferred shares;

- any listing of the preferred shares on any securities exchange;

the terms and conditions, if applicable, upon which the preferred shares will be convertible into common shares, including the conversion price (or manner of calculation thereof);

- a discussion of material U.S. federal income tax considerations applicable to the preferred shares;

the relative ranking and preferences of the preferred shares as to dividend rights and rights upon our liquidation, dissolution or winding-up of our affairs;

any limitations on the issuance of any series of preferred shares ranking senior to or on a parity with the preferred shares as to dividend rights and rights upon our liquidation, dissolution or winding-up of our affairs;

- the voting rights of the preferred shares, if any;

any limitations on direct or beneficial ownership of our securities and restrictions on transfer of our securities, in each case as may be appropriate to preserve our status as a REIT under the Code; and

- any other specific terms, preferences, rights, limitations or restrictions of the preferred shares.

Rank

Unless otherwise specified in the applicable prospectus supplement, the preferred shares rank, with respect to dividend rights and rights upon our liquidation, dissolution or winding-up: (i) senior to all classes or series of our common shares, and to all equity securities ranking junior to the preferred shares; (ii) on a parity with all equity securities issued by us the terms of which specifically provide that such equity securities rank on a parity with the preferred shares; and (iii) junior to all equity securities issued by us the terms of which specifically provide that such equity securities rank senior to the preferred shares. As used in this prospectus, the term “equity securities” does not include convertible debt securities.

#### Distributions

Subject to any preferential rights of any outstanding securities or series of securities, the holders of preferred shares will be entitled to receive dividends, when and as authorized by our board of trustees and declared by us, out of legally available funds, and share pro rata the amount to be distributed to such class or series of preferred shares based on the number of preferred shares of the same class or series outstanding. Distributions will be made at such rates and on such dates as will be set forth in the applicable prospectus supplement.

#### Voting Rights

Unless otherwise indicated in the applicable prospectus supplement, holders of our preferred shares will not have any voting rights.

## Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, and before any distribution or payment will be made to the holders of any common shares or any other class or series of shares ranking junior to our preferred shares, the holders of our preferred shares will be entitled to receive, after payment or provision for payment of our debts and other liabilities, out of our assets legally available for distribution to shareholders, liquidating distributions in the amount of the liquidation preference per share, if any, set forth in the applicable prospectus supplement, plus an amount equal to all dividends accrued and unpaid thereon (which will not include any accumulation in respect of unpaid noncumulative dividends for prior dividend periods). After payment of the full amount of the liquidating distributions to which they are entitled, the holders of preferred shares will have no right or claim to any of our remaining assets. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding-up of our affairs, the legally available assets are insufficient to pay the amount of the liquidating distributions on all of our outstanding preferred shares and the corresponding amounts payable on all of our other outstanding equity securities ranking on parity with the preferred shares in the distribution of assets upon our liquidation, dissolution or winding-up of our affairs, then the holders of our preferred shares and the holders of such other outstanding equity securities will share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions are made in full to all holders of our preferred shares, our remaining assets will be distributed among the holders of any other classes or series of equity securities ranking junior to the preferred shares in the distribution of assets upon our liquidation, dissolution or winding-up of our affairs, according to their respective rights and preferences and in each case according to their respective number of shares.

If we consolidate or merge with or into, or sell, lease or convey all or substantially all of our assets, property or business to, any corporation, trust or other entity, such transaction will not be deemed to constitute a liquidation, dissolution or winding-up of our affairs.

## Conversion Rights

The terms and conditions, if any, upon which our preferred shares are convertible into common shares will be set forth in the applicable prospectus supplement. Such terms will include the number of common shares into which the preferred shares are convertible, the conversion price (or manner of calculation thereof), the conversion period, provisions as to whether conversion will be at the option of the holders of the preferred shares or at our option, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of such preferred shares.

## Redemption

If so provided in the applicable prospectus supplement, our preferred shares will be subject to mandatory redemption or redemption at our option, in whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in such prospectus supplement.

## Restrictions on Ownership and Transfer

For us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist us in meeting this requirement, we may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of our outstanding equity securities, including any series of our preferred shares. The applicable prospectus supplement will specify any additional ownership limitation relating to the preferred shares being offered thereby. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” beginning on page 17 of this prospectus.

## Transfer Agent

The registrar and transfer agent for our preferred shares will be set forth in the applicable prospectus supplement.

## DESCRIPTION OF DEPOSITARY SHARES

*The following description contains general terms and provisions of the depositary shares to which any prospectus supplement may relate. The particular terms of the depositary shares offered by any prospectus supplement and the extent, if any, to which such general provisions may not apply to the depositary shares so offered will be described in the prospectus supplement relating to such depositary shares securities. For more information, please refer to the provisions of the deposit agreement we will enter into with a depositary to be selected, and our declaration of trust, including the form of articles supplementary for the applicable series of preferred shares. For information on incorporation by reference, and how to obtain copies of these documents, see the section entitled “Where You Can Find More Information” on page 43 of this prospectus.*

## General

We may, at our option, elect to offer depositary shares rather than full preferred shares. In the event such option is exercised, each of the depositary shares will represent ownership of and entitlement to all rights and preferences of a fraction of a preferred share of a specified series (including dividend, voting, redemption and liquidation rights). The applicable fraction will be specified in a prospectus supplement. The preferred shares represented by the depositary shares will be deposited with a depositary named in the applicable prospectus supplement, under a deposit agreement, among us, the depositary and the holders of the certificates evidencing depositary shares, or depositary receipts. Depositary receipts will be delivered to those persons purchasing depositary shares in the offering. The depositary will be the transfer agent, registrar and dividend disbursing agent for the depositary shares. Holders of depositary receipts agree to be bound by the deposit agreement, which requires holders to take certain actions such as filing proof of residence and paying certain charges.

## Dividends

The depositary will distribute all cash dividends or other cash distributions received in respect of the series of preferred shares represented by the depositary shares to the record holders of depositary receipts in proportion to the number of depositary shares owned by such holders on the relevant record date, which will be the same date as the record date fixed by us for the applicable series of preferred shares. The depositary, however, will distribute only such amount as can be distributed without attributing to any depositary share a fraction of one cent, and any balance not so distributed will be added to and treated as part of the next sum received by the depositary for distribution to record holders of depositary receipts then outstanding.

In the event of a non-cash distribution, the depositary will distribute property received by it to the record holders of depositary receipts entitled thereto, in proportion, as nearly as may be practicable, to the number of depositary shares owned by such holders on the relevant record date, unless the depositary determines (after consultation with us) that it is not feasible to make such distribution, in which case the depositary may (with our approval) adopt any other method for such distribution as it deems equitable and appropriate, including the sale of such property (at such place or places and upon such terms as it may deem equitable and appropriate) and distribution of the net proceeds from such sale to such holders.

## Liquidation Preference

In the event of the liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holders of each depositary share will be entitled to the fraction of the liquidation preference accorded

each share of the applicable series of preferred shares as set forth in the prospectus supplement.

### Redemption

If the series of preferred shares represented by the applicable series of depositary shares is redeemable, such depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of preferred shares held by the depositary. Whenever we redeem any preferred shares held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing the preferred shares so redeemed. The depositary will mail the notice of redemption promptly upon receipt of such notice from us and not less than 30 nor more than 60 days prior to the date fixed for redemption of the preferred shares and the depositary shares to the record holders of the depositary receipts.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding and all rights of the holders of the depositary receipts evidencing the depositary shares called for redemption will cease. However, the holders will have the right to receive any moneys payable upon redemption and any money or other property that the holders of such depositary receipts were entitled to at the time of redemption when they surrender their depositary receipts to the depositary.

### Voting

Promptly upon receipt of notice of any meeting at which the holders of the series of preferred shares represented by the applicable series of depositary shares are entitled to vote, the depositary will mail the information contained in such notice of meeting to the record holders of the depositary receipts as of the record date for such meeting. Each such record holder of depositary receipts will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the number of preferred shares represented by such record holder's depositary shares. The depositary will endeavor, insofar as practicable, to vote such preferred shares represented by such depositary shares in accordance with such instructions, and we will agree to take all action which may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will abstain from voting any of the preferred shares to the extent that it does not receive specific instructions from the holders of depositary receipts.

### Withdrawal of Preferred Shares

Upon surrender of depositary receipts at the principal office of the depositary, upon payment of any unpaid amount due the depositary, and subject to the terms of the deposit agreement, the owner of the depositary shares evidenced thereby is entitled to delivery of the number of whole preferred shares and all money and other property, if any, represented by such depositary shares. Fractional preferred shares will not be issued. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares

representing the number of whole preferred shares to be withdrawn, the depositary will deliver to such holder at the same time a new depositary receipt evidencing such excess number of depositary shares. Holders of preferred shares thus withdrawn will not thereafter be entitled to deposit such shares under the deposit agreement or to receive depositary receipts evidencing depositary shares therefor.



### Amendment and Termination of Deposit Agreement

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time and from time to time be amended by agreement between us and the depositary. However, any amendment which materially and adversely alters the rights of the holders (other than any change in fees) of depositary shares will not be effective unless such amendment has been approved by the holders of at least a majority of the depositary shares then outstanding. No such amendment may impair the right, subject to the terms of the deposit agreement, of any owner of any depositary shares to surrender the depositary receipt evidencing such depositary shares with instructions to the depositary to deliver the same to the holder of preferred shares and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law.

The deposit agreement will be permitted to be terminated by us upon not less than 30 days prior written notice to the applicable depositary if (i) such termination is necessary to preserve our qualification as a REIT under the Code or (ii) a majority of each series of preferred shares affected by such termination consents to such termination, whereupon such depositary will be required to deliver or make available to each holder of depositary receipts, upon surrender of the depositary receipts held by such holder, such number of whole or fractional preferred shares as are represented by the depositary shares evidenced by such depositary receipts together with any other property held by such depositary with respect to such depositary receipts. We will agree that if the deposit agreement is terminated to preserve our qualification as a REIT under the Code, then we will use our best efforts to list the preferred shares issued upon surrender of the related depositary shares on a national securities exchange. In addition, the deposit agreement will automatically terminate if (i) all outstanding depositary shares thereunder will have been redeemed, (ii) there has been a final distribution in respect of the related preferred shares in connection with any liquidation, dissolution or winding up of the Trust and such distribution has been distributed to the holders of depositary receipts evidencing the depositary shares representing such preferred shares or (iii) each preferred share will have been converted into shares of the Trust not so represented by depositary shares.

### Charges of Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the depositary in connection with the initial deposit of the preferred shares and initial issuance of the depositary shares, and redemption of the preferred shares and all withdrawals of preferred shares by owners of depositary shares. Holders of depositary receipts will pay transfer, income and other taxes and governmental charges and certain other charges as are provided in the deposit agreement to be for their accounts. In certain circumstances, the depositary may refuse to transfer depositary shares, may withhold dividends and distributions and sell the depositary shares evidenced by such depositary receipt if such charges are not paid.

### Miscellaneous

The depositary will forward to the holders of depositary receipts all reports and communications from us which are delivered to the depositary and which we are required to furnish to the holders of the preferred shares. In addition, the depositary will make available for inspection by holders of depositary receipts at the principal office of the depositary, and at such other places as it may from time to time deem advisable, any reports and communications received from us which are received by the depositary as the holder of preferred shares.

Neither we nor the depositary assumes any obligation or will be subject to any liability under the deposit agreement to holders of depositary receipts other than for its negligence or willful misconduct. Neither we nor the depositary will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the deposit agreement. The obligations of the Company and the depositary under the deposit agreement will be limited to performance in good faith of their duties thereunder, and they will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred shares unless satisfactory indemnity is furnished. We and the depositary may rely on written advice of counsel or accountants, on information provided by holders of the depositary receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper party or parties. In the event the depositary will receive conflicting claims, requests or instructions from any holders of depositary receipts, on the one hand, and we, on the other hand, the depositary will be entitled to act on such claims, requests or instructions received from us.

#### Resignation and Removal of Depositary

The depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the depositary, any such resignation or removal to take effect upon the appointment of a successor depositary and its acceptance of such appointment. Such successor depositary must be appointed within 60 days after delivery of the notice for resignation or removal and must be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$150,000,000.

## Restrictions on Ownership and Transfer

For us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist us in meeting this requirement, we may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of our outstanding equity securities, including any depositary shares. The applicable prospectus supplement will specify any additional ownership limitation relating to the depositary shares being offered thereby. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” beginning on page 17 of this prospectus.

## DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of debt or equity securities described in this prospectus. Warrants may be issued independently or together with any offered securities and may be attached to or separate from such securities. Each series of warrants will be issued under a separate warrant agreement we will enter into with a warrant agent specified in the agreement. The warrant agent will act solely as our agent in connection with the warrants of that series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants.

A prospectus supplement relating to any series of warrants being offered will include specific terms relating to the offering. They will include, where applicable:

· the title of the warrants;

· the aggregate number of warrants;

· the price or prices at which the warrants will be issued;

· the currencies in which the price or prices of the warrants may be payable;

· the designation, amount and terms of the offered securities purchasable upon exercise of the warrants;

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the designation and terms of the other offered securities, if any, with which the warrants are issued and the number of warrants issued with the security;

if applicable, the date on and after which the warrants and the offered securities purchasable upon exercise of the warrants will be separately transferable;

the price or prices at which, and currency or currencies in which, the offered securities purchasable upon exercise of the warrants may be purchased;

the date on which the right to exercise the warrants will commence and the date on which the right will expire;

the minimum or maximum amount of the warrants which may be exercised at any one time;

information with respect to book-entry procedures, if any;

any listing of warrants on any securities exchange;

if appropriate, a discussion of material U.S. federal income tax considerations; and

any other material term of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants.

## Restrictions on Ownership and Transfer

For us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist us in meeting this requirement, we may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of our outstanding equity securities, including any equity shares that may be purchased pursuant to the warrants. The applicable prospectus supplement will specify any additional ownership limitation relating to the warrants being offered thereby. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” beginning on page 17 of this prospectus.

## DESCRIPTION OF SUBSCRIPTION RIGHTS

The following is a general description of the terms of the subscription rights we may issue from time to time. Particular terms of any subscription rights we offer will be described in the prospectus supplement relating to such subscription rights.

We may issue subscription rights to purchase our common shares. These subscription rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the shareholder receiving the subscription rights in such offering. In connection with any offering of subscription rights, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any securities remaining unsubscribed for after such offering.

The applicable prospectus supplement will describe the specific terms of any offering of subscription rights for which this prospectus is being delivered, including the following:

- the price, if any, for the subscription rights;
- the exercise price payable for each common share upon the exercise of the subscription rights;
- the number of subscription rights issued to each shareholder;

the number and terms of the common shares which may be purchased per each subscription right;

the extent to which the subscription rights are transferable;

any other terms of the subscription rights, including the terms, procedures and limitations relating to the exchange and exercise of the subscription rights;

the date on which the right to exercise the subscription rights will commence, and the date on which the subscription rights will expire;

the extent to which the subscription rights may include an over-subscription privilege with respect to unsubscribed securities;

if appropriate, a discussion of material U.S. federal income tax considerations; and

if applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of subscription rights.

The description in the applicable prospectus supplement of any subscription rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable subscription rights certificate or subscription rights agreement, which will be filed with the SEC if we offer subscription rights.

#### Restrictions on Ownership and Transfer

For us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist us in meeting this requirement, we may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of our outstanding equity securities, including any subscription rights to acquire our equity shares. The applicable prospectus supplement will specify any additional ownership limitation relating to the subscription rights being offered thereby. See “Restrictions on Ownership Transfers and Takeover Defense Provisions” beginning on page 17 of this prospectus.

## DESCRIPTION OF SHARE PURCHASE UNITS OR CONTRACTS

We may issue share purchase units or contracts. These may include contracts obligating holders to purchase from us and us to sell to the holders, a specified number of common shares, preferred shares or depositary shares at a future date or dates. Alternatively, the share purchase units or contracts may obligate us to purchase from holders, and obligate holders to sell to us, a specified or varying number of common shares, preferred shares or depositary shares. The consideration per common share, preferred share, or depositary share may be fixed at the time the share purchase units or contracts are issued or may be determined by a specific reference to a formula set forth in the share purchase units or contracts. The share purchase units or contracts may provide for settlement by delivery by us or on our behalf of shares of the underlying security, or they may provide for settlement by reference or linkage to the value, performance or trading price of the underlying security. The share purchase units or contracts may be issued separately or as part of share purchase units consisting of a share purchase contract and debt securities, preferred shares or debt obligations of third parties, including U.S. treasury securities, other stock purchase contracts or common shares, or other securities or property, securing the holders' obligations to purchase or sell, as the case may be, the common shares, preferred shares, depositary shares or other security or property under the share purchase units or contracts. The share purchase units or contracts may require us to make periodic payments to the holders of the share purchase units or vice versa, and such payments may be unsecured or prefunded on some basis and may be paid on a current or on a deferred basis. The share purchase units or contracts may require holders to secure their obligations thereunder in a specified manner and may provide for the prepayment of all or part of the consideration payable by holders in connection with the purchase of the underlying security or other property pursuant to the share purchase units or contracts.

The securities related to the share purchase units or contracts may be pledged to a collateral agent for our benefit pursuant to a pledge agreement to secure the obligations of holders of share purchase units or contracts to purchase the underlying security or property under the related share purchase units or contracts. The rights of holders of share purchase units or contracts to the related pledged securities will be subject to our security interest therein created by the pledge agreement. No holder of share purchase units or contracts will be permitted to withdraw the pledged securities related to such share purchase units or contracts from the pledge arrangement.

### Restrictions on Ownership and Transfer

For us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist us in meeting this requirement, we may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of our outstanding equity securities, including any units. The applicable prospectus supplement