



NEWS RELEASE

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Federal Realty Investment Trust Announces Acquisition of Four Properties

N. BETHESDA, Md. (June 7, 2021) – [Federal Realty Investment Trust](http://FederalRealtyInvestmentTrust.com) (NYSE:FRT) has acquired Grossmont Shopping Center in greater San Diego, California and Chesterbrook Shopping Center in McLean, Virginia and has entered into a binding contract to acquire Camelback Colonnade and Hilton Village in the Phoenix Metro area. Federal will own an average 80% interest in the four assets which total 1.75 million square feet on 125 acres of land at a gross value of \$407 million. The assets under binding contract are expected to close by the end of June and are subject to completion of standard closing conditions.

"The acquisitions announced today represent a microcosm of Federal Realty's existing portfolio of productive, well-located properties across a variety of open-air formats," said Donald C. Wood, Chief Executive Officer of Federal Realty. "From a grocery-anchored neighborhood center, to a specialty lifestyle center, to a dominant community center, to a large redevelopment opportunity focused on the highest and best use, these acquisitions showcase Federal's diverse portfolio and broad operating and redevelopment capabilities. These assets will benefit from Federal's reputation of investing in our properties, our leasing expertise and in the case of Grossmont, our redevelopment and development track record."

"We are excited to add each of these properties to our portfolio given the go-forward value creation opportunities through redevelopment, merchandising and capital investment," added Jeff Berkes, President and Chief Operating Officer of Federal Realty. "We are viewing our acquisition of assets in the Phoenix market not as an entry into a new market but as an extension of our West Coast footprint as we continue to expand our portfolio with future value creation opportunities."

Redevelopment Opportunity

On June 1, 2021, Federal Realty acquired Grossmont Shopping Center, a 925,000 square foot super regional community shopping center located in La Mesa, California, 10 miles northeast of downtown San Diego and less than 5 miles east of San Diego State University. The property comprises 64 acres of land situated at the interchange of two highly traveled freeways, Interstate 8 and CA 125 with average daily traffic volume of 228,000 cars per day. Grossmont is also proximate to San Diego's Trolley, a light rail line connecting La Mesa with San Diego State University and downtown San Diego.

The property is 99% occupied, anchored by Target, Walmart, CVS, Macy's, Reading Cinemas and Barnes and Noble. Federal Realty anticipates increasing the value of Grossmont over time through redevelopment of the property as the Company can control all the space in 2025, a unique opportunity providing an unencumbered "blank canvas" for redevelopment. Grossmont is comparable to existing Federal Realty assets such as Westgate Center in terms of tenancy and Mid-Pike Plaza (prior to becoming Pike & Rose) in terms of the ability to control the entirety of the site and maximize the highest and best use of the real estate. Federal acquired a 60% controlling interest in the property based on a gross value of \$175 million, or \$190 per square foot.

Merchandising and Capital Investment Opportunities

Federal Realty is under binding contract to acquire the fee interest in Camelback Colonnade, a 642,000 square foot super regional community shopping center located in Phoenix, Arizona, and a leasehold interest in Hilton Village, a 93,000 square foot specialty retail center on 11 acres in Scottsdale, Arizona. The acquisition of both properties is expected to close later in June, subject to completion of standard closing conditions.

Camelback Colonnade sits on 41 acres of land in the heart of the most heavily trafficked, densely populated, infill trade area in Phoenix at the intersection of Camelback Road and the 51 Freeway, five miles northeast of downtown Phoenix. The retail space is 99% occupied and anchored by Fry's Supermarket (Kroger), Best Buy, Marshalls, PetSmart, Old Navy, Bed Bath & Beyond, Ulta, Michaels, Staples, Floor & Décor, and Nordstrom Last Chance. Federal Realty anticipates increasing the value of Camelback Colonnade over time through continued remerchandising and lease up of vacant second floor office space with the potential for incremental value creation through phased densification. Camelback Colonnade is comparable to existing Federal Realty large,

market dominant community centers such as Tower Shops and Montrose Crossing. Federal Realty will acquire a 98% interest based on a gross value of \$162.5 million.

Hilton Village is located at the northeast corner of Scottsdale Road and E. McDonald Road, approximately one mile north of Old Town Scottsdale, a premier urban district that offers entertainment, upmarket residences, hospitality, and a shopping district that includes local art galleries, boutiques, restaurants, bars, and nightclubs and at the entrance to the town of Paradise Valley, the most affluent community in the greater Phoenix market, in the midst of Scottsdale's resort corridor. The property is 96% occupied and anchored by CVS, Houston's (Hillstone Restaurant Group), Wells Fargo Bank, and Chase Bank. Federal Realty anticipates increasing the value of Hilton Village over time through remerchandising by leveraging the Company's existing tenant relationships with the potential to create a retail environment similar to Federal's Wildwood Shopping Center in Bethesda, Maryland. Federal Realty will acquire a 98% interest based on a gross value of \$37.5 million.

On April 30, 2020, Federal Realty acquired Chesterbrook Shopping Center, a 90,000 square foot grocery anchored neighborhood shopping center on 9 acres located in McLean, Virginia, approximately 2 miles southeast of downtown McLean and 4 miles east of Tysons Corner. The property is situated on Old Dominion Dr (VA-309), a main thoroughfare between McLean and the greater Arlington, VA area and boasts demographics that enhance Federal Realty's already sector-leading position, with 111,009 people and average household incomes of \$245,709 within a 3-mile radius.

Chesterbrook is 83% occupied and anchored by Safeway, Walgreens and Starbucks with the opportunity to increase in value over time through remerchandising and incremental capital investment. Chesterbrook is comparable to existing well-located Federal Realty grocery-anchored neighborhood centers such as Old Keene Mill and Birch & Broad (formerly known as Falls Plaza). Federal Realty acquired an 80% interest in the property based on a gross value of \$32.1 million.

The Grossmont, Camelback Colonnade and Hilton Village acquisitions were not included in our prior guidance which will be updated in connection with our second quarter earnings.

More information on each of these properties can be found in a [presentation](#) that is available on the [investor section](#) of Federal Realty's website www.federalrealty.com.

About Federal Realty

Federal Realty is a recognized leader in the ownership, operation and redevelopment of high-quality retail-based properties located primarily in major coastal markets from Washington, D.C. to Boston as well as San Francisco and Los Angeles. Founded in 1962, Federal Realty's mission is to deliver long-term, sustainable growth through investing in communities where retail demand exceeds supply. Its expertise includes creating urban, mixed-use neighborhoods like Santana Row in San Jose, California, Pike & Rose in North Bethesda, Maryland and Assembly Row in Somerville, Massachusetts. These unique and vibrant environments that combine shopping, dining, living and working provide a destination experience valued by their respective communities. Federal Realty's 101 properties include approximately 2,800 tenants, in 23 million square feet, and approximately 2,900 residential units.

Federal Realty has increased its quarterly dividends to its shareholders for 53 consecutive years, the longest record in the REIT industry. Federal Realty is an S&P 500 index member and its shares are traded on the NYSE under the symbol FRT. For additional information about Federal Realty and its properties, visit www.federalrealty.com.

Safe Harbor Language

Certain matters included in this press release may be forward looking statements within the meaning of the federal securities laws. Actual future performance and results may differ materially from those included in forward looking statements. Please refer to our most recent annual report on Form 10L and quarterly report on Form 10Q filed with the Sec which include risk factors and other information that could cause actual results to differ from what is included in forward looking statements.