

## FIRM CAPITAL PROPERTY TRUST

### FIRM CAPITAL PROPERTY TRUST ANNOUNCES FIRST QUARTER RESULTS

Toronto, Ontario, May 5, 2016. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV : FCD.UN) reported today its financial results for the three months ended March 31, 2016.

#### FIRST QUARTER HIGHLIGHTS

- Including a gain on sale generated from the sale of two properties from the Centre Ice Retail Portfolio, three months ended March 31, 2016 FFO and AFFO of \$2.0 million and \$1.9 million, respectively, are a 66% and 49% increase over the three months ended December 31, 2015 and a 107% and 98% increase over the three months ended March 31, 2015;
- Including a gain on sale generated from the sale of two properties from the Centre Ice Retail Portfolio, three months ended March 31, 2016 FFO and AFFO Per Unit of \$0.175 and \$0.165, respectively, are a 66% and 49% increase over December 31, 2015 and a 65% and 58% increase over March 31, 2015;
- Distributions Per Unit were \$0.105, which is a 3% increase over December 31, 2015 and a 5% increase over March 31, 2015;
- Including a gain on sale generated from the sale of two properties from the Centre Ice Retail Portfolio, three months ended March 31, 2016 FFO and AFFO payout ratios were 60% and 64%;
- Cash NOI for the three months ended March 31, 2016 was \$2.0 million, a 7% sequential decrease over December 31, 2015, but a 23% increase over March 31, 2015;
- Commercial net rent per square foot was \$8.39 per square foot, in line with the \$8.34 reported at December 31, 2015. Average monthly rent for the multi-residential portfolio was \$848 per month, in line with the \$843 per month reported at December 31, 2015;
- Commercial portfolio occupancy was 88.4%. Multi-Residential Occupancy was 94.1%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 48.2%.

#### Financial Highlights

	Three Months			% Change	
	March 31,	Dec 31,	March 31,	Dec 31,	March 31,
	2016	2015	2015	2015	2015
Rental Revenue	\$3,639,657	\$3,779,471	\$2,990,079	(4%)	22%
NOI					
- IFRS Basis	\$2,066,037	\$2,218,943	\$1,706,542	(7%)	21%
- Cash Basis	\$2,045,040	\$2,209,441	\$1,666,645	(7%)	23%
FFO	\$1,204,574	\$1,205,175	\$ 967,226	(0%)	25%
AFFO	\$1,080,426	\$1,261,456	\$ 947,792	(14%)	14%
Adjusted FFO	\$2,005,266	\$1,205,175	\$ 967,226	66%	107%
Adjusted AFFO	\$1,881,118	\$1,261,456	\$ 947,792	49%	98%
FFO Per Unit	\$ 0.105	\$ 0.105	\$ 0.107	0%	(1%)
AFFO Per Unit	\$ 0.095	\$ 0.110	\$ 0.104	(14%)	(9%)
Adjusted FFO Per Unit	\$ 0.175	\$ 0.105	\$ 0.107	66%	65%
Adjusted AFFO Per Unit	\$ 0.165	\$ 0.110	\$ 0.104	49%	58%
Distributions Per Unit	\$ 0.105	\$ 0.102	\$ 0.100	3%	5%
Payout Ratios					
- FFO	100%	96%	94%		
- AFFO	111%	92%	96%		
- Adjusted FFO	60%	96%	94%		
- Adjusted AFFO	64%	92%	96%		

- **Significant Acquisition Capacity of Approximately \$45 Million:** As at March 31, 2016, the Trust had \$10.4 million of cash and \$8.0 million of credit facility availability on its balance sheet, providing it with approximately \$45 million of acquisition capacity (assuming 60% leverage) or approximately 35% of investment property growth without having to raise additional equity;
- **Disposition Generates \$2.7 Million of Cash and One-Time AFFO Gain of Approximately \$0.07 Per Trust Unit:** On January 13, 2016 and January 28, 2016, the Trust completed the sale of its interest in two unencumbered properties from the Centre Ice Retail Portfolio totalling 19,330 square feet to various third parties for net proceeds of approximately \$2.7 million (net of closing costs). The properties were unencumbered at the time of the sale and the proceeds will be used to fund future acquisitions. The transactions represented a one-time AFFO gain of approximately \$0.07 per Trust Unit;
- **Accretive Refinancing Generates \$4.7 Million of Cash and Annual AFFO Savings of \$0.01 Per Trust Unit:** On January 4, 2016, the Trust refinanced the first mortgages that encumbered the Centre Ice Retail Portfolio for one new first mortgage with a Canadian Chartered Bank. The new \$23.7 million first mortgage is a fixed 2.92% interest rate mortgage that matures on January 4, 2021. The Trust's pro-rata share of the new first mortgage is \$16.6 million. As a result of the refinancing, the Trust received net cash proceeds of approximately \$4.7 million. The refinancing is approximately \$0.01 per unit accretive to AFFO before the deployment of the excess cash; and

- **Approved Distributions for July, August and September, 2016:** The Trust also announced that it has declared and approved monthly distributions in the amount of \$0.035 per trust unit for unitholders of record on July 29, 2016, August 31, 2016 and September 30, 2016 payable on or about August 15, 2016, September 15, 2016 and October 17, 2016.

For the complete financial statements, Management's Discussion & Analysis and supplementary information, please visit [www.sedar.com](http://www.sedar.com) or the Trust's website at [www.firmcapital.com](http://www.firmcapital.com)

### **PROPERTY PORTFOLIO HIGHLIGHTS**

The Trust's portfolio consists of 58 commercial properties with a total GLA of 1,174,864 square feet (1,171,475 square feet of Net Leasable Area ("NLA")) and one apartment complex comprised of 135 apartment units. The portfolio is diversified across geographies with 66% of the NOI generated from Ontario, 24% from Quebec, 7.5% from Nova Scotia and 2.5% collectively from BC, Alberta, Manitoba and New Brunswick. The portfolio is diversified across asset classes with 47% of NOI generated from Industrial, 43% from Net Lease Convenience Retail, 6% from Core Service Provider Office and 4% from Multi-Residential.

### **TENANT DIVERSIFICATION**

The portfolio is well diversified by tenant profile with no tenant accounting for more than 6.7% of total net rent. Further, the top 10 tenants are largely comprised of creditworthy and large national tenants and account for 28.6% of total net rent.

### **DISTRIBUTION REINVESTMENT PLAN & UNIT PURCHASE PLAN**

The Trust has in place a Distribution Reinvestment Plan ("DRIP") and Unit Purchase Plan (the "Plan"). Under the terms of the DRIP, FCPT's Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Units, without incurring brokerage fees or commissions. Under the terms of the Plan, FCPT's Unitholders may purchase a minimum of \$1,000 of Units per month and maximum purchases of up to \$12,000 per annum. Management and trustees have not participated in the DRIP or Plan to date and own approximately 7% of the issued and outstanding trust units of the Trust.

### **ABOUT FIRM CAPITAL PROPERTY TRUST**

Firm Capital Property Trust is focused on creating long-term value for Unitholders, through capital preservation and disciplined investing to achieve stable distributable income. In partnership with management and industry leaders, The Trust's plan is to co-own a diversified property portfolio of multi-residential, flex industrial, net lease convenience retail, and core service provider professional space. In addition to stand alone accretive acquisitions, the Trust will make joint acquisitions with strong financial partners and acquisitions of partial interests from existing ownership groups, in a manner that provides liquidity to those selling owners and professional management for those remaining as partners. Firm Capital Properties Inc., through a structure focused on an alignment of interests with the Trust sources, syndicates and property and asset manages investments on behalf of the Trust.

### **FORWARD LOOKING INFORMATION**

This press release may contain forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", and by discussions of strategies that involve risks and uncertainties. The forward-looking

statements are based on certain key expectations and assumptions made by the Trust. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of the Trust believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither the Trust nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of the Firm Capital Property Trust have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

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