



FIRM CAPITAL PROPERTY TRUST

FIRM CAPITAL PROPERTY TRUST ANNOUNCES ANOTHER SOLID QUARTER AND YEAR OF EARNINGS AND PORTFOLIO GROWTH

Toronto, Ontario, March 24, 2016. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV : FCD.UN) reported today its consolidated annual financial results for the three months and twelve months ended December 31, 2015.

FOURTH QUARTER AND 2015 HIGHLIGHTS

- Three Months Ended December 31, 2015 FFO and AFFO of \$1.2 million and \$1.3 million, respectively, are a 11% and 39% increase over the amounts reported for the three months ended December 31, 2014;
- Twelve Months Ended December 31, 2015 FFO and AFFO of \$4.5 million and \$4.3 million are a 30% and 35% increase over the amounts reported for the twelve months ended December 31, 2014;
- Three Months ended December 31, 2015 FFO and AFFO per Unit of \$0.105 and \$0.110 per Unit;
- Twelve months ended December 31, 2015 FFO and AFFO per Unit of \$0.450 and \$0.427;
- Three months ended December 31, 2015 FFO and AFFO payout ratios of 96% and 92%. Twelve months ended December 31, 2015 FFO and AFFO payout ratios of 89% and 94%;
- Cash NOI for the three months ended December 31, 2015 was \$2.2 million, a 15% sequential increase over the amount reported for the three months ended September 30, 2015 and a 31% increase over the amount reported for the three months ended December 31, 2014. Cash NOI for the twelve months ended December 31, 2015 was \$7.5 million, a 31% increase over the amount reported for the twelve months ended December 31, 2014;
- Commercial portfolio occupancy was 92.0%. Multi-Residential Occupancy was 91.9%; and
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 47.0%.

Financial Highlights

	Three Months		Twelve Months		% Change	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014	Three Months	Twelve Months
Rental Revenue	\$3,779,471	\$2,969,865	\$13,006,263	\$9,762,540	27%	33%
NOI						
- IFRS Basis	\$2,218,943	\$1,783,986	\$7,666,827	\$5,931,492	24%	29%
- Cash Basis	\$2,209,441	\$1,682,070	\$7,538,351	\$5,752,746	31%	31%
FFO	\$1,205,175	\$1,086,571	\$4,524,709	\$3,480,220	11%	30%
AFFO	\$1,261,456	\$908,695	\$4,298,052	\$3,194,838	39%	35%
FFO Per Unit	\$0.105	\$0.132	\$0.450	\$0.477		
AFFO Per Unit	\$0.110	\$0.111	\$0.427	\$0.438		
Distributions Per Unit	\$0.102	\$0.097	\$0.402	\$0.375		
Payout Ratios						
- FFO	96%	74%	89%	79%		
- AFFO	92%	88%	94%	86%		

- Significant Acquisition Capacity of Approximately \$50 Million:** As at December 31, 2015, the Trust had \$3.9 million of cash and \$8.0 million of credit facility availability on its balance sheet, providing it with approximately \$30 million of acquisition capacity (assuming 60% leverage) or 23% of investment property growth without having to raise additional equity. With the refinancing of the Centre Ice Portfolio that generated \$4.7 million of net cash proceeds and the sale of two unencumbered properties from the Centre Ice Retail Portfolio that generated proceeds of approximately \$2.8 million that occurred subsequent to year end as outlined below, the Trust now has \$11.4 million of cash and \$8.0 million of credit facility availability on its balance sheet, providing it with approximately \$50 million of acquisition capacity;
- 20% Total Return Makes The Trust One of The Top Returning REITs of 2015:** Including distribution reinvestment, the Trust generated a total return for unitholders of approximately 20%, which makes it one of the top returning REITs in Canada for 2015, well ahead of the S&P/TSX Capped REIT Index (-3.4%) and S&P/TSX Composite Index (-7.4%);
- 99.6% of 2015 Distributions are Tax Deferred:** On February 25, 2016, the Trust announced that its unitholder distributions for the year ended December 31, 2015 are 99.6% non-taxable predominately in the form of return of capital. For additional information, please refer to the Trust's website at www.firmcapital.com;
- Acquired Significant Industrial Acquisition for \$31.2 million:** On August 27, 2015, the Trust acquired the Waterloo Industrial Portfolio, a 70% undivided interest in seven industrial buildings located in Waterloo, Ontario for \$31.2 million (including transaction costs). As a result of the acquisition, the Trust increased the size of its current portfolio to 61 properties;

- **20% Aggregate Distribution Increases in Less Than Three Years:** On August 27, 2015, as a result of the acquisition of the Waterloo Industrial Portfolio, the Trust formally increased its annualized cash distribution by 5% to \$0.42 per Trust Unit per annum or \$0.035 per Trust Unit per month from \$0.40 per Trust Unit per annum commencing in November, 2015. Including the August 27th distribution increase, the total increase in distributions since the Trust's inception is 20%;
- **Issued \$14 million of Trust Units:** During 2015, the Trust completed two non-brokered private placements of Trust Units for gross proceeds of approximately \$14 million. 557,008 Trust Units were issued on March 24, 2015 at a price of \$5.35 per Trust Unit for gross proceeds of approximately \$3.0 million, while on September 22, 2015, the Trust issued 1,961,300 Trust Units at a price of \$5.60 per Trust Unit for gross proceeds of approximately \$11.0 million;
- **Post Year End Disposition Generates \$2.8 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 gross proceeds of approximately \$2.8 million. The properties were unencumbered at the time of the sale and the proceeds will be used to fund future acquisitions. The transactions represent a one-time AFFO gain of approximately \$0.07 per Trust Unit;
- **Post Year End 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 April, May and June, 2016:** The Trust announced that it has declared and approved monthly distributions in the amount of \$0.035 per Trust Unit for unitholders of record on April 29, 2016, May 31, 2016 and June 30, 2016 payable on or about May 16, 2016, June 15, 2016 and July 15, 2016.

For the complete financial statements, Management's Discussion & Analysis and supplementary information, please visit www.sedar.com or the Trust's website at www.firmcapital.com

PROPERTY PORTFOLIO HIGHLIGHTS

The Trust's property portfolio consists of 60 commercial properties with a total Gross Leasable Area ("**GLA**") of 1,189,965 square feet (1,186,576 square feet of Net Leasable Area) and one apartment complex comprised of 135 apartment units. The portfolio is diversified across geographies with 66% of the NOI generated from Ontario, 23% from Quebec, 8% from Nova Scotia and 3% collectively from BC, Alberta, Manitoba and New Brunswick. The portfolio is diversified across asset classes with 46% of NOI generated

from Industrial, 44% 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 7.8% of total net rent. Further, the top 10 tenants are largely comprised of credit worthy and large national tenants and account for 28.8% 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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