



**FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.**

**FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES WASHINGTON D.C. JOINT VENTURE INVESTMENT, CLOSING OF NEW YORK CITY JOINT VENTURE INVESTMENT AND UPDATE ON SHARE CONSOLIDATION**

*All amounts are in \$US Dollars unless otherwise stated*

Toronto, Ontario, December 19, 2016. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV : FCA.U) is pleased to announce that the Company has agreed to invest approximately \$1.0 million in a 115 unit apartment building joint venture located in the Washington, D.C. area (the **Property**”).

**JOINT VENTURE MULTI-RESIDENTIAL INVESTMENT - WASHINGTON D.C.**

The Property, which consists of eight buildings, is located in Brentwood, Maryland and is being acquired for \$9.3 million (excluding \$0.5 million of closing costs and \$0.75 million of capital improvement reserves) and at a 7.6% going-in capitalization rate. The Company, along with a consortium of investors (collectively the **Firm Capital Group**) are acquiring a 50% interest in the joint venture (the **Joint Venture**) alongside a local owner/property manager in the Washington, D.C. area (collectively the **Partners**”).

The Joint Venture will acquire the Property and embark on a program to refurbish the buildings, add units and apply more hands-on management in order to increase the Net Operating Income or NOI over a seven-year time horizon. The Joint Venture will be funded, in part, through the assumption of two mortgages totalling \$7.8 million, with a weighted average interest rate of 5.18%. The residual equity of \$2.7 million will be funded by a group of investors including the Firm Capital Group in a combination of 50% preferred equity funded by the Firm Capital Group and 50% common equity split equally with the Partners. The preferred equity will yield 8% per annum and the common equity is expected to yield a seven-year Levered Internal Rate of Return (“IRR”) of approximately 29%. On a blended basis, the expected seven year Levered IRR for both the preferred and common equity is anticipated to yield approximately 18%. The Property is expected to produce sufficient cash flow immediately to pay the preferred equity yield. The Company’s expected pro-rata share of the Joint Venture investment is approximately \$1.0 million and will be funded from net proceeds received from the recently closed \$10.0 million Rights Offering. Closing of the Portfolio is expected to occur during the fourth quarter of 2016.

**NEW YORK CITY MULTI-RESIDENTIAL JOINT VENTURE INVESTMENT**

The Company is also pleased to announce that it will close on its previously announced New York City Joint Venture Investment on or about December 20, 2016. The Company has decided to invest approximately \$6.0 million into this transaction.

**SHARE CONSOLIDATION**

The Company is also pleased to announce that it will commence with the consolidation of all of the issued and outstanding common shares of the Company such that the

trading price of the post-consolidation common shares of the Company is \$5.00 per common share (the “**Consolidation**”). The Consolidation will be calculated based on the 20-day Volume Weighted Average Trading Price or VWAP of the common shares on the effective date of the consolidation which is anticipated occur during the first quarter of 2017.

### **ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.**

Firm Capital American Realty Partners Corp. focuses on capital partnership investing in U.S. income producing real estate & mortgage debt investments.

The Company is focused on the following investment platforms:

- **Income Producing Real Estate Investments:** Acquiring income producing U.S. real estate assets in major cities across the United States. Acquisitions are completed solely by the Company or in joint-venture partnership with local industry expert partners who retain property management; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform focused on major cities across the United States. Focused on providing all forms of bridge mortgage loans and joint venture capital.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain information in this news release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements regarding the Company's intended use of the net proceeds of the Rights Offering; the Company's intention to complete any current or future proposed acquisitions; anticipated returns on its Joint Venture Investments in Washington D.C.; the anticipated closing date for the Joint Venture and the closing date for the Consolidation.

Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse factors affecting the U.S. real estate market generally or those specific markets in which the Company holds properties; volatility of real estate prices; inability to complete the Company's single family property disposition program or debt restructuring in a timely manner; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; the ability of the Company to implement its business strategies; competition; currency and interest rate fluctuations and other risks, including those described in the Company's public disclosure documents on SEDAR at [www.sedar.com](http://www.sedar.com).

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from

those anticipated. Forward- looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Additional information about the Company is available at [www.firmcapital.com](http://www.firmcapital.com) or [www.sedar.com](http://www.sedar.com).

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