



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. PROVIDES ADDITIONAL INFORMATION REGARDING PROPOSED NEW YORK CITY JOINT VENTURE INVESTMENT, REMINDER ABOUT THE RIGHTS OFFERING AND SHARE CONSOLIDATION UPDATE

Toronto, Ontario, December 7, 2016. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV : FCA.U) is pleased to provide additional information regarding its recently announced proposed \$7.5 million joint venture investment in New York City, a reminder about the rights offering and update on the share consolidation.

NEW YORK CITY JOINT VENTURE INVESTMENT

On November 14, 2016, the Company announced that it had agreed to invest in a joint venture that will consist of eight multi-family buildings (the **Portfolio**) comprised of 127 residential units and two commercial units located in New York City with a strong local owner (the **Sponsor Partner**). The Portfolio is currently 91% occupied. The Sponsor Partner is acquiring the portfolio at a going in capitalization rate in excess of 4.5%, and has a plan to renovate the apartment units and increase rents over a three year repositioning period. The Sponsor Partner is highly experienced in the New York City area and owns and manages similar properties where the Portfolio is located and has completed similar repositioning plans on other multi-family buildings.

The purchase price of the Portfolio is approximately \$38.4 million. The Portfolio is being funded with a \$23.8 million conventional first mortgage; a senior equity facility provided by a consortium of investors including the Company (collectively the **Firm Capital Group**) for \$10 million that yields 8.0% per annum and \$6.7 million of common equity from the joint venture partnership, with the Firm Capital Group being a 50% equity owner and the Sponsor Partner being a 50% equity owner.

The Company is pleased to be participating in this investment alongside an experienced Sponsor Partner who has succeeded in investing in gentrifying areas of New York City. The Company will be investing in a combination of preferred and common equity. The preferred equity has a fixed rate of return of 8% per annum and the common equity is forecasted to generate a five year Levered Internal Rate of Return (“**IRR**”) of approximately 27% per annum. On a blended basis, both the preferred and common equity investment are forecasted to generate a five year Levered IRR of approximately 16%. The Company’s expected pro-rata share of the joint venture investment is approximately \$7.5 million and will be funded from net proceeds received from the \$10.0 million Rights Offering. Closing of the Portfolio is expected to occur during the fourth quarter of 2016.

RIGHTS OFFERING REMINDER

The Company would also like to remind shareholders of the \$10.0 million Rights Offering available to holders of its common shares as at the close of business on the record date of November 18 2016 (the "**Record Date**"), on the basis of one Right for each common share held. Each Right will entitle the holder to subscribe for one common share of the Company (the "**Rights Shares**") upon payment of the subscription price of US\$0.16 per Rights Share. The Rights will expire at 5:00 p.m. (Toronto time) on December 14, 2016 (the "**Expiry Time**"), after which time unexercised Rights will be void and of no value. Shareholders who fully exercise their Rights will be entitled to subscribe for additional Rights Shares, if available as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations as set out in the Company's rights offering circular (the "**Circular**").

Further details of the Rights Offering are set out in the rights offering notice (the "**Notice**") and Circular which have been mailed to all shareholders and is also available under the Company's profile on SEDAR at www.sedar.com. The Notice and an accompanying rights certificate will be mailed to each shareholder of the Company resident in Canada as at the Record Date. Registered shareholders who wish to exercise their Rights must forward the completed rights certificate, together with the applicable funds, to the rights agent, TSX Trust Company, on or before the Expiry Time. Shareholders who own their common shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. Shareholders resident in a jurisdiction outside of Canada (the "**Ineligible Holders**") will receive a letter from the Company describing the procedures to be followed by such Ineligible Holders if they wish to participate in the Rights Offering.

There are currently 62,933,860 common shares of the Company outstanding. If all of the Rights issued under the Rights Offering are validly exercised (or if only a portion of the Rights are validly exercised and the Stand-by Commitment is fulfilled), the Rights Offering will raise gross proceeds of approximately US\$10.0 million. The Company intends to use the net proceeds of the Rights Offering for future acquisitions (including the aforementioned New York City Joint Venture Investment) and general working capital purposes.

SHARE CONSOLIDATION

Subsequent to the completion of the Rights Offering, the Company will undertake a consolidation of its common shares. Terms of the consolidation will be provided to shareholders in due course.

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 single family property disposition program and Debt Restructuring, which may not be completed within the estimated time frames specified above or at all. Failure to complete the steps described above or any delays in their implementation may have a material adverse affect upon the business of the Company and its market value. There is no assurance that the Company will be able to complete the disposition of the single property disposition portfolio at anticipated values or at all or that market conditions will support the debt and equity raises contemplated by the Company. There is no assurance that the implementation of the steps described above, even if completed as described above, will increase the market value of the Company's securities, which is subject to numerous factors beyond the Company's control.

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.

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.

Certain financial information presented in this press release reflect certain non-International Financial Reporting Standards ("**IFRS**") financial measures, which include NOI, FFO and AFFO. These measures are commonly used by real estate investment companies as useful metrics for measuring performance, however, they do not have standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment companies. The Company believes that FFO and AFFO are important measures of operating performance. The IFRS measurement most directly comparable to AFFO is net income. These terms are

defined in The Company's Management Discussion and Analysis for the quarter ended June 30, 2016 filed on www.sedar.com.

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.

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