



**FIRM CAPITAL PROPERTY TRUST**

**FIRM CAPITAL PROPERTY TRUST ANNOUNCES SOLID FOURTH QUARTER AND STRONG END TO 2016**

Toronto, Ontario, March 23, 2017. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV : FCD.UN) is pleased to report today its consolidated annual financial results for the three and twelve months ended December 31, 2016.

**FOURTH QUARTER AND 2016 HIGHLIGHTS**

- Net income before fair value adjustments for the three months ended December 31, 2016 was \$1.5 million, or a 17% increase over the \$1.3 million reported for the three months ended September 30, 2016 and a 28% increase over the \$1.2 million reported for the three months ended December 31, 2015;
- Net income before fair value adjustments for the twelve months ended December 31, 2016 was \$5.1 million or a 14% increase over the \$4.5 million reported for the twelve months ended December 31, 2015;
- Net income for the three months ended December 31, 2016 was \$3.3 million, in comparison to the \$1.3 million reported for the three months ended September 30, 2016 and \$1.7 million reported for the three months ended December 31, 2015. The variance over December 31, 2015 was due to higher positive fair value adjustments for the quarter ended December 31, 2016 in comparison to the comparable quarters;
- Net income for the twelve months ended December 31, 2016 was \$8.0 million in comparison to the \$9.4 million reported for the twelve months ended December 31, 2015. The variance over December 31, 2015 was due to lower positive fair value adjustments for the year ended December 31, 2016 in comparison to the year ended December 31, 2015;
- Three Months Ended December 31, 2016 Funds From Operations (“**FFO**”) and Adjusted Funds From Operations (“**AFFO**”) of \$1.5 million and \$1.3 million, are a 17% increase and in line over the amounts reported for the three months ended September 30, 2016, but a 28% and 6% increase over the amounts reported for the three months ended December 31, 2015;
- Twelve Months Ended December 31, 2016 FFO and AFFO of \$5.3 million and \$5.0 million are a 17% and 16% increase, respectively, over the amounts reported for the twelve months ended December 31, 2015;
- Three Months ended December 31, 2016 FFO and AFFO per Unit of \$0.122 and \$0.105;

- Twelve months ended December 31, 2016 FFO and AFFO per Unit of \$0.439 and \$0.415;
- Three months ended December 31, 2016 FFO and AFFO payout ratios of 89% and 103%;
- Twelve months ended December 31, 2016 FFO and AFFO payout ratios of 96% and 102%. Including a gain on sale generated from the disposition of two properties from the Centre Ice Retail Portfolio, the FFO and AFFO payout ratios are 84% and 88%, respectively;
- Cash NOI for the three months ended December 31, 2016 was \$2.6 million, a 5% sequential increase over the amount reported for the three months ended September 30, 2016 and a 16% increase over the amount reported over December 31, 2015;
- Cash NOI for the twelve months ended December 31, 2016 was \$9.3 million, a 23% increase over the amount reported for the twelve months ended December 31, 2015;
- Commercial portfolio occupancy was 94.9%, a 205 basis point increase over September 30, 2016, and a 282 bps increase over December 31, 2015; and
- Conservative leverage profile with Debt / Gross Book Value ("**GBV**") at 50.5%.

## Financial Highlights

	% Change Over					
	Three Months		Twelve Months		Three Months	Twelve Months
	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2016
<b>Rental Revenue</b>	\$4,601,110	\$3,779,471	\$ 16,272,929	\$ 13,006,263	22%	25%
<b>NOI</b>						
- IFRS Basis	\$2,619,801	\$2,218,943	\$ 9,439,730	\$ 7,666,827	18%	23%
- Cash Basis	\$2,566,717	\$2,209,441	\$ 9,260,979	\$ 7,538,351	16%	23%
<b>FFO</b>	<b>\$1,539,054</b>	<b>\$1,205,175</b>	<b>\$ 5,279,875</b>	<b>\$ 4,524,709</b>	28%	17%
<b>AFFO</b>	<b>\$1,334,369</b>	<b>\$1,261,456</b>	<b>\$ 4,989,610</b>	<b>\$ 4,298,052</b>	6%	16%
<b>Adjusted FFO*</b>	<b>\$1,539,054</b>	<b>\$1,205,175</b>	<b>\$ 6,080,567</b>	<b>\$ 4,524,709</b>	28%	34%
<b>Adjusted AFFO*</b>	<b>\$1,334,369</b>	<b>\$1,261,456</b>	<b>\$ 5,790,302</b>	<b>\$ 4,298,052</b>	6%	35%
<b>FFO Per Unit</b>	<b>\$ 0.122</b>	<b>\$ 0.105</b>	<b>\$ 0.439</b>	<b>\$ 0.450</b>	15%	(2%)
<b>AFFO Per Unit</b>	<b>\$ 0.105</b>	<b>\$ 0.110</b>	<b>\$ 0.415</b>	<b>\$ 0.427</b>	(5%)	(3%)
<b>Adjusted FFO/Unit*</b>	<b>\$ 0.122</b>	<b>\$ 0.105</b>	<b>\$ 0.506</b>	<b>\$ 0.450</b>	15%	12%
<b>Adjusted AFFO/Unit*</b>	<b>\$ 0.105</b>	<b>\$ 0.110</b>	<b>\$ 0.481</b>	<b>\$ 0.427</b>	(5%)	13%
<b>Distributions Per Unit</b>	<b>\$ 0.108</b>	<b>\$ 0.102</b>	<b>\$ 0.423</b>	<b>\$ 0.402</b>	6%	5%
<b>Payout Ratios</b>						
- FFO	89%	96%	96%	89%		
- AFFO	103%	92%	102%	94%		
- Adjusted FFO	89%	96%	84%	89%		
- Adjusted AFFO	103%	92%	88%	94%		

\* Includes gain on sale of assets

- **92% of 2016 Distributions are Tax Deferred:** For the year ended December 31, 2016, the Trust's distributions are 91.98% non-taxable predominately in the form of return of capital.
- **Three Significant Retail Acquisitions for \$35.7 million:** During 2016, the Trust acquired three interests in three retail and commercial properties (The Whitby Mall, Thickson Place and Moncton retail property) for \$35.7 million, two of which involved joint ventures with First Capital Realty;
- **Distribution Increases of 26% in Less Than Three Years:** On November 1, 2016, as a result of the acquisitions of The Whitby Mall, Thickson Place and the Moncton retail property, the Trust announced its fourth distribution increase of 4.8% to \$0.036666 per unit from \$0.035 per unit. On an annualized basis, this equates to

anticipated distributions of \$0.44 per unit up from \$0.42 per unit. Including the November 1st distribution increase, the total increase in distributions since the Trust's inception is 25.7%;

- **Issued \$7 Million of Trust Units:** During 2016, the Trust completed two non-brokered private placements of Trust Units for gross proceeds of approximately \$7.1 million. 951,634 Trust Units were issued on July 28, 2016 at a price of \$6.00 per Trust Unit for gross proceeds of approximately \$5.7 million, while on August 31, 2016, the Trust issued 238,900 Trust Units at a price of \$6.00 per Trust Unit for gross proceeds of approximately \$1.4 million;
- **Non-Core Disposition Generates \$2.8 Million of Cash Proceeds 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 were used to fund acquisitions. The transactions represent a one-time AFFO gain of approximately \$0.07 per Trust Unit; and
- **Approved Distributions for April, May and June, 2017:** The Trust announced that it has declared and approved monthly distributions in the amount of \$0.036666 per Trust Unit for unitholders of record on April 28, 2017, May 31, 2017 and June 30, 2017 payable on or about May 15, 2017, June 15, 2017 and July 14, 2017.

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 portfolio consists of 61 commercial properties with a total GLA of 2,435,409 square feet (1,398,987 square feet on an owned interest basis) and a 50% interest in one apartment complex comprised of 135 apartment units. The portfolio is well diversified in terms of geographies and property asset types.

### **TENANT DIVERSIFICATION**

The portfolio is well diversified by tenant profile with no tenant accounting for more than 5.3% of total net rent. Further, the top 10 tenants are largely comprised of creditworthy and large national tenants and account for 23.2% 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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