



**FIRM CAPITAL PROPERTY TRUST**

**FIRM CAPITAL PROPERTY TRUST ANNOUNCES THIRD QUARTER RESULTS**

Toronto, Ontario, November 10, 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 nine months ended September 30, 2017.

**PROPERTY PORTFOLIO HIGHLIGHTS**

The portfolio consists of 60 commercial properties with a total GLA of 2,407,617 square feet (1,383,983 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 5.5% of total net rent. Further, the top 10 tenants are largely comprised of creditworthy and large national tenants and account for 22.4% of total net rent.

**THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS**

- Net income for the three months ended September 30, 2017 was approximately \$3.7 million, a 174% increase over the \$1.3 million reported for the three months ended September 30, 2016. Net income for the nine months ended September 30, 2017 was approximately \$11.1 million, a 137% increase in comparison to the \$4.7 million reported for the nine months ended September 30, 2016;
- On an IFRS basis, NOI for the three months ended September 30, 2017 was approximately \$2.9 million, a 14% increase in comparison to the \$2.5 million reported for the three months ended September 30, 2016. NOI for the nine months ended September 30, 2017 was approximately \$8.4 million, a 23% increase in comparison to the \$6.8 million reported for the nine months ended September 30, 2016;
- On a cash basis (“**Cash NOI**”), for the three months ended September 30, 2017 was approximately \$2.8 million, a 15% increase over the \$2.4 million reported for the three months ended September 30, 2016. Cash NOI for the nine months ended September 30, 2017 was \$8.2 million, a 23% increase in comparison to the \$6.7 million reported for the nine months ended September 30, 2016;
- Funds From Operations (“**FFO**”) for the three months ended September 30, 2017 was approximately \$1.5 million, an 11% increase in comparison to the \$1.3 million reported for the three months ended September 30, 2016. Adjusted Funds From Operations (“**AFFO**”) for the three months ended September 30, 2017 was approximately \$1.4 million, a 5% increase in comparison to the \$1.4 million reported for the three months ended September 30, 2016;

- FFO for the nine months ended September 30, 2017 was approximately \$4.6 million, a 23% increase in comparison to the \$3.7 million reported for the nine months ended September 30, 2016. AFFO for the nine months ended September 30, 2017 was \$4.3 million, a 19% increase in comparison to the \$3.7 million reported for the nine months ended September 30, 2016;
- Including gains on sales of investment properties, for the three months ended September 30, 2017, Adjusted FFO per Unit was \$0.149 while Adjusted AFFO per Unit was \$0.146. For the nine months ended September 30, 2017, Adjusted FFO per Unit was \$0.419 while Adjusted AFFO per Unit was \$0.399;
- For the three months ended September 30, 2017, FFO and AFFO payout ratios are 96% and 99%, respectively. For the nine months ended September 30, 2017, FFO and AFFO payout ratios are 92% and 97%, respectively;
- For the three months ended September 30, 2017, Adjusted FFO and Adjusted AFFO payout ratios are 74% and 75%, respectively. For the nine months ended September 30, 2017, Adjusted FFO and Adjusted AFFO payout ratios are 79% and 83%, respectively;
- Commercial occupancy was a solid 93.1%; and;
- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 47.8%.

## Financial Highlights

	% Change Over								
	Three Months			Nine Months		Three Months		Nine Months	
	Sept 30, 2017	June 30, 2017	Sept 30, 2016	Sept 30, 2017	Sept 30, 2016	June 30, 2017	Sept 30, 2016	Sept 30, 2016	
<b>Rental Revenue</b>	\$4,835,094	\$4,660,305	\$4,228,005	\$ 14,293,596	\$ 11,671,819	4%	14%	22%	
<b>NOI</b>									
- IFRS Basis	\$2,867,718	\$2,868,130	\$2,506,220	\$ 8,416,126	\$ 6,819,929	(0%)	14%	23%	
- Cash Basis	\$2,809,432	\$2,830,095	\$2,439,294	\$ 8,207,545	\$ 6,694,262	(1%)	15%	23%	
<b>Net Income</b>	\$3,704,461	\$5,171,698	\$1,349,820	\$ 11,103,703	\$ 4,690,025	(28%)	174%	137%	
<b>FFO</b>	\$1,460,941	\$1,533,889	\$1,317,775	\$ 4,591,562	\$ 3,740,825	(5%)	11%	23%	
<b>AFFO</b>	\$1,426,579	\$1,564,472	\$1,364,856	\$ 4,342,076	\$ 3,655,244	(9%)	5%	19%	
<b>Adjusted FFO*</b>	\$1,909,102	\$1,840,548	\$1,317,775	\$ 5,346,382	\$ 4,541,517	4%	45%	18%	
<b>Adjusted AFFO*</b>	\$1,874,739	\$1,871,131	\$1,364,856	\$ 5,096,896	\$ 4,455,936	0%	37%	14%	
<b>FFO Per Unit</b>	\$ 0.114	\$ 0.120	\$ 0.105	\$ 0.360	\$ 0.317	(5%)	9%	14%	
<b>AFFO Per Unit</b>	\$ 0.111	\$ 0.122	\$ 0.108	\$ 0.340	\$ 0.309	(9%)	3%	10%	
<b>Adjusted FFO/Unit*</b>	\$ 0.149	\$ 0.144	\$ 0.105	\$ 0.419	\$ 0.384	4%	43%	9%	
<b>Adjusted AFFO/Unit*</b>	\$ 0.146	\$ 0.146	\$ 0.108	\$ 0.399	\$ 0.377	0%	35%	6%	
<b>Distributions Per Unit</b>	\$ 0.110	\$ 0.110	\$ 0.105	\$ 0.330	\$ 0.315	(0%)	5%	5%	
<b>Payout Ratios</b>									
- FFO	96%	92%	100%	92%	100%				
- AFFO	99%	90%	97%	97%	102%				
- Adjusted FFO	74%	76%	100%	79%	82%				
- Adjusted AFFO	75%	75%	97%	83%	84%				

\* = Includes gain on sale of assets

- **Two Dispositions Generate 72% Gain over IFRS Valuation:** On May 12, 2017, the Trust completed the sale of one of its Centre Ice Retail properties located in North Bay, Ontario to a third party for gross proceeds of approximately \$1.1 million (\$1.0 million net of closing costs). As a result, a gain of approximately \$0.4 million was generated from the sale which translates into a 56% gain over the IFRS valuation for this property. Further, on September 29, 2017, the Trust completed the sale of one of its Centre Ice Retail properties located in Hamilton, Ontario to a third party for gross proceeds of approximately \$1.0 million (\$1.0 million net of closing costs). As a result, a gain of approximately \$0.5 million was generated from the sale which translates into a 95% gain over the IFRS valuation for this property. For the nine months ended September 30, 2017, as a result of the two dispositions, a total cumulative gain of approximately \$0.9 million generated from the sales which translates into a cumulative 72% gain over the IFRS valuation for these properties; and
- **Announced \$26.0 Million Acquisition:** On November 2, 2017, the Trust announced the purchase of a 100% interest of a 115,838 square foot grocery anchored retail property located in Guelph, Ontario. The acquisition price of the property is approximately \$26.0 million, excluding transaction costs. The property will be acquired at a 6.9% capitalization rate. The acquisition is expected to close during the fourth quarter of 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)

### **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.

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 entities as useful metrics for measuring performance and cash flows, however, they do not have standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment entities. These terms are defined in the Trust's Management Discussion and Analysis ("MD&A") for the quarter ended September 30, 2017 as filed on [www.sedar.com](http://www.sedar.com).

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