

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. REPORTS STRONG START TO 2018

Toronto, Ontario, May 10, 2018. Firm Capital American Realty Partners Corp. (“the **Company**”), (TSXV : FCA.U), (TSXV : FCA) is pleased to report its financial results for the three months ended March 31, 2018:

FIRST QUARTER HIGHLIGHTS

- For the three months ended March 31, 2018, net income was approximately \$0.2 million, or a significant improvement over the \$0.2 million loss reported at March 31, 2017;
- For the three months ended March 31, 2018, basic net income was \$0.03 per share, which is a significant improvement over the \$0.05 loss per share reported at March 31, 2017;
- For the three months ended March 31, 2018, diluted net income was \$0.02 per share, which was a significant improvement over the \$0.05 loss per share in March 31, 2017;
- \$8.00 Net Asset Value (“**NAV**”) per Share based on an IFRS book value of equity of approximately \$48.5 million;
- Results for the quarter ended March 31, 2018 are as follows:

Three Months Ended

	Mar 31, 2018	Mar 31, 2017
Net Income/(Loss)	\$177,295	\$(231,718)
FFO	\$331,035	\$(615,585)
AFFO	\$350,803	\$(443,524)
Adjusted FFO	\$329,927	\$(605,341)
Adjusted AFFO	\$350,803	\$(443,524)
Net Income/(Loss) Per Share	\$ 0.03	\$ (0.05)
Diluted Net Income Per Share	\$ 0.02	\$ (0.05)
FFO per share	\$ 0.05	\$ (0.14)
AFFO Per Share	\$ 0.06	\$ (0.10)
Adjusted FFO Per Share	\$ 0.05	\$ (0.14)
Adjusted AFFO Per Share	\$ 0.06	\$ (0.10)

- **Improved Occupancy:** Multi-Family Investment Portfolio occupancy improved by 260 basis points to 96.8%, while Joint Venture Investments occupancy improved by 140 basis points to 90.3%;
- **Improved Average Monthly Rents:** Multi-Family Investment Portfolio average monthly rent was \$1,067, while Joint Venture Investments average monthly rent increased to \$1,070 per unit;
- **\$2.1 Million in Debt Repayments leave only \$10.1 Million of the Convertible Debentures (“Debentures”) Outstanding:** For the three months ended March 31, 2018, the Company repaid approximately \$2.1 million of the Debentures. As a result, the Company has repaid approximately 40% of the Debentures leaving a current outstanding balance of approximately \$10.3 million (\$10.1 million net of deferred finance costs);
- **\$1.9 Million in Single Family Home Dispositions:** During the quarter ended March 31, 2018, the Company closed sales on 20 single family homes comprised of 33 units for gross proceeds of approximately \$1.8 million (net proceeds of approximately \$1.5 million). Subsequent to quarter end, the Company closed a sale on one single family home in Florida for gross and net proceeds of approximately \$0.1 million;
- **\$4.0 Million in Conditional Single Family Home Sales Expected to Provide Further Debenture Partial Repayments:** The Company has under contract 17 single family properties comprised of 71 units for gross proceeds of approximately \$4.0 million. These home sales are anticipated to close during the second quarter of 2018 and the net proceeds generated will be used for Debenture repayments;
- **Only Two Single Family Homes Unsold:** Beyond the conditional home sales as outlined above, the Company currently has only two properties not sold, both located in Atlanta;

- **\$4.0 Million Supplemental Loan:** On February 20, 2018, the Company closed the previously announced supplemental first mortgage loan of approximately \$4.0 million from the existing lender on its multi-family residential property located in Sunrise, Florida with a fixed interest rate of approximately 5.8%, a term to maturity of approximately 4.6 years and co-terminous with the existing first mortgage loan and a 30-year amortization period;
- **\$17.8 Million Irvington, NJ Acquisition:** On March 1, 2018, the Company acquired a multi-family residential portfolio in Irvington, New Jersey (the “**NJ Portfolio**”), comprised of 7 separate properties and 189 units in total (184 apartment units and 5 ground floor retail units). The NJ Portfolio was acquired by the Company (the “**NJ Acquisition**”) for a purchase price (excluding transaction costs) of approximately US\$17.8 million. The NJ Acquisition was financed with 7 separate 20-year non-recourse first mortgage loans from a U.S. government-sponsored enterprise for approximately US\$14.2 million at a weighted average interest rate of approximately 3.8% fixed for the first 5 years, with interest-only for the first 12 months, and a 30-year amortization period. The Company completed the NJ Acquisition through an investment of approximately US\$3.4 million, for a 50% ownership interest in a joint venture with an unrelated third party;
- **\$15.3 Million Houston, TX Acquisition:** On March 1, 2018, the Company acquired a multi-family residential property in Houston, Texas (the “**TX Property**”), comprised of 12 buildings and 235 apartment units. The TX Property was acquired by the Company (the “**TX Acquisition**”) for a purchase price (excluding transaction costs) of approximately US\$15.3 million. The TX Acquisition was financed with a 10-year non-recourse first mortgage loan from a U.S. government-sponsored enterprise for approximately US\$11.6 million, or approximately 76% loan-to-cost, at an interest rate of approximately 4.9% fixed for the 10-year term, with interest-only for the first 12 months, and a 30-year amortization period. The Company completed the TX Acquisition through an investment of approximately US\$4.7 million, for a 50% ownership interest in a joint venture with an unrelated third party;
- **Third Consecutive Dividend Paid to Shareholders:** On April 15, 2018, dividends of \$0.05625 per common share were paid to shareholders of record on March 31, 2018 resulting in total dividends of \$344,681. This payment represents the third consecutive dividend payment for the Company; and
- **Fourth Declared Dividend:** On May 10, 2018, dividends of \$0.05625 per common share were declared for shareholders of record on June 29, 2018 payable on or about July 16, 2018.

For the complete financial statements including Management’s Discussion & Analysis, please visit www.sedar.com or the Company’s website at www.firmcapital.com

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

Firm Capital American Realty Partners Corp. (the “**Company**”) is a U.S. focused real estate investment entity that pursues real estate and debt investments through the following platforms:

- **Income Producing Real Estate Investments:** Acquiring income producing 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 responsibilities; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform in 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 repayments, 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 effect 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. These terms are defined in The Company's Management Discussion and Analysis for the quarter and year ended December 31, 2017 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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