

# \$1.0 BILLION COMMITTED TRANSACTIONS IN 2017

**2017 WAS A RECORD YEAR** for Firm Capital as we completed **\$1.0 BILLION** in new mortgage financings. Our commitment to excellent client service allowed us to achieve these results. The following pages will offer insight into the various debt financings completed in this past year. **WE THANK OUR LOYAL CLIENT BASE** for using our services in 2017 and look forward to strengthening our existing relationships and building new ones in 2018.

## Sample Transactions

<p><b>Land Loan</b> <b>\$147,000,000</b></p> <p><b>First Mortgage</b> 893,404 sq. ft. mixed-use building <b>TORONTO, ON</b></p>	<p><b>Inventory Loan</b> <b>\$17,500,000</b></p> <p><b>First Mortgage</b> 64 condominium units <b>MONTREAL, QC</b></p>	<p><b>Construction Loan</b> <b>\$67,100,000</b></p> <p><b>First Mortgage</b> Mixed-use condo project <b>TORONTO, ON</b></p>	<p><b>Construction Loan</b> <b>\$17,380,000</b></p> <p><b>First Mortgage</b> 38 townhome units &amp; 5 commercial/retail units <b>PICKERING, ON</b></p>	<p><b>Infill Construction Loan</b> <b>\$1,765,000</b></p> <p><b>Second Mortgage</b> 3,486 sq. ft. custom home <b>TORONTO, ON</b></p>
<p><b>Land Loan</b> <b>\$24,500,000</b></p> <p><b>First Mortgage</b> 20 acre future residential development site <b>OAKVILLE, ON</b></p>	<p><b>Bridge Loan</b> <b>\$3,200,000</b></p> <p><b>First Mortgage</b> 2 office buildings <b>WATERLOO, ON</b></p>	<p><b>Inventory Loan</b> <b>\$13,250,000</b></p> <p><b>First Mortgage</b> 30 condominium units <b>TORONTO, ON</b></p>	<p><b>Mezzanine Equity Loan</b> <b>\$15,400,000</b></p> <p><b>Partial Interest</b> 544,000 sq. ft. retail centre <b>VANCOUVER, B.C.</b></p>	<p><b>Land Loan</b> <b>\$10,675,000</b></p> <p><b>First Mortgage</b> Future residential development site <b>TORONTO, ON</b></p>
<p><b>Infill Construction Loan</b> <b>\$1,055,000</b></p> <p><b>Second Mortgage</b> 3,840 sq. ft. custom home <b>TORONTO, ON</b></p>	<p><b>Land Loan</b> <b>\$32,000,000</b></p> <p><b>First Mortgage</b> 40 acre future residential development site <b>BRAMPTON, ON</b></p>	<p><b>Infill Construction Loan</b> <b>\$1,575,000</b></p> <p><b>First Mortgage</b> 3,448 sq. ft. custom home <b>TORONTO, ON</b></p>	<p><b>Land Loan</b> <b>\$9,000,000</b></p> <p><b>First Mortgage</b> Future residential development site <b>BRAMPTON, ON</b></p>	<p><b>Inventory Loan</b> <b>\$7,000,000</b></p> <p><b>First Mortgage</b> 15 loft condominium units <b>TORONTO, ON</b></p>
<p><b>Inventory Loan</b> <b>\$7,500,000</b></p> <p><b>First Mortgage</b> 22 condominium units <b>MISSISSAUGA, ON</b></p>	<p><b>Land Loan</b> <b>\$4,000,000</b></p> <p><b>First Mortgage</b> 2 acre medium density development site <b>MARKHAM, ON</b></p>	<p><b>Infill Construction Loan</b> <b>\$4,000,000</b></p> <p><b>First Mortgage</b> 4 single family custom homes <b>TORONTO, ON</b></p>	<p><b>Land Loan</b> <b>\$7,000,000</b></p> <p><b>First Mortgage</b> 10 acre future residential development site <b>BRAMPTON, ON</b></p>	<p><b>Infill Construction Loan</b> <b>\$960,000</b></p> <p><b>Second Mortgage</b> 2,993 sq. ft. custom home <b>TORONTO, ON</b></p>

# 2017 REPORT TO CLIENTS

## **\$1.0 BILLION IN 2017 DEBT TRANSACTIONS RESULTING FROM BEING DEDICATED TO EXCELLENT CLIENT SERVICE & BUILDING ENTREPRENEURIAL SPIRIT**

### **2017 REPORT TO CLIENTS - FIRM CAPITAL MORTGAGE LENDING GROUP:**

2017 marked 30 years of building client relationships at Firm Capital Corporation. We are pleased to have built a business committed to real estate finance and capital providing solutions for a strong client base. We provide our clients with service excellence and in return we have established a loyal real estate clientele.

Thanks to having built this loyal client base, 2017, saw a record year, having completed \$1.0 billion in new mortgage financing commitments. Our focus continues to be building solid relationships across Canada with real estate owners, builders and developers. These relationships gave us the opportunity to invest and participate with fantastic borrower partners, as their capital provider. Since we are still in a period of economic directional uncertainty compounded by expected further interest rate increases, our objective has been to structure creative transactions that satisfy the clients' interests and at the same time focus on the preservation of capital. 2018 will continue to be a year that will see us become a problem solver for our clients' real estate capital needs. We are committed to growing with our clients and to providing an excellent level of service. Procrastination leads to failure. We are committed to serving our clients' needs expediently, efficiently and with integrity. We will strive to play a key role in seeing our clients succeed.

### **MORTGAGE DEBT & REAL ESTATE CAPITAL ACTIVITIES:**

The enclosed Transaction Update represents a selection of debt financings that closed in 2017. We continue to specialize in providing financings focused on construction, short term bridge loans and specialized term debt. Our strength is our ability to act fast and provide an innovative approach to each transaction. We have the capital capacity to support our clients' needs in 2018. With respect to our strategic real estate capital partnership programs - Equity, Mezzanine and Direct Investments, we continue to pursue capital partnerships for acquisitions of investment properties and the formulation of development joint ventures, all with experienced developers and landlords. We pride ourselves on being a boutique mortgage bank focused on providing capital efficiently and innovatively, as demonstrated by the \$1.0 billion in mortgage commitments completed in 2017.

We have tremendous capital capacity for investments. Our focus is not yield, rather security with strong sponsors. Mortgage debt and real estate equity under administration is over \$3.4 billion.

### **ASSET MANAGEMENT ACTIVITIES & CAPITAL CAPACITY:**

In summary:

- In 2017, we saw our Toronto Stock Exchange listed entity Firm Capital Mortgage Investment Corporation provide a respectable return on equity resulting in stable dividends to our Shareholders. This entity has been public since 1999;
- In 2017, Firm Capital Property Trust completed the acquisition of a grocery anchored retail plaza, bringing our ownership interests to 61 properties, raised further equity, and increased distributions for its Unitholders for the fifth time. We will strive in 2018 to grow the assets on an opportunistic basis.
- In 2017, Firm Capital American Realty Partners Corp. achieved several important milestones in its evolution to becoming a leading investor and lender in U.S. multi-family residential real estate. The company invested over \$13 million of equity for two new joint venture acquisitions, in Connecticut and Maryland, and invested in a \$12 million preferred loan to acquire three apartment buildings in New York. The company also completed over \$15 million of common equity raises and implemented a dividend policy.

### **OUTLOOK:**

We have a clear message - **we are focused on being the leaders in providing debt and equity capital to the private and public real estate marketplace.**

As we say every year, "**Follow Your Passion**" - be it building homes, buying great properties or developing land - we want to be our clients capital partner. Align yourself with a committed financial backer that will support you in difficult times and that will provide a high level of service and expertise. We are focused on finding niche lending opportunities where others don't understand the clients' needs. The Firm Capital team is very focused and committed - we are Open For Business. We will continue to strengthen our existing relationships and build new ones. When others are noncommittal, uncertain and concerned, our objective is to be contrarian and lead the way in providing clarity. On behalf of the Firm Capital team, I want to express our gratitude to those strong relationships we have formed. Once again, thank you and we look forward to servicing your requirements in 2018.

Yours truly,

**FIRM CAPITAL CORPORATION**

**PER:**



Eli Dadouch  
President & CEO

# 2017 DEBT TRANSACTION HIGHLIGHTS



## LAND LOAN

893,404 sq. ft. mixed-use building

**\$147,000,000**

**TORONTO, ON**



## CONSTRUCTION LOAN

Mixed-use condo project

**\$67,100,000**

**TORONTO, ON**



## INVENTORY LOAN

64 condominium units

**\$17,500,000**

**MONTREAL, QC**

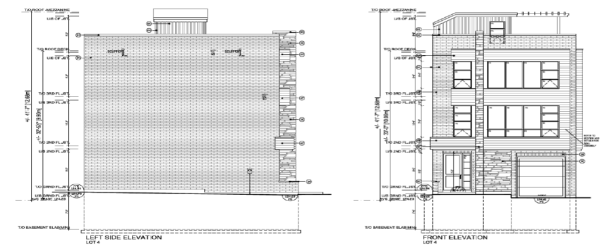


## LAND & CONSTRUCTION LOAN

38 townhome units & 5 commercial retail units

**\$17,380,000**

**PICKERING, ON**



## INFILL CONSTRUCTION LOAN

4 single family homes

**\$4,000,000**

**TORONTO, ON**



## MEZZANINE EQUITY LOAN

544,000 sq. ft. retail centre

**\$15,400,000**

**VANCOUVER, B.C.**

# ABOUT FIRM CAPITAL CORPORATION

## OUR CORE PRINCIPLES



### TRUST

Our partners, investors and clients can trust Firm Capital to execute on our commitment.



### INNOVATION

Firm Capital brings an innovative approach to structuring a transaction.



### RELATIONSHIPS

Firm Capital builds strong, long term relationships with its partners, investors and clients.

**IT TAKES EXPERIENCE TO ACHIEVE A GOAL.** Firm Capital has provided real estate capital services for over 25 years in all aspects of the real estate private equity spectrum. As mortgage lenders, principle investors, capital partners, activist and innovative investors, property and asset managers, our ability to execute has been demonstrated by our past performance and our pride in our risk management abilities to protect and preserve capital, while acting as disciplined investors.

Firm Capital is a real estate private equity investment firm and alternative investment manager based in Toronto, Canada. Since 1988, Firm Capital has focused on deploying proprietary and managed capital opportunistically between debt and equity investments in the private and public real estate markets. The organization has established an exceptional track record of successfully lending, financing, owning, investing, joint venturing and managing real estate all across Canada. Firm Capital focuses on a simple culture and goal: to be a client driven organization with impeccable integrity focused on preservation of capital through disciplined tactical investing at the same time as building long term relationships.

**ABOUT FIRM CAPITAL:** Firm Capital Corporation is the Mortgage Lending Group within the Firm Capital organization, a real estate merchant bank focused on conventional, tactical and distressed debt and equity investments in the private and public marketplace.

## A BOUTIQUE MORTGAGE BANK PROVIDING REAL ESTATE CAPITAL FOR:

- Bridge Financing
- Land & Construction Financing
- Landlords / Developers / Builders
- Investment Property Financing
- REITs / Capital Markets
- Mezzanine Financing
- Distressed Debt
- Special Situations
- Real Estate Private Equity / Equity Capital
- Private & Public Market Investments

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