

## PRESS RELEASE



### FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

#### FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST ANNOUNCES THE ACQUISITION OF A 50% INTEREST IN A 250-UNIT, MULTI RESIDENTIAL BUILDING LOCATED IN HOUSTON, TEXAS FOR \$27.9 MILLION

*All amounts are in US Dollars unless otherwise stated.*

Toronto, Ontario, January 23, 2020. Firm Capital American Realty Partners Trust (the “Trust”), (TSXV: FCA.U), (TSXV: FCA.UN) is pleased to announce that it has entered into a \$27.9 million joint venture located in Houston, Texas.

The Trust has entered into a joint venture with an unrelated third party to acquire the Woodglen Village Apartments (“**Woodglen**” or the “**Property**”), a 250-unit, multi-family residential building. The joint venture is investing approximately \$27.9 million (including transaction costs and the capital expenditure program as outlined below) into the property, representing a 6.3% going-in capitalization rate based on the purchase price of \$24.2 million or approximately \$96,700 per unit (\$99 per square foot).

In addition, a capital expenditure program (the “**CAPEX Program**”) will be implemented to undertake various upgrades to the apartment units and of certain common area elements. This CAPEX Program is anticipated to take three years and is expected to further increase cash flow and be accretive to the joint venture.

The Property is being financed, in part, by a new first mortgage for approximately \$22.1 million with an approximate 4.6% interest rate. The terms of the financing also include a two-year interest-only period, three-year term, with two one-year extension options. The goal is to refinance the new first mortgage once the CAPEX Program is completed.

The remaining capital requirement of approximately \$5.8 million is being funded through approximately \$2.3 million of common equity held 50% by the Trust and 50% by the unrelated third party, and the excess equity of approximately \$3.5 million is being funded as preferred equity at an 9% rate, also held by the Trust. The unrelated third party is an experienced New York City based real estate owner and operator who is also a 50% partner with the Trust on its existing 235 apartment unit joint venture also located in Houston, Texas. Closing is anticipated to be on or about January 31, 2020.

## **ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST**

Firm Capital American Realty Partners Trust 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 Trust 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.

## **FORWARD LOOKING INFORMATION**

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 press release include statements relating to the timing of trading of the Trust's securities. 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 Trust holds properties; volatility of real estate prices; 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 Trust to implement its business strategies; competition; currency and interest rate fluctuations and other risks, including those described in the Trust's public disclosure documents on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

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.

Neither the TSX Venture 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. Additional information about the Trust is available at [www.firmcapital.com](http://www.firmcapital.com) or [www.sedar.com](http://www.sedar.com).

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