

PRESS RELEASE



FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

FIRM CAPITAL APARTMENT TRUST REPORTS STRONG Q3/2020 RESULTS AND INCREASED NAV TO \$9.58 PER UNIT

Toronto, Ontario, November 11, 2020. Firm Capital Apartment Real Estate Investment Trust (“the “Trust”), (TSXV: FCA.U), (TSXV: FCA.UN) is pleased to report its financial results for the three and nine months ended September 30, 2020:

EARNINGS

- For the three months ended September 30, 2020, Net Income was approximately \$0.6 million, a 45% increase over the \$0.4 million reported for the three months ended September 30, 2019. For the nine months ended September 30, 2020, Net Income was \$3.1 million, in comparison to the \$3.5 million reported for the nine months ended September 30, 2019;
- For the three months ended September 30, 2020, AFFO was approximately \$0.5 million, largely in line with the \$0.5 million reported for the three months ended June 30, 2020 and the three months ended September 30, 2019. For the nine months ended September 30, 2020, AFFO was \$1.4 million, in comparison to the \$1.5 million reported for the nine months ended September 30, 2019;
- Results for the three and nine months ended September 30, 2020 are as follows:

	Three Months Ended			Nine Months Ended	
	Sept 30, 2020	June 30, 2020	Sept 30, 2019	Sept 30, 2020	Sept 30, 2019
Net Income	\$ 616,536	\$ 1,404,620	\$ 424,161	\$ 3,132,466	\$ 3,541,322
FFO	\$ 722,502	\$ 1,630,223	\$ 438,654	\$ 4,246,478	\$ 1,385,724
AFFO	\$ 450,960	\$ 465,085	\$ 530,416	\$ 1,396,820	\$ 1,529,568
Distributions	\$ 455,402	\$ 498,265	\$ 409,183	\$ 1,456,818	\$ 1,227,549
FFO Per Unit	\$ 0.09	\$ 0.19	\$ 0.06	\$ 0.58	\$ 0.20
AFFO Per Unit	\$ 0.06	\$ 0.06	\$ 0.08	\$ 0.19	\$ 0.22
Distributions Per Unit	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.18	\$ 0.18

- **92% RENT COLLECTIONS:**

Since the beginning of Q3/2020, the Trust has received approximately 92% of its expected rent and is actively either collecting the remaining rent or working with tenants who require assistance. By state, the rent collections are as follows:

Rent Collections

	July 2020	August 2020	September 2020	October 2020	Weighted Average
Texas	98%	96%	94%	95%	96%
Georgia	100%	100%	99%	100%	100%
Maryland	99%	93%	94%	92%	94%
New Jersey	98%	96%	93%	86%	93%
Connecticut	95%	94%	91%	85%	91%
Florida	95%	91%	94%	92%	93%
New York	86%	86%	80%	72%	81%
Weighted Average	95%	93%	91%	88%	92%

- **RENTAL RATE INCREASES ACROSS THE PORTFOLIOS WITH A STRONG 94% OCCUPANCY**

Since the beginning of Q3, average rents increased by 3.5% to \$1,170 for the Wholly Owned portfolio and by 5% for the Equity Accounted portfolio despite the COVID-19 pandemic;

- **INCREASED NAV BY 13% CAGR TO \$9.58 PER TRUST UNIT:**

Since Q3/2017, the Trust has increased NAV from \$7.85 per Trust Unit to \$9.58 per Trust Unit for a +13% Compounded Annual Growth Rate (“CAGR”);

- **ACCRETIVE \$38 MILLION ACQUISITION:**

On September 22, 2020, the Trust closed an equity accounted and preferred investment to acquire a 235 unit multi-family residential portfolio located in Hyattsville, MD (the “North Pointe Acquisition”). The purchase price for 100% of the North Pointe Acquisition was \$37.5 million (excluding transaction costs). The North Pointe Acquisition was financed, in part with a \$29.7 million, 3.0% first mortgage due on September 21, 2024. The Trust contributed \$4.0 million of preferred equity yielding 8% and \$3.4 million of common equity representing a 50% ownership interest in the investment;

- **ACCRETIVE TRUST UNIT REDEMPTION AND NCIB ACTIVITY:**

On July 27, 2020, the Trust redeemed 686,200 Trust Units (representing approximately 8% of the issued and outstanding Trust Units) at a price of CAD \$5.35 per Trust Unit (\$4.00 per Trust Unit) per Trust Unit representing total gross proceeds of CAD \$3.7 million (\$2.8 million).

The Trust has also purchased to date for cancellation 124,100 Trust Units for total gross proceeds of approximately \$0.7 million through its NCIB. In addition, the Trust purchased for cancellation Convertible Unsecured Debentures under its NCIB having a face amount of CAD\$61,000 at a weighted average price of \$78.00 per Debenture, or CAD \$47,710 (\$35,768);

- **APPOINTMENT TO THE BOARD OF TRUSTEES:**

The Trust announced the appointment of Jonathan Mair and Robert Parker to the Board of Trustees. Jonathan first joined Firm Capital Corporation in 1997 and is COO and head of all credit strategies and lending. Since 1999, Jonathan has been on the Board of Directors of Firm Capital Mortgage Investment Corporation (TSX : FC), as well as previously the CFO and currently COO. Robert Parker is currently the Vice, President, Investments & Asset Management for the Muzzo Group and

Pemberton Developments. Robert is a graduate of the Faculty of Law at Queens University and has his J.D. designation;

- **CHANGES IN SENIOR MANAGEMENT:**

On October 22, 2020, the Trust announced the promotion of Sandy Poklar to President and Chief Executive Officer and the appointment of Mark Goldreich to Chief Financial Officer; and

- **DISTRIBUTIONS:**

On November 11, 2020, the Trust declared and approved quarterly distributions of \$0.059 per unit for unitholders on record on December 31, 2020 payable on or about January 15, 2021.

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

ABOUT FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

Firm Capital Apartment Real Estate Investment Trust is a U.S. focused real estate investment trust that pursues multi-residential income producing real estate and related debt investments on both a wholly owned and joint venture basis. The Trust has ownership interests in a total of 2,308 apartment units diversely located in Florida, Connecticut, Texas, New York, New Jersey, Georgia and Maryland.

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 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. Additional risk factors that may impact the Trust or cause actual results and performance to differ from the forward looking statements contained herein are set forth in the Trust's Annual Information form under the heading Risk Factors (a copy of which can be obtained under the Trust's profile on 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. Except as required by applicable law, the Trust undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise

Certain financial information presented in this press release reflect certain non-International Financial Reporting Standards (“**IFRS**”) financial measures, which include, but not limited to 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 Trust’s Management Discussion and Analysis for the three and nine months ended September 30, 2020 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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