



FIRST CAPITAL[®]

FIRST CAPITAL REALTY ANNOUNCES THIRD QUARTER 2019 RESULTS

Toronto, Ontario (November 5, 2019) - First Capital Realty Inc. (the "Company") (TSX: FCR), one of Canada's leading developers, owners and operators of mixed-use urban real estate in Canada's most densely populated centres, announced today financial results for the three and nine months ended September 30, 2019.

SELECTED FINANCIAL INFORMATION

(unaudited)	Three months ended		Nine months ended	
	September 30		September 30	
	2019	2018	2019	2018
FFO ⁽¹⁾ (\$ millions)	\$75.6	\$76.5	\$221.5	\$229.6
FFO per diluted share ⁽¹⁾	\$0.34	\$0.30	\$0.95	\$0.92
Weighted average diluted shares for FFO (000s)	220,664	254,100	234,269	248,697
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$89.0	\$87.6	\$267.3	\$259.8
Total Same Property NOI growth ^{(1) (2)}	1.5%	2.5%	2.9%	3.1%
Total portfolio occupancy ⁽³⁾	96.7%	96.5%		
Total Same Property occupancy ^{(1) (3)}	97.3%	97.2%		
Net income attributable to common shareholders (\$ millions)	\$65.5	\$131.4	\$208.9	\$279.3
Net income attributable to common shareholders per diluted share	\$0.30	\$0.52	\$0.89	\$1.12
Weighted average diluted shares for net income (000s)	220,664	254,100	234,269	249,135

(1) Refer to "Non-IFRS Financial Measures" section of this press release.

(2) Prior periods as reported; not restated to reflect current period categories.

(3) As at September 30.

THIRD QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 1.5% compared to the same prior year period.
- **Portfolio Occupancy Rate:** Total portfolio occupancy improved 0.2% from 96.5% at September 30, 2018 to 96.7% at September 30, 2019. Total portfolio occupancy declined 0.1% from 96.8% at June 30, 2019 to 96.7% at September 30, 2019.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 10.4% on 546,000 square feet of lease renewals when comparing the rental rate in the last year of the expiring term versus the first year of the renewal term. Net rental rates increased 11.8% when comparing the rental rate in the last year of the expiring term versus the average rental rate over the renewal term.

- **Growth in Average Net Rental Rate:** The average net rental rate increased by 2.5% or \$0.51 per square foot over the same prior year period to \$20.65 per square foot, primarily due to renewal lifts, rent escalations, and new tenant openings in recently completed developments.
- **Property Investments:** The Company invested \$47.1 million in development and redevelopment in the quarter and \$326.7 million in acquisitions. All of the acquisitions are located in Toronto and are very consistent with the Company's Super Urban Strategy.
- **Property Dispositions:** The Company continues to complete strategic dispositions to further align its portfolio with its Super Urban Strategy and at the same time reduce leverage following the recent share repurchase. The Company completed \$149.4 million of dispositions in the quarter and \$367.4 million for the nine months ended September 30, 2019. As at September 30, 2019, the Company classified \$506.7 million of investment properties as held for sale of which \$182.5 million was completed subsequent to quarter end.
- **FFO per Share:** FFO per diluted share increased 14.0% to \$0.343 primarily due to the decrease in the weighted average diluted shares outstanding for the quarter over the prior year period following the closing of the share repurchase on April 16, 2019.
- **Net Income Attributable to Common Shareholders:** Net income decreased to \$65.5 million or \$0.30 per diluted share compared to \$131.4 million or \$0.52 per diluted share for the same prior year period. This decrease was primarily due to a lower increase in the fair value of investment properties.

“Our business delivered another quarter of solid results. More importantly, we made significant progress across all of our strategic objectives. The most notable was the advancement of our super urban real estate strategy with \$445 million of Toronto investments, over 7 million square feet of entitlement submissions and \$550 million of dispositions so far this year” said Adam Paul, President and CEO. “Collectively this resulted in a billion-dollar shift that enhances the composition of our portfolio. The fourth quarter is shaping up to be the largest quarter for disposition closings this year with the proceeds targeted towards debt reduction.”

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	September 30		December 31
	2019	2018	2018
Total assets ⁽¹⁾	\$10,585	\$10,317	\$10,453
Total assets held for sale	\$507	\$136	\$86
Unencumbered assets ⁽²⁾	\$7,129	\$7,340	\$7,270
Net Asset Value per share	\$23.08	\$22.54	\$22.59
Population Density ⁽³⁾	280,000	250,000	250,000
Net debt to total assets ⁽²⁾	48.9%	41.7%	42.1%
Weighted average term of fixed-rate debt (years) ⁽²⁾	5.4	5.1	5.5

⁽¹⁾ Presented in accordance with IFRS.

⁽²⁾ Reflects joint ventures proportionately consolidated

⁽³⁾ The portfolio's average population density within a five kilometre radius of its properties.

SUBSEQUENT EVENTS

The Board approves REIT Conversion

On October 7, 2019, the Company announced that its Board of Directors, upon receipt of a fairness opinion, had unanimously approved the previously announced reorganization of the Company into a real estate investment trust to be named First Capital Real Estate Investment Trust. The reorganization will be subject to shareholder approval, including holders of common shares represented by instalment receipts, at a special meeting to be held on December 10, 2019. Further details on the reorganization were set forth in an information circular of the Company that was mailed to shareholders on November 1, 2019. Completion of the REIT conversion is expected to occur on or about December 30, 2019.

Dispositions

On October 30, 2019 the Company disposed of a 50% non-managing interest in a portfolio of six properties located in the Greater Montreal and Greater Ottawa areas for \$177.0 million. In addition, the Company has entered into a binding purchase and sale agreement to dispose of a 100% interest in its entire Quebec City portfolio of five properties for \$163.8 million.

Credit Rating Update

On November 5, 2019 S&P announced that it has assigned a public rating of BBB- to the Company's unsecured debentures.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital Realty invites you to participate at 2:00 p.m. (ET) on Wednesday, November 6, 2019, in a live conference call with senior management to discuss the Company's results for the three and nine months ended September 30, 2019.

Teleconference

You can participate in the live conference by dialing 416-641-6104 or toll-free 800-952-5114 with access code 4041458. The call will be accessible for replay until November 27, 2019 by dialing 905-694-9451 or toll-free 800-408-3053 with access code 1007538.

Webcast

To access the live audio webcast and conference call presentation, please go to First Capital Realty's website or click on the following link: [Q3 2019 Conference Call](#). The webcast will be accessible for replay in the 'Investors' section of the website, under 'Conference Calls'.

Management's presentation will be followed by a question and answer period. To ask a question, press '1' followed by '4' on a touch-tone phone. The conference call coordinator is immediately notified of all requests in the order in which they are made,

and will introduce each questioner. To cancel your request, press '1' followed by '3'. For assistance at any point during the call, press '*0'.

ABOUT FIRST CAPITAL REALTY (TSX: FCR)

First Capital Realty Inc. is one of Canada's leading developers, owners and operators of mixed-use urban real estate in Canada's most densely populated centres. The Company's focus is on creating thriving neighbourhoods that create value for businesses, residents, communities and our shareholders. As at September 30, 2019, the Company owned interests in 166 properties, totaling approximately 25.1 million square feet of gross leasable area and total assets were \$10.6 billion.

Non-IFRS Financial Measures

First Capital Realty prepares and releases unaudited interim and audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). As a complement to results provided in accordance with IFRS, the Company discloses certain non-IFRS financial measures, including but not limited to proportionate interest, NOI, Same Property NOI, FFO and ACFO. These non-IFRS measures are further defined and discussed in First Capital Realty's MD&A for the nine months ended September 30, 2019, which should be read in conjunction with this press release. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. The Company uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included in the Company's MD&A. These non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as measures of First Capital Realty's operating performance.

Forward-looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities law, including statements regarding our ability to execute on our strategic objectives and our super urban real estate strategy, including with respect to dispositions, investments and surfacing value from our incremental density pipeline, our plan to reduce leverage and our conversion to a REIT. These forward-looking statements are not historical facts but, rather, reflect the Company's current expectations and are subject to risks and uncertainties that could cause the outcome to differ materially from current expectations. Such risks and uncertainties include, among others, general economic conditions; tenant financial difficulties, defaults and bankruptcies; increases in operating costs, property taxes and income taxes; First Capital Realty's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; development, intensification and acquisition activities; residential development, sales and leasing; risks in joint ventures; environmental liability and compliance costs and uninsured losses, in addition to those risks discussed in the Company's MD&A for the year ended December 31, 2018 and in its current Annual Information Form. Furthermore, no formal determination to convert to a REIT has been made by the Company at this time and no assurance can be given as to whether such reorganization will be undertaken by the Company, or the timing, or impact of such reorganization, or its terms. Readers, therefore, should not place undue reliance on any such forward-looking statements. First Capital Realty undertakes no obligation to publicly update any such forward-looking statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law.

All forward-looking statements in this press release are made as of the date hereof and are qualified by these cautionary statements.

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