FIRST CAPITAL REALTY ANNOUNCES NEW INVESTMENTS IN CORE URBAN MARKETS AND $200 MILLION BOUGHT DEAL EQUITY OFFERING

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Toronto, Ontario (July 9, 2018) – First Capital Realty Inc. (**"First Capital"** or the **"Company"**) (TSX: FCR), one of Canada's largest owners, developers and managers of grocery anchored, retail-focused urban properties, announced today that it has acquired or entered into agreements to acquire several high quality properties in core urban markets in Canada (collectively the "**Acquisition Properties**") and that it has commenced the development of two currently owned assets (collectively the **"Development Assets"**) which represent an aggregate capital requirement of approximately $300 million at the Company's share. This capital requirement will be partially funded by the net proceeds of a bought deal equity offering discussed below.

Roselawn Assembly, Yonge and Eglinton, Toronto

The Company has entered into a binding agreement to acquire a land assembly at the corner of Yonge Street and Roselawn Avenue in Toronto. First Capital currently owns approximately 37.5% of the assembly through its ownership interest in Main & Main Urban Realty LP ("Main & Main") and will acquire the remaining 62.5% interest for approximately $71.9 million (excluding closing costs). First Capital's total acquisition cost for the entire assembly will be approximately $102 million (excluding closing costs).

The property consists of 2.1 acres of mixed-use development land located in the heart of Toronto's Yonge & Eglinton neighbourhood, a high growth node that is well served by public transportation and amenities, and is an area targeted to accommodate significant population growth. This transit oriented redevelopment property has corner exposure, with 330 feet of prime frontage along Yonge Street, providing the Company with an opportunity to develop a meaningful retail footprint with a residential component in this growing and affluent neighbourhood with excellent proximity to both the TTC Yonge-University Subway and the future Eglinton Crosstown LRT, which is currently under construction.

The property currently has approximately 70,000 square feet of retail space and 122 surface parking stalls which provide holding income during the predevelopment period. Closing of this transaction is subject to certain closing conditions typical for a transaction of this type and is expected to occur in late 2018.

Hazelton Hotel, Yorkville, Toronto

The Company has also acquired a 60% interest in the Hazelton Hotel located in the heart of Yorkville in Toronto for a purchase price of approximately $44.4 million (excluding closing costs). The hotel is one of the top performing five-star hotels in the city and is located immediately adjacent to First Capital's Yorkville Village Mall entrance and features over 225 feet of Yorkville Avenue frontage. The property includes 77 hotel suites, 11,250 square feet of high-end retail space (including One restaurant) and 67 parking stalls. The property is also in close proximity to a number of the Company's other key Yorkville properties, including 100 Yorkville Avenue (leased to Chanel), 102-108 Yorkville Avenue (currently being redeveloped and now 100% leased to Versace, Jimmy Choo, Brunello Cucinelli, Her Majesty's Pleasure salon and Aburi Group for their high-end Omakase restaurant concept), and 101 Yorkville Avenue (scheduled for near term redevelopment). The Company believes this acquisition offers near and long-term value creation opportunities for the hotel and that it will provide a tremendous opportunity to continue to expand the Company's vision for the neighbourhood. It will also serve to further enhance the Company's strategic position in this high growth and affluent neighbourhood. As well, the purchase price was below current market value as a result of a call option held by the Company on the property. The vendor, who originally developed the property as Toronto's first 5 star hotel, will retain a 40% interest and will continue to manage the hotel.

The Company has also recently expanded its Yorkville portfolio through the acquisition of 121 Scollard Street in Toronto which abuts the Company's 102-108 Yorkville Avenue properties.

King Street West Retail Property, Toronto

The Company has entered into a binding agreement to acquire a 100% interest in the ground-floor retail component of 775 King Street West, located in Toronto, for a purchase price of approximately $22.8 million (excluding closing costs). The property is comprised of three separate fully leased retail units totaling 18,000 square feet anchored by a 11,650 square foot Shoppers Drug Mart at the base of a 17-storey condo tower developed by Minto. The property is located in close proximity to the Company's Liberty Village holdings which will include 490,000 square feet of mainly retail space and 506 rental residential units, upon completion of its King High Line project. The Company expects to advance the purchase price in the third quarter of 2018. Closing of this transaction is subject to certain closing conditions typical for a transaction of this type.

West Vancouver Retail Property, Vancouver

The Company has entered into a binding agreement to acquire a 100% interest in approximately 30,500 square feet of brand new ground floor retail space with 90 below grade parking stalls in Kerrisdale, a growing and affluent neighbourhood located in Vancouver's west side, southwest of the downtown core, for a purchase price of approximately $21.8 million (excluding closing costs). The retail space, situated at the base of a new high-end boutique low-rise condominium, is currently under construction and has been fully leased to Save-On-Foods. The Company expects to advance the purchase price in the third quarter of 2018. Closing of this transaction is subject to certain closing conditions typical for a transaction of this type.

Other Complementary Urban Properties Primarily in Toronto

In addition to the above referenced properties, the Company has also acquired or entered into separate binding agreements to acquire well-located, urban properties primarily in Toronto totaling approximately $52 million (excluding closing costs). These properties include:

1. 1525 Avenue Road in Toronto which expands the Company's Avenue Road and Lawrence assembly (anchored by a Pusateri's grocery store) to 2.6 acres;
2. A 50% managing interest in 48,800 square feet of new urban retail space and 112 parking stalls in Phase I and II of Tridel and Hines' 1,200 residential unit Bayside development in the Queens Quay neighbourhood in downtown Toronto's east waterfront. The Company also has purchase rights on the retail component of the remaining phases of the Bayside development;
3. Approximately 30,000 square feet of retail space in two properties in the rapidly densifying Beltline community of downtown Calgary. These properties expand the Company's GM Glenbow assembly and were acquired jointly with Allied Properties REIT, the Company's 50% partner in the GM Glenbow properties; and
4. Other smaller but complementary urban properties in Toronto, Calgary and Ottawa.

Closing of these transactions has either recently occurred or is scheduled to occur in the near term subject to certain closing conditions typical for transactions of this type.

The Acquisition Properties described above have population density and household income levels within a five kilometre radius of approximately 486,000 and $136,000 respectively, which exceed and will enhance the Company's industry leading demographic profile which is currently approximately 215,000 and $107,000, respectively.

Redevelopment of Wilderton Shopping Centre, Montreal

The Company has commenced the entire redevelopment of its highly transit oriented Wilderton Shopping Centre located in the Outremont neighbourhood of Montreal, adjacent to the Mont Royal neighbourhood and less than 2 kilometres from the University of Montreal. The project broke ground in April 2018 and is expected be completed in two phases. The initial phase will include approximately 110,000 square feet of retail space anchored by a 40,000 square foot Metro grocery store as well as Pharma Prix (Shoppers Drug Mart). In addition to the retail space, the initial phase includes approximately 300,000 square feet of residential density, which the Company has agreed to sell to Groupe Maurice, and will be built as part of the mixed use building in which Metro and Pharma Prix will be located. Phase 2 has been zoned for an additional 200,000 square feet of residential space and 23,000 square feet of retail space which has been retained by the Company.

The property now has approvals in place for approximately 633,000 square feet of total density which will include more than 130,000 square feet of new format urban retail space.

Development of Dundas and Aukland, Toronto

Through its ownership interest in Main & Main, the Company has commenced construction of a 40-storey residential rental tower and retail podium at Dundas and Aukland in Toronto. This new mixed use development is located on Dundas Street West at the steps of the Kipling Mobility Hub. It benefits from three transit lines, namely the TTC Bloor-Danforth Subway, GO Transit and Mississauga's MiWay transit. The development includes approximately 52,000 square feet of new urban retail space, 333 residential rental suites (approximately 295,000 square feet) and approximately 255 below grade parking stalls. The residential component is owned 50% with a residential partner and the retail component is 100% owned by Main & Main.

The development cost of Dundas and Aukland and the initial redevelopment phase of Wilderton Shopping Centre are expected to represent an aggregate investment by the Company of approximately $79,000,000.

"Today's announcement is the result of several exceptional investment opportunities that have materialized exclusively in our core urban markets, primarily Toronto," said Adam Paul, President and CEO of the Company. "These properties have superior demographic, FFO and NAV growth profiles which fit into the high end of our existing portfolio. The corresponding equity offering reflects our commitment to a strong balance sheet which together with these transactions advances First Capital's strategic position."

There can be no assurance that all conditions to closing in respect of each of the Acquisition Properties will be satisfied or waived.

EQUITY OFFERING

First Capital also announced today that it has entered into an agreement to sell 9,757,000 common shares (**"Shares"**) on a bought deal basis at a price of $20.50 per Share (the **"Offer Price"**) to a syndicate of underwriters co-led by CIBC Capital Markets and TD Securities Inc. for gross proceeds of approximately $200 million (the **"Offering"**).

In addition, the Company has granted the underwriting syndicate an over-allotment option, exercisable in whole or in part at any time up to 30 days after closing, to purchase up to an additional 1,463,550 Shares at the Offer Price, which if exercised in full, would increase the gross size of the Offering to approximately $230 million.

The Offering is scheduled to close on or about July 18, 2018, subject to the Company obtaining all regulatory approvals.

The Shares will be offered pursuant to the Company's base shelf prospectus dated October 7, 2016. The terms of the Offering will be described in a prospectus supplement to be filed with securities regulators in all provinces of Canada and may also be offered by way of private placement in the United States.

The Company intends to use the net proceeds from the Offering to partially fund the capital requirements for the Acquisition Properties and Development Assets. The Offering is not conditional upon the closing of any of the Acquisition Properties.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT FIRST CAPITAL REALTY (TSX: FCR)

First Capital Realty is one of Canada's largest owners, developers and managers of grocery anchored, retail-focused urban properties where people live and shop for everyday life. The Company currently owns interests in 162 properties, totaling approximately 25 million square feet of gross leasable area.

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 FFO and NAV, which are referenced in this press release. These non-IFRS measures are further defined and discussed in First Capital Realty's MD&A for the three months ended March 31, 2018, 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. These non-IFRS measures should not be construed as alternatives to financial measures that are determined in accordance with IFRS.*

Forward-looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities law, including statements regarding a common share offering and anticipated acquisitions, investments and developments. The forward-looking statements are not historical facts but rather reflect the Company's current expectations and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Such risks and uncertainties include, among others, the failure to successfully complete the offering, the failure to successfully complete the announced acquisitions, investments and developments, or to complete them on the currently proposed terms, and the matters discussed under "Risks and Uncertainties" in First Capital Realty's Management's Discussion and Analysis for the year ended December 31, 2017 and under "Risk Factors" in its current Annual Information Form. 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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