



## **First Capital Announces Approximately \$400 Million of Property Dispositions**

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**Toronto, Ontario (August 10, 2021)** – First Capital Real Estate Investment Trust (“First Capital” or the “Trust”) (TSX: FCR.UN) announced today that it has entered into agreements to sell interests in two income producing properties and a partial stake in its soon to be completed Station Place mixed-use development for an aggregate sale price of approximately \$224 million.

Including the sale of a 50% interest in 2150 Lakeshore Boulevard West, Toronto, which was announced last week, and including other small, non-core properties recently sold or subject to firm sale agreements, the aggregate value of First Capital’s newly announced asset sales total approximately \$400 million.

Adam Paul, President and CEO of First Capital, said, “Collectively, these transactions achieve several of First Capital’s strategic objectives including, crystallizing value created through the zoning, entitlement, and property development processes while also maintaining a share of future potential value growth, strengthening our balance sheet, and further aligning our real estate portfolio with our super urban strategy. Notably, we have met these objectives while selling the properties at prices that are well in excess of their respective IFRS values. In a broader sense, the transactions exemplify the significant future value enhancing opportunities embedded in First Capital’s deep development and density pipeline.”

### **Income Producing Dispositions**

#### ***Towerlane Centre & Airdrie Village – Airdrie, Alberta***

First Capital has entered into a binding agreement to sell a 100% interest in Airdrie Village Square and Towerlane Centre. Located in the Calgary bedroom community of Airdrie, the two adjacent centres are situated on 22 acres of land and are anchored by Safeway, Dollarama, Staples, Shoppers Drug Mart, and Goodlife Fitness. The properties have 250,000 square feet of net rentable area and are currently 95% leased. The demographic profile of these properties is notably inferior to First Capital’s overall demographic profile.

Closing of the sale is scheduled to occur near the end of the third quarter and remains subject to certain closing conditions typical for transactions of this type.

#### ***Langley Mall – Langley British Columbia***

First Capital has entered into a binding agreement to sell a 100% interest in Langley Mall. This 137,000 square foot shopping centre is anchored by Loblaws (No Frills) and is currently 96% leased. While Langley Mall is centrally located within the Vancouver bedroom community of Langley, and it has long-term redevelopment potential, the property’s current demographic statistics are notably inferior to First Capital’s overall demographic profile. Early in 2020 one of the property’s former anchors failed. Owing to that tenant’s long-term lease at a below market rental rate, this event provided for a substantial increase in the property’s value and therefore presented an opportunity for First Capital to divest. Closing of the sale is scheduled to occur by year end 2021 and remains subject to certain closing conditions typical for transactions of this type.

### **Development and Density Properties**

#### ***Station Place at Dundas Street West and Aukland Road, Toronto – A New Partnership with Centurion Apartment REIT***

First Capital, through its partnership in Main & Main, has entered into a binding agreement to sell a 50% interest in Station Place to Centurion Apartment REIT (“Centurion”).

Station Place is a purpose-built rental property located at Dundas Street West and Aukland Road, consisting of a 40-storey tower containing 333 rental apartment units and 50,000 square feet of retail, anchored by Farm Boy. The property is adjacent to Kipling Station, a multimodal transit hub with connectivity to the TTC, the GO train and the Metrolinx Kipling Bus Terminal. It is also located within a 10-minute drive of Toronto Pearson International Airport. Station Place is nearing completion, with the first residential occupancies having commenced in June.

The transaction partners First Capital with an aligned residential owner and manager that has experience with multi-residential assets in Canada and the United States. On completion, Centurion will manage the day-to-day operations of the property.

As a result of the transaction, First Capital’s effective stake in the property will be 35.4%, down from 70.8% currently. As of June 30, 2021, First Capital carried 50% of Station Place’s IFRS value within Properties Under Construction and Ground-up Development and 50% within Investment Properties Classified as Held for Sale.

Closing of the transaction is scheduled to occur in Q3 and remains subject to certain closing conditions typical for transactions of this type.

#### ***Strategic Partnership with Pemberton Group (2150 Lake Shore Boulevard West)***

As press released last week, First Capital has expanded its relationship with Pemberton Group (“Pemberton”), through a strategic partnership to develop the 28-acre development site located at 2150 Lake Shore Boulevard West at Park Lawn Road in Toronto (the “Development Site”) into a sustainable and inclusive master-planned, mixed-use, transit-oriented neighbourhood. First Capital is exercising a previously secured option to purchase its existing partner’s 50% interest in the Development Site for approximately \$56 million and has entered into a firm agreement to sell a 50% interest in the Development Site to Pemberton for \$156 million. First Capital will maintain its 50% interest. Over the REIT’s Q2 and Q3 2021 reporting periods, the transactions are expected to positively impact First Capital’s Net Asset Value and Net Asset Value per unit by at least \$175 million and \$0.80, respectively.

Pemberton’s deep residential development, community building and large-scale construction expertise will be a vital asset to the project’s expected 7.5 million square feet of residential, retail, and commercial uses along with significant community uses.

First Capital will act as co-development manager of the retail and commercial component of the mixed-use buildings and will act as property and leasing manager of the retail and commercial components upon completion. Pemberton will provide all development and construction management services in



connection with the residential, infrastructure and retail/commercial components (for which First Capital will be co-development manager) of the project.

Closing of the transaction remains subject to certain closing conditions typical for transactions of this type and is scheduled to occur on August 30, 2021. The purchase price will be paid in three instalments of \$56 million on the closing date, \$50 million on or before December 31, 2022, and the remaining \$50 million on or before the fifth anniversary of the closing date.

### **About First Capital REIT (TSX: FCR.UN)**

First Capital is a leading owner, operator and developer of grocery anchored and mixed-use properties located in Canada's largest cities. First Capital's focus is on creating thriving urban neighbourhoods to generate value for businesses, residents, communities, and our investors.

### **Forward Looking Statement Advisory**

This press release contains forward-looking statements and information within the meaning of applicable securities law, including statements regarding the closing and anticipated impact of the disposition transactions. The forward-looking statements are not historical facts but rather reflect First Capital'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 transactions, the failure to achieve the anticipated impact of the transactions and REIT's broader strategy, including but not limited to, the successful development of development sites, reduction of leverage and strengthening of the REIT's balance sheet, and the matters discussed under "Risks and Uncertainties" in First Capital Realty's Management's Discussion and Analysis for the year ended December 31, 2020 as well as under "Risk Factors" in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements. First Capital 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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