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NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Announces Investment in The New Home Company

Toronto, Ontario – January 10, 2011 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon”) today announced that it has successfully closed a US\$10 million investment in The New Home Company (“TNHC”), an Orange County, California-based homebuilding and land development company. TNHC was established in September 2009 to take advantage of the distressed California residential real estate landscape and is led by the former senior management team of John Laing Homes, the second largest private homebuilder in the United States prior to its sale to Emaar Properties in 2006.

“We are extremely excited about the opportunity to invest in one of California’s strongest, fastest-growing private residential real estate developers,” said David Berman, Tricon’s Chairman and Chief Executive Officer. “We believe that our partnership with TNHC’s ‘blue chip’ management team will further strengthen Tricon’s developer platform, particularly in Southern California, and should help generate additional financing opportunities for Tricon’s U.S. funds.”

In addition to Tricon and the four operating principals, the other shareholders of TNHC are IHP Capital Partners, one of the pre-eminent institutional capital providers for housing in the U.S., and Watt Companies, a leading Southern California real estate developer / investor. Representatives from Tricon, IHP Capital Partners and Watt Companies will all sit on the Board of Directors for The New Home Company along with TNHC’s four principals. TNHC will use the new capital to expand homebuilding and land acquisition efforts throughout California.

“Tricon Capital Group is a sophisticated, world-class investment organization,” said The New Home Company CEO Larry Webb. “Combining their expertise with the strength of IHP Capital Partners and Watt Companies creates an amazing ownership structure that will allow us to take advantage of new opportunities. All of us at The New Home Company are very excited about the future.”

Tricon Capital Group intends to warehouse the TNHC investment until the formation of its successor U.S. distressed fund, Tricon XI, at which point the investment would be offered to Tricon XI.

About Tricon Capital Group Inc.

Founded in 1988, Tricon is one of North America's pre-eminent asset managers focused on the residential real estate development industry with approximately \$1 billion of assets under management. Tricon participates in the development of residential properties in Canada and the United States by acting as the manager of limited partnerships that provide financing, typically in the form of participating loans, to developers, with a specific focus on residential land development, single-family homebuilding, multi-family construction and retail developed in conjunction with residential projects. Since inception, Tricon has invested in 141 transactions for development projects valued at approximately \$9 billion. More information about Tricon is available at www.triconcapital.com.

About The New Home Company

The New Home Company is one of California's fastest-growing residential real estate developers. Founded in 2009, TNHC is based in Aliso Viejo, California and is led by a veteran management team with a wealth of industry experience. It holds itself to the highest standards of design, execution and integrity, and it focuses on relationships with team members, trade partners, capital providers, landholders and homeowners. The New Home Company currently has five active housing communities in Orange County and Sacramento and expects to launch several new communities in 2011 in both Northern and Southern California. For more information, please visit www.TheNewHomeCompany.com.

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