

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Capital Group Announces US\$142.5 Million Investment to Develop a 276 Acre Master Planned Community in Southern California

Toronto, Ontario – August 5, 2014 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced that it has closed a US\$142.5 million investment (the “Transaction”) to support the acquisition of a fully entitled, large scale, infill residential master planned community located in Corona, California and the subsequent development and sale of partially finished lots thereon to public and private homebuilders (the “Project” or the “Property”). One of Tricon's institutional partners has allocated US\$96.75 million as a side-car investment¹ with an additional US\$35.0 million and US\$10.75 million allocated by U.S. fund Tricon XI (the “Fund”) and Tricon, respectively. The developer of the Project will be The New Home Company Inc. (NYSE: NWHM) (“New Home” or the “Developer”), an award-winning Orange County based land developer and homebuilder in which the Fund holds an 11.6% common share position.

“The closing of this transaction is further evidence of the confidence that institutional investors are showing in Tricon’s time-tested U.S. residential investment strategy,” said David Berman, Tricon’s Chairman and Chief Executive Officer. “We appreciate the opportunity to deepen our relationship with The New Home Company in the development of what we believe to be one of the best available major development sites in Southern California.”

Investment Highlights:

- Project represents a marquee Southern California residential land development opportunity located in Corona, California, one of the most desirable communities within the Inland Empire submarket (Riverside and San Bernardino Counties) with top rated schools and some of the highest income levels and job growth in the region (Source: John Burns Real Estate Consulting or “JBREC”).
- With historically low new home community count and limited supply of tentative map approved, large scale master planned communities in the region, the Project should experience strong public homebuilder demand (Source: JBREC).
- Inland Empire housing market continues to recover, with median new and resale home prices up 33% and 65% from 2009 trough and still 13% and 30% below 2006/2007 peak pricing levels, respectively (Source: JBREC).
- Property is situated immediately west of the I-15 freeway within a valley that offers mountain views and close proximity to destination retail and dining amenities as well as three nearby 18-hole golf courses. In addition, the Project will have convenient access to major employment in Orange County, as well as Riverside and San Bernardino counties.
- This transaction increases Tricon’s AUM by \$107.5 million or 5%, to a total of \$2.2 billion.

¹ Co-investment

About Tricon Capital Group Inc.

Founded in 1988, Tricon is one of North America's leading residential real estate investment companies. Tricon provides financing to local operators or developers in select markets in the United States and Canada, with a primary focus on housing in growing markets. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business segments and to earn fee income through our Private Funds and Advisory business. We currently have \$2.2 billion of assets under management, including approximately 24,600 single-family lots, 6,100 multi-family units and a portfolio of over 4,000 U.S. single-family rental homes. Since inception, Tricon has invested in over 160 transactions for development projects valued at more than \$14 billion. More information about Tricon is available at www.triconcapital.com.

About The New Home Company

New Home is a new generation land developer and homebuilder focused on the development and sale of highly amenitized master planned communities as well as the design, construction and sale of innovative and consumer-driven homes, in major metropolitan areas within select growth markets in California, including coastal Southern California, the San Francisco Bay area and metro Sacramento. Since formation in 2009, New Home has won several awards, including 2014 Builder 100 “Fastest Growing Private U.S. Builder”; 2013 and 2014 Eliant Award for “Best Customer Experience”; 2012, 2013 and 2014 BIA “Community of the Year”; and 2011 Builder & Developer Magazine “Builder of the Year”. More information about New Home is available at www.thenewhomecompany.com.

In 1Q14, the Fund XI equity position in The New Home Company was converted from a private company stake into publicly traded shares following the completion of an Initial Public Offering on the NYSE by the company on January 31, 2014. As mentioned above, the Fund now owns approximately 11.6% of the company.

Forward Looking Statements

This press release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company, including statements regarding future plans, objectives or economic performance that involve risks and uncertainties. Forward-looking information and statements are based on management’s expectations, intentions and assumptions. If unknown risks arise, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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