

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Capital Group Announces Formation of US\$50 Million Separate Account to Expand Residential Land Holdings in Houston, Texas

Toronto, Ontario – August 15, 2013 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced that it has closed a separate investment account for approximately US\$50 million (the “Transaction”) with a large institutional investor to support the acquisition and development of approximately 1,250 acres of prime land suitable for the development of a large master-planned community in Houston, Texas. The property is located just west of Cross Creek Ranch, an existing successful master planned community that was acquired by Tricon in conjunction with an institutional investor and the Johnson Development Corp. (“Johnson” or the “Developer”) in April 2012. Tricon will commit approximately 10% of the required capital for the transaction with the remainder committed by Tricon’s institutional partner and the Developer. The Transaction will increase the Company’s assets under management (“AUM”) to nearly \$1.4 billion, representing an increase of approximately 25% in AUM since December 31, 2012.

Investment Highlights:

- Tricon expects an increase in both revenues and earnings for 2013 and beyond by virtue of the acquisition fee and ongoing contractual management fees flowing from the Transaction.
- Excluding the fee income, Tricon expects its share of the investment to earn a 20%+ IRR and a 5x return on its investment of US\$5 million.
- Property is located in Fort Bend County, the fastest growing county in the Greater Houston Area; Houston is home to eight of the top 25 selling master planned communities in the United States in 2012, including Cross Creek Ranch, an existing Tricon-managed investment where new home sales year-to-date in 2013 have increased almost 100% over the same period in 2012 and lot prices have increased approximately 15% year-over-year.
- Houston is the number one housing market in the United States as measured by new home starts and permits; Houston has generated over 60% more new home permits in 2013 than any other U.S. city (the Dallas-Fort Worth region currently ranks second). Similarly, Houston leads the nation in employment growth with approximately 100,000 new jobs created in the last 12 months, a 4.0% growth rate (as compared to the national jobs growth rate of just 1.5% over the same period).

“The closing of this separate account combined with the recently announced bought deal financing and the expected second closing of Tricon XI are 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 believe that well located residential land in large, growing cities across the United States (such as Houston) remains an undervalued asset class and we continue to see great buying opportunities across the country. We

are confident that the acquisition of our second property in Houston in a submarket that we know extremely well through the Cross Creek Ranch investment will deliver strong, outsized returns for both Tricon shareholders and our institutional investment partner.”

The developer of the Project will be the Johnson Development Corp. (“Johnson”), an award-winning land development company with over 35 years of experience designing and developing large master-planned communities across the United States. Johnson is currently developing nine other master-planned communities in the Houston market, including Riverstone, Sienna Plantation, Wood Forest and Cross Creek Ranch; four of the top 25 best-selling master-planned communities in the United States for 2012.

About Tricon Capital Group Inc.

Founded in 1988, Tricon is one of North America's leading residential real estate investment companies with approximately \$1.4 billion of assets under management and an investment in more than 2,500 U.S. single-family rental homes. Tricon provides financing to local operators or developers in select markets in the United States and Canada, with a primary focus on for-sale housing in growing markets. Since inception, Tricon has invested in approximately 150 transactions for development projects valued at more than \$11 billion. More information about Tricon is available at www.triconcapital.com.

About The Johnson Development Corp.

The Johnson Development Corp. was founded 35 years ago and has grown into one of Houston’s leading land companies, focused on the development and sale of highly amenitized master planned residential and mixed-use communities. Johnson currently operates in the Houston and Atlanta markets with ten communities under active development. More information about Johnson is available at www.johnsondevelopment.com.

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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