

## NEWS RELEASE



FOR IMMEDIATE RELEASE

### **Tricon Capital Group Announces C\$60 Million Investment in Mahogany, Completing the Investment Program for Tricon XII**

**Toronto, Ontario – March 26, 2014** – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced that it has closed a C\$60 million investment (the “Transaction”) to acquire an interest in Mahogany, the actively selling and award winning master-planned community in Calgary, Alberta (the “Project”). Canadian fund Tricon XII (the “Fund”) has committed to provide C\$40 million of the total investment, while the remaining C\$20 million has been syndicated to two of the Fund’s major investors. Hopewell Residential, a lauded Calgary based land development and homebuilding company, will retain a majority interest in the Project and will continue to serve as developer through its build out. This investment marks the completion of the investment program for Tricon XII.

“Tricon is very pleased to enter into this new relationship with Hopewell Residential. Mahogany, which was awarded Community of the Year in 2013 by the Calgary Region Home Builder’s Association, is an actively selling master-planned community in one of the nation’s fastest growing housing markets. We are also very pleased to round out our Tricon XII investment program with this exciting opportunity,” said David Berman, Tricon’s Chairman and Chief Executive Officer. “With this final investment for Tricon XII, we are now in a position to start fund raising for a successor Canadian investment vehicle, the timing of which will be dependent on our view of the attractiveness of the Canadian Residential Real Estate market.”

#### **Investment Highlights:**

- The Project, which began development in 2007, was the third fastest growing<sup>1</sup> community in the burgeoning southeast quadrant of Calgary with over 430 home sales in 2013. Over the last ten years, the southeast submarket has doubled its market share of new single family housing in Calgary to almost 40%<sup>2</sup>. With the top two selling communities in the southeast quadrant nearing completion, we believe Mahogany is well positioned to garner incremental sales going forward.
- Mahogany is well located as it is adjacent to i) the recently completed southeast leg of Stoney Trail, Calgary’s ring freeway, and Deerfoot Trail, which allows access to the City’s key employment centers and Calgary International Airport, and ii) the recently completed \$1.3 billion South Health Campus regional hospital.
- Calgary’s housing fundamentals are amongst the strongest in Canada with employment growth averaging 2.7% over the last decade as compared favorably to the national average

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<sup>1</sup> According to public records of permit issuance from the City of Calgary

<sup>2</sup> CMHC Residential Construction Digest

of 1.3%<sup>3</sup>, and with better affordability levels than almost all of the other major Canadian markets<sup>4</sup>.

- The commitment increases Tricon's AUM by \$20 million, to a total of \$1.9 billion, as a result of the syndication of part of the Transaction to two of the Fund's major investors.

### **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 \$1.9 billion of assets under management, including 22,500 single-family lots, 6,300 multi-family units and a portfolio of over 3,300 U.S. single-family rental homes. Since inception, Tricon has invested in approximately 160 transactions for development projects valued at more than \$11 billion. More information about Tricon is available at [www.triconcapital.com](http://www.triconcapital.com).

### **About Hopewell Residential Communities**

Hopewell Residential Communities, a division of the Hopewell Group of Companies, was founded in 1997 and has extensive experience in the development of master-planned communities in Calgary. Hopewell Residential Communities is a five-time Developer of the Year award recipient from the Calgary Home Builder's Association (1999-2003) and a four-time Community of the Year award winner for their Elbow Valley, Copperfield and Mahogany projects. Hopewell also has homebuilding capabilities and has built homes under the Sabal Homes brand since 1994. In January 2013, Hopewell Residential Communities and Sabal Homes combined to become Hopewell Residential, a singular, unified real estate market force. More information about Hopewell is available at <http://hopewell.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. Examples of such risks include, but are not limited to, the risks disclosed in the Company's continuous disclosure materials from time-to-time as available on SEDAR at [www.sedar.com](http://www.sedar.com). 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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<sup>3</sup> StatsCan

<sup>4</sup> RBC Economics: Housing Trends and Affordability August 2013

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