

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Capital Group Announces US\$103.5 Million Investment to Develop an Active Adult Community in Phoenix, Arizona

Toronto, Ontario – October 20, 2014 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced that it has closed a US\$103.5 million investment (the “Transaction”) to support the planned acquisition, development and sale of 1,079 homes in an age-targeted, resort style community located on the border of North Scottsdale in Phoenix, Arizona. One of Tricon’s institutional partners has committed US\$93.1 million with an additional US\$10.4 million being invested by Tricon. This represents the third transaction for Tricon with Shea Homes (“Shea” or the “Developer”), one of the largest private homebuilders in the United States.

“Following our investments in Vistancia West and Lake Norman earlier this year, we are excited to further expand our relationship with Shea and our Active Adult portfolio in the Phoenix market” said David Berman, Tricon’s Chairman and Chief Executive Officer. “Supported by investments from our institutional partners, these independent investment opportunities have contributed to growth of 44% in our externally managed assets in the last 12 months.”

Investment Highlights:

- The project is located just east of the affluent North Scottsdale corridor, which boasts significantly higher income metrics than the greater Phoenix Metropolitan Area (Source: Neilson Claritas) and no actively selling competitive new home communities currently exist.
- The Active Adult demographic is expected to be one of the fastest growing population segments in the U.S. over the next decade (Source: Harvard Joint Center for Housing Studies) and Phoenix is a popular destination for this cohort given its warm climate, low tax rates and relative affordability.
- Shea is one of the premier¹ homebuilders in the United States and has been developing Active Adult master plans across the country under the Shea Trilogy brand since 1999 in order to focus on the needs of the retiring ‘Baby Boom’ generation.
- The site has significant development infrastructure already in place which lowers development costs and risks. This includes an existing Ken Kavanaugh designed 18-hole championship golf course, lakes, major spine roads, bridges and grading.
- The site is located adjacent to the Tonto National Forest and the McDowell Mountain Regional Park, offering spectacular views of the surrounding vistas and significant outdoor amenities including hiking and biking trails.
- This transaction increases Tricon’s total AUM by \$103.5 million or 5%, to a total of \$2.2 billion and externally managed assets by 8% to \$1.2 billion

¹ Ranked in 2013 as the #1 Most Trusted Active Adult Builder by Lifestory Research Most Trusted Builders in America Study.

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, 4,800 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 Shea Homes

Shea Homes is one of the largest private homebuilders in the United States. Since its founding in 1968, Shea has built more than 90,000 homes in California, Arizona, Nevada, Colorado, Washington and Florida, and recently expanded into Texas, Virginia and North Carolina. For more information about Shea Homes and its communities, please visit the company's websites at www.SheaHomes.com and www.TrilogyLife.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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