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Tricon Capital Group Announces New Strategic Initiative, Tricon Luxury Residences, and Bought Deal Equity Financing

Toronto, Ontario – July 28, 2015 – Tricon Capital Group Inc. (“Tricon” or the “Company”, TSX:TCN) today announced a new strategic initiative focused on the development and management of a portfolio of Class-A purpose-built luxury rental apartments across the United States and Canada. Tricon has a successful track record investing in the multi-family sector and experience in managing single family rental properties and as such, intends to leverage its relationships and expertise to build an operating platform which focuses on developing and managing premium quality apartment buildings in high growth markets. Tricon believes there is an opportunity to assemble a high-yielding, institutional quality portfolio that will garner the interest of public markets and strategic investors once critical mass is achieved. This new business vertical is branded as Tricon Luxury Residences (“TLR”) and will form the Company’s fourth major business line. TLR plans to co-invest alongside local developers and institutional investors to create a long-term income stream via its ownership stake and management role in the properties.

“The entry into the purpose-built luxury apartment sector marks the next step for Tricon as we continue to establish ourselves as a housing brand,” said Gary Berman, Tricon’s President and Chief Executive Officer. “Over time, we intend to leverage our development expertise in the condominium industry and our operational experience in single-family rental to grow methodically as we further diversify our residential real estate portfolio. We are excited about partnering with local developers to construct Class-A, lifestyle oriented apartment buildings in the fast growing sunbelt cities in the U.S., and establishing our own dedicated team to develop luxury rentals in Toronto. TLR is complementary to our other housing verticals and provides Tricon with a product to target the burgeoning Millennial cohort who are opting to form families later and live a flexible lifestyle.”

While the overall investment thesis for TLR is consistent across markets, Tricon’s current approach to executing the business plan and capitalizing the platform differs in the U.S. and Canada. In particular, Tricon expects to earn primarily investment income by participating as a dedicated limited partner in the U.S., but expects to earn both investment income and ancillary fee income by acting as the sponsor or general partner in Canada.

Tricon Luxury Residences: United States

The market fundamentals for multi-family rental in the U.S. remain attractive as the recent financial crisis has delayed the normal formation of households, resulting in pent-up rental demand from a historical high of 23 million young adults still living at home (*Source: U.S. Census Bureau*). Furthermore, Tricon believes the growth fundamentals surrounding youth employment have never been stronger, with the last three years achieving the largest increase in employment for young adults since the mid-1980s (approximately 800,000 jobs per year were created; *Source: U.S. Bureau of Labor Statistics*). Lastly, the credit crisis has created a significant shift in homeownership, resulting in a large number of Americans turning to the rental market for their primary homes. Homeownership rates have declined to 64% currently from a peak of 69% before the credit crisis, and the rental market should continue to benefit from an increase in the number of 25-34 year olds, a key renter cohort, which is projected to grow by 4.6 million by 2020 (*Source: ESRI*).

With these attractive fundamentals, Tricon believes it can develop a Class-A purpose-built rental portfolio with development yields approximately 150-250 bps above current market capitalization rates. Tricon intends to underwrite projects on a ten year business plan and is targeting 15-20% IRRs, with potential upside from ancillary fees.

Tricon has entered into a definitive partnership agreement with StreetLights Residential (“SLR”), pursuant to which SLR will act as a general partner and developer for TLR’s U.S. apartment portfolio in its initial target markets and Tricon will participate as a dedicated limited partner. As such, TLR US will provide up to 90% of the project equity. Tricon intends to partially sell down its interest in the projects upon stabilization to institutional investors, but will have the option to divest a portion of its equity stake to third-party institutional investors at any time. Tricon will work together with SLR as the property and asset manager of the stabilized portfolio following the completion of construction. Tricon also has certain sale and buy-out rights of SLR’s interest following the completion of individual developments. The partnership between TLR US and SLR will pursue a development strategy that targets southwest markets, initially including Dallas, Phoenix and San Diego, and may expand into other complementary markets over time.

SLR has developed a reputation across the industry due to its design-focused buildings and high-level of service, and its projects typically generate rental rates that are at the top of the market when compared to projects in the submarkets in which SLR operates. In addition, in 2015, SLR was ranked a top 20 apartment developer by size in the U.S. by Multifamily Executive Magazine.

TLR US Current Projects

TLR US has secured its first development opportunity in Dallas, a 22-storey building comprising 183 units, situated on 1.3 acres of land adjacent to the exclusive Highland Park neighborhood. The property is approximately three miles from downtown Dallas, and the surrounding area features numerous high-end shopping, dining and entertainment amenities, including Knox Street and Highland Park Village. The project will be positioned as a high-end rental offering with large units designed with top-of-the-line finishes and a feature-rich amenity package intended to attract affluent renters looking for a low-maintenance lifestyle. Construction of the project is expected to commence later in 2015.

A second development has also been secured in the fast-growing North Dallas suburbs that will feature a four-storey building with approximately 325 units. The property is located within five miles of the Legacy West mixed-use development and in close proximity to the North Dallas Tollway. The area is undergoing significant development activity, with relocation announcements by Toyota Financial Services and Liberty Mutual Insurance contributing to local growth prospects. Construction of the project is expected to commence in mid-2016.

Tricon Luxury Residences: Canada

The market fundamentals for apartments in Canada remain equally attractive as the affordability gap continues to widen with the cost of homeownership rising in excess of underlying wage growth, particularly in major urban centres. Furthermore, strong rental demand is driving rental vacancies in Canada’s largest cities to near historical lows of below 2% (*Source: CMHC*). Tricon believes rental fundamentals are extremely attractive as record high occupancy rates are being led by: 1) young professionals who are waiting longer to purchase a first home because of the lack of affordability; and 2) increased immigration. In addition, Canada’s apartment stock is considered outdated, with over 90% of the purpose-built rental stock having been constructed before 1990 and plagued by design and maintenance issues. As a result, rental demand in major urban centers has largely been filled by the condominium market with tenants renting directly from “mom and

pop” investors, without the benefit of professional property management and serviced amenities otherwise provided to renters in world-class major cities.

These favorable market dynamics present opportunities for Tricon to underwrite projects at development yields approximately 150-200 bps above current market capitalization rates and target 15-20% IRRs over a ten year period, including ancillary fee income by acting as the sponsor or general partner. TLR Canada is initially partnering with a large institutional investor to leverage its operating platform and will serve as the principal developer through a wholly-owned subsidiary called Tricon Development Group. TLR Canada expects to typically provide 15-20% of the project equity and intends to maintain a long-term stake in the projects. TLR Canada will initially focus on Toronto as a primary market with potential secondary markets including Vancouver, Calgary, Edmonton and Ottawa.

TLR Canada Current Projects

TLR Canada has secured its first development opportunity in downtown Toronto, a 50-storey tower located one block south of Bloor Street on Sherbourne Street called “The Selby”. Tricon has partnered with a major Canadian pension plan to form a C\$54.4 million separate account on an 85/15 basis (Investor/Tricon). The project will be positioned as a premium rental building offering the same level of amenities and suite finishes as a new high-end condominium with a focus on durable materials. Amenities will include an outdoor pool, terrace, gym and a number of multi-purpose lounge areas. The site is located in close proximity to Bloor Street and Sherbourne subway stations which offer convenient access to both the midtown employment corridor and the Central Business District. Construction of the project has commenced, and is expected to be completed by 2019.

Funding

The Company will consider all funding options for TLR to enable TLR to satisfy any project equity required to be provided by it. In addition, the Company continues to assess all fund raising options available to it with respect to its other business verticals. The options currently being considered or assessed by Tricon for all of its business verticals, with a view as always to the long-term strategic goals and objectives of the Company, include investments by its traditional institutional and accredited investment partners as well as capital raising through the public markets whether by Tricon or through another Tricon entity. Tricon will communicate to the markets its fund raising plans if and when determined appropriate and/or necessary.

Q2/2015 Results

The Company’s second quarter 2015 financial results are scheduled for release on August 13th. Tricon expects such results to be within the range of current published analyst estimates for the Company’s EBITDA for the second quarter.

Bought Deal Equity Financing

Tricon also announced today that it has entered into an agreement with a syndicate of underwriters co-led by RBC Capital Markets and GMP Securities L.P. which have agreed to purchase, on a “bought deal” basis, 13,158,000 common shares at a price of \$11.40 per common share for gross proceeds of approximately \$150 million (the “Offering”). The Company has also granted the Underwriters an option (the “Over-Allotment Option”), which may be exercised by the Underwriters at any time up to 30 days following the closing of the Offering, to purchase up to an additional 1,973,700 common shares to cover over-allotments, if any, and for market stabilization purposes. In the event that the Over-Allotment Option is exercised in its entirety, the aggregate gross proceeds of the Offering will be \$172.5 million.

The proceeds of the Offering, including any proceeds from the Over-Allotment Option, will be used to partially fund future project equity requirements in each of the Company's business verticals including the new TLR vertical and for general corporate purposes. The Offering is expected to close on or about August 18, 2015. The common shares will be offered by way of a short form prospectus to be filed in all of the provinces and territories of Canada pursuant to National Instrument 44-101 Short Form Prospectus Distributions and in the United States on a private placement basis pursuant to available exemptions from the registration requirements of the United States Securities Act of 1933, as amended.

Conference Call and Webcast

Tricon will conduct a conference call on July 28, 2015 at 4:05 pm (ET). The call will be hosted by President and Chief Executive Officer Gary Berman. An accompanying slide deck including more information about the TLR strategy will be posted in the investor information news section of www.triconcapital.com shortly before the call.

To access the call:

Local or international: 647-788-4901

Toll-free within North America: or 1 (877) 201-0168 (Conference ID # 98440595).

A replay of the call will also be available until August 4, 2015. To access the replay:

Toll-free within North America: 1 855 859-2056 (password 98440595)

About Tricon Capital Group Inc.

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately \$2.5 billion (C\$3.2 billion) of assets under management. Tricon owns, or manages on behalf of third party investors, a portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities, and multi-family development projects. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business and to earn fee income through our Private Funds and Advisory business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately \$16 billion. More information about Tricon is available at www.triconcapital.com.

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This press release may contain forward-looking statements and information relating to expected future events and financial and operating results and projections of the Company and TLR, including statements regarding TLR's growth, investment opportunities and targeted returns, which involve risks and uncertainties. The forward-looking statements and information contained herein include statements regarding expected or targeted investment returns and performance; the ability of the Company to generate fee income from investments; the ability to sell a portion of stabilized U.S. projects to institutional investors; and expectations for the overall growth in the business vertical.

These statements are based on management's current expectations, intentions and assumptions which management believes to be reasonable having regard to its understanding of prevailing market conditions and the current terms on which investment opportunities may be available. Numerous factors, many of which are not in the Company's control, and including known and unknown risks, general and local market conditions and general economic conditions may cause actual investment performance to differ from current projections.

Accordingly, although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. If known or unknown risks materialize, 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 are described in the Company's continuous disclosure materials from time-to-time, as available on SEDAR at 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.