

Toll Brothers Apartment Living and Canyon Partners Real Estate Announce New Joint Venture to Develop 400-Unit Luxury Rental Community in Mesa, Arizona

November 01, 2023

JV Secures \$78 Million Construction Loan from Bank OZK

FORT WASHINGTON, Pa., Nov. 01, 2023 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE: TOL) (TollBrothers.com), the nation's leading builder of luxury homes, through its Toll Brothers Apartment Living rental division, and real estate investment firm Canyon Partners Real Estate, have announced the formation of a new joint venture to develop Navona, a garden-style, 400-unit luxury multifamily rental community in the Phoenix suburb of Mesa, Arizona. The joint venture has secured a \$78 million construction loan from Bank OZK. The equity and debt were arranged by Toll Brothers' in-house Finance Department. Toll Brothers Apartment Living will manage the development of Navona.

Navona is adjacent to the SR-24 expansion in Mesa, one of the fastest growing submarkets in the Phoenix metro area providing convenient access to main employment corridors. Recent expansions to the area include Intel's Chandler Campus, bringing an estimated 18,000 jobs to the local community. Meta, Amazon, and Apple have also grown their presence in Phoenix, bringing additional job opportunities to the surrounding areas. The community is also well-positioned to benefit from the 400-acre Phoenix Mesa Gateway terminal expansion which includes SkyBridge Arizona.

The garden-style community will offer 400 rental apartments with various floor plan styles across a mix of one-, two- and three-bedroom apartments as well as over 800 parking spaces. The apartment units will feature high-end luxury finishes and a best-in-class amenity package, including pickleball courts, a clubhouse, expansive outdoor space, and an entertainment pavilion with a resort-style pool.

John McCullough, President of Toll Brothers Apartment Living, said, "Navona represents Toll Brothers' sixth multifamily community development in Arizona, and we look forward to another successful project in the fast-growing Phoenix submarket of Mesa."

Fred Cooper, Senior Vice President, will again be working with Canyon Partners on projects with total capitalization of \$78 million. "This is an exciting project that Bank OZK has been involved in from the very beginning. We appreciate the trust that the partners have placed in us to manage the development of Navona."

OK

ers, said, "We are thrilled to once again be working with Toll Brothers on our fourth joint venture with Canyon Partners. It also represents another great addition to our portfolio of projects across our condo and rental platforms."

Canyon has been an active provider of debt and equity in multifamily and continues to invest in real estate projects in primary and secondary markets across the United States. Since its inception, Canyon has invested approximately \$2.7 billion in debt and equity to capitalize ~\$13.0 billion of total projects across multifamily investments.

“Bank OZK is pleased to provide construction financing to Toll Brothers and its joint venture partners on another highly desirable project,” said Jason Choulochas, Managing Director, Originations at Bank OZK. “Navona offers an unmatched residential living experience that blends outstanding design, contemporary conveniences, and a vibrant sense of community.”

For future updates and information regarding this community, please visit TollBrothersApartmentLiving.com.

ABOUT TOLL BROTHERS

Toll Brothers, Inc., a Fortune 500 Company, is the nation's leading builder of luxury homes. The Company was founded 56 years ago in 1967 and became a public company in 1986. Its common stock is listed on the New York Stock Exchange under the symbol “TOL.” The Company serves first-time, move-up, empty-nester, active-adult, and second-home buyers, as well as urban and suburban renters. Toll Brothers builds in over 60 markets in 24 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington, as well as in the District of Columbia. The Company operates its own architectural, engineering, mortgage, title, land development, smart home technology, and landscape subsidiaries. The Company also develops master-planned and golf course communities as well as operates its own lumber distribution, house component assembly, and manufacturing operations.

Toll Brothers was named the #1 Home Builder in Fortune magazine's 2023 survey of the World's Most Admired Companies®, the eighth year it has been so honored. Toll Brothers has also been named Builder of the Year by Builder magazine and is the first two-time recipient of Builder of the Year from Professional Builder magazine. For more information visit TollBrothers.com.

Toll Brothers discloses information about its business and financial performance and other matters, and provides links to its securities filings, notices of investor events, and earnings and other news releases, on the Investor Relations section of its website (investors.TollBrothers.com).

©2023 Fortune Media IP Limited. All rights reserved. Used under license. Fortune and Fortune Media IP Limited are not affiliated with, and do not endorse the products or services of, Toll Brothers.

ABOUT TOLL BROTHERS APARTMENT LIVING

Toll Brothers Apartment Living is the apartment development division of Toll Brothers, Inc. (NYSE: TOL), an award-winning Fortune 500 company. Toll Brothers Apartment Living brings the same quality, mixed-use communities in selected locations with unparalleled amenities. In 2023, NMHC ranked Toll Brothers Apartment Living as one of America's Luxury Home Apartment developer in the United States.

OK

States. The firm has developed nearly 8,900 units, has more than 5,000 units under management, and controls a national pipeline of more than 17,500 units. For more information visit TollBrothersApartmentLiving.com.

ABOUT CANYON PARTNERS REAL ESTATE

Founded in 1991, Canyon Partners Real Estate LLC® ("Canyon") is the real estate direct investing arm of Canyon Partners, LLC, a global alternative asset manager with approximately \$24.9 billion in assets under management. Over the last ten years, Canyon has invested approximately \$5.6 billion of debt and equity capital across over 200 transactions capitalizing approximately \$21.5 billion of real estate assets, focusing on debt, value add, and opportunistic strategies. With 30+ years of experience, Canyon has established a broad menu of investment capabilities spanning property types, US regions, and project stages (including development, transitional, and distressed/workouts). For more information visit: www.canyonpartners.com.

ABOUT BANK OZK

Bank OZK (Nasdaq: OZK), through its Real Estate Specialties Group (RESG), provides financing on commercial real estate projects throughout the nation. RESG is considered a preeminent, market-leading construction lender focused on senior secured financing for a variety of property types including mixed use, multifamily housing, condominiums, office, hospitality, life sciences, industrial and retail. During the five years ended September 30, 2023, RESG originated over \$41 billion in new loans. For more information, visit www.ozk.com.

TOLL BROTHERS' FORWARD-LOOKING STATEMENTS

This release contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. One can identify these statements by the fact that they do not relate to matters of a strictly historical or factual nature and generally discuss or relate to future events. These statements contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," "should," "likely," "will," and other words or phrases of similar meaning. Such statements may include, but are not limited to, information and statements regarding: the impact of Covid-19 on the U.S. economy and our business; expectations regarding interest rates and inflation; the markets in which we operate or may operate; our strategic objectives and priorities; our land acquisition, land development and capital allocation priorities; housing market conditions; demand for our homes; anticipated operating results and guidance; home deliveries; financial resources and condition; changes in revenues; changes in profitability; changes in margins; changes in accounting treatment; cost of revenues, including expected labor and material costs; selling, general, and administrative expenses; interest expense; inventory write-downs; home warranty and construction defect claims; unrecognized tax benefits; anticipated tax refunds; sales paces and prices; effects of home buyer cancellations; growth and expansion; joint ventures in which we are involved; anticipated results from our investments in unconsolidated entities; our ability to acquire or dispose of land and pursue real estate opportunities; our ability to gain approvals and open new communities; our ability to market, construct and sell homes and properties; our ability to deliver homes from backlog; our ability to secure materials and subcontractors; our ability to produce the liquidity and capital necessary to conduct normal business operations or to expand and take advantage of opportunities; our ability to defend ourselves in legal proceedings, investigations, and claims.

Any or all of the forward-looking statements contained in this document may turn out to be inaccurate known or unknown risks and uncertainties.

arantees of future performance
nptions or as a consequence of
nd assumptions that are made -

OK

that affect our business and may cause actual results to differ from these forward-looking statements include, but are not limited to:

- the effects of the ongoing Covid-19 pandemic, which remain highly uncertain, cannot be predicted and will depend upon future developments, including the duration of the pandemic, the impact of mitigation strategies taken by applicable government authorities, the continued availability and effectiveness of vaccines, adequate testing and therapeutic treatments and the prevalence of widespread immunity to Covid-19;
- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such land;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations;
- levels of competition;
- the price and availability of lumber, other raw materials, home components and labor;
- the effect of U.S. trade policies, including the imposition of tariffs and duties on home building products and retaliatory measures taken by other countries;
- the effects of weather and the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters;
- the risk of loss from acts of war, terrorism or outbreaks of contagious diseases, such as Covid-19;
- federal and state tax policies;
- transportation costs;
- the effect of land use, environment and other governmental laws and regulations;
- legal proceedings or disputes and the adequacy of reserves;
- risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, indebtedness, financial condition, losses and future prospects;
- the effect of potential loss of
- changes in accounting principles;
- risks related to unauthorized disclosure of our homebuyers' confidential information or other forms of

OK

d our homebuyers' confidential

- other factors described in “Risk Factors” included in our Annual Report on Form 10-K for the year ended October 31, 2022 and in subsequent filings we make with the Securities and Exchange Commission (“SEC”).

Many of the factors mentioned above or in other reports or public statements made by us will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from our forward-looking statements.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For a further discussion of factors that we believe could cause actual results to differ materially from expected and historical results, see the information under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K filed with the SEC and in subsequent reports filed with the SEC. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/acc7c287-fc7d-43eb-9205-c5d7d77f681c>

CONTACT:

Toll Brothers:

Frederick N. Cooper (215) 938-8312

fcooper@tollbrothers.com

Canyon Partners Real Estate:

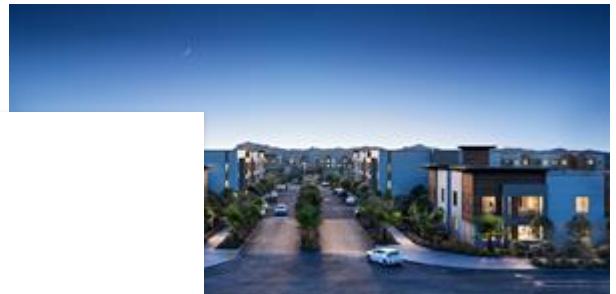
Kris Cole (310) 614 9208

pro-canyon@prosek.com



Source: Toll Brothers, Inc.

Navona



OK

ona