

Toll Brothers Apartment Living® and The Davis Companies Announce Joint Venture to Develop 403-Unit Rental Community in Phoenix, Arizona

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JV Secures \$66 Million Construction Loan from Pinnacle Financial Partners and Trustmark

FORT WASHINGTON, Pa., April 05, 2021 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE: TOL) ([TollBrothers.com](https://www.tollbrothers.com)), the nation's leading builder of luxury homes, through its Toll Brothers Apartment Living® rental subsidiary, and real estate investment firm The Davis Companies, have announced the formation of a new joint venture to develop Callia, a 403-unit multifamily rental community in Phoenix, AZ. The project is being financed through a \$66 million construction loan facility from Pinnacle Financial Partners, as administrative agent, and Trustmark. The debt and equity were arranged by Toll Brothers' in-house Finance Department. Toll Brothers Apartment Living will manage the development, marketing, and asset management of Callia.

Callia is located on an 8.2-acre site at Central Avenue and Indian School Road in the vibrant Midtown neighborhood of Phoenix. It is within walking distance of the Valley Metro light-rail stop, which offers convenient access to Downtown, Uptown, Central Phoenix and Tempe. It is also within walking distance of a variety of high-end restaurants, grocers, retail stores, and office space.

According to the Arizona Technology Council, "With more than 66,450 tech employees in its boundaries, Phoenix has become a tech hub. Central Avenue in Phoenix has one of the highest concentrations of tech jobs in the region, thanks to the fact that many tech employees prefer a work setting with established nearby neighborhoods and significant amenities." Phoenix is home to numerous financial services, health care, startup, and technology companies. Fortune 500 and other major employers in the market include Amazon, American Express, Avnet, FedEx, Freeport-McMoRan, GM, Honeywell, Insight Enterprises, Intel, PetSmart, OpenDoor, Republic Services, Wells Fargo, and ZipRecruiter.

Callia will be a 4-story, surface-parked, 403-unit multifamily rental community consisting of market-rate studio, one-, two-, and three-bedroom luxury rental apartments, including 9 live-work units. Callia will include tuck-under garages and luxury amenities, including two resort-style pools with cabanas and spas, an entertainment pavilion, a 4th floor Sun Lounge with fireplace, gaming room, state-of-the-art fitness center, a yoga studio, cycling studio, off-leash dog area and pet spa, bike storage and on-site retail for Bodega/Coffee.

Charles Elliott, President of Toll Brothers Apartment Living, stated: "We're thrilled to expand our Toll Brothers Apartment Living presence in Phoenix and surrounding areas in Arizona. The market has seen significant employer growth bringing in transformative developments to the area. Callia will mark our third multifamily

community, joining Haverly, and Canvas - a Toll Brothers Campus Living community, which is adjacent to Arizona State University.”

Fred Cooper, Toll Brothers’ Senior Vice President, Finance and Investor Relations, stated: “We are excited to be undertaking our sixth community with The Davis Companies, which has joined us on new projects in a variety of markets across the U.S. We also thank Pinnacle and Trustmark for their support in bringing Callia to reality. This will be another great addition to the portfolio of TBAL communities being developed in Arizona and a strong complement to the wide array of Toll Brothers’ for-sale home communities in the state.”

“Toll Brothers Apartment Living has been a fantastic partner for our firm,” stated Gary Hofstetter, SVP, Asset Management for The Davis Companies. “We look forward to continuing our work with them as we enter the fast-growing Phoenix market with this well-located, highly amenitized, luxury community.”

Please visit TollBrothersApartmentLiving.com for future updates and information regarding the community.

ABOUT TOLL BROTHERS

Toll Brothers, Inc., a FORTUNE 500 Company, is the nation’s leading builder of luxury homes. The Company was founded over 50 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 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, golf course development, smart home technology, and landscape subsidiaries. The Company also operates its own lumber distribution, house component assembly, and manufacturing operations.

2021 marks the 10th year Toll Brothers has been named to FORTUNE magazine’s World’s Most Admired Companies® list. Toll Brothers has also been honored as Builder of the Year by Builder magazine and is the first two-time recipient of Builder of the Year by Professional Builder magazine. For more information visit TollBrothers.com.

ABOUT TOLL BROTHERS APARTMENT LIVING®

Toll Brothers Apartment Living is the apartment development division of Toll Brothers, Inc. (NYSE: TOL). Toll Brothers Apartment Living is bringing the same quality, value, and service familiar to luxury home buyers throughout the country to upscale rental communities in select markets, including Atlanta, Boston, Dallas, Los Angeles, New York, Philadelphia, Phoenix and Washington, DC. Toll Brothers Apartment Living was ranked 11th largest apartment developer in the U.S. in 2020 by the National Multi-Family Housing Council. The firm has developed more than 6,900 units, has more 4,600 units under management and controls a national pipeline of more than 15,600 units. Toll Brothers Apartment Living communities combine the energy of vibrant locations with unparalleled amenities, resident services, design, and the expertise of the nation’s leading builder of luxury homes. For more information visit TollBrothersApartmentLiving.com.

ABOUT THE DAVIS COMPANIES

The Davis Companies is a fully-integrated real estate investment, development and management firm based in Boston, MA with over 40 years of experience. Since inception, the firm has invested across five market cycles and

has developed nearly 14.8 million square feet of commercial space and over 4,000 residential units, including ground up new construction, adaptive reuse, and redevelopment across a broad array of asset classes.

The Davis Companies is also committed to delivering new developments and enhancing existing assets with careful consideration for the environment. The firm's management and development experience include delivering nearly 2 million sf of LEED certified projects, while also integrating ongoing learning and best practices into core operations to set a new standard for real estate.

ABOUT TRUSTMARK

Trustmark Corporation is a diversified financial services company headquartered in Jackson, Mississippi, with more than 185 locations in Alabama, Florida, Mississippi, Tennessee and Texas. Trustmark provides banking, wealth management and insurance solutions through its subsidiaries, including Trustmark National Bank, Trustmark Investment Advisors, Inc., and Fisher Brown Bottrell Insurance, Inc. Visit trustmark.com for more information.

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, the markets in which we operate or may operate, and on our business; our strategic priorities; our land acquisition, land development and capital allocation priorities; 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; and the outcome of legal proceedings, investigations, and claims.

Any or all of the forward-looking statements included in this release are not guarantees of future performance and may turn out to be inaccurate. This can occur as a result of incorrect assumptions or as a consequence of known or unknown risks and uncertainties. The major risks and uncertainties – and assumptions that are made – 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 are highly uncertain, cannot be predicted and will depend upon future developments, including the severity of Covid-19 and the duration of the outbreak, the duration of existing social distancing and shelter-in-place orders, further mitigation strategies taken by

applicable government authorities, the 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 parcels;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations;
- levels of competition;
- raw material and labor prices and availability;
- 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;
- transportation costs;
- federal and state tax policies;
- 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;
- changes in accounting principles;
- risks related to unauthorized access to our computer systems, theft of our and our homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors" included in our Annual Report on Form 10-K for the year ended October 31, 2020 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.

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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/efd0cf4a-124e-42f4-8821-ea4a8e95e357>



Source: Toll Brothers, Inc.

Callia, Phoenix, AZ



Toll Brothers, America's Luxury Home Builder