



## Tri Pointe is The “Next Generation” of Developers

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Who starts a home building company in the midst of the biggest recession since the Great Depression? Doug Bauer, Mike Grubbs, and Tom Mitchell of TRI Pointe. And since launching just five short years ago, they have accomplished an incredible amount. These accomplishments, detailed briefly here, are why TRI Pointe is 2014’s Developer of the Year.

TRI Pointe was established in 2009 to capitalize on the unique market opportunities of the housing recovery in California and other Southwestern markets. During its first two years, the company operated as a fee builder, which was a capital-efficient method of establishing the company. The industry took notice of this start up,

which was founded by the highly seasoned and respected management team of Doug Bauer, Tom Mitchell and Mike Grubbs, and in September of 2010, the company received a \$150 million equity commitment from Starwood Capital.

The Starwood Capital investment provided the base capital that allowed TRI Pointe to acquire 353 lots in six California communities in 2011. Further in 2012, it acquired 511 lots and in 2013 it more than tripled its acquisitions with the addition of 1,903 lots. It was clear that TRI Pointe was in a growth mode, but what came next was unexpected and game changing.

In a bold move that took the industry by surprise, TRI Pointe went public in January 2013, making it the first homebuilder to do so since 2004. In the fifteen months following the IPO, TRI Pointe grew its land inventory of lots owned or controlled by over 120 percent through disciplined underwriting, regional experience and deep relationships. Market conditions remained favorable moving forward in 2014, putting TRI Pointe in a prime position to grow community count and deliveries with a very balanced portfolio, while leveraging its cost base to further strengthen operations. TRI Pointe continued to meet or exceed the goals established for all business metrics and increased its market share in high demand markets as evidenced by the ongoing additions of well-located communities in its three core markets.



It was clear that TRI Pointe’s trajectory was rising and Bauer, Mitchell and Grubbs didn’t wait long to make their next huge move. The same year the company went public, they decided to compete for one of the biggest deals in homebuilding history – the purchase of Weyerhaeuser’s homebuilding subsidiary, Weyerhaeuser Real Estate Company (“WRECO”). While considered an underdog in the competition, TRI Pointe went on to close the deal, which was valued at approximately \$2.8 billion and instantly positioned TRI Pointe as one of the top 10 largest public homebuilders in the United States by equity market capitalization.

As a result of the merger with WRECO, TRI Pointe’s land inventory increased to approximately 31,000 owned or controlled lots with more than 19,000 of those lots located in entitlement constrained California, where TRI Pointe’s management team has substantial experience and an established history of success. The additional land holdings provided the necessary land supply and diversification for future land and lot sales as well as increased home deliveries.

The transaction also enhanced TRI Pointe’s geographic presence by adding WRECO’s established collection of quality homebuilding companies, which continue to operate under their respective brand

names: TRI Pointe Homes – Northern and Southern California and Colorado; Pardee Homes – Southern California and Southern Nevada; Quadrant Homes – Puget Sound region of Washington State; Maracay Homes – Phoenix and Tucson, Arizona; Trendmaker Homes – Houston, Texas; Winchester Homes – Washington, DC metro area and Richmond, Virginia.

While the quality of leadership and access to capital have been major factors in catapulting TRI Pointe onto the national stage, the company’s emergence as a leading builder would not have been possible if the quality and character of its homes did not measure up to the company’s business prowess.



When they founded TRI Pointe, Bauer’s, Mitchell’s and Grubbs’ vision was to become a next-generation homebuilder focused on forward-thinking design, construction and sale of single-family detached and attached homes within and surrounding major metropolitan areas in the West. Their motto of “Think. Renew. Inspire.” has been the guiding force behind all decisions since the company’s inception and is the mantra that drives them to think about what a home can be, renew their passion for the families who purchase their homes and inspire one another to go beyond the expected in all aspects of their business.

While TRI Pointe has evolved and grown exponentially since going public and merging with WRECO, what has remained a constant and now permeates all six of the company's homebuilding brands, is that mantra of Think. Renew. Inspire. It is what will keep TRI Pointe's management team striving to continually up their game on all levels.

So, what is next for TRI Pointe? One clue about the future can be seen in November's announcement of TRI Pointe Solutions. Made up of "TRI Pointe Connect" and "TRI Pointe Assurance," TRI Pointe Solutions is a suite of homebuyer services that provides end-to-end support throughout the closing process. "TRI Pointe Connect," formed as a joint venture with imortgage, provides mortgage related services, while "TRI Pointe Assurance," a wholly owned TRI Pointe company, acts as a title agency for First American Title Insurance Company. TRI Pointe Solutions is expected to enhance the company's earnings growth and benefit homebuyers by offering a seamless buying and closing process. These new mortgage and title services are the beginning of the added value that TRI Pointe anticipates from its diversified platform.

As evidenced by its mercurial rise from start up to one of the largest homebuilders in the nation in five short years, TRI Pointe's management team is constantly focused on strategic growth and adding value for its shareholders and homebuyers. However, Bauer, Mitchell and Grubbs are honored to pause and be present for the moments when the industry celebrates homebuilders' achievements. They are proud and honored to join the other homebuilding companies being recognized by Builder and Developer this year and are proud to be named the 2014 Developer of the Year.

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