

Kennedy Wilson and Partner Acquire Class A Office Buildings in Northern California

BEVERLY HILLS, Calif.--(BUSINESS WIRE)--May. 2, 2013-- International real estate investment and services firm Kennedy Wilson (**NYSE: KW**) today announced the acquisition of The Pointe at Redwood Shores, two Class A, two-story office buildings totaling 89,455 rentable square feet, located in Redwood City, California. The company and its partner purchased the property for approximately \$22 million, all cash. Kennedy Wilson invested \$11 million of equity in the transaction, with debt financing expected to be arranged post-closing.

The Pointe at Redwood Shores is situated within the Redwood Shores submarket of Redwood City, located on the San Francisco Bay Peninsula in San Mateo County. Set between San Francisco and Silicon Valley, the Peninsula has enjoyed strong demand for office space from technology industry tenants who have led the recovery of the nationwide office market.

John Prabhu, president of KW Commercial Investment Group, commented, “Strong post-crisis leasing activity has driven vacancies in Palo Alto to 4.7% and in Mountain View to 3.0%. With these prime submarkets running out of space and increasing demand, tenants have found Redwood City and other Peninsula submarkets as an alternative location with lower occupancy costs. Since the beginning of 2010, vacancy in Redwood Shores has dropped from 15% to under 6% in the first quarter of this year, with market rents rising.”

Built in 2000, The Pointe offers an unobstructed view of the bay on the north, east and south sides, and the area largely consists of newly built office buildings and affluent residential communities. The property is 80% leased to five tenants, and Kennedy Wilson will employ a value-added strategy to lease up the remaining vacancy at the property.

Kennedy Wilson, together with its institutional partners, has acquired \$1.1 billion of real estate and real estate related debt since the beginning of this year. This total includes 1,253 apartment units in the Western U.S., 1.2 million square feet of commercial assets in the Western U.S. and in the U.K. and \$771 million in unpaid principal balance of loans secured by real estate, primarily in the U.K.

About Kennedy Wilson

Founded in 1977, Kennedy Wilson is an international real estate investment and services company headquartered in Beverly Hills, CA with 24 offices in the U.S., U.K., Ireland, Spain and Japan. The company offers a comprehensive array of real estate services including auction,

conventional sales, property services, research and investment management. Through its fund management and separate account businesses, Kennedy Wilson is a strategic investor of real estate investments in the U.S., U.K., Ireland and Japan. For further information on Kennedy Wilson, please visit www.kennedywilson.com.

Source: Kennedy Wilson

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