

Kennedy Wilson and Takenaka Corporation Execute Lease with WeWork for 251,722 Square Feet in San Francisco, California

Deal at 430 California Street Represents WeWork's First Full-Building Lease in San Francisco and one of the Largest Office Leases Recorded in the City This Year

BEVERLY HILLS, Calif.--(BUSINESS WIRE)-- Global real estate investment company Kennedy Wilson (NYSE:KW) ("KW") and joint-venture partner Takenaka Corporation ("Takenaka") have signed an 18-year, 251,722 square-foot lease with WeWork to occupy all 20 floors at 430 California Street in San Francisco, California. WeWork will be the sole tenant in the landmark office tower that sits adjacent to a 27,000 square-foot historic bank branch at 400 California Street in San Francisco's North Financial District.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20180329005740/en/>



400/430 California Street in San Francisco, CA (Photo: Business Wire)

“WeWork’s role as a leader in creating innovative work environments makes the company a perfect fit for this landmark office tower as it enters a new era. We are proud to execute this substantial lease so quickly and to stabilize the property with a top-tier company nearly two years ahead of our initial business plan,” said William McMorrow, Chairman and CEO of KW. “We highly value our partnership with Takenaka Corporation and the relationship we’ve built over the last 25 years, and we look forward to working closely together to continue enhancing this unique property.”

“We are pleased to enter into this lease deal with such a respected global company, and to bring new life to a building that sits in the heart of such a dynamic neighborhood,” said Toichi Takenaka, Chairman of the Board of Takenaka Corporation. “Kennedy Wilson has done a tremendous job in quickly executing the asset management plan at this iconic property, and we are proud of our long-term partnership that leverages the expertise of our two firms and has resulted in a successful investment at 400/430 California Street.”

“We could not be more excited to reimagine this historic building, and provide a home for San Francisco’s creators at 430 California Street. We can’t open buildings fast enough to keep up with demand in the Bay Area, and this location will be our largest in the city,” said Jon Slavet, Managing Director of WeWork. “We have grown a community of more than 13,000 members in San Francisco, across all sectors of the economy, and this is an amazing opportunity to introduce a mix of startups, medium sized firms and large enterprise businesses into one of the city’s most iconic buildings.”

The lease deal, which is one of the largest office leases recorded in San Francisco this year, comes just over a year following KW and Takenaka’s acquisition of the property that, at the time, was 100% occupied by MUFG Union Bank. The joint venture engaged Gensler to lead a multi-million-dollar interior renovation and repositioning of the property as MUFG Union Bank vacates the buildings, including modernizing the lobby with an updated layout, materials and lighting while adding building-wide amenities and maintaining enough leasable area to add food and beverage retailers to the ground floor.

WeWork plans to open its first phase at 430 California Street in Q1 2019.

The office tower at 430 California Street provides excellent views of the San Francisco skyline, with a 10,000 square-foot deck over the roof of the adjacent bank branch and three additional exterior decks. The property is conveniently located in the heart of the Financial District with close access to the California Street cable car line, two BART stations, and within walking distance of the new Transbay Transit Center as well as the Ferry Building.

The WeWork lease caps off an impressive six months of leasing activity for Kennedy Wilson totaling nearly 700,000 square feet, including a lease extension with Costco for 177,000 square feet at 90 East in Issaquah, Washington and a 216,000 square-foot lease with Indeed at Capital

Dock in Dublin, Ireland earlier this year. Kennedy Wilson has a 10% ownership interest in the 400/430 California Street property, a 100% ownership interest in 90 East and a 42.5% ownership interest in Capital Dock.

About Kennedy Wilson

Kennedy Wilson is a leading global real estate investment company. We own, operate, and invest in real estate both on our own and through our investment management platform. We focus on multifamily and office properties located in the Western U.S., the U.K., and Ireland. For further information on Kennedy Wilson, please visit: www.kennedywilson.com.

About Takenaka Corporation

Takenaka Corporation is among Japan's oldest and largest architect, engineering and construction companies with a long history rich in tradition that spans over 400 years and includes creating many of Japan's most prominent architectural landmarks. Since 1960, Takenaka has established twenty offices in many foreign countries and over the years has been the recipient of many design, technique, and quality awards. With annual sales in excess of \$9 billion and a track record of acquiring and owning prime properties in various international locations, the group's existing portfolio includes office buildings and hotels in London, New York, Kauai, Seattle and San Francisco. Takenaka Corporation currently has nearly 7,500 employees, including 2,500 architects and engineers, and the group offers comprehensive services worldwide across the entire spectrum of space creation from site location and planning to design, engineering and construction, as well as post-completion services such as facilities management and building maintenance.

Special Note Regarding Forward-Looking Statements

Statements in this press release that are not historical facts are "forward-looking statements" within the meaning of U.S. federal securities laws. These forward-looking statements are estimates that reflect our management's current expectations, are based on assumptions that may prove to be inaccurate and involve known and unknown risks. Accordingly, our actual results or performance may differ materially and adversely from the results or performance expressed or implied by these forward-looking statements, including for reasons that are beyond our control. For example, we may not be able to maintain our leasing pace. Accordingly, you should not unduly rely on these statements, which speak only as of the date of this press release. We assume no duty to update the forward-looking statements, except as may be required by law.

KW-IR

View source version on businesswire.com: <https://www.businesswire.com/news/home/20180329>

Kennedy Wilson

Investors

Daven Bhavsar, CFA

Director of Investor Relations

+1 (310) 887-3431

dbhavsar@kennedywilson.com

or

Media

Emily Heidt

Director of Public Relations

+1 (310) 887-3499

eheidt@kennedywilson.com

Source: Kennedy Wilson