

## Kennedy Wilson Sells the Ritz-Carlton, Lake Tahoe for \$120 Million

Company also sells hotel portfolio in the United Kingdom for \$54 million

BEVERLY HILLS, Calif.--(BUSINESS WIRE)-- Global real estate investment company Kennedy Wilson (NYSE:KW) announced today the sale of the Ritz-Carlton, Lake Tahoe for \$120 million. In December, the company also sold a portfolio of hotels located across the U.K. for \$54 million. A cash profit of \$73 million to Kennedy Wilson was generated over the lifetime of the two investments.

Kennedy Wilson and its partner acquired the Ritz-Carlton, Lake Tahoe's 170 hotel rooms, 23 condominiums and 3.4-acre development parcel in 2012 for \$74 million and have since solidified the resort as one of the most upscale destinations in Northern California. The company also completed the sellout of all 23 condominium units at The Ritz-Carlton Residences in 2016 for a total gross sales price of approximately \$50 million.

"We saw a tremendous opportunity to acquire this iconic luxury hotel property from a group of lenders at a significant discount to replacement cost in 2012, and with a focus on enhancing amenities and operational performance, we have repositioned the Ritz-Carlton, Lake Tahoe as a leading resort in one of the country's most popular tourist destinations," said William J. McMorrow, Chairman and CEO of Kennedy Wilson. "The sales of the Ritz-Carlton, Lake Tahoe and the U.K. hotel portfolio enable us to tap into the value we've created and to continue recycling capital into other strategic investment opportunities."

Since 2012, Kennedy Wilson grew the ADR by 63% and revenue per available room by 100% at the Ritz-Carlton, Lake Tahoe through a series of capital and operational improvements, including expanded culinary and wellness offerings, enhanced outdoor attractions, children's activities and summer programming.

In 2017, the company debuted Lake Club, a new multi-level dining and bar facility that helped transform the hotel from a primarily winter resort into a year-round destination. The Lake Club provides guests direct access to the lake with an expansive lawn that extends to the water's edge and a private boat pier offering summer recreational activities.

In December, the Company sold the remainder of a loan portfolio backed by six hotels totaling 864 rooms located in the United Kingdom. Kennedy Wilson initially acquired the loans secured by eight hotels in 2015. With the help of a receivership structure, tenant surrender and asset

management strategies and a structured sales process, the company realized a 45% return on cost over the life of the investment.

## **About Kennedy Wilson**

Kennedy Wilson (NYSE:KW) is a 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., UK, and Ireland.

For further information on Kennedy Wilson, please visit: [www.kennedywilson.com](http://www.kennedywilson.com).

## **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 current acquisition or disposition pace or identify future properties to acquire on terms we consider attractive, and our current property portfolio may not perform as expected. 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.

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