

Kennedy Wilson Purchases 178-Unit Apartment Building in Oakland, CA

BEVERLY HILLS, Calif.--(BUSINESS WIRE)--Oct. 31, 2012-- International real estate investment and services firm Kennedy Wilson (**NYSE: KW**) today announced that the company acquired Regency Tower Apartments, a 178-unit apartment building in Oakland, CA, for \$31 million. Fannie Mae provided a \$23.5 million loan at LIBOR + 2.07% for ten years. The company invested approximately \$8.8 million of equity in the transaction and plans to apply the excess funds (after paying the purchase price) toward closing costs, renovations at the property and other expenses.

“Oakland has enjoyed tremendous growth over the past two years,” said Bob Hart, president of KW Multifamily Management Group. “The area has experienced a gentrification and spillover effect from the rapidly increasing rents in San Francisco. Rent growth in Oakland was 10% in 2011 and 7.8% as of the first quarter of this year, which is the fourth largest increase in the country. With our deep experience in this market, coupled with our proven expertise in adding value to nearly 4,000 units in the East Bay over the past decade, Regency Tower is perfectly situated to complement our portfolio there. Additionally, rents at the property are currently below market with substantial upside.”

The 18-story building was built in 1975 and includes amenities such as a fitness center, dog park, pool and spa. The company plans to upgrade the property in a more than \$3 million renovation, completing unfinished unit renovations, rebranding the community, improving common areas and adding a resident lounge.

Kennedy Wilson, together with its institutional partners, has acquired approximately \$6.7 billion of real estate and real estate related debt since the beginning of 2010. The company’s multifamily portfolio in the U.S., Ireland and Japan totals 14,128 units.

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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