

Kennedy Wilson Acquires 406,000 Square-Foot San Francisco Bay Area Office Campus for \$115M

Company recycles proceeds from recent sale of two multifamily properties

BEVERLY HILLS, Calif.--(BUSINESS WIRE)-- Global real estate investment company Kennedy Wilson (NYSE:KW) ("KW") has acquired Hamilton Landing, an institutional quality, wholly owned office campus with seven buildings across 20 acres in Marin County, California for \$115 million. The Company invested \$55 million of equity and assumed a \$60 million interest-only loan at a fixed rate of 4.34% maturing in 2025. Hamilton Landing was built in the 1930's as an Air Force base, decommissioned in the 1970's and then converted into Class A creative office space in phases between 2000 and 2008.

This press release features multimedia. View the full release here:
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Hamilton Landing (Photo: Business Wire)

Kennedy Wilson acquired Hamilton Landing through a 1031 exchange with proceeds generated from the recent sale of two multifamily properties: ShorePark, a 393-unit apartment community in Sacramento, California, and Indigo Springs, an apartment community with 302 units in Kent, Washington. The Company had a 50% interest in these two assets, which were sold for \$176 million and generated cash to Kennedy Wilson of \$63 million. Kennedy Wilson increased net operating income by 95% at the properties over the 12-year average hold period. Kennedy

Wilson's share of estimated annual NOI at the two sold multifamily properties was approximately \$5M and is approximately \$8M at Hamilton Landing.

"The acquisition of Hamilton Landing feeds into our ongoing focus on improving the quality of the portfolio, and trading into assets with strong cash flow and high growth potential," said William McMorrow, Chairman and CEO of Kennedy Wilson. "We are pleased with the value we added to our recently sold multifamily assets over our ownership period and encouraged by the opportunities that this supply constrained commercial market presents, including the relative affordability of rents compared to San Francisco."

Hamilton Landing is located approximately 25 miles north of Downtown San Francisco with proximity to some of the Bay Area's most desirable neighborhoods and access to many transit options, including a SMART train station located half of a mile from the property. The site overlooks protected wetlands and includes amenities including outdoor paths, bike racks, locker rooms and a café. The Kennedy Wilson team also has the opportunity to develop additional amenities or office space on a vacant parcel where an eighth building can be built.

Hamilton Landing is 92% occupied with a weighted average lease term of 4.5 years. Rents are currently priced at a greater than 50% discount to rents in Downtown San Francisco.

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 commercial properties located in the Western U.S., UK, Ireland, Spain, Italy and Japan. To complement our investment business, the Company also provides real estate services primarily to financial services clients. For further information on Kennedy Wilson, please visit: 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. 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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