

Kennedy Wilson Acquires 208 Unit Apartment Community in Central California

BEVERLY HILLS, Calif.--(BUSINESS WIRE)--May 1, 2015-- Global real estate investment and services firm Kennedy Wilson (**NYSE: KW**) today announced that the company acquired Montiavo at Bradley Square, a 208-unit apartment community located in Santa Maria, CA. The property was purchased for \$47 million, with the company investing \$10.4 million of equity in the transaction (inclusive of closing costs) and securing \$37.7 million of 10 year mortgage financing on the property through Freddie Mac with a fixed rate of 3.77%, interest only for five years.



Montiavo at Bradley Square, Santa Maria, CA (Photo: Business Wire)

“Montiavo’s condo-quality construction, superior unit mix of all two and three-bedroom units with attached garages and low density make it a very attractive investment opportunity,” said Kurt Zech, president of Kennedy Wilson Multifamily Investments. “Kennedy Wilson has a long history of successful investment in the Central Coast, and Montiavo will benefit from our existing management infrastructure in Santa Maria and the nearby cities of Santa Barbara and Lompoc. This value-add deal offers a very attractive spread between the in-place cap rate and the fixed cost of financing, resulting in cash-on-cash returns superior to those typically achievable on an asset of this vintage and quality.”

Built in 2004 as condominiums, Montiavo is an institutional quality, luxury residential property located in the desirable master planned community of Bradley Square. All of the property’s units are split-level townhome style, with full size washers and dryers. Forty two percent of the units are two bedroom with two baths, 58% of the units are three bedroom with two baths, and all

have a direct-access garage for two cars. Common areas include a fitness center, spacious pool and sundeck, business center and clubhouse/lounge.

Kennedy Wilson plans to implement common area improvements, including converting the existing fitness center into an innovative indoor/outdoor gym and renovating the interiors of select units, offering residents a market-leading rental product. In addition, the company is exploring the installation of drought-tolerant landscaping to reduce water usage, and property expenses as well as to mitigate the environmental impact of the property.

Kennedy Wilson's global multifamily portfolio now totals more than 25,000 units (including 5,485 units currently under contract to purchase and 757 units currently under contract to sell).

About Kennedy Wilson

Founded in 1977, Kennedy Wilson is a vertically integrated global real estate investment and services company headquartered in Beverly Hills, CA, with 25 offices in the U.S., U.K., Ireland, Spain, Jersey and Japan. The company, on its own or with partners, invests opportunistically in a variety of real estate related investments, including commercial, multifamily, loan purchases and originations, residential, and hotels. Kennedy Wilson offers a comprehensive array of real estate services including investment management, property services, auction, conventional sales, brokerage and research. For further information on Kennedy Wilson, please visit www.kennedywilson.com.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20150501005128/en/>

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