

Kennedy Wilson Closes \$363M of Multifamily Transactions

Capital recycling program executed through acquisition, disposition and refinancing

BEVERLY HILLS, Calif.--(BUSINESS WIRE)-- Global real estate investment company Kennedy Wilson(**NYSE: KW**) today announced a series of separate multifamily transactions totaling \$363 million including: the acquisition of Alara Hedges Creek, a 408 unit apartment community built in 1998 in a suburb of Portland, Oregon for \$93 million; the disposition of The Grove, a 331 unit apartment community built in 1964 in San Jose, California for \$96 million; and a \$175 million refinance of Bella Vista at Hilltop, a 1,008 unit apartment community built in 1988 located in the San Francisco Bay Area.

This Smart News Release features multimedia. View the full release here:

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Alara Hedges Creek (Photo: Business Wire)

“These transactions allowed us to harvest gains, improve the quality of our portfolio and lock in attractive long term financing,” said Kurt Zech, President of Kennedy Wilson Multifamily Investments. “We were able to generate excess capital through these transactions while growing the cash flow of our portfolio.”

On Thursday, Kennedy Wilson acquired 100% of Alara Hedges Creek for \$93 million, securing a \$60 million 10-year fixed rate loan from Freddie Mac at 3.59%, interest-only for 5 years. The loan’s interest rate was locked in October. The \$33 million equity investment was primarily funded from the net sale proceeds of The Academy, a 175,000 sq. ft. office building in North Hollywood, CA,

which was sold in October. Alara Hedges Creek is a low-density garden style community situated on 20 acres. The property is located in the Portland suburb of Tualatin, near an abundance of upscale retail destinations, recreation and entertainment options. Kennedy Wilson's value-add asset management strategy includes unit renovations with upgrades to the appliances, countertops and flooring.

On Wednesday, Kennedy Wilson and its partner sold The Grove for \$96 million, generating \$58 million in net proceeds, including \$29 million to the company which equates to a 5.0x equity multiple over the life of the investment. Kennedy Wilson held a 50% ownership interest in The Grove.

On Wednesday, Kennedy Wilson refinanced Bella Vista at Hilltop, a wholly-owned asset, with a new \$175 million 10 year fixed-rate loan at 3.50% from Fannie Mae, interest-only for the entire term. The loan's interest rate was locked in September. The property previously had two loans totaling \$126 million at an average interest rate of 4.6%, of which \$91 million was due to mature in June 2017. This represented the company's largest debt maturity in 2017.

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. 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. Furthermore, the equity multiple figures that we present for investments that we have sold represent historical performance, and they are not guarantees of the future performance of any our investments, which may yield significantly lower, or negative, equity multiples. 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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