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## New Kennedy Wilson JV Acquires 1st Property

**In partnership with Security Benefit, the company purchased an office campus in Bellevue, Wash., for \$227 million. WeWork is among the tenants of the three-building asset.**

A newly formed joint venture of Kennedy Wilson and Security Benefit Life Insurance Co. has purchased Sunset North in Bellevue, Wash., for \$227 million. Going forward, the two companies are set to increase their property count and spend at least \$500 million. Kennedy Wilson will invest 20 percent interest in the partnership's properties, while also assuming the role of asset manager and earning customary fees.



*Sunset North. Images courtesy of Kennedy Wilson*

Located at 3120-3180 139th Ave. SE, the three-building office campus spans 464,000 square feet on 7 acres at the intersection of interstates 405 and 90. Sunset North was built between 1999 and 2000 and is LEED Silver certified. At the time of the sale, the portfolio was 99 percent leased to 10 long-term tenants, including coworking giant WeWork, Farmers Insurance and Intellectual Ventures, a company that specializes in developing and licensing intellectual property. The weighted average lease term of the tenants is eight years.

To buy Sunset North, the joint venture spent \$77 million in equity—\$15 million of which came from Kennedy Wilson—and secured a 10-year, fixed-rate, interest-only loan for \$150 million at 3.25 percent from an undisclosed lender. According to Yardi Matrix data, M-M Properties is the former owner of the portfolio. The seller was represented by Kevin Shannon and his team at Newmark Knight Frank.

The joint venture will be looking for more stabilized and income-producing investment opportunities in the western portion of the U.S. "Looking ahead, we are considering high quality, income-producing real estate across the property spectrum, with a focus on the Pacific Northwest, California and the Mountain States region," Matt Windisch, executive vice president at Kennedy Wilson, told Commercial Property Executive.

Windisch explained that they're looking to leverage their 30 years of experience in the western U.S. market. Earlier this year, Kennedy Wilson made a strong return with a \$120 million sale of a Ritz-Carlton hotel in Lake Tahoe, Calif., after first purchasing the property in 2012 for \$74 million with plans to upgrade.

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