

FOR IMMEDIATE RELEASE

Kayne Anderson Acquires Student Housing Portfolio from Education Realty Trust

ARMONK, NY – October 27, 2010 – Kayne Anderson Real Estate Partners I, L.P. (“KAREP”), a private equity real estate fund managed under Kayne Anderson Capital Advisors to invest in specialized real estate sectors, today announced its acquisition of a nine-property off-campus student housing portfolio from Education Realty Trust Inc. (NYSE:EDR) located within seven public university markets in Alabama, Georgia, Kentucky, South Carolina and Tennessee.

“Our acquisition of the EDR portfolio was an extremely compelling investment for us as the deal components were in line with our overall investment strategy and allowed us to buy at an opportunistic price,” said Al Rabil, managing partner of KAREP. “We are pleased that the deal came through a referral from a close operational partner, which speaks to the team’s strong reputation for closing speed, efficiency and a highly specialized knowledge of the student housing space. We expect this investment to generate sustainable and growing cash flows on behalf of our investors.”

The portfolio, which is expected to provide a great deal of operational upside, totals 1,008 units, 3,793 beds and offers premier housing located within two miles of campus. Top-of-the-line amenities vary by property, but generally include clubhouse, fitness center, pool, computer lab, tennis court and a game room with pool tables. The investment will serve the housing needs of students attending the following universities:

- Clemson University: *Berkeley Place, Clemson Place*; Clemson, SC
- Georgia Southern University: *The Pointe at Southern*; Statesboro, GA
- Jacksonville State University: *Jacksonville*; Jacksonville, AL
- Murray State University: *The Chase at Murray*; Murray, KY
- Troy State University: *Troy Place*; Troy, AL
- University of Tennessee Martin: *The Reserve at Martin*; Martin, TN
- Western Kentucky University: *Gables Student Apartments, Western Place*; Bowling Green, KY

KAREP will implement a major capital upgrade program in advance of the upcoming pre-leasing season and work closely with existing staff to offer best-in-class accommodations to retain and attract student tenants.

The latest acquisition brings KAREP’s portfolio to 23 student housing properties totaling 8,921 beds; two multifamily properties totaling 571 units and five self storage properties totaling 3,275 units.

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Kayne Anderson

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About Kayne Anderson Capital Advisors

Kayne Anderson Capital Advisors, L.P., is a \$10 billion investment management firm with over 25 years of successful investing experience in the middle markets in the energy, growth capital, real estate and mezzanine debt sectors. The firm has offices in Los Angeles, Houston, New York City and Armonk. For more information, visit www.kaynecapital.com.