

Kayne Anderson

Real Estate Partners

Kayne Anderson Real Estate Partners I, L.P. Invests in Off-Campus Student Housing Property in Greensboro, NC

Strengthens Strategic Relationship with The Edwards Companies

ARMONK, NY – July 20, 2010 – Kayne Anderson Real Estate Partners I, L.P. (KAREP), a private equity real estate fund investing in specialized real estate sectors, with a primary focus on off-campus student housing, today announced it has invested in the development of The Province at Greensboro, which when completed will be the closest student housing community to the University of North Carolina at Greensboro's academic buildings.

The investment follows KAREP's strategy of investing in assets located in strong public university markets within close proximity of campus, and complements the fund's existing portfolio of 13 student properties. This is KAREP's third acquisition in two months, and it is the second joint venture with The Edwards Companies, a large Columbus, Ohio developer, owner, and operator of conventional multi-family and off-campus student housing.

"KAREP's relationship with The Edwards Companies highlights our overall strategy of aligning with strong operating partners to invest in and develop quality properties that fit our investment criteria," said Al Rabil, Managing Partner at Kayne Anderson Real Estate Advisors. "The Province at Greensboro, within two blocks of campus, will be a top quality community with an array of amenities that has high-appeal for students and addresses the housing need resulting from UNC-Greensboro's extensive enrollment growth."

The Province at Greensboro, consisting of 219 units and 696 beds, will feature a wide range of amenities for student residents including computer centers, media rooms, gaming rooms, a resort style pool, a fitness center, tanning beds and a theater. Additionally, all units will be fully furnished and include cable TV and internet, as well as washers and dryers. Completion is scheduled for August 2011.

KAREP and The Edwards Companies first announced their partnership in May 2010 for the acquisition of The Province at Louisville, a garden-style community of 266 units and 858 beds located in Louisville, KY, and the largest student housing transaction completed in nearly two years.

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About Kayne Anderson Real Estate Advisors

Kayne Anderson Real Estate Advisors (KAREA) is a private equity firm that invests in niche real estate sectors requiring specialized knowledge and skill for success, with a primary focus on off-campus student housing. KAREA is actively seeking student housing real estate assets of 150 units or more in close proximity to large public universities with strong student enrollment growth. The firm raised \$136 million in commitments for its first real estate private equity fund Kayne Anderson Real Estate Partners I, which held its final close on March 31, 2009. KAREA is part of Kayne Anderson Capital Advisors, L.P., a \$9 billion investment management firm with over 25 years successful experience in the energy, growth capital, real estate and mezzanine debt sectors. For more information, visit www.kaynecapital.com/realestate.