

KAYNE ANDERSON REAL ESTATE ADVISORS EXCEEDS TARGET ON FUND CLOSE AT \$575 Million

October 18, 2011 – Armonk, NY – Kayne Anderson Real Estate Advisors ("KAREA"), which invests in specialized real estate sectors with a primary focus on student housing, today announced that it has closed its second fund, Kayne Anderson Real Estate Partners II (KAREP II) at \$575 million, significantly exceeding the initial target of \$350 million. The second fund was raised in under one year, having held a first close on December 9, 2010. Investors include high net worth individuals, family offices, foundations, endowments and institutions. KAREA is the private equity real estate arm of Kayne Anderson Capital Advisors, an asset management firm with approximately \$13 billion of assets under management.

"The strong response to KAREP II is very gratifying and correlates directly to the strength and depth of our team and the strong opportunities that currently exist in the niche asset class of student housing," said Al Rabil, Managing Partner of Kayne Anderson Real Estate Advisors. Rabil continues, "We love what we do and we are very grateful for the support that we've received from our partners at Kayne Anderson Capital Advisors and from our investors."

To date, the fund has made nine portfolio investments which account for approximately \$130 million of equity. The fund's student housing investments include The Lodges of East Lansing (Michigan State), The Cottages of College Station (Texas A&M), 5 Twenty Four Angliana (University of Kentucky), The Cottages of Baton Rouge (Louisiana State University), The Cottages of Durham (University of New Hampshire), The Lofts of Kennesaw (Kennesaw State) and West 27th Place (University of Southern California). The fund also recently purchased 18 self storage properties which are located in Indiana and Ohio.

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 \$13 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.

SOURCE: Kayne Anderson Real Estate Advisors