

Market Insight

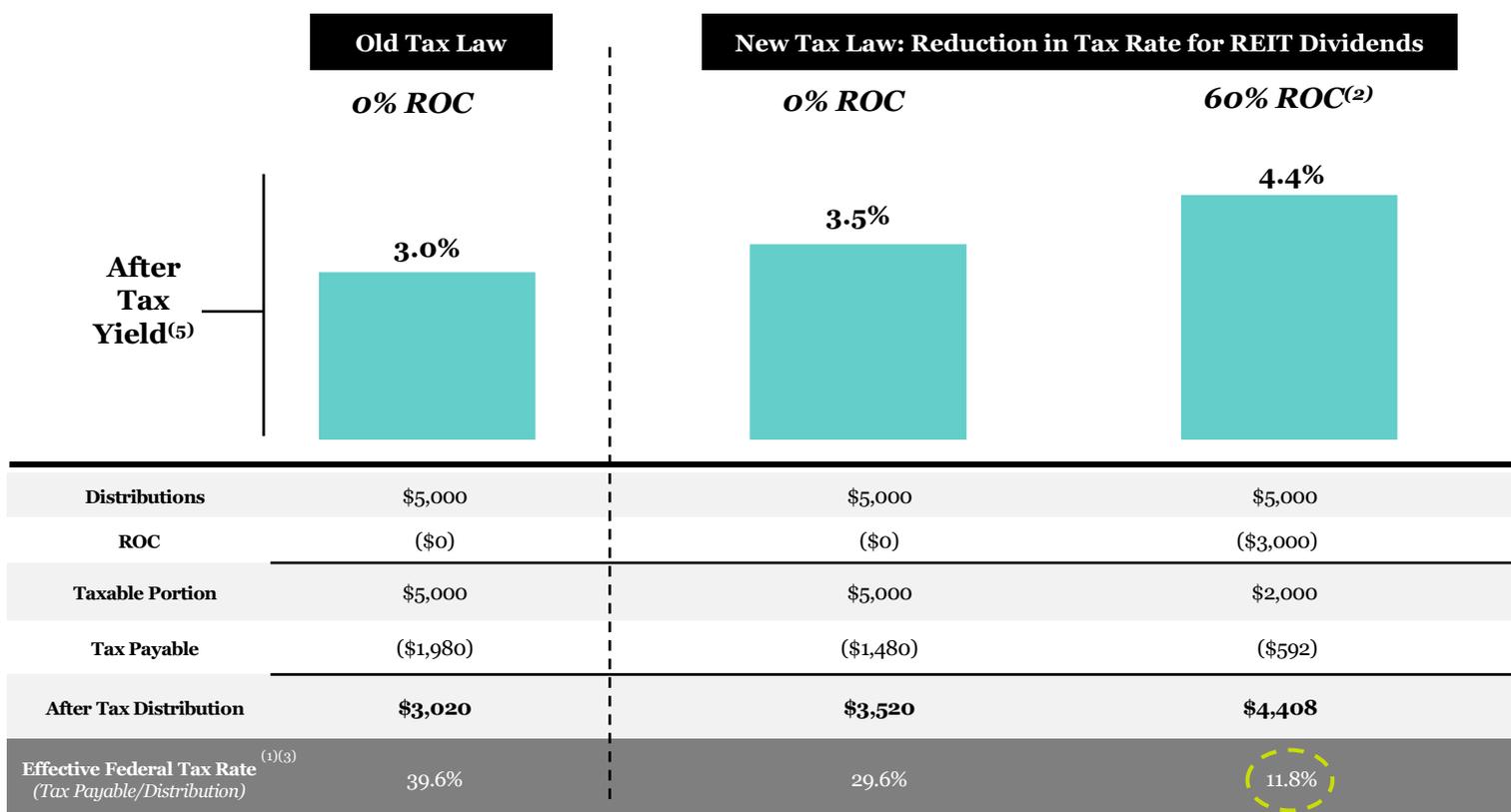
REITs and the New Tax Law

Blackstone

- Under the new “Tax Cuts & Jobs Act of 2017,” REIT ordinary dividends paid to investors now benefit from a 20% tax reduction
- For example, those in the highest tax bracket would have their effective Federal Tax Rate reduced from 37.0% to 29.6%
- In addition, Return of Capital (“ROC”) may reduce the taxable portion of REIT distributions in a given year⁽¹⁾⁽²⁾

Illustrative Example⁽³⁾

Assumes \$100,000 investment; annualized pre-tax yield of 5% (\$5,000 annualized distribution)⁽⁴⁾



Tax Characteristics of REIT Dividends

Dividend Component	Previous Treatment	Current Treatment
Income	<ul style="list-style-type: none"> ▶ REITs are generally not taxed at the corporate level to the extent they distribute all of their taxable income in the form of dividends ▶ Ordinary income dividends are taxed at individual tax rates 	<ul style="list-style-type: none"> ▶ REIT pass-through treatment remains unchanged ▶ Individual tax rates reduced across most tax brackets ▶ 20% reduction to individual tax rate for REIT ordinary income dividends
Return of Capital	<ul style="list-style-type: none"> ▶ ROC (generally resulting from depreciation and amortization) can decrease the taxable portion of REIT distributions in the current year ▶ Although ROC is not taxed in the current year, it reduces the cost basis of the REIT shares and is generally taxed upon sale as capital gain 	<ul style="list-style-type: none"> ▶ Favorable tax treatment of ROC remains unchanged

You should read the [Prospectus](#) for a description of the risks associated with an investment in BREIT.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN, AND MUST BE READ IN CONJUNCTION WITH THE PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING TO WHICH THIS SALES AND ADVERTISING LITERATURE RELATES. A COPY OF [THE PROSPECTUS](#) MUST BE MADE AVAILABLE TO YOU IN CONNECTION WITH THIS OFFERING, AND IS AVAILABLE AT WWW.BREIT.COM

Important Information and Disclosures

- (1) Return of capital reduces the stockholder's tax basis in the year the dividend is received, and generally defers taxes on that portion until the capital asset is sold.
- (2) Certain non-cash deductions, such as depreciation and amortization, lower the taxable income for REIT distributions. The 60% ROC scenario reflects the following: straight-line depreciation can account for approximately 50% of a REIT's distributions; assuming a 5% distribution and a 40-year depreciable life, depreciation would amount to 2.5% annually; including additional non-cash deductions we estimate that 60% of distributions would be considered ROC. The illustrative example does not reflect the impact of increasing net operating income ("NOI"); an increasing NOI from higher rents would reduce the amount of ROC. While NOI for commercial real estate has historically increased, past performance is not indicative of future results.
- (3) The illustrative example does not include state taxes. Investors could be subject to state income tax in their state of residence which would lower the after tax yield received by the investor.
- (4) Distributions from BREIT are not guaranteed and may be sourced from non-income items including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- (5) After tax yield is reflective of the current tax year and does not take into account other taxes that may be owed on an investment in BREIT when the investor redeems their shares. Upon redemption, the investor may be subject to higher capital gains taxes as a result of a depreciating cost basis due to the return of capital portion of distributions.

Blackstone Real Estate Income Trust, Inc. ("BREIT") is a non-traded REIT that seeks to invest in stabilized commercial real estate properties diversified by sector with a focus on providing current income. This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. You should read the prospectus carefully for a description of the risks associated with an investment in Blackstone Real Estate Income Trust. Some of these risks include but are not limited to the following:

- Since there is no public trading market for shares of our common stock, repurchase of shares by us will likely be the only way to dispose of your shares. Our share repurchase plan provides stockholders with the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases will be subject to available liquidity and other significant restrictions. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.
- We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- The purchase and repurchase price per share for each class of common stock will vary and will generally equal our prior month's net asset value ("NAV") per share, as determined monthly, plus applicable upfront selling commissions and dealer manager fees. We may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior month's NAV per share in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior month.
- We have no employees and are dependent on BX REIT Advisors L.L.C. (the "Advisor") to conduct our operations. The Advisor faces conflicts of interest as a result of, among other things, the allocation of investment opportunities among U.S. and other Blackstone accounts, the allocation of time of its investment professionals and the substantial fees that we will pay to the Advisor.
- On acquiring shares, you will experience immediate dilution in the net tangible book value of your investment.
- There are limits on the ownership and transferability of our shares.
- If we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.
- We do not own the Blackstone name, but we are permitted to use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of The Blackstone Group L.P. (together with its affiliates, "Blackstone"). Use of the name by other parties or the termination of our trademark license agreement may harm our business.
- While BREIT's investment strategy is to invest in stabilized commercial real estate properties diversified by sector with a focus on providing current income to investors, an investment in BREIT is not an investment in fixed income. Fixed income has material differences from an investment in a non-traded REIT, including those related to vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety, guarantees or insurance, fees and expenses, liquidity and tax treatment.
- We intend to continue to qualify as a REIT for U.S. federal income tax purposes. However, if we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.
- The acquisition of investment properties may be financed in substantial part by borrowing, which increases our exposure to loss. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors.
- Investing in commercial real estate assets involves certain risks, including but not limited to: tenants' inability to pay rent; increases in interest rates and lack of availability of financing; tenant turnover and vacancies; and changes in supply of or demand for similar properties in a given market.

Forward-looking Statement Disclosure

This sales material contains forward-looking statements about our business, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "seek," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. These statements include our plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate and our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans, which we consider to be reasonable, will be achieved.

You should carefully review the "Risk Factors" section of our prospectus for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This sales material must be read in conjunction with the prospectus in order to fully understand all the implications and risks of the offering of securities to which it relates.

This sales material is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus.

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