Blackstone Real Estate Income Trust

Q2 2022 QUARTERLY UPDATE

Blackstone Real Estate Income Trust ("BREIT")

From top left: Shield Industrial Portfolio; Acorn 2.0 Multifamily Portfolio. Next row: Roman 2.0 Multifamily Portfolio; Bellagio Net Lease; Legacy North Multifamily. Bottom row: QTS Data Centers.

Q2'22 BREIT Highlights

17% 3-year net return for Class I[1]	**14%** inception to date net return for Class I[1]	**16%** estimated same property NOI growth[2]	**96%** occupancy[3]

Portfolio Update

BREIT continued to deliver strong performance in the second quarter, with Class I shares returning 7% year to date while publicly traded REITs and equities declined 20%.[1,4] BREIT's performance was powered by exceptional cash flow growth, with same property net operating income (NOI) estimated to grow 16% year to date, nearly double the rate of inflation and publicly traded REITs.[2]

We see important differences in the current environment versus prior cycles, which were marked by oversupply and excessive leverage, resulting in weak fundamentals. By contrast, today, leverage remains in check and sectors such as rental housing and industrial are benefitting from favorable supply and demand dynamics, driving high occupancy and near record rent growth.[5,6,7] We believe these favorable in-place fundamentals support an extended period of strength, including strong cash flow growth (NOI) potential.

Against this backdrop, we believe BREIT remains exceptionally well positioned with 77% of the portfolio concentrated in rental housing and industrial, two of the best performing sectors with strong, secular tailwinds.[8] These sectors share important favorable fundamentals – rising demand and low vacancy.[7,6] Higher interest rates, cost pressures and supply chain challenges depress new construction, and we are seeing these trends play out currently. Rental housing and industrial generally benefit from shorter duration leases, which means rental rates can quickly reflect market pricing and keep pace with inflation. These sectors also generally benefit from low input costs, allowing top line rent revenues to increase without the drag of rising material or labor costs, which can produce outsized cash flow growth. In addition, market rents in BREIT's rental housing and industrial portfolio are 23% above our in-place rents, creating meaningful embedded growth potential.[9]

In a rising rate environment, it is reasonable to expect rising cap rates in real estate (equivalent to lower valuation multiples). For this reason, it is critically important to own assets that produce significant cash flow growth that can more than offset the valuation impact. We saw this dynamic play out in the second quarter, and it was a key driver of BREIT's strong performance.[2]

Rental housing continues to be a high conviction theme for BREIT, representing 52% of the portfolio, as a significant supply and demand imbalance continues to drive accelerating rent growth and low vacancy.[8,7] A cumulative housing shortfall of nearly four million homes over the last decade continues to intensify as the cost to build rental apartments has risen 31% in the last two years.[10,11] Meanwhile, sharp increases in home prices and higher mortgage rates have created the widest cost differential between owning and renting in the past two decades, fueling record demand for rental housing.[12,13] We have focused on markets in the South and West which benefit from outsized population, job and wage growth relative to the rest of the country, and even stronger rent growth.[14] Multifamily rents in BREIT's markets grew 19% year-over-year and BREIT's rental housing occupancy has remained resilient at 94%.[15,3] Despite this rent growth, rent-to-income ratios in BREIT's core suburban markets remain affordable.[16]

Industrial is another high conviction theme, representing 25% of the portfolio.[8] The e-commerce revolution continues, with tenants shifting from "just in time" to "just in case" inventory to meet supply chain challenges, driving occupancy levels at warehouses higher.[7] While Amazon's pace of leasing activity made headlines, we see continued tenant demand that is broad based with little sign of slowing. Rent growth in BREIT's industrial markets is 35% year-over-year and vacancy is very low at 3%.[17,18] Warehouse rents generally represent a small percentage of overall e-commerce tenant expenses (5% vs. 68% for transportation and labor), creating a strong profit incentive to be ever closer to the customer.[19] We expect demand to continue to rise.

In this investing environment, manager and asset selection is critical. BREIT benefits from Blackstone's premier real estate business, 30+ year track record and proprietary real-time market insights from its position as the largest owner, buyer, seller and financer of commercial real estate globally.[20] Our portfolio allows us to be defensive, with moderate leverage and a focus on sectors powered by secular growth, and simultaneously positions us to play offense, capturing compelling investment opportunities that present themselves in a volatile environment.[21]

Recent Highlights

BREIT continued to leverage its scale and proprietary insights to execute differentiated transactions where we believe we have a competitive advantage.

American Campus Communities ("ACC")

Pending public-to-private acquisition of the largest owner, manager and developer of high-quality student housing communities in the U.S.

Student housing is an attractive asset class with strong and resilient cash flow growth, and is generally countercyclical as enrollment has historically grown during periods of volatility or economic downturns

ACC was a first mover in the student housing sector, resulting in an exceptionally well-located portfolio of 166 properties walkable to top tier public universities experiencing robust enrollment growth (88% located within a quarter-mile of campus)

This will be BREIT's fifth public-to-private transaction upon closing

$12.8B
estimated purchase price at 100%*

~112,000
beds

TOP UNIVERSITIES	BEDS
Arizona State University	~8,200
Texas Tech University	~5,000
Florida State University	~3,700
Northern Arizona University	~3,300
Texas – The University of Texas at Austin	~3,200
Drexel University	~3,200
Texas A&M University	~3,100
VCU – Virginia Commonwealth University	~2,800
University of Kentucky	~2,600
Texas State University	~2,200




Note: The transaction highlighted above is pending and there can be no assurance that BREIT will close on this transaction on these terms or at all.
* BREIT is participating in this transaction alongside other Blackstone-managed investment vehicles.

Q2'22 BREIT Highlights

Performance Summary

Total Returns (% Net of Fees)[1]

Share Class		Year to Date	1-Year	3-Year	Inception to Date
Class I		7.2%	24.5%	16.6%	13.5%
Class D	(No Sales Load)	6.9%	23.4%	16.0%	13.5%
	(With Sales Load)[22]	5.3%	21.6%	15.5%	13.2%
Class S	(No Sales Load)	6.7%	23.2%	15.5%	12.5%
	(With Sales Load)[22]	3.1%	19.0%	14.2%	11.8%
Class T	(No Sales Load)	6.6%	23.4%	15.7%	13.1%
	(With Sales Load)[22]	3.0%	19.3%	14.4%	12.3%

Distribution Rate[23]

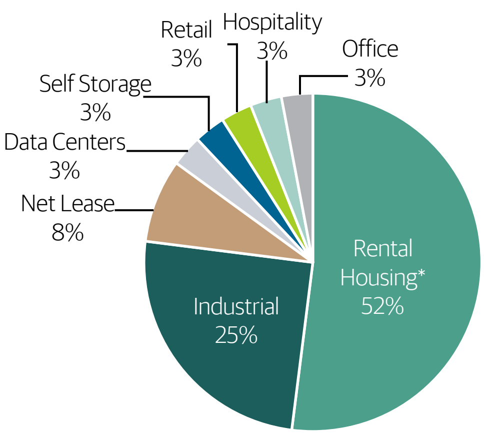
Share Class	Annualized
Class I	4.5%
Class D	4.3%
Class S	3.6%
Class T	3.7%

Key Portfolio Metrics

Net Asset Value	$68B
Total Asset Value[24]	$116B
Number of Properties[25]	4,917
Occupancy[3]	96%

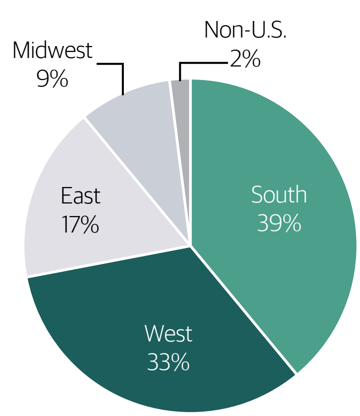
Leverage Ratio[21]	42%
% Fixed Rate Financing[26]	82%
Real Estate Investments	91%
Debt Investments	9%

Sector Allocation[8]



77% concentrated in rental housing and industrial

Geographic Allocation[8]



72% concentrated in the South and West regions of the U.S.

* Rental Housing" includes multifamily (40%), single family rental (8%), student housing (3%), manufactured housing (1%) and senior housing (<1%).

Notes

Past performance does not guarantee future results. Financial data is estimated and unaudited. All figures as of June 30, 2022 unless otherwise noted. Opinions expressed reflect the current opinions of BREIT as of the date appearing in the materials only and are based on BREIT's opinions of the current market environment, which is subject to change. Certain information contained in the materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

Blackstone Proprietary Data. Certain information and data provided herein is based on Blackstone proprietary knowledge and data. Portfolio companies may provide proprietary market data to Blackstone, including about local market supply and demand conditions, current market rents and operating expenses, capital expenditures and valuations for multiple assets. Such proprietary market data is used by Blackstone to evaluate market trends as well as to underwrite potential and existing investments. While Blackstone currently believes that such information is reliable for purposes used herein, it is subject to change, and reflects Blackstone's opinion as to whether the amount, nature and quality of the data is sufficient for the applicable conclusion, and no representations are made as to the accuracy or completeness thereof.

1. Represents Class I shares. Performance varies by share class. 2022 year to date net returns for the other share classes are as follows: Class D shares (no sales load) 16.0%; Class D shares (with sales load) 15.5%; Class S shares (no sales load) 6.7%; Class S shares (with sales load) 3.1%; Class T shares (no sales load) 6.6%; Class T shares (with sales load) 3.0%. Trailing 3-year net returns for the other share classes are as follows: Class D shares (no sales load) 16.0%; Class D shares (with sales load) 15.5%; Class S shares (no sales load) 15.5%; Class S shares (with sales load) 14.2%; Class T shares (no sales load) 15.7%; Class T shares (with sales load) 14.4%. Inception to date net returns for the other share classes are as follows: Class D shares (no sales load) 13.5%; Class D shares (with sales load) 13.2%; Class S shares (no sales load) 12.5%; Class S shares (with sales load) 11.8%; Class T shares (no sales load) 13.1%; Class T shares (with sales load) 12.3%. Returns shown reflect the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any distribution per share declared in the period. All returns shown assume reinvestment of distributions pursuant to BREIT's distribution reinvestment plan, are derived from unaudited financial information, and are net of all BREIT expenses, including general and administrative expenses, transaction-related expenses, management fees, performance participation allocation, and share class-specific fees, but exclude the impact of early repurchase deductions on the repurchase of shares that have been outstanding for less than one year. The inception dates for the Class S, T, D and I shares are January 1, 2017, June 1, 2017, May 1, 2017 and January 1, 2017, respectively. 1-year and 3-year refer to the twelve and thirty-six months, respectively, ended June 30, 2022. The returns have been prepared using unaudited data and valuations of the underlying investments in BREIT's portfolio, which are estimates of fair value and form the basis for BREIT's NAV. Valuations based upon unaudited or estimated reports from the underlying investments may be subject to later adjustments or revisions, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be incorrect. Past performance is not necessarily indicative of future results. 3-year and inception to date ("ITD") returns are annualized consistent with the IPA Practice Guideline 2018. Year to date returns are not annualized.
2. Represents BREIT's preliminary estimated year to date same property NOI growth for the period ended June 30, 2022 compared to the same period in the prior year (based on the midpoint of the preliminary estimated range of same property NOI). This data is not a comprehensive statement of our financial results for the six months ended June 30, 2022, and our actual results may differ materially from this preliminary estimated data. Net Operating Income ("NOI") is a supplemental non-GAAP measure of our property operating results that we believe is meaningful because it enables management to evaluate the impact of occupancy, rents, leasing activity and other controllable property operating results at our real estate. We define NOI as operating revenues less operating expenses, which exclude (i) impairment of investments in real estate, (ii) depreciation and amortization, (iii) straight-line rental income and expense, (iv) amortization of above- and below-market lease intangibles, (v) lease termination fees, (vi) property expenses not core to the operations of such properties, and (vii) other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fee paid to the Adviser, (c) performance participation allocation paid to the Special Limited Partner, (d) incentive compensation awards, (e) income (loss) from investments in real estate debt, (f) net gain (loss) on dispositions of real estate, (g) interest expense, (h) gain (loss) on extinguishment of debt, (i) other income (expense), and (j) similar adjustments for NOI attributable to non-controlling interests and unconsolidated entities. We evaluate our consolidated results of operations on a same property basis, which allows us to analyze our property operating results excluding acquisitions and dispositions during the periods under comparison. Properties in our portfolio are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. Recently developed properties are not included in same property results until the properties have achieved stabilization for both full periods presented. Properties held for sale and properties that are being re-developed are excluded from same property results and are considered non-same property. We do not consider our investments in the real estate debt segment or equity securities to be same property. For more information, please refer to BREIT's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 21, 2022 and the prospectus. Additionally, please refer to page 6 for a reconciliation of estimated GAAP net (loss) income to same property NOI for the year to date periods ended June 30, 2022 and 2021. Publicly traded REITs NOI reflects NAREIT data and represents the Total REIT Industry Tracker as of March 31, 2022. Inflation reflects U.S. Bureau of Labor Statistics data and represents the Consumer Price Index, which measures changes in the prices paid by urban consumers for a representative basket of goods and services. NOI may not be correlated to or continue to keep pace with inflation.
3. As of June 30, 2022. Occupancy is an important real estate metric because it measures the utilization of properties in the portfolio. Occupancy is weighted by the total value of all consolidated real estate properties, excluding our hospitality investments, and any third party interests in such properties. For our industrial, data center, retail and office investments, occupancy includes all leased square footage as of the date indicated. For our multifamily and student housing investments, occupancy is defined as the percentage of actual units and market rent for vacant units for the three months ended on the date indicated. For our net lease investments, occupancy includes leased properties as of the date indicated. For our single family rental investments, the occupancy rate includes occupied homes for the three months ended on the date indicated. For our self storage, and manufactured housing and senior living investments, the occupancy rate includes occupied square footage, occupied sites and occupied units, respectively, as of the date indicated. The average occupancy rate for our hospitality investments was 66% for the twelve months ended March 31, 2022. Hospitality investments owned less than twelve months are excluded from the average occupancy rate calculation.
4. As of June 30, 2022. Year to date return comparison reflects total returns. Publicly Traded REITs represented by the MSCI U.S. REIT Index and equities represented by the S&P 500 Index. The volatility and risk profile of the indices presented is likely to be materially different from that of BREIT including those related to fees and expenses, liquidity, safety, and tax features. In addition, the indices employ different investment guidelines and criteria than BREIT; as a result, the holdings in BREIT may differ significantly from the holdings of the securities that comprise the indices. The performance of the indices has not been selected to represent an appropriate benchmark to compare to BREIT's performance, but rather is disclosed to allow for comparison of BREIT's performance to that of well-known and widely recognized indices.
5. Reflects the NAREIT Total REIT Tracker as of March 31, 2022 and represents REIT leverage ratios.
6. Citi, as of March 31, 2022. Represents starts as a percent of aggregate supply.
7. As of June 30, 2022. Industrial reflects CBRE data. Record rent growth represents year-over-year net asking rents weighted by net absorption for the year. Record low vacancy represents vacant U.S. industrial space for the respective year weighted by total U.S. industrial stock. Rental housing reflects RealPage data. Record rent growth represents national quarterly year-over-year multifamily rent growth. Record low vacancy represents national quarterly multifamily occupancy.
8. "Sector Allocation" weighting is measured as the asset value of real estate investments for each sector category (Rental Housing, Industrial, Net Lease, Data Centers, Self Storage, Hospitality, Office, Retail) divided by the total asset value of all real estate investments, excluding the value of any third-party interests in such real estate investments ("Real Estate TAV"). The following sectors each have subsectors comprising over 1.0% of Real Estate TAV. Rental housing: multifamily, single family rental, student housing and manufactured housing; Industrial: warehouses; and Hospitality: full service and select service hotels. "Geographic Allocation" weighting is measured as the asset value of real estate properties and unconsolidated property investments for each geographical category (South, West, East, Midwest, Non-U.S.) divided by the total asset value of all (1) real estate properties, excluding the value of any third-party interests in such real estate properties, and (2) unconsolidated property investments. "Real estate investments" include our direct property investments, unconsolidated investments, and equity in public and private real estate-related companies. "Non-U.S." reflects investments in Europe and Canada. Please see the prospectus for more information on BREIT's investments.

Notes (Cont'd)

Performance of residential and industrial public REITs in 2022 and since BREIT's inception provided by FTSE NAREIT Equity REITs as of May 31, 2022. Market performance reflects BREIT's concentration in growth markets, which have experienced high population growth relative to the U.S. average. While BREIT generally seeks to acquire real estate properties located in growth markets, certain properties may not be located in such markets. Although a market may be a growth market as of the date of the publication of this material, demographics and trends may change and investors are cautioned on relying upon the data presented as there is no guarantee that historical trends will continue or that BREIT could benefit from such trends. U.S. Census Bureau, as of July 2021, released in May 2022.

9. Represents the estimated embedded growth potential between BREIT's in-place industrial and multifamily (excluding affordable housing) portfolio rents and achievable market rents. BREIT's industrial in-place rent roll has an estimated 34% embedded growth potential as of June 30, 2022, and BREIT's multifamily in-place rent roll has an estimated 11% embedded growth potential as of May 31, 2022. Any expectations that in-place rents have the potential to increase are based on certain assumptions that may not be correct and on certain variables that may change, are presented for illustrative purposes only and do not constitute forecasts. There can be no assurance that any such results will actually be achieved. BREIT's industrial assets have a 4.4-year weighted average lease expiry and BREIT's rental housing assets have an approximately 0.5-year weighted average lease expiry as of June 30, 2022. Reflects real estate properties only, including unconsolidated properties, and does not include real estate debt investments. For a complete list of BREIT's real estate investments (excluding equity in public and private real estate-related companies), visit www.breit.com/investments.
10. Freddie Mac, as of December 31, 2020.
11. Increase in cost to build reflects Blackstone Proprietary Data and represents estimated percent change in the costs of new development between December 31, 2019 and June 2022. Comprises land, hard costs and soft costs and reflects primarily suburban multifamily properties in 9 representative U.S. markets.
12. Higher mortgage rates reflect Freddie Mac data and represent the 30-year spot rate as of June 30, 2022. Increase in home prices reflects S&P / Case-Shiller U.S. National Home Price Index and represents year-over-year increase as of April 30, 2022.
13. Zillow, Axiometrics and Blackstone Proprietary Data, as of June 30, 2022. Represents the absolute difference between the cost to own a home and multifamily rents. Reflects the 30-year fixed rate mortgage, as of July 12, 2022, where applicable. Monthly mortgage payments assume median home prices are financed at 80% loan-to-value and include closing costs, insurance, taxes and monthly capital expenditure.
14. U.S. Census Bureau as of July 2021, released in May 2022. Key growth markets in the South and West reflect BREIT's top 10 multifamily markets as of June 30, 2022, measured as the asset value of multifamily real estate properties and unconsolidated investments for each market divided by the total asset value of all (i) multifamily real estate properties, excluding the value of any third-party interests in such real estate properties, and (ii) unconsolidated investments. Population and job growth reflect JBREC data as of May 31, 2022 and represent average year-over-year population and employment growth, respectively, for the trailing three-month period. Rent growth reflects RealPage data as of June 30, 2022. Comparison to national average represented by BREIT's top 10 multifamily markets as of June 30, 2022.
15. Blackstone Proprietary Data, as of May 31, 2022. Multifamily excludes affordable housing.
16. Green Street Advisors, as of June 30, 2022. Represents BREIT's Top 10 Multifamily Markets.
17. Blackstone Proprietary Data. Represents market rent growth in BREIT's U.S. industrial portfolio for the quarter ended June 30, 2022, including consolidated and unconsolidated investments for each market.
18. CBRE, as of March 31, 2022. Represents vacant U.S. industrial space.
19. Blackstone Proprietary Data, as of March 31, 2022.
20. World's largest owner as of June 30, 2022 and based on Blackstone's standing as the largest owner of commercial real estate globally by estimated market value and excludes governmental entities and religious organizations per MSCI Real Capital Analytics. World's largest buyer and seller reflects MSCI Real Capital Analytics data as of June 30, 2022 and represents transaction volume since January 1, 2010. An investment in BREIT is not an investment in our sponsor or Blackstone as BREIT is a separate and distinct legal entity. Past performance does not guarantee future results. There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses.
21. Our leverage ratio is measured by dividing (i) consolidated property-level and entity-level debt net of cash and loan-related restricted cash, by (ii) the asset value of real estate investments (measured using the greater of fair market value and cost) plus the equity in our settled real estate debt investments. Indebtedness incurred (i) in connection with funding a deposit in advance of the closing of an investment or (ii) as other working capital advances will not be included as part of the calculation above. The leverage ratio would be higher if the indebtedness on our real estate debt investments and pro rata share of debt within our unconsolidated investments were taken into account.
22. Assumes payment of the full upfront sales charge at initial subscription (1.5% for Class D shares; 3.5% for Class S and Class T shares).
23. Reflects the current month's distribution annualized and divided by the prior month's NAV, which is inclusive of all fees and expenses. Past performance is not necessarily indicative of future results. Distributions are not guaranteed and may be funded from sources other than cash flow from operations, including, without limitation, borrowings, offering proceeds, the sale of our assets, and repayments of our real estate debt investments.
24. Total asset value ("TAV") is measured as (1) the asset value of real estate investments (based on fair value), excluding any third-party interests in such real estate investments, plus (2) the equity in our real estate debt investments measured at fair value (defined as the asset value of our real estate debt investments less the financing on such investments), but excluding any other assets (such as cash or any other cash equivalents). The TAV would be higher if such amounts were included, and the value of our real estate debt investments was not decreased by the financing on such investments.
25. As of June 30, 2022. Reflects real estate investments only, including unconsolidated properties, and does not include real estate debt investments. Single family rental homes are not reflected in the number of properties.
26. As of June 30, 2022. The percentage of fixed rate financing is measured by dividing (i) the sum of our fixed rate debt, secured financings on investments in real estate debt with matched underlying interest rate exposure, and the outstanding notional principal amount of interest rate swaps, by (ii) total debt outstanding.

FORWARD-LOOKING STATEMENT DISCLOSURE

Certain information contained in this communication constitutes "forward-looking statements" within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology, such as "outlook," "indicator," "believes," "expects," "potential," "continues," "identified," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates", "confident," "conviction" or the negative versions of these words or other comparable words thereof. These may include our financial estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements with respect to acquisitions, statements regarding future performance and statements regarding identified but not yet closed acquisitions. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. BREIT believes these factors also include but are not limited to those described under the section entitled "Risk Factors" in its prospectus and annual report for the most recent fiscal year, and any such updated factors included in its periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document (or BREIT's prospectus and other filings). Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

The following table reconciles preliminary estimated GAAP net loss to preliminary estimated same property NOI for the six months ended June 30, 2022 and 2021 ($ in thousands). Same property NOI growth is estimated to be 16% year to date based on the midpoint of the estimated year-over-year increase.

	Six Months Ended June 30, 2022		2021
	Estimated (Unaudited)		Actual
	Low	High	
Net loss	$(683,898)	$(650,538)	$(147,698)
Adjustments to reconcile to same property NOI			
Depreciation and amortization	1,873,400	1,873,400	800,008
Management fee	401,778	401,778	165,278
Performance participation allocation	623,166	623,166	442,588
Loss (income) from investments in real estate debt	213,875	224,843	(355,934)
Net gain on dispositions of real estate	(432,974)	(411,854)	(22,802)
Interest expense	704,167	740,279	363,052
Other income	(845,181)	(803,953)	(233,529)
Income from unconsolidated entities	(176,076)	(167,486)	(104,710)
NOI attributable to non-controlling interests in third party joint ventures	(28,254)	(26,876)	(15,714)
NOI from unconsolidated entities	278,849	293,149	90,578
Other	122,754	129,050	26,059
NOI attributable to BREIT stockholders	**2,051,606**	**2,224,958**	**1,007,176**
Less: Non-same property NOI attributable to BREIT stockholders	1,011,142	1,131,136	85,372
Same property NOI attributable to BREIT stockholders	**$1,040,464**	**$1,093,822**	**$921,804**