Blackstone | Real Estate Income Trust

April 17, 2020

Dear BREIT Stockholder,

We hope that you and your family are safe and healthy as the COVID-19 pandemic continues to evolve globally.

As we move further into 2020, we wanted to update you on the performance of Blackstone Real Estate Income Trust, Inc. ("BREIT"), the positioning of our portfolio and the steps that we are taking to navigate this period of significant volatility. Blackstone Real Estate is the largest real estate private equity manager in the world and our team has successfully navigated market cycles and disruptions over 28 years, all while safeguarding the firm's investments and enabling its portfolios to emerge stronger on the other side[1].

Given this depth of experience, the quality of our portfolio and the strength of our balance sheet, we believe BREIT is well-positioned to weather today's rapidly changing investment environment. Our real estate portfolio is 75% concentrated in multifamily and industrial, two of the most resilient sectors, with limited exposure to more vulnerable sectors like hospitality and retail[2]. In addition, we benefit from modest leverage and $3.1 billion of liquidity[3]. As a result, we believe we are well-situated to maximize value within our existing portfolio and to seek accretive investment opportunities, while honoring share repurchases in accordance with our share repurchase plan and preserving the stability of a solid dividend. In March, our annualized dividend yield was 4.7%[4].

While we have a resilient portfolio, we have not been unaffected by the COVID-19 crisis. Consistent with our robust monthly valuation process, our team valued each of our properties this month and accounted for potential near-term softness in the market, even in the most defensive sectors like multifamily and industrial. Our total return for the month ending March 31 was -8.2%[5], bringing our annualized inception-to-date net return to 6.1%[6]. This decline was driven by anticipated slower rental growth and rent relief requests in our real estate portfolio, as well as unrealized mark-to-market declines across our real estate debt investments. As always, we believe the marks on our real estate properties, which were evaluated and affirmed by our independent valuation adviser, accurately reflect the most current information available as of month-end[7]. They also highlight the stability of private real estate as compared to the more significant declines seen recently in the listed markets, which have historically demonstrated considerable volatility.

We remain confident in the underlying credit of our real estate debt investments (12% of total asset value), which have an average origination loan to value of ~55%[8] and consist of mostly single asset, single borrower loans with high-quality assets and borrowers. Likewise, we continue to believe in the long-term value of our real estate portfolio (88% of total asset value) which remains concentrated in our highest conviction themes[9]:

- Multifamily (38%): Our 72,000 multifamily units are 94% occupied and located in high-quality communities primarily across the western and southern U.S. Multifamily has historically been a highly resilient asset class[10], including during the depths of the Global Financial Crisis, where occupancy never fell below 91%[11]. While rising unemployment levels will lead to near-term rent relief requests, renters are less likely to vacate their apartments during periods of dislocation. Though we expect there will be downward pressure on rental growth, new apartment supply is likely to be muted during this period, supporting strong demand for our assets over the long term.

- **Industrial (37%):** Our 137 million square foot industrial portfolio is 94% occupied with over 1,900 high-quality tenants. These assets have a 4.1-year weighted average lease expiry, with only 5.9% of leases expiring in 2020[12]. While the industrial sector is not invulnerable to downward pressure on cash flows during this period, we expect the secular shift of e-commerce to accelerate, creating more demand from e-commerce companies like Amazon, our largest tenant, for last-mile, infill warehouses.
- **Net Lease (16%):** Our net lease investments consist of the real estate of the Bellagio, MGM Grand and Mandalay Bay, three iconic assets located on the Las Vegas Strip. We do not operate or manage these properties and our net lease arrangements provide for strong monthly cash flows through contractually fixed rent payments that are generally independent of fluctuations in the broader economy or property performance. In addition, MGM Resorts International ("MGM") fully guaranties rent payments for the three assets and all rent payments due to date have been paid. Despite current resort closures in Las Vegas, MGM has publicly confirmed that it has significant liquidity (over $4 billion of cash and more than $7 billion[13] in publicly traded equity in affiliated companies) and has reiterated its intention to continue paying rent and other obligations for the foreseeable future[14].
- **Other Real Estate (9%):** Our real estate portfolio has limited exposure to what we believe are the most impacted sectors, with only 6% in hospitality and 2% in retail. All but two of our hotels are select service properties, the majority of which currently remain open, although with reduced occupancy. Our two full-service hotels, representing 3% of total asset value, are closed for the near term. Our retail assets are primarily grocery-anchored, necessity-based open-air centers, with no exposure to enclosed malls.

With the profound human and economic impact of COVID-19 confronting us all, the health and safety of Blackstone's people, portfolio companies and the communities in which the firm operates are our highest priority. Blackstone recently announced an anchor $10 million contribution to the New York State COVID-19 First Responders Fund and an additional $5 million of contributions to organizations orchestrating food delivery to those most impacted by the crisis in New York City. We are also proud of relief efforts led by Blackstone portfolio companies, such as ShopCore and LivCor, which used their CoreGiving program to provide 2.5 million meals to children in affected markets.

One of our greatest strengths is staying calm and taking the long view. Today this skill is more important than ever, and we have conviction that our experience and disciplined approach will enable us to navigate this period of uncertainty as we have many times before. Thank you for your ongoing support.

Sincerely,

Frank Cohen	A.J. Agarwal	Wesley LePatner
Chairman of the Board and Chief Executive Officer	President and Director	Chief Operating Officer and Director

All figures are approximate and as of March 31, 2020, unless otherwise indicated. The terms "we", "us" and "our" refer to BREIT with reference to portfolio and performance data. In all other instances, including with respect to current and forward-looking views and opinions of the market and BREIT's portfolio and performance positioning, as well as the experience of BREIT's management team, these terms refer to BREIT's adviser, BX REIT Advisors L.L.C., which is part of the real estate group of The Blackstone Group Inc. (together with its affiliates, "Blackstone"), a leading global investment manager, which serves as BREIT's sponsor ("Blackstone Real Estate").

Certain information contained in this letter 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," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates", "confident," "conviction," "weather," "likely," or the negative versions of these words or other comparable words thereof. These may include BREIT's financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, and statements regarding future performance. 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 such factors include the position and financial condition of BREIT and its portfolio in light of the ongoing and developing COVID-19 pandemic and the near-, medium- and long-term state of financial markets and impact of the pandemic generally. BREIT believes these factors also include but are not limited to those described under the section entitled "Risk Factors" in its prospectus and its annual report for the most recent fiscal year, and any such updated factors included in its periodic filings with the Securities and Exchange Commission (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, BREIT undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

1. INREV, May 2019.
2. Measured as the asset value as a percentage of the total asset value of real estate investments (exclusive of real estate debt investments), excluding the value of any third-party interests in such assets. "Real estate investments" includes our direct property investments, unconsolidated investments, and equity in public and private real estate-related companies.
3. As of March 24, 2020.
4. Represents annualized distribution rate for Class S shares, which accounted for 57% of our outstanding registered shares, without sales load. Performance varies by share class. Class T shares distributed 4.8%, Class D shares distributed 5.4% and Class I shares distributed 5.6%. Reflects the current month's distribution annualized and divided by the prior month's net asset value, which is inclusive of all fees and expenses.
5. Represents month-to-date return for Class S shares, which accounted for 57% of our outstanding registered shares, without sales load. Performance varies by share class. During the same period, Class S shares (with sales load) returned -11.3%, Class T shares (without sales load) returned -8.2%, Class T shares (with sales load) returned -11.3%, Class D shares (without sales load) returned -8.1%, Class D shares (with sales load) returned -9.5% and Class I shares returned -8.1%. 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 I, S, D and T shares are January 1, 2017, January 1, 2017, May 1, 2017, and June 1, 2017, respectively. 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 on any given day.
6. Represents annualized inception-to-date ("ITD") return for Class S shares, which accounted for 57% of our outstanding registered shares, without sales load. ITD returns are annualized utilizing a compounding method consistent with the IPA Practice Guideline 2018. Performance varies by share class. During the same period, Class S shares (with sales load) returned 5.0%, Class T shares (without sales load) returned 6.0%, Class T shares (with sales load) returned 4.7%, Class D shares (without sales load) returned 6.7%, Class D shares (with sales load) returned 6.2% and Class I shares returned 7.0%. For further information on the return calculations, please refer to note 5.
7. Our independent valuation advisor reviews BREIT's monthly internal valuations and provides confirmation for reasonableness.
8. Calculated by summing the original balance of a loan and all debt with a senior claim on the loan's collateral and dividing the result by the value of the loan's collateral at origination. Loan-to-value ratios have increased as a result of the recent market volatility and declining real estate values.
9. Measured as the asset value of real estate debt investments (12%) and real estate investments (88%) as a percentage of the total asset value of BREIT's portfolio, excluding the value of any third-party interests in such assets.
10. Multifamily includes other types of rental housing such as manufactured and student housing.
11. Axiometrics, as of December 31, 2019.
12. Represents leases expiring as a percentage of total industrial square feet.
13. Based on April 16, 2020 closing price. MGM owns 180 million shares in MGM Growth Properties and 2.1 billion shares in MGM China.
14. MGM Press Release (March 27, 2020).