

As filed with the Securities and Exchange Commission on January 15, 2021

Registration No. 333-249070

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

AMENDMENT NO. 1
Form S-11
*FOR REGISTRATION
UNDER
THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN
REAL ESTATE COMPANIES*

Blackstone Real Estate Income Trust, Inc.

(Exact Name of Registrant as Specified in Governing Instruments)

345 Park Avenue
New York, NY 10154
(212) 583-5000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

BX REIT Advisors L.L.C.
Leon Volchyok
345 Park Avenue
New York, NY 10154
(212) 583-5000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Primary Offering, Class T, Class S, Class D and Class I Common Stock, \$0.01 par value per share	\$20,000,000,000	\$2,389,000
Distribution Reinvestment Plan, Class T, Class S, Class D and Class I Common Stock, \$0.01 par value per share	\$4,000,000,000	\$477,800
Total, Class T, Class S, Class D and Class I Common Stock, par value \$0.01 per share	\$24,000,000,000	\$2,866,800

- (1) The Registrant reserves the right to reallocate the shares of common stock being offered between the primary offering and the distribution reinvestment plan. Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) The Registrant initially filed this registration statement on September 25, 2020. In that filing, the Registrant planned on registering \$12,000,000,000 of securities. At the fee rate then in effect, the filing fee due was \$1,557,600. In addition, the Registrant noted that, pursuant to Rule 457(p) under the Securities Act of 1933, as amended, the Registrant is offsetting the registration fee due under this registration statement by \$8,837, which represents the portion of the registration fee previously paid with respect to \$87,765,002 of unsold securities previously registered on the registration statement on Form S-11 (File No. 333-213043), initially filed on August 10, 2016. In this amendment, the Registrant is registering an additional \$12,000,000,000 of securities, bringing the total registered amount to \$24,000,000,000. At the fee rate now in effect, the additional registration fee due with this amendment is \$1,309,200.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission and various states is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS DATED JANUARY 15, 2021



Blackstone Real Estate Income Trust, Inc.

Maximum Offering of \$24,000,000,000

Blackstone Real Estate Income Trust, Inc. invests primarily in stabilized, income-generating commercial real estate in the United States. We are externally managed by our adviser, BXREIT Advisors L.L.C. (the "Adviser"). The Adviser 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 our sponsor ("Blackstone Real Estate"). Our objective is to bring Blackstone's leading institutional-quality real estate investment platform to income-focused investors. We conduct our operations as a real estate investment trust ("REIT") for U.S. federal income tax purposes. We are not a mutual fund and do not intend to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). We are offering on a continuous basis up to \$24,000,000,000 in shares of common stock, consisting of up to \$20,000,000,000 in shares in our primary offering and up to \$4,000,000,000 in shares pursuant to our distribution reinvestment plan. We are offering to sell any combination of four classes of shares of our common stock, Class T shares, Class S shares, Class D shares and Class I shares, with a dollar value up to the maximum offering amount. The share classes have different upfront selling commissions and dealer manager fees, and different ongoing stockholder servicing fees. The purchase 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. This is a "best efforts" offering, which means that Blackstone Securities Partners L.P., the dealer manager for this offering, will use its best efforts to sell shares, but is not obligated to purchase or sell any specific amount of shares in this offering.

This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. See "Risk Factors" beginning on page 31 for risks to consider before buying our shares, including:

- There is no public trading market for our common stock and repurchase of shares by us will likely be the only way to dispose of your shares. We are not obligated to repurchase any shares under our share repurchase plan and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased. In addition, repurchases will be subject to available liquidity and other significant restrictions. Further, our board of directors may make exceptions to, modify, suspend or terminate our share repurchase plan. 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 find such distributions from sources other than cash flow from operations, including, without limitation, from borrowings or the sale of other property under our assets, and we have no limits on the amounts we may pay from such sources. We will not fund our distributions with proceeds from this offering.
- The purchase and repurchase price for shares of our common stock are generally based on our prior month's NAV (subject to material changes as described above) and are not based on any public trading market. While there will be independent annual appraisals of our properties, the appraisal of properties is inherently subjective, and our NAV may not accurately reflect the actual price at which our properties could be liquidated on any given day.
- We are dependent on the Adviser to conduct our operations. The Adviser will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Blackstone Accounts (as defined herein), the allocation of time of its investment professionals and the substantial fees that we will pay to the Adviser.
- 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. See "Description of Capital Stock—Restrictions on Ownership and Transfer."
- 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 Blackstone. Use of the name by other parties or the termination of our trademark license agreement may harm our business.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. Securities regulators have not passed upon whether this offering can be sold in compliance with existing or future suitability or conduct standards, including the "Regulation Best Interest" standard, to any or all purchasers.

The use of forecasts in this offering is prohibited. Any oral or written predictions about the amount or certainty of any cash benefits or tax consequences that may result from an investment in our common stock is prohibited. No one is authorized to make any statements about this offering inconsistent with those that appear in this prospectus.

	Price to the Public(1)	Upfront Selling Commissions(2)	Dealer Manager Fees(2)	Proceeds to Us, Before Expenses(3)
Maximum Offering(4)	\$20,000,000,000	\$ 396,706,408	\$ 4,830,918	\$19,598,462,674
Class T Shares, per Share	\$ 11.6679	\$ 0.3382	\$ 0.0564	\$ 11.2733
Class S Shares, per Share	\$ 11.8767	\$ 0.4016	—	\$ 11.4751
Class D Shares, per Share	\$ 11.4821	\$ 0.1697	—	\$ 11.3124
Class I Shares, per Share	\$ 11.4424	—	—	\$ 11.4424
Maximum Distribution Reinvestment Plan	\$ 4,000,000,000	—	—	\$ 4,000,000,000

- (1) The price per share shown for each of our four classes of shares is the January 1, 2021 transaction price, which is equal to such class's NAV as of November 30, 2020, plus applicable upfront selling commissions and dealer manager fees. Shares of each class will be issued on a monthly basis at a price per share generally equal to the prior month's NAV per share for such class, plus applicable upfront selling commissions and dealer manager fees. The transaction price is the then-current offering price per share before applicable selling commissions and dealer manager fees and is generally the prior month's NAV per share for such class.
- (2) The table assumes that all shares are sold in the primary offering, with 5% of the gross offering proceeds from the sale of Class T shares, 50% of the gross offering proceeds from the sale of Class S shares, 10% from the sale of Class D shares and 35% from the sale of Class I shares, which are estimated based on the proportion of shares per class issued to date in our initial public offering. The number of shares of each class sold and the relative proportions in which the classes of shares are sold are uncertain and may differ significantly from this assumption. For Class T shares sold in the primary offering, investors will pay upfront selling commissions of up to 3.0% of the transaction price and upfront dealer manager fees of 0.5% of the transaction price, however such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price. For Class S shares sold in the primary offering, investors will pay upfront selling commissions of up to 3.5% of the transaction price. For Class D shares sold in the primary offering, investors may pay upfront selling commissions of up to 1.5% of the transaction price. We will also pay the following selling commissions over time as stockholder servicing fees to the dealer manager, subject to Financial Industry Regulatory Authority, Inc. ("FINRA") limitations on underwriting compensation: (a) for Class T shares only, an advisor stockholder servicing fee of 0.65% per annum and a dealer stockholder servicing fee of 0.20% per annum of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares, (b) for Class S shares only, a stockholder servicing fee equal to 0.85% per annum of the aggregate NAV for the Class S shares and (c) for Class D shares only, a stockholder servicing fee equal to 0.25% per annum of the aggregate NAV for the Class D shares, in each case, payable monthly. No stockholder servicing fees will be paid with respect to the Class I shares. The total amount that will be paid over time for other underwriting compensation depends on the average length of time for which shares remain outstanding, the termover which such amount is measured and the performance of our investments. We will also pay or reimburse certain organization and offering expenses, including, subject to FINRA limitations on underwriting compensation, certain wholesaling expenses. See "Plan of Distribution," "Estimated Use of Proceeds" and "Compensation."
- (3) Proceeds are calculated before deducting stockholder servicing fees or organization and offering expenses payable by us, which are paid over time.
- (4) We reserve the right to reallocate shares of common stock between our distribution reinvestment plan and our primary offering.

The date of this prospectus is , 2021

SUITABILITY STANDARDS

Shares of our common stock are suitable only as a long-term investment for persons of adequate financial means who do not need near-term liquidity from their investment. We do not expect there to be a public market for our shares and thus it may be difficult for you to sell your shares. On a limited basis, you may be able to have your shares repurchased through our share repurchase plan, although 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. You should not buy shares of our common stock if you need to sell them in the near future. The minimum initial investment in shares of our common stock that we will accept for shares of our Class T, Class S or Class D common stock is \$2,500. The minimum initial investment in shares of our common stock that we will accept for shares of our Class I common stock is \$1,000,000, unless waived by the dealer manager.

In consideration of these factors, we require that a purchaser of shares of our common stock have either:

- a net worth of at least \$250,000; or
- a gross annual income of at least \$70,000 and a net worth of at least \$70,000.

For purposes of determining whether you satisfy the standards above, your net worth is calculated excluding the value of your home, home furnishings and automobiles. For the purposes of these suitability standards, unless otherwise indicated, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

Certain states have established suitability standards in addition to the minimum income and net worth standards described above. Shares will be sold to investors in these states only if they meet the additional suitability standards set forth below. Certain broker-dealers selling shares in this offering may impose greater suitability standards than the minimum income and net worth standards described above and the state-specific suitability standards described below.

Alabama Investors. Purchasers residing in Alabama may not invest more than 10% of their liquid net worth in us and our affiliates.

California Investors. Purchasers residing in California may not invest more than 10% of their net worth in this offering.

Idaho Investors. Purchasers residing in Idaho must have either (a) a net worth of \$85,000 and annual income of \$85,000 or (b) a liquid net worth of \$300,000. Additionally, the total investment in us shall not exceed 10% of their liquid net worth.

Iowa Investors. Purchasers residing in Iowa must have either (a) an annual gross income of at least \$100,000 and a net worth of at least \$100,000, or (b) a net worth of at least \$350,000. In addition, the aggregate investment in this offering and in the securities of other non-publicly traded real estate investment trusts (REITs) may not exceed 10% of their liquid net worth. Purchasers who are accredited investors as defined in Regulation D under the Securities Act of 1933, as amended, are not subject to the foregoing concentration limit.

Kansas Investors. It is recommended by the Office of the Kansas Securities Commissioner that Kansas investors limit their aggregate investment in us and other non-traded real estate investment trusts to not more than 10% of their liquid net worth.

Kentucky Investors. Purchasers residing in Kentucky may not invest more than 10% of their liquid net worth in our shares or in any shares of our affiliated non-publicly traded REITs.

Maine Investors. The Maine Office of Securities recommends that an investor's aggregate investment in this offering and other similar direct participation investments not exceed 10% of the investor's liquid net worth.

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Massachusetts Investors. Purchasers residing in Massachusetts must limit their aggregate investment in us and other illiquid direct participation programs to not more than 10% of their liquid net worth.

Missouri Investors. A purchaser residing in Missouri must limit his or her investment in our securities to 10% of his or her liquid net worth.

Nebraska Investors. Purchasers residing in Nebraska who do not meet the definition of “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended, must limit their aggregate investment in this offering and in the securities of other non-publicly traded direct participation programs to 10% of such investor’s net worth.

New Jersey Investors. Purchasers residing in New Jersey are required to have (a) a minimum liquid net worth of at least \$100,000 and a minimum annual gross income of not less than \$85,000; or (b) a minimum liquid net worth of \$350,000. In addition, the total investment in us, our affiliates and other non-publicly traded direct investment programs (including REITs, business development companies, oil and gas programs, equipment leasing programs and commodity pools, but excluding unregistered, federally and state exempt private offerings) may not exceed 10% of an investor’s liquid net worth. For purposes of New Jersey’s suitability standard, “liquid net worth” is defined as that portion of net worth (total assets exclusive of home, home furnishings, and automobiles minus total liabilities) that consists of cash, cash equivalents and readily marketable securities.

New Mexico Investors. Purchasers residing in New Mexico may not invest more than 10% of their liquid net worth in our shares, shares of our affiliates and other non-traded real estate investment trusts.

North Dakota Investors. Purchasers residing in North Dakota must have a net worth of at least ten times their investment in us.

Ohio Investors. Purchasers residing in Ohio may not invest more than 10% of their liquid net worth in us, our affiliates and other non-traded real estate investment programs. For purposes of Ohio’s suitability standard, “liquid net worth” is defined as that portion of net worth (total assets exclusive of home, home furnishings, and automobiles minus total liabilities) that is comprised of cash, cash equivalents, and readily marketable securities.

Oregon Investors. Purchasers residing in Oregon may not invest more than 10% of their net worth in this offering.

Pennsylvania Investors. Purchasers residing in Pennsylvania may not invest more than 10% of their net worth (exclusive of home, home furnishings, and automobiles) in us. The offer and sale of our common stock to persons in the Commonwealth of Pennsylvania is governed by Pennsylvania law.

Puerto Rico Investors. Purchasers residing in Puerto Rico may not invest more than 10% of their liquid net worth in us, our affiliates, and in other non-traded REITs. For purposes of Puerto Rico’s suitability standard, “liquid net worth” is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles minus total liabilities) consisting of cash, cash equivalents, and readily marketable securities.

Tennessee Investors. Purchasers residing in Tennessee who are not “accredited investors” as defined in 17 C.F.R. § 230.501 may not invest more than 10% of their net worth in us.

Vermont Investors. Purchasers residing in Vermont who are not “accredited investors” as defined in 17 C.F.R. § 230.501 may not purchase an amount of shares in this offering that exceeds 10% of the investors’ liquid net worth. Vermont residents who are “accredited investors” as defined in 17 C.F.R. § 230.501 are not subject to the limitation described in this paragraph. For purposes of Vermont’s suitability standard, “liquid net worth” is defined as an investor’s total assets (not including home, home furnishings, or automobiles) minus total liabilities.

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The Securities and Exchange Commission (the “SEC”) adopted Regulation Best Interest, which establishes a new standard of conduct for broker-dealers and their associated persons when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. A retail customer is any natural person, or the legal representative of such person, who receives a recommendation of any securities transaction or investment strategy involving securities from a broker-dealer and uses the recommendation primarily for personal, family, or household purposes. When making such a recommendation, a broker-dealer and its associated persons must act in such customer’s best interest at the time the recommendation is made, without placing their financial or other interest ahead of the retail customer’s interests, and should consider reasonable alternatives in determining whether the broker-dealer and its associated persons have a reasonable basis for making the recommendation. This standard is different than the quantitative suitability standards we require for an investment in our shares and enhances the broker-dealer standard of conduct beyond existing suitability obligations. As Regulation Best Interest became effective on June 30, 2020, no administrative or case law currently exists under Regulation Best Interest and the full scope of its applicability is uncertain.

Under SEC rules, the broker-dealer must meet four component obligations:

- **Disclosure Obligation:** The broker-dealer must provide certain required disclosures before or at the time of the recommendation about the recommendation and the relationship between the broker-dealer and its retail customer. The disclosure includes a customer relationship summary on Form CRS. The broker-dealer’s disclosures are separate from the disclosures we provide to investors in this prospectus.
- **Care Obligation:** The broker-dealer must exercise reasonable diligence, care, and skill in making the recommendation.
- **Conflict of Interest Obligation:** The broker-dealer must establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest.
- **Compliance Obligation:** The broker-dealer must establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest.

Our sponsor and each person selling shares on our behalf must make every reasonable effort to determine that the purchase of shares of our common stock is a suitable and appropriate investment for each investor. In making this determination, our sponsor and the dealer manager will rely upon information provided by the investor to the participating broker-dealer as well as the suitability assessment made by each participating broker-dealer. Before you purchase shares of our common stock, your participating broker-dealer, authorized representative or other person placing shares on your behalf will rely on relevant information provided by you to determine that you:

- meet the minimum income and net worth standards established in your state;
- are in a financial position appropriate to enable you to realize the potential benefits described in the prospectus; and
- are able to bear the economic risk of the investment based on your overall financial situation.

Participating broker-dealers are required to maintain for six years records of the information used to determine that an investment in shares of our common stock is suitable and appropriate for a stockholder.

By signing the subscription agreement required for purchases of our common stock, you represent and warrant to us that you have received a copy of this prospectus and that you meet the net worth and annual gross income requirements described above. By making these representations, you do not waive any rights that you may have under federal or state securities laws.

ABOUT THIS PROSPECTUS

Please carefully read the information in this prospectus and any accompanying prospectus supplements, which we refer to collectively as the “prospectus.” You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus is accurate as of any date later than the date hereof or such other dates as are stated herein.

The words “we,” “us,” “our,” “BREIT” and the “Company” refer to Blackstone Real Estate Income Trust, Inc., a Maryland corporation, together with its consolidated subsidiaries, including BREIT Operating Partnership L.P. (the “Operating Partnership”), a Delaware limited partnership of which we are the general partner, unless the context requires otherwise.

Unless otherwise noted, numerical information relating to Blackstone and Blackstone Real Estate is approximate, is as of September 30, 2020, and includes activities of public and private portfolio companies owned by funds advised by Blackstone Real Estate.

Citations included herein to industry sources are used only to demonstrate third-party support for certain statements made herein to which such citations relate. Information included in such industry sources that do not relate to supporting the related statements made herein are not part of this prospectus and should not be relied upon.

Clarity of the text in this prospectus may be affected by the size of the screen on which it is displayed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains 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 “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” “identified” or other similar words or the negatives thereof. These may include our financial projections and 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. We believe these factors also include but are not limited to those described under the section entitled “Risk Factors” in this prospectus and our annual report for the most recent fiscal year, and any such updated factors included in our 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 our 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.

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PROSPECTUS SUMMARY

This prospectus summary highlights certain information contained elsewhere in this prospectus. This is only a summary and it may not contain all of the information that is important to you. Before deciding to invest in this offering, you should carefully read this entire prospectus, including the “Risk Factors” section.

Q: What is Blackstone Real Estate Income Trust, Inc.?

A: We are a Maryland corporation formed on November 16, 2015. We are externally managed by our adviser, BX REIT Advisors L.L.C., a Delaware limited liability company. The Adviser is an affiliate of Blackstone Real Estate, our sponsor. As of September 30, 2020, we had \$37.0 billion of total assets, including \$28.9 billion of real estate investments and \$5.0 billion of real estate debt investments.

This offering is our third registered public offering. Our initial public offering registered up to \$5.0 billion of our shares of common stock, of which we sold approximately \$4.9 billion. Our follow-on public offering registered up to \$12.0 billion of our shares of common stock, of which we sold approximately \$[] billion.

Q: Who is Blackstone?

A: Blackstone is a leading global investment manager with total assets under management of \$584 billion. Blackstone’s alternative asset management businesses include investment vehicles focused on private equity, real estate, insurance, hedge fund solutions, non-investment grade credit, secondary private equity funds of funds, infrastructure and multi-asset class strategies. Blackstone also provides capital markets services.

Blackstone Real Estate was founded in 1991 and is one of the largest real estate investment managers in the world, with \$174 billion of investor capital under management as of September 30, 2020, representing approximately \$341 billion of debt and equity as of September 30, 2020. Blackstone Real Estate operates as one globally integrated business with 594 real estate professionals globally as of September 30, 2020 and investments in North America, Europe, Asia and Latin America. In the United States, Blackstone Real Estate is one of the largest owners of multifamily, office, hospitality and retail assets, and has been one of the most active investors in industrial properties over the past five years. Our objective is to bring Blackstone’s leading institutional-quality real estate investment platform to income-focused investors. Consistent with an institutional fee structure, we will not pay any fees to the Adviser in connection with the acquisition, financing, development or disposition of our investments. Instead, we pay the Adviser a management fee equal to 1.25% of NAV per annum payable monthly and the Special Limited Partner a performance participation allocation equal to 12.5% of the Total Return, subject to a 5% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined below) made annually and accrued monthly, as detailed further in the “Compensation” section of this prospectus.

Pursuant to the advisory agreement between us and the Adviser (the “Advisory Agreement”), the Adviser is responsible for sourcing, evaluating and monitoring our investment opportunities and making decisions related to the acquisition, management, financing and disposition of our assets in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our board of directors. The Adviser is also responsible for oversight over our other service providers. See “Management—The Adviser and Blackstone” and “Management—The Advisory Agreement.”

Q: What are your investment objectives?

A: Our investment objectives are to invest in assets that will enable us to:

- provide attractive current income in the form of regular, stable cash distributions;

- preserve and protect invested capital;
- realize appreciation in NAV from proactive investment management and asset management; and
- provide an investment alternative for stockholders seeking to allocate a portion of their long-term investment portfolios to commercial real estate with lower volatility than listed public real estate companies.

We cannot assure you that we will achieve our investment objectives. In particular, we note that the NAV of non-traded REITs may be subject to volatility related to the values of their underlying assets. See the “Risk Factors” section of this prospectus.

Q: What is your investment strategy?

A: Our investment strategy is to acquire primarily stabilized, income-generating U.S. commercial real estate. To a lesser extent, we also invest in real estate debt and other securities to provide current income and a source of liquidity for our share repurchase plan, cash management and other purposes.

Our investment strategy seeks to capitalize on Blackstone’s scale and the real-time information provided by its real estate holdings to identify and acquire our target investments at attractive pricing. We also seek to benefit from Blackstone’s reputation and ability to transact in scale with speed and certainty, and its long-standing and extensive relationships in the real estate industry.

Q: What types of properties do you acquire?

A: Our investments in primarily stabilized, income-generating U.S. commercial real estate focus on a range of asset types. These may include multifamily, industrial, net lease, hotel, retail and office assets, as well as others, including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties. As of the date of this prospectus, our real estate portfolio consists of multifamily, industrial, net leases, hotel, retail, office and other assets, including storage properties. See “Investments in Real Estate and Real Estate Debt.”

Q: What competitive strengths does the Adviser offer?

A: We believe our most powerful competitive strength is our affiliation with Blackstone, which is one of the largest buyers, sellers and managers of commercial real estate in the world. Blackstone Real Estate has been investing since 1991, and has total investor capital under management of \$174 billion representing approximately \$341 billion of debt and equity as of September 30, 2020. Blackstone oversees one of the world’s preeminent global real estate platforms, with 594 real estate professionals as of September 30, 2020 located in 11 cities, including New York, Los Angeles, London, Hong Kong, Mumbai and Sydney. We believe our long-term success in executing our investment strategy will be supported by Blackstone Real Estate’s competitive strengths, which include:

Extensive market and asset knowledge. Blackstone has been an extremely active investor in the U.S. real estate market for over 29 years. Blackstone Real Estate’s U.S. holdings include:

- 421 million square feet of industrial properties.
- 119,000 multifamily units.
- 47 million square feet of office properties.
- 91,000 hotel keys.
- 29 million square feet of retail properties.

This portfolio provides valuable real-time, proprietary market data that we expect will enable us to identify and act on market conditions and trends more rapidly than our competitors. The proprietary data generated by Blackstone Real Estate's portfolio is expected to enable us to target specific themes with conviction and deploy significant amounts of discretionary capital.

A systematic and disciplined approach to acquiring and managing its real estate portfolio. Throughout its 29-year history, Blackstone Real Estate has relied on consistent processes to limit risks and take advantage of intellectual capital across the firm. Blackstone Real Estate has one centralized investment committee (the "Investment Committee") that meets weekly to review large new investments around the world. The committee discussions are led by Blackstone's President and Chief Operating Officer and Blackstone Real Estate's Global Co-Heads. The Investment Committee includes all other Senior Managing Directors in Blackstone Real Estate, as well as select senior executives of Blackstone. Smaller real estate investments are reviewed by a subset of the Investment Committee. The high level of interaction between the Investment Committee and investment professionals from the inception of a transaction to closing helps identify potential issues early and enables the team to more effectively streamline resources and workflows. Post-acquisition Blackstone Real Estate manages its real estate investments through proactive asset management, as well as periodic global asset reviews and valuation meetings.

Unparalleled relationships within the industry. The resources, relationships, and proprietary information of the Blackstone organization provide a deep sourcing network for new opportunities. We believe Blackstone Real Estate sees significantly more deal flow than most of its competitors as a result of its scale, its strong ties to major financial institutions, real estate brokers, and other institutional real estate investors, and its reputation for closing with speed and certainty.

Broad experience and tenure of its senior management. The 33 Senior Managing Directors in Blackstone Real Estate have been at the firm an average of 13 years, and have between 10 and 37 years of experience as of September 30, 2020. The Senior Managing Directors have a long history of working together and oversee a deeply integrated global business that relies on regular communication, regular asset and strategy reviews with the entire global team and relocations of professionals among its offices in order to effectively instill Blackstone Real Estate's process and culture worldwide.

A reputation for executing large, complicated transactions with speed and certainty. Historically Blackstone Real Estate has faced less competition in large-scale transactions with multiple layers of complexity, due to the small number of real estate firms that are able to manage such transactions. This has enabled Blackstone to acquire assets and portfolios at attractive valuations. We believe Blackstone has earned a reputation in the market as the preeminent buyer of large, complex transactions because it is decisive and can close quickly. We believe this capability has benefited us in our acquisitions to date, including our acquisitions of a student housing portfolio consisting of 10,610 beds (the "EdR Student Housing Portfolio") and a 64-million square foot income-generating, high quality, 95% leased industrial portfolio (the "Jupiter 12 Industrial Portfolio").

Intense focus on asset management and value creation. Blackstone Real Estate aims to unlock value during its ownership through proactive asset management. Blackstone Real Estate recruits talented onsite managers for its investments, optimizes pricing strategies, controls costs, executes capital management projects, and seeks regulatory and zoning approvals needed to position assets for their highest and best use.

For more information regarding the Adviser and Blackstone Real Estate's investment management business, see "Management—The Adviser and Blackstone" and "Investment Objectives and Strategies—Potential Competitive Strengths."

Q: Why do you make real estate debt investments in addition to real estate investments?

A: Our real estate debt strategy is focused on generating current income and contributing to our overall net returns. Alongside our credit facilities and operating cash flow, our real estate debt investments may provide

an additional source of liquidity. These liquidity sources are collectively used for cash management, satisfying any stock repurchases under our share repurchase plan and other purposes. We use the Blackstone Real Estate Debt Strategies team to assist with this portion of the portfolio. The Blackstone Real Estate Debt Strategies team leverages the competitive advantages of the broader Blackstone Real Estate platform and its own proprietary investment models to seek attractive real estate debt investment opportunities throughout the capital structure.

Our real estate debt investments focus on non-distressed public and private real estate debt, including, but not limited to, commercial mortgage-backed securities (“CMBS”), real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including residential mortgage-backed securities (“RMBS”) and other residential credit), interests of collateralized debt obligation and collateralized loan obligation vehicles and equity interests in public and private entities that invest in real estate debt as one of their core businesses, and may also include derivatives. Our investments in real estate debt will be focused in the United States, but may also include investments issued or backed by real estate in Europe and certain other countries.

For a description of our current investments in real estate debt, see “Investments in Real Estate and Real Estate Debt.” See the “Investment Objectives and Strategies” section of this prospectus for a more detailed discussion of all of the types of investments we may make.

Q: What is a real estate investment trust, or REIT?

A: We elected to be taxed as a REIT beginning with our taxable year ended December 31, 2017 and each year since, and intend to continue to make such an election. In general, a REIT is a company that:

- combines the capital of many investors to acquire or provide financing for real estate assets;
- offers the benefits of a real estate portfolio under professional management;
- satisfies the various requirements of the Internal Revenue Code of 1986, as amended (the “Code”), including a requirement to distribute to stockholders at least 90% of its REIT taxable income each year; and
- is generally not subject to U.S. federal corporate income taxes on its net taxable income that it currently distributes to its stockholders, which substantially eliminates the “double taxation” (i.e., taxation at both the corporate and stockholder levels) that generally results from investments in a C corporation.

Q: What is a non-exchange traded, perpetual-life REIT?

A: A non-exchange traded REIT is a REIT whose shares are not listed for trading on a stock exchange or other securities market. We use the term “perpetual-life REIT” to describe an investment vehicle of indefinite duration, whose shares of common stock are intended to be sold by the REIT monthly on a continuous basis at a price generally equal to the REIT’s prior month’s NAV per share. In our perpetual-life structure, the investor may 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. While we may consider a liquidity event at any time in the future, we currently do not intend to undertake such consideration until at least 2024, seven years after we launched our investment program, and we are not obligated by our charter or otherwise to effect a liquidity event at any time.

Q: How do you identify investments and make decisions on whether to acquire properties?

A: The Adviser has the authority to implement our investment strategy, as determined by, and subject to the direction of, our board of directors.

Blackstone believes it sees significantly more deal flow than most of its competitors as a result of its strong ties to major real estate owners and brokers, its track record of closing on investments to which it commits, and its fair and honest treatment of counterparties. Blackstone believes it has earned a reputation as the preeminent investor in the real estate market because of its capacity to underwrite and source large, complex transactions across multiple property sectors.

In addition, Blackstone Real Estate has developed a strong network of relationships with real estate owners, leading financial institutions, operating partners, senior business executives and government officials. These relationships provide market knowledge and form the backbone of its investment-sourcing network. Blackstone has, and expects to continue to have, a significant volume of deal flow. Primary sources of Blackstone Real Estate transactions include:

- Relationships of individual Blackstone Senior Managing Directors and professionals;
- Major corporations, real estate owners and real estate operators with which Blackstone has worked in the past and that wish to divest assets or partner with Blackstone;
- Investment/commercial banks;
- Brokers/dealers; and
- Borrowers.

In Blackstone's opinion, its strong market position makes it attractive to potential sellers, which sometimes approach Blackstone on an off-market basis because Blackstone is one of the few firms that can manage large and complex property acquisitions. This market recognition gives Blackstone leverage to achieve better pricing when negotiating such transactions.

Q: Do you use leverage?

A: Yes. We use and expect to continue to use leverage. Our target leverage ratio is in the range of 60%. 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. There is, however, no limit on the amount we may borrow with respect to any individual property or portfolio.

We have also placed limits in our charter prohibiting us from borrowing more than 300% of our net assets, which approximates borrowing 75% of the cost of our investments. We may exceed this limit if a majority of our independent directors approves each borrowing in excess of the limit and we disclose the justification for doing so to our stockholders.

For additional disclosure regarding our leverage, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" in our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the period ended September 30, 2020, attached as Annex A and Annex B to this prospectus, respectively.

Financing a portion of the purchase price of our assets will allow us to broaden our portfolio by increasing the funds available for investment. Financing a portion, which may be substantial, of the purchase price is not free from risk. Using debt requires us to pay interest and principal, referred to as "debt service," all of which decrease the amount of cash available for distribution to our stockholders or other purposes. We may also be unable to refinance the debt at maturity on favorable or equivalent terms, if at all, exposing us to the potential risk of loss with respect to assets pledged as collateral for loans. Certain of our debt may be floating-rate and the effective interest rates on such debt will increase when the relevant interest benchmark (e.g., LIBOR) increases.

Q: Do your investment guidelines overlap with the objectives or guidelines of any of Blackstone's affiliates, and do any Blackstone affiliates receive priority with respect to certain investments?

A: Blackstone believes our investment objectives, guidelines and strategy are generally distinct from Other Blackstone Accounts (as defined below). Accordingly, we believe there has been to date, and expect there will continue to be, sufficient investment opportunities for us within our investment guidelines because of the scale of the real estate market. There will, however, be overlap of real estate and real estate debt investment opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts. This overlap will from time to time create conflicts of interest, which the Adviser and its affiliates will seek to manage in a fair and reasonable manner in their sole discretion in accordance with their prevailing policies and procedures.

With respect to Other Blackstone Accounts with investment objectives or guidelines that overlap with ours but that do not have priority over us, investment opportunities are allocated among us and one or more Other Blackstone Accounts in accordance with Blackstone's prevailing policies and procedures on a basis that the Adviser and its affiliates believe to be fair and reasonable in their sole discretion, which is generally pro rata based on relative available capital, subject to the following considerations: (i) any applicable investment objectives or focus of ours and such Other Blackstone Accounts (which, for us, includes our primary objective of providing attractive current income in the form of regular, stable cash distributions), (ii) any investment limitations, parameters or contractual provisions of ours and such Other Blackstone Accounts (e.g., joint venture investments between us and an Other Blackstone Account must be on the same terms and satisfy the restrictions of all participants, such as lowest leverage targeted by any participant), (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act).

Currently, an Other Blackstone Account invests in "core+" real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets (together with future accounts with similar investment strategies, the "Private Core+ Accounts"). Blackstone believes there likely will be limited overlap of investment opportunities for us and the Private Core+ Accounts because of our primary investment objective of providing current income. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). Certain Other Blackstone Accounts also invest in real estate debt with investment objectives or guidelines that overlap with ours, but do not have priority over us. To the extent an investment satisfies the investment objectives of us and such Other Blackstone Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above. To the extent we acquire properties through joint ventures with Other Blackstone Accounts, such investments will be allocated as described above, and we may be allocated interests in such joint ventures that are smaller than the interests of the Other Blackstone Accounts. Generally, we expect the level of control we have with respect to any joint venture will correspond to our economic interest in such joint venture.

Furthermore, certain of the Other Blackstone Accounts that invest in "opportunistic" real estate and real estate-related assets globally (which often are undervalued assets and with higher potential for equity appreciation) have priority over us with respect to such investment opportunities (together with future

accounts with similar investment strategies, the “Select Opportunistic Blackstone Accounts”). No Other Blackstone Accounts other than Select Opportunistic Blackstone Accounts have priority over us with respect to real estate investment opportunities.

The Adviser and its affiliates calculate available capital, weigh the factors described above (which will not be weighted equally) and make other investment allocation decisions in accordance with their prevailing policies and procedures in their sole discretion. The manner in which our available capital is determined may differ from, or subsequently change with respect to, Other Blackstone Accounts. The amounts and forms of leverage utilized for investments will also be determined by the Adviser and its affiliates in their sole discretion. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

“Other Blackstone Accounts” means investment funds, REITs, vehicles, accounts, products and/or other similar arrangements sponsored, advised, and/or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over-flow funds, co-investment vehicles and other entities formed in connection with Blackstone or its affiliates side-by-side or additional general partner investments with respect thereto).

Q: Do you acquire properties in joint ventures, including joint ventures with affiliates?

A: We have acquired properties through joint ventures with non-affiliated third parties and may in the future acquire properties through additional joint ventures, including joint ventures with affiliates of the Adviser. Any joint venture with an affiliate of the Adviser must be approved by a majority of our directors (including a majority of our independent directors) not otherwise interested in the transaction as being fair and reasonable to us and on substantially the same, or more favorable, terms and conditions as those received by other joint venture partners. In many cases, we may not control the management of joint ventures in which we invest, but we may have the right to approve major decisions of the joint venture. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts.

Q: How is an investment in shares of your common stock different from listed REITs?

A: An investment in shares of our common stock generally differs from an investment in listed REITs in a number of ways, including:

- Shares of listed REITs are priced by the trading market, which is influenced generally by numerous factors, not all of which are related to the underlying value of the entity’s real estate assets and liabilities. The estimated value of our real estate assets and liabilities, rather than the trading market, will be used to determine our NAV.
- An investment in our shares has limited or no liquidity and our share repurchase plan may be modified, suspended or terminated. In contrast, an investment in a listed REIT is a liquid investment, as shares can be sold on an exchange at any time.
- Listed REITs are often self-managed, whereas our investment operations are managed by the Adviser, which is part of Blackstone Real Estate.
- Listed REITs may be reasonable alternatives to an investment in us and may be less costly and less complex with fewer and/or different risks than an investment in us. Transactions for listed securities often involve nominal or no commissions.

- Unlike the offering of a listed REIT, this offering has been registered in every state in which we are offering and selling shares. As a result of state-specific rules governing non-exchange traded REITs, we include certain limits in our governing documents that are not typically provided for in the charter of a listed REIT. For example, our charter limits the fees we may pay to the Adviser and its affiliates, limits our ability to make certain investments, limits the aggregate amount we may borrow, requires our independent directors to approve certain actions and restricts our ability to indemnify our directors, the Adviser and its affiliates. A listed REIT does not typically provide for these restrictions within its charter. A listed REIT is, however, subject to the governance requirements of the exchange on which its stock is traded, including requirements relating to its board of directors, audit committee, independent director oversight of executive compensation and the director nomination process, code of conduct, shareholder meetings, related party transactions, shareholder approvals, and voting rights. Although we follow many of these same governance guidelines, there is no requirement that we follow all of them.

Q: For whom may an investment in your shares be appropriate?

A: An investment in our shares may be appropriate for you if you:

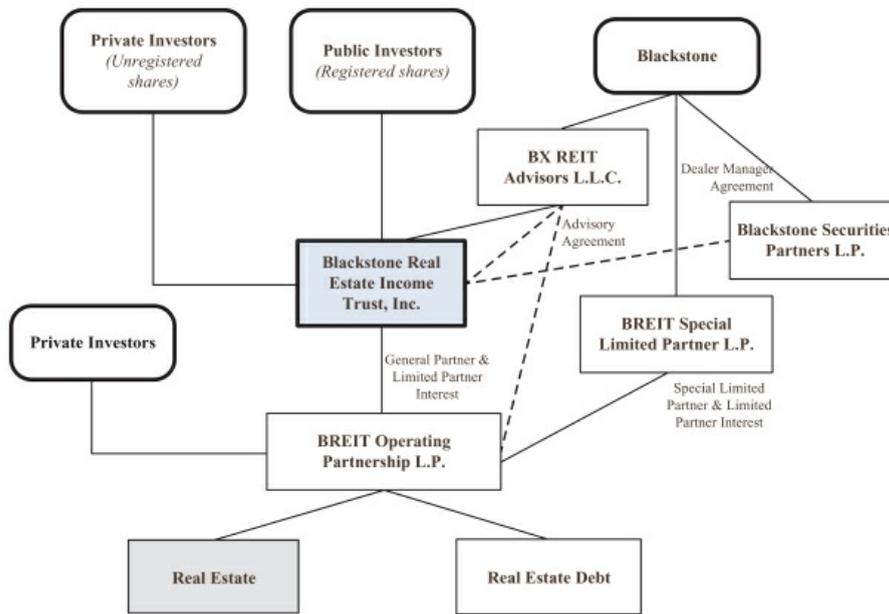
- meet the minimum suitability standards described above under “Suitability Standards;”
- seek to allocate a portion of your investment portfolio to a direct investment vehicle with an income-generating portfolio of mostly U.S. real estate and real estate debt;
- seek to receive current income through regular distribution payments;
- wish to obtain the potential benefit of long-term capital appreciation; and
- are able to hold your shares as a long-term investment and do not need liquidity from your investment quickly in the near future.

We cannot assure you that an investment in our shares will allow you to realize any of these objectives. An investment in our shares is only intended for investors who do not need the ability to sell their shares quickly in the future since we are not obligated to repurchase any shares of our common stock 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, and the opportunity to have your shares repurchased under our share repurchase plan may not always be available. See “Share Repurchases—Repurchase Limitations.”

Q: How do you structure the ownership and operation of your assets?

A: We own, and continue to plan to own, all or substantially all of our assets through the Operating Partnership. We are the sole general partner of the Operating Partnership and BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a Delaware limited partnership, with a general partner that is a subsidiary of Blackstone, owns a special limited partner interest in the Operating Partnership. In addition, each of the Adviser and the Special Limited Partner may elect to receive units in the Operating Partnership in lieu of cash for its management fee and performance participation interest, respectively. See “Compensation.” The Adviser and the Special Limited Partner may put these units back to the Operating Partnership and receive cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the Operating Partnership’s partnership agreement, in which case such Operating Partnership units will be repurchased for shares of our common stock. The use of our Operating Partnership to hold all of our assets is referred to as an Umbrella Partnership Real Estate Investment Trust (UPREIT). Using an UPREIT structure may give us an advantage in acquiring properties from persons who want to defer recognizing a gain for U.S. federal income tax purposes.

The following chart shows our current ownership structure and our relationship with Blackstone Real Estate, the Adviser, Blackstone Securities Partners L.P. (the “Dealer Manager”) and the Special Limited Partner.



Q: Are there any risks involved in buying your shares?

A: Investing in our common stock involves a high degree of risk. If we are unable to effectively manage the impact of these risks, we may not meet our investment objectives and, therefore, you should purchase our shares only if you can afford a complete loss of your investment. An investment in shares of our common stock involves significant risks and is intended only for investors with a long-term investment horizon and who do not require immediate liquidity or guaranteed income. Some of the more significant risks relating to an investment in shares of our common stock include those listed below. The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows. The following should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in the section entitled “Risk Factors” in this prospectus.

Risk Factor Summary

- 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 make exceptions to, 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, from borrowings or the sale of or repayment under our assets, and we have no limits on the amounts we may pay from such sources.
- The purchase and repurchase price for shares of our common stock are generally based on our prior month's NAV (subject to material changes as described above) and are not based on any public trading market. While there will be independent valuations of our properties from time to time, the valuation of properties is inherently subjective and our NAV may not accurately reflect the actual price at which our properties could be liquidated on any given day.
- We are dependent on the Adviser to conduct our operations. The Adviser will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Blackstone Accounts, the allocation of time of its investment professionals and the substantial fees that we will pay to the Adviser.
- On acquiring shares, you will experience immediate dilution in the net tangible book value of your investment.
- Principal and interest payments on any borrowings will reduce the amount of funds available for distribution or investment in additional real estate assets.
- There are limits on the ownership and transferability of our shares. See "Description of Capital Stock—Restrictions on Ownership and Transfer."
- 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 Inc. (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 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 the Company, 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.
- The outbreak of the novel coronavirus ("COVID-19") has had and may in the future have an adverse impact on our NAV, results of operations (including FFO, AFFO and FAD), cash flows and

fundraising, and may have an adverse impact on our ability to source new investments, obtain financing, fund distributions to stockholders and satisfy repurchase requests, among other factors.

See “Risk Factors.”

Q: What is the role of our board of directors?

A: We operate under the direction of our board of directors, the members of which are accountable to us and our stockholders as fiduciaries. We have seven directors, four of whom have been determined to be independent of us, the Adviser, Blackstone and its affiliates. Our independent directors are responsible for reviewing the performance of the Adviser and approving the compensation paid to the Adviser and its affiliates. Our directors are elected annually by our stockholders. The names and biographical information of our directors are provided under “Management—Directors and Executive Officers.”

Q: What is the difference between the Class T, Class S, Class D and Class I shares of common stock being offered?

A: We are offering to the public four classes of shares of our common stock, Class T shares, Class S shares, Class D shares and Class I shares. The differences among the share classes relate to upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees. No upfront selling commissions, dealer manager fees or stockholder servicing fees are paid with respect to Class I shares. See “Description of Capital Stock” and “Plan of Distribution” for a discussion of the differences between our Class T, Class S, Class D and Class I shares.

Assuming a constant net asset value per share of \$10.00 and assuming applicable stockholder servicing fees are paid until the 8.75% of gross proceeds limit described in “Compensation—Stockholder Servicing Fee” is reached, we expect that a one-time investment in 1,000 shares of each class of our shares (representing an aggregate net asset value of \$10,000 for each class) would be subject to the following upfront selling commissions, dealer manager fees and stockholder servicing fees:

	<u>Upfront Selling Commissions</u>	<u>Dealer Manager Fees</u>	<u>Annual Stockholder Servicing Fees</u>	<u>Maximum Stockholder Servicing Fees Over Life of Investment (Length of Time)</u>	<u>Total (Length of Time)</u>
Class T	\$ 300	\$ 50	\$ 85	\$556 (7 years)	\$906 (7 years)
Class S	\$ 350	\$ 0	\$ 85	\$556 (7 years)	\$906 (7 years)
Class D	\$ 150	\$ 0	\$ 25	\$738 (30 years)	\$888 (30 years)
Class I	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Class T and Class S shares are available through brokerage and transaction-based accounts. Class D shares are generally available for purchase in this offering only (1) through fee-based programs, also known as wrap accounts, that provide access to Class D shares, (2) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class D shares, (3) through transaction/brokerage platforms at participating broker-dealers, (4) through certain registered investment advisers, (5) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers or (6) other categories of investors that we name in an amendment or supplement to this prospectus. Class I shares are generally available for purchase in this offering only (1) through fee-based programs, also known as wrap accounts, that provide access to Class I shares, (2) by endowments, foundations, pension funds and other institutional investors, (3) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class I shares, (4) through certain registered investment advisers, (5) by our executive officers and directors and their immediate family members, as well as officers and employees of the Adviser, Blackstone or other affiliates

and their immediate family members, and joint venture partners, consultants and other service providers or (6) other categories of investors that we name in an amendment or supplement to this prospectus. In certain cases, where a holder of Class S, Class T or Class D shares exits a relationship with a participating broker-dealer for this offering and does not enter into a new relationship with a participating broker-dealer for this offering, such holder's shares may be exchanged into an equivalent NAV amount of Class I shares. Before making your investment decision, please consult with your investment adviser regarding your account type and the classes of common stock you may be eligible to purchase.

Certain participating broker-dealers may offer volume discounts, which would reduce upfront selling commissions and would therefore increase the length of time required for selling commissions, dealer manager fees and stockholder servicing fee to reach 8.75% of gross proceeds. In the case of Class T shares sold through certain participating broker-dealers, a lower limit than 8.75% of gross proceeds may be used, as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued. See “—What fees do you pay to the Adviser and its affiliates?” and “Plan of Distribution—Underwriting Compensation—Upfront Selling Commissions and Dealer Manager Fees.”

If you are eligible to purchase all four classes of shares, then in most cases you should purchase Class I shares because Class I shares have no upfront selling commissions, dealer manager fees or stockholder servicing fees, which will reduce the NAV or distributions of the other share classes. However, Class I shares will not receive stockholder services. If you are eligible to purchase Class T, Class S and Class D shares but not Class I shares, in most cases you should purchase Class D shares because Class D shares have lower upfront selling commissions, no dealer manager fees and lower annual stockholder servicing fees. The annual stockholder servicing fee paid with respect to the Class D shares is an ongoing fee that will be paid monthly in arrears.

Q: What is the per share purchase price?

A: Each class of shares will be sold at the then-current transaction price, which is generally the prior month's NAV per share for such class, plus applicable upfront selling commissions and dealer manager fees. Although the offering price for shares of our common stock is generally based on the prior month's NAV per share, the NAV per share of such stock as of the date on which your purchase is settled may be significantly different. 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, including by updating a previously disclosed offering price, 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. Each class of shares may have a different NAV per share because stockholder servicing fees differ with respect to each class.

Q: How is your NAV per share calculated?

A: Our NAV is calculated monthly based on the net asset values of our investments (including securities investments), the addition of any other assets (such as cash on hand), and the deduction of any other liabilities. Altus Group U.S. Inc., a valuation firm, was selected by the Adviser and approved by our board of directors, including a majority of our independent directors, to serve as our independent valuation advisor and review annual third-party appraisals of our properties.

In addition, we will update the valuations of our properties monthly, based on the most recent annual third-party appraisals and current market data and other relevant information, with review and confirmation for reasonableness by our independent valuation advisor. Our NAV per share is calculated by an affiliate of State Street Bank and Trust Company (“State Street”), a third-party firm that provides us with certain administrative and accounting services, and such calculation is reviewed and confirmed by the Adviser. However, the Adviser is ultimately responsible for the determination of our NAV.

NAV is not a measure used under generally accepted accounting principles in the U.S. (“GAAP”) and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. You should not consider NAV to be equivalent to stockholders’ equity or any other GAAP measure. See “Net Asset Value Calculation and Valuation Guidelines” for more information regarding the calculation of our NAV per share of each class and how our properties and real estate debt will be valued.

Q: Is there any minimum investment required?

A: The minimum initial investment in Class T, Class S or Class D shares of our common stock is \$2,500, and the minimum subsequent investment in such shares is \$500 per transaction. The minimum initial investment in Class I shares of our common stock is \$1,000,000, and the minimum subsequent investment in such shares is \$500 per transaction, unless such minimums are waived by the Dealer Manager. The minimum subsequent investment amount does not apply to purchases made under our distribution reinvestment plan. In addition, our board of directors may elect to accept smaller investments in its discretion.

Q: What is a “best efforts” offering?

A: This public offering of common stock is being conducted on a “best efforts” basis. A “best efforts” offering means that the Dealer Manager and the participating brokers are only required to use their best efforts to sell the shares. When shares are offered to the public on a “best efforts” basis, no underwriter, broker-dealer or other person has a firm commitment or obligation to purchase any of the shares. Therefore, we cannot guarantee that any minimum number of shares will be sold.

Q: What is the expected term of this offering?

A: We have registered \$20,000,000,000 in shares of our common stock, in any combination of Class T shares, Class S shares, Class D shares and Class I shares, to be sold in our primary offering and up to \$4,000,000,000 in shares to be sold pursuant to our distribution reinvestment plan. It is our intent, however, to conduct a continuous offering for an indefinite period of time, by filing for additional offerings of our shares, subject to regulatory approval and continued compliance with the rules and regulations of the SEC and applicable state laws.

We will endeavor to take all reasonable actions to avoid interruptions in the continuous offering of our shares of common stock. There can be no assurance, however, that we will not need to suspend our continuous offering while the SEC and, where required, state securities regulators, review such filings for additional offerings of our stock until such filings are declared effective, if at all.

Q: When may I make purchases of shares and at what price?

A: Subscriptions to purchase our common stock may be made on an ongoing basis, but investors may only purchase our common stock pursuant to accepted subscription orders as of the first calendar day of each month (based on the prior month’s transaction price), and to be accepted, a subscription request must be received in good order at least five business days prior to the first calendar day of the month (unless waived by the Dealer Manager). The purchase price per share of each class will be equal to the then-current transaction price, which will generally be our prior month’s NAV per share for such class as of the last calendar day of such month, 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, including by updating a previously disclosed transaction price, 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. See “How to Subscribe” for more details.

For example, if you wish to subscribe for shares of our common stock in October, your subscription request must be received in good order at least five business days before November 1. Generally, the offering price will equal the NAV per share of the applicable class as of the last calendar day of September, plus applicable upfront selling commissions and dealer manager fees. If accepted, your subscription will be effective on the first calendar day of November.

Q: When will the transaction price be available?

A: Generally, within 15 calendar days after the last calendar day of each month, we will determine our NAV per share for each share class as of the last calendar day of the prior month, which will generally be the transaction price for the then-current month for such share class. However, in certain circumstances, the transaction price will not be made available until a later time. We will disclose the transaction price for each month when available on our website at www.breit.com and in prospectus supplements filed with the SEC.

Generally, you will not be provided with direct notice of the transaction price when it becomes available. Therefore, if you wish to know the transaction price prior to your subscription being accepted you must check our website or our filings with the SEC prior to the time your subscription is accepted.

However, if the transaction price is not made available on or before the eighth business day before the first calendar day of the month (which is six business days before the earliest date we may accept subscriptions), or a previously disclosed transaction price for that month is changed, then we will provide notice of such transaction price (and the first day on which we may accept subscriptions) directly to subscribing investors when such transaction price is made available. In such cases, you will have at least three business days from delivery of such notice before your subscription is accepted. See “How to Subscribe.”

Q: May I withdraw my subscription request once I have made it?

A: Yes. Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be canceled at any time before the time it has been accepted. You may withdraw your purchase request by notifying the transfer agent, through your financial intermediary or directly on our toll-free, automated telephone line, 844-702-1299.

Q: When will my subscription be accepted?

A: Completed subscription requests will not be accepted by us before the later of (i) two business days before the first calendar day of each month and (ii) three business days after we make the transaction price (including any subsequent revised transaction price) publicly available by posting it on our website at www.breit.com and filing a prospectus supplement with the SEC (or in certain cases after we have delivered notice of such price directly to you as discussed above). As a result, you will have a minimum of three business days after the transaction price for that month has been disclosed to withdraw your request before you are committed to purchase the shares.

Q: Will I receive distributions and how often?

A: We have declared, and intend to continue to declare, monthly distributions as authorized by our board of directors (or a duly authorized committee of the board of directors) and have paid, and intend to continue to pay, such distributions to stockholders of record on a monthly basis. We commenced paying distributions in April 2017 and have paid distributions each month since such date. Any distributions we make are at the discretion of our board of directors, considering factors such as our earnings, cash flow, capital needs and general financial condition and the requirements of Maryland law. As a result, our distribution rates and payment frequency may vary from time to time. Share repurchases under our share repurchase plan are

effectuated as of the opening of the last calendar day of each month and we have historically declared monthly distributions with a record date as of the close of business of the last calendar day of each month. You will not be entitled to receive a distribution if your shares are repurchased prior to the applicable time of the record date.

Our board of directors' discretion as to the payment of distributions will be directed, in substantial part, by its determination to cause us to comply with the REIT requirements. To maintain our qualification as a REIT, we generally are required to make aggregate annual distributions to our stockholders of at least 90% of our REIT taxable income determined without regard to the dividends-paid deduction and excluding net capital gains. See "Description of Capital Stock—Distribution Policy" and "Material U.S. Federal Income Tax Considerations."

The per share amount of distributions on Class T, Class S, Class D and Class I shares generally differ because of different class-specific stockholder servicing fees that are deducted from the gross distributions for each share class. Specifically, distributions on Class T and Class S shares will be lower than Class D shares, and Class D shares will be lower than Class I shares because we are required to pay higher ongoing stockholder servicing fees with respect to the Class T and Class S shares (compared to Class D shares and Class I shares) and we are required to pay higher ongoing stockholder servicing fees with respect to Class D shares (compared to Class I shares).

There is no assurance we will pay distributions in any particular amount, if at all. We may fund any distributions from sources other than cash flow from operations, including, without limitation, from borrowings or the sale of or repayment under our assets, and we have no limits on the amounts we may pay from such sources. We will not fund our distributions with proceeds from this offering. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, the extent to which the Adviser elects to receive its management fee in Class I shares or Class I units and the Special Limited Partner elects to receive distributions on its performance participation interest in Class I units or Class B units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from borrowings or the sale of or repayment under our assets will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares.

Q: Will the distributions I receive be taxable as ordinary income?

A: Generally, distributions that you receive, including cash distributions that are reinvested pursuant to our distribution reinvestment plan, will be taxed as ordinary income to the extent they are paid from our current or accumulated earnings and profits. Dividends received from REITs are generally not eligible to be taxed at the lower U.S. federal income tax rates applicable to individuals for "qualified dividends" from C corporations (i.e., corporations generally subject to U.S. federal corporate income tax). However, under the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Bill"), commencing with taxable years beginning on or after January 1, 2018 and continuing through 2025, individual taxpayers may be entitled to claim a deduction in determining their taxable income of 20% of ordinary REIT dividends (dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us), which temporarily reduces the effective tax rate on such dividends.

We may designate a portion of distributions as capital gain dividends taxable at capital gain rates to the extent we recognize net capital gains from sales of assets. In addition, a portion of your distributions may be considered return of capital for U.S. federal income tax purposes. Amounts considered a return of capital

generally will not be subject to tax, but will instead reduce the tax basis of your investment. This, in effect, defers a portion of your tax until your shares are repurchased, you sell your shares or we are liquidated, at which time you generally will be taxed at capital gains rates. Because each investor's tax position is different, you should consult with your tax advisor. In particular, non-U.S. investors should consult their tax advisors regarding potential withholding taxes on distributions that you receive. See "Material U.S. Federal Income Tax Considerations."

Q: May I reinvest my cash distributions in additional shares?

A: Yes. We have adopted a distribution reinvestment plan whereby stockholders (other than Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont and Washington investors and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will have their cash distributions automatically reinvested in additional shares of our common stock unless they elect to receive their distributions in cash. Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont and Washington investors and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan will automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares of our common stock. If you participate in our distribution reinvestment plan, the cash distributions attributable to the class of shares that you own will be automatically invested in additional shares of the same class. The purchase price for shares purchased under our distribution reinvestment plan will be equal to the transaction price for such shares at the time the distribution is payable. Stockholders will not pay upfront selling commissions when purchasing shares under our distribution reinvestment plan; however, all outstanding Class T, Class S and Class D shares, including those purchased under our distribution reinvestment plan, will be subject to ongoing stockholder servicing fees. Participants may terminate their participation in the distribution reinvestment plan with ten business days' prior written notice to us. See "Description of Capital Stock—Distribution Reinvestment Plan" for more information regarding the reinvestment of distributions you may receive from us. For the complete terms of the distribution reinvestment plan, see Appendix A to this prospectus.

Q: Can I request that my shares be repurchased?

A: Yes. However, while stockholders may request on a monthly basis that we repurchase all or any portion of their shares pursuant to our share repurchase plan, 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, our ability to fulfill repurchase requests is subject to a number of limitations. As a result, share repurchases may not be available each month. Under our share repurchase plan, to the extent we choose to repurchase shares in any particular month, we will only repurchase shares as of the opening of the last calendar day of that month (each such date, a "Repurchase Date"). Repurchases will be made at the transaction price in effect on the Repurchase Date, except that shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price (an "Early Repurchase Deduction"). The one-year holding period is measured as of the subscription closing date immediately following the prospective repurchase date. Additionally, stockholders who have received shares of our common stock in exchange for their Operating Partnership units may include the period of time such stockholder held such Operating Partnership units for purposes of calculating the holding period for such shares of our common stock. The Early Repurchase Deduction may only be waived in the case of repurchase requests arising from the death or qualified disability of the holder. To have your shares repurchased, your repurchase request and required documentation must be received in good order by 4:00 p.m. (Eastern time) on the second to last business day of the applicable month. Settlements of share repurchases will be made within three business days of the Repurchase Date. The Early Repurchase

Deduction will not apply to shares acquired through our distribution reinvestment plan. An investor may withdraw its repurchase request by notifying the transfer agent before 4:00 p.m. (Eastern time) on the last business day of the applicable month.

The aggregate NAV of total repurchases of Class T, Class S, Class D and Class I shares (including repurchases at certain non-U.S. investor access funds primarily created to hold shares of our common stock but excluding any Early Repurchase Deduction applicable to the repurchased shares) is limited to no more than 2% of our aggregate NAV per month (measured using the aggregate NAV as of the end of the immediately preceding month) and no more than 5% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV as of the end of the immediately preceding three months).

In the event that we determine to repurchase some but not all of the shares submitted for repurchase during any month, shares repurchased at the end of the month will be repurchased on a pro rata basis. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase plan, as applicable.

Our approach to portfolio construction is to maintain a portfolio of at least 80% income-generating, stabilized real estate investments and up to 20% in real estate debt investments, cash, cash equivalents and other short-term investments. Real estate investments cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. The real estate debt portfolio was designed as a feature of our investment program to provide current income and contribute to our overall net returns and, alongside our credit facilities and operating cash flow, as an additional source of liquidity for our share repurchase plan, cash management and other purposes. We may fund repurchase requests from sources other than cash flow from operations, including, without limitation, the sale of or repayment under our assets, borrowings or offering proceeds (including from sales of our common stock or Operating Partnership units to the Special Limited Partner), and we have no limits on the amounts we may pay from such sources. Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real estate or other investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Further, our board of directors may make exceptions to, 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. If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests. See “Share Repurchases—Repurchase Limitations.”

Q: Will I be notified of how my investment is doing?

A: Yes. We will provide you with periodic updates on the performance of your investment with us, including:

- three quarterly financial reports and investor statements;
- an annual report;
- in the case of certain U.S. stockholders, an annual Internal Revenue Service (“IRS”) Form 1099-DIV or IRS Form 1099-B, if required, and, in the case of non-U.S. stockholders, an annual IRS Form 1042-S;
- confirmation statements (after transactions affecting your balance, except reinvestment of distributions in us and certain transactions through minimum account investment or withdrawal programs); and

- a quarterly statement providing material information regarding your participation in the distribution reinvestment plan and an annual statement providing tax information with respect to income earned on shares under the distribution reinvestment plan for the calendar year.

Depending on legal requirements, we may post this information on our website, www.breit.com, or provide this information to you via U.S. mail or other courier, electronic delivery, or some combination of the foregoing. Information about us will also be available on the SEC's website at www.sec.gov.

Our monthly NAV per share for each class will be posted on our website promptly after it has become available.

Q: What fees do you pay to the Adviser and its affiliates?

A: We pay the Adviser, the Special Limited Partner, the Dealer Manager and their affiliates the fees and expense reimbursements described below in connection with performing services for us.

We do not intend to pay the Adviser or its affiliates any separate fees for property acquisitions, dispositions, financings (except interest and other payments to the lender in cases where the lender is an affiliate of the Adviser) or development, or adopt a long-term incentive plan, although our charter permits us to do so, subject to certain limitations. We do, however, reimburse the Adviser and its affiliates for out-of-pocket and other expenses related to the foregoing activities to the extent such expenses are paid by the Adviser and its affiliates.

Type of Compensation and Recipient

Determination of Amount

Estimated Amount

Organization and Offering Activities

Upfront Selling Commissions and Dealer Manager Fees
—*The Dealer Manager*

The Dealer Manager is entitled to receive upfront selling commissions of up to 3.0%, and upfront dealer manager fees of 0.5%, of the transaction price of each Class T share sold in the primary offering, however such amounts may vary at certain participating broker-dealers provided that the sum will not exceed 3.5% of the transaction price. The Dealer Manager is entitled to receive upfront selling commissions of up to 3.5% of the transaction price of each Class S share sold in the primary offering. The Dealer Manager may be entitled to receive upfront selling commissions of up to 1.5% of the transaction price of each Class D share sold in the primary offering. The Dealer Manager anticipates that all or a portion of the upfront selling commissions and dealer manager fees will be retained by, or reallocated (paid) to, participating broker-dealers.

No upfront selling commissions or dealer manager fees are paid with respect to purchases of Class I shares or shares of any class sold pursuant to our distribution reinvestment plan.

The actual amount will depend on the number of Class T, Class S and Class D shares sold and the transaction price of each Class T, Class S and Class D share. Aggregate upfront selling commissions will equal approximately \$396.7 million if we sell the maximum amount in our primary offering, and aggregate dealer manager fees will equal approximately \$4.8 million if we sell the maximum amount in our primary offering, assuming payment of the full upfront selling commissions and dealer manager fees (with a split for Class T shares of 3.0% and 0.5%, respectively), that 5%, 50% and 10% of our offering proceeds are from the sale of each of Class T, Class S and Class D shares, respectively, and that the transaction prices of our Class T, Class S and Class D shares remain constant at \$10.00.

Type of Compensation and Recipient	Determination of Amount	Estimated Amount
<p>Stockholder Servicing Fees— <i>The Dealer Manager</i></p>	<p>Subject to FINRA limitations on underwriting compensation, we pay the Dealer Manager selling commissions over time as stockholder servicing fees for ongoing services rendered to stockholders by participating broker-dealers or broker-dealers servicing investors' accounts, referred to as servicing broker-dealers:</p> <ul style="list-style-type: none"> • with respect to our outstanding Class T shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class T shares, consisting of an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV of our outstanding Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares; • with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares; and • with respect to our outstanding Class D shares equal to 0.25% per annum of the aggregate NAV of our outstanding Class D shares. <p>We do not pay a stockholder servicing fee with respect to our outstanding Class I shares.</p> <p>The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services. Because the stockholder servicing fees are calculated based on our NAV for our Class T, Class S and Class D shares, they will reduce the NAV or, alternatively, the distributions payable, with respect to the shares of each such class, including shares issued under our distribution reinvestment plan.</p>	<p>Actual amounts depend upon the per share NAVs of our Class T shares, Class S shares and Class D shares, the number of Class T shares, Class S shares and Class D shares purchased and when such shares are purchased. For Class T shares, the stockholder servicing fees will equal approximately \$8.2 million per annum if we sell the maximum amount. For Class S shares, the stockholder servicing fees will equal approximately \$82.1 million per annum if we sell the maximum amount. For Class D shares, the stockholder servicing fees will equal approximately \$4.9 million per annum if we sell the maximum amount. In each case, we are assuming that, in our primary offering, 5% of our offering proceeds are from the sale of Class T shares, 50% of our offering proceeds are from the sale of Class S shares and 10% of our offering proceeds are from the sale of Class D shares, that the NAV per share of our Class T shares, Class S shares and Class D shares remains constant at \$10.00 and none of our stockholders participate in our distribution reinvestment plan.</p>

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Type of Compensation and Recipient	Determination of Amount	Estimated Amount
	<p>We will cease paying the stockholder servicing fee with respect to any Class T share, Class S share or Class D share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or, in the case of Class T shares sold through certain participating broker-dealers, a lower limit as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto) (collectively, the "Fee Limit"). At the end of such month, each such Class T share, Class S share or Class D share will convert into a number of Class I shares (including any fractional shares), with an equivalent aggregate NAV as such share (the "Share Conversion"). Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class T share (in the case of a limit of 8.75% of gross proceeds) or Class S share over approximately 7 years from the date of purchase and with respect to a Class D share over approximately 30 years from the date of purchase, assuming payment of the full upfront selling commissions and dealer manager fees, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for these time periods, this fee with respect to a Class T share or Class S share would total approximately \$0.91 and with respect to a Class D share would total approximately \$0.89.</p> <p>In addition, we will cease paying the stockholder servicing fee on the Class T shares, Class S shares and Class D shares on the earlier to occur of the following: (i) a listing of Class I shares, (ii) our merger or consolidation with or into another entity, or the sale or other disposition of all or substantially all of our assets or (iii) the date following the completion of the primary portion of this offering on</p>	

Type of Compensation and Recipient	Determination of Amount	Estimated Amount
<p>Organization and Offering Expense Reimbursement —<i>The Adviser</i></p>	<p>which, in the aggregate, underwriting compensation from all sources in connection with this offering, including upfront selling commissions, the stockholder servicing fee and other underwriting compensation, is equal to 10% of the gross proceeds from our primary offering.</p> <p>For a description of the services required from the participating broker-dealer or servicing broker-dealer, see the “Plan of Distribution—Underwriting Compensation—Stockholder Servicing Fees—Class T, Class S and Class D Shares.”</p> <p>We reimburse the Adviser for any organization and offering expenses associated with this offering that it incurs on our behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, and expense reimbursements for actual costs incurred by employees of the Dealer Manager in the performance of wholesaling activities, but excluding upfront selling commissions, dealer manager fees and the stockholder servicing fee) as and when incurred. The Adviser currently pays wholesaling compensation expenses and certain related expenses of persons associated with the Dealer Manager without reimbursement from us.</p> <p>In connection with our prior public offering, the Adviser advanced \$10.2 million of organization and offering expenses to us through December 31, 2017. We are reimbursing the Adviser these expenses ratably over a 60 month period which began on January 1, 2018. After the termination of the primary offering and again after termination of the offering under our distribution reinvestment plan, the Adviser has agreed to reimburse us to the extent that the organization and offering expenses that we incur exceed 15% of our gross proceeds from the applicable offering.</p>	<p>We estimate our organization and offering expenses to be approximately \$16.5 million if we sell the maximum offering amount.</p>
<p>Acquisition Expense</p>	<p style="text-align: center;">Investment Activities</p> <p>We do not intend to pay the Adviser any acquisition, financing (except interest payments to the lender in cases where the lender is an affiliate of the Adviser) or</p>	<p>Actual amounts are dependent upon actual expenses incurred</p>

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Type of Compensation and Recipient	Determination of Amount	Estimated Amount
Reimbursement— <i>The Adviser</i>	<p>other similar fees in connection with making investments. We will, however, reimburse the Adviser for out-of-pocket expenses in connection with the selection and acquisition of properties and real estate debt, whether or not such investments are acquired, and make payments to third parties or certain of the Adviser’s affiliates in connection with making investments as described in “—Fees from Other Services” below.</p>	and, therefore, cannot be determined at this time.
Management Fee— <i>The Adviser</i>	<p style="text-align: center;">Operational Activities</p> <p>We pay the Adviser a management fee equal to 1.25% of NAV per annum payable monthly. Additionally, to the extent that our Operating Partnership issues Operating Partnership units to parties other than us, our Operating Partnership will pay the Adviser a management fee equal to 1.25% of the NAV of the Operating Partnership attributable to such Operating Partnership units not held by us per annum payable monthly.</p> <p>The management fee may be paid, at the Adviser’s election, in cash, Class I shares or Class I units of our Operating Partnership. To the extent that the Adviser elects to receive any portion of its management fee in Class I shares or Class I units of our Operating Partnership, we may repurchase such Class I shares or Class I units of our Operating Partnership from the Adviser at a later date. Shares of our Class I common stock and Class I units of our Operating Partnership obtained by the Adviser will not be subject to the repurchase limits of our share repurchase plan or any Early Repurchase Deduction. The Operating Partnership will repurchase any such Operating Partnership units for cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the Operating Partnership’s partnership agreement, in which case such Operating Partnership units will be repurchased for shares of our common stock with an equivalent aggregate NAV. The Adviser and the Special Limited Partner will have the option of exchanging Class I shares for an equivalent aggregate NAV amount of Class T, Class S or Class D shares and will have registration rights with respect to shares of our common stock.</p>	<p>Actual amounts of the management fee depend upon our aggregate NAV. The management fee attributed to the shares sold in this offering will equal approximately \$245.0 million per annum if we sell the maximum amount in our primary offering, assuming that the NAV per share of our Class S, Class T, Class D and Class I shares remains constant at \$10.00 and before giving effect to any shares issued under our distribution reinvestment plan.</p> <p>Actual amounts of out-of-pocket expenses paid by the Adviser that we reimburse are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.</p>

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Type of Compensation and Recipient	Determination of Amount	Estimated Amount
	<p>In addition to the organization and offering expense and acquisition expense reimbursements described above, we will reimburse the Adviser for out-of-pocket costs and expenses it incurs in connection with the services it provides to us, including, but not limited to, (1) the actual cost of goods and services used by us and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other service providers, and brokerage fees paid in connection with the purchase and sale of investments and securities, and (2) expenses of managing and operating our properties, whether payable to an affiliate or a non-affiliated person. See “Management—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursements.”</p>	
<p>Performance Participation Allocation—<i>The Special Limited Partner</i></p>	<p>So long as the Advisory Agreement has not been terminated, the Special Limited Partner holds a performance participation interest in the Operating Partnership that entitles it to receive an allocation from our Operating Partnership equal to 12.5% of the Total Return, subject to a 5% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined herein). Such allocation is made annually and accrues monthly.</p>	<p>Actual amounts of the performance participation depend upon the Operating Partnership’s actual annual total return and, therefore, cannot be calculated at this time.</p>
	<p>For a detailed explanation of how the performance participation allocation is calculated, see “Summary of Our Operating Partnership Agreement—Special Limited Partner Interest.” For a hypothetical calculation of the performance participation calculation, see “Compensation—Performance Participation Allocation Example.”</p>	
<p>Fees from Other Services — <i>Affiliates of the Adviser</i></p>	<p>We retain certain of the Adviser’s affiliates, from time to time, for services relating to our investments or our operations, which may include accounting and audit services (including valuation support services), account management services, corporate secretarial services, data management services, directorship services, information technology services, finance/budget services, human resources, judicial processes, legal services, operational services, risk management services, tax services, treasury services, loan management services, construction management services, property management services, leasing</p>	<p>Actual amounts depend on to what extent affiliates of the Adviser are actually engaged to perform such services.</p>

<u>Type of Compensation and Recipient</u>	<u>Determination of Amount</u>	<u>Estimated Amount</u>
	<p>services, property, title and/or other types of insurance and related services, transaction support services, transaction consulting services and other similar operational matters. Our Operating Partnership or its subsidiary may also issue equity incentive compensation to certain employees of such affiliates for services provided. Any compensation paid to the Adviser’s affiliates for any such services will not reduce the management fee or performance participation allocation. Any such arrangements will be at or below market rates. For more information about such services, please see “Risk Factors—Risks Related to Conflicts of Interest—The Adviser may face conflicts of interest in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us.”</p>	
	<p>In calculating our management fee, we use our NAV before giving effect to accruals for the management fee, performance participation allocation, stockholder servicing fees or distributions payable on our shares. In calculating our stockholder servicing fee, we will use our NAV before giving effect to accruals for the stockholder servicing fee or distributions payable on our shares.</p>	
	<p>Our Total Operating Expenses, including any performance participation allocation made to the Special Limited Partner with respect to its performance participation interest in the Operating Partnership, will be limited during any four fiscal quarters to the greater of (a) 2.0% of our Average Invested Assets or (b) 25.0% of our Net Income. This limit may be exceeded only if our independent directors have made a finding that, based on such unusual and non-recurring factors as they deem sufficient, a higher level of expenses is justified, and such finding is recorded in the minutes of a meeting of the independent directors. For purposes of these limits:</p>	
	<ul style="list-style-type: none"> <li data-bbox="253 779 1380 1014">• “Total Operating Expenses” are all costs and expenses paid or incurred by us, as determined under generally accepted accounting principles, including the management fee and the performance participation, but excluding: (i) the expenses of raising capital such as organization and offering expenses, legal, audit, accounting, underwriting, brokerage, listing, registration and other fees, printing and other such expenses and taxes incurred in connection with the issuance, distribution, transfer, registration and listing of our capital stock, (ii) property-level expenses incurred at each property, (iii) interest payments, (iv) taxes, (v) non-cash expenditures such as depreciation, amortization and bad debt reserves, (vi) incentive fees paid in compliance with our charter, (vii) acquisition fees and acquisition expenses related to the selection and acquisition of assets, whether or not a property is actually acquired, (viii) real estate commissions on the sale of property and (ix) other fees and expenses connected with the acquisition, disposition, management and ownership of real estate interests, mortgage loans or other property (including the costs of foreclosure, insurance premiums, legal services, maintenance, repair and improvement of property). <li data-bbox="253 1025 1380 1126">• “Average Invested Assets” means, for any period, the average of the aggregate book value of our assets, invested, directly or indirectly, in equity interests in and loans secured by real estate, including all properties, mortgages and real estate-related securities and consolidated and unconsolidated joint ventures or other partnerships, before deducting depreciation, amortization, impairments, bad debt 	

reserves or other non-cash reserves, computed by taking the average of such values at the end of each month during such period.

- “Net Income” means, for any period, total revenues applicable to such period, less the total expenses applicable to such period other than additions to, or allowances for, non-cash charges such as depreciation, amortization, impairments and reserves for bad debt or other similar non-cash reserves.

See “Management—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursements.”

Q: What are your policies related to conflicts of interests with Blackstone and its affiliates?

A: *Businesses or Services Provided by the Adviser to Others.* The Advisory Agreement provides that it does not (i) prevent the Adviser or any of its affiliates, officers, directors or employees from engaging in other businesses or from rendering services of any kind to any other person or entity, whether or not the investment objectives or guidelines of any such other person or entity are similar to those of ours, including, without limitation, the sponsoring, closing and/or managing of any Other Blackstone Accounts, (ii) in any way bind or restrict the Adviser or any of its affiliates, officers, directors or employees from buying, selling or trading any securities or commodities for their own accounts or for the account of others for whom the Adviser or any of its affiliates, officers, directors or employees may be acting or (iii) prevent the Adviser or any of its affiliates from receiving fees or other compensation or profits from activities described in clauses (i) or (ii) above which shall be for the Adviser’s (and/or its affiliates’) sole benefit. In particular, there will be overlap of real estate and real estate debt investment opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts.

Allocation of Future Investment Opportunities. The Advisory Agreement acknowledges that, while information and recommendations supplied to us shall, in the Adviser’s reasonable and good faith judgment, be appropriate under the circumstances and in light of our investment guidelines, such information and recommendations may be different in certain material respects from the information and recommendations supplied by the Adviser or its affiliates to others (including, for greater certainty, the Other Blackstone Accounts and their investors, as described below). In addition, as acknowledged in the Advisory Agreement, affiliates of the Adviser advise and/or manage one or more Other Blackstone Accounts and we expect will in the future sponsor, advise and/or manage additional Other Blackstone Accounts. This overlap will from time to time create conflicts of interest. Additionally, in certain circumstances investment opportunities suitable for us will not be presented to us and there will be one or more investment opportunities where our participation is restricted.

Currently, a Private Core+ Account invests in “core+” real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone’s prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). See “Risk Factors—Risks Related to Conflicts of Interest—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.”

Furthermore, the Select Opportunistic Blackstone Accounts invest in “opportunistic” real estate and real estate-related assets globally (which often are undemanded assets and with higher potential for equity appreciation) and have priority over us with respect to such investment opportunities. This priority will result in fewer investment opportunities being made available to us. No Other Blackstone Accounts other

than Select Opportunistic Blackstone Accounts have priority over us with respect to real estate investment opportunities.

As of September 30, 2020, Other Blackstone Accounts with investment objectives or guidelines that overlap with our primary strategy but that do not have priority over us (including the Private Core+ Accounts) that are in their investing stage had no unused capital commitments and Select Opportunistic Blackstone Accounts (which are Other Blackstone Accounts that receive priority over us and whose investment strategies are generally less similar to ours but can overlap to some extent) in their investing stage had approximately \$14.5 billion of unused capital commitments. See “Conflicts of Interest.”

Blackstone believes our investment objectives, guidelines and strategy are generally distinct from Other Blackstone Accounts. Accordingly, we believe there has been to date, and expect there will continue to be, sufficient investment opportunities for us within our investment guidelines because of the scale of the real estate market.

Pursuant to the terms of the Advisory Agreement, we have acknowledged and/or agreed that (i) as part of Blackstone’s or its affiliates’ regular businesses, personnel of the Adviser and its affiliates will from time to time work on other projects and matters (including with respect to one or more Other Blackstone Accounts), and that conflicts will from time to time arise with respect to the allocation of personnel between us and one or more Other Blackstone Accounts and/or the Adviser and such other affiliates, (ii) unless prohibited by our charter, Other Blackstone Accounts may invest, from time to time, in investments in which we also invest (including at a different level of an issuer’s capital structure (e.g., an investment by an Other Blackstone Account in a debt or mezzanine interest with respect to the same portfolio entity in which we own an equity interest or vice versa) or in a different tranche of equity or debt with respect to an issuer in which we have an interest) and while Blackstone and its affiliates will seek to resolve any such conflicts in a fair and reasonable manner (subject to any priorities of the Select Opportunistic Blackstone Accounts) in accordance with its prevailing policies and procedures with respect to conflicts resolution among Other Blackstone Accounts generally, such transactions are not required to be presented to our board of directors or any committee thereof for approval (unless otherwise required by our charter or investment guidelines), and there can be no assurance that any conflicts will be resolved in our favor, (iii) we will from time to time pay fees to the Adviser and its affiliates, including portfolio entities of Other Blackstone Accounts, for providing various services described in this prospectus, as updated from time to time (the “Services”), including those described under “Risk Factors—Risks Related to Conflicts of Interest—The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us,” (iv) the Adviser’s affiliates will from time to time receive fees from portfolio entities or other issuers for the Services, and while such fees may give rise to conflicts of interest we will not receive the benefit of any such fees, and (v) the terms and conditions of the governing agreements of such Other Blackstone Accounts (including with respect to the economic, reporting, and other rights afforded to investors in such Other Blackstone Accounts) are materially different from the terms and conditions applicable to us and our stockholders, and neither we nor any of our stockholders (in such capacity) shall have the right to receive the benefit of any such different terms applicable to investors in such Other Blackstone Accounts as a result of an investment in us or otherwise. In addition, pursuant to the terms of the Advisory Agreement, the Adviser is required to keep our board of directors reasonably informed on a periodic basis in connection with the foregoing.

Transactions with any Blackstone Account or Affiliate. Pursuant to the terms of the Advisory Agreement, and subject to applicable law, the Adviser is not permitted to consummate on our behalf any transaction that involves (i) the sale of any investment to or (ii) the acquisition of any investment from Blackstone, any Blackstone Account or any of their affiliates unless such transaction is approved by a majority of our directors, including a majority of independent directors, not otherwise interested in such transaction as being fair and reasonable to us. In addition, for any such acquisition by us, our purchase price will be limited to the cost of the property to the affiliate, including acquisition-related expenses, or if substantial justification

exists, the current appraised value of the property as determined by an independent expert. In addition, we may enter into joint ventures with Other Blackstone Accounts, or with Blackstone, the Adviser, one or more of our directors, or any of their respective affiliates, only if a majority of our directors (including a majority of our independent directors) not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on substantially the same, or more favorable, terms and conditions as those received by other affiliate joint venture partners. Pursuant to the terms of the Advisory Agreement, it is agreed that the Adviser will seek to resolve any conflicts of interest in a fair and reasonable manner (subject to any priorities of the Select Opportunistic Blackstone Accounts) in accordance with its prevailing policies and procedures with respect to conflicts resolution among Other Blackstone Accounts generally, but only those transactions set forth in this paragraph will be expressly required to be presented for approval to the independent directors of our board of directors or any committee thereof (unless otherwise required by our charter or our investment guidelines).

Corporate Opportunities. Our board of directors has adopted a resolution that provides, subject to certain exceptions, that none of Blackstone or its affiliates, our directors or any person our directors control will be required to refrain directly or indirectly from engaging in any business opportunities, including any business opportunities in the same or similar business activities or lines of business in which we or any of our affiliates may from time to time be engaged or propose to engage, or from competing with us, and that we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any such business opportunities, unless offered to a person in his or her capacity as one of our directors or officers and intended exclusively for us or any of our subsidiaries.

Q: Are there any limitations on the level of ownership of shares?

A: Our charter contains restrictions on the number of shares any one person or group may own. Specifically, our charter will not permit any person or group to own more than 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or of our outstanding capital stock of all classes or series, and attempts to acquire our common stock or our capital stock of all other classes or series in excess of these 9.9% limits would not be effective without an exemption from these limits (prospectively or retroactively) by our board of directors. These limits may be further reduced if our board of directors waives these limits for certain holders. See “Description of Capital Stock—Restrictions on Ownership and Transfer.” These restrictions are designed, among other purposes, to enable us to comply with ownership restrictions imposed on REITs by the Code, and may have the effect of preventing a third party from engaging in a business combination or other transaction even if doing so would result in you receiving a “premium” for your shares. See “Risk Factors—Risks Related to This Offering and Our Organizational Structure” for additional discussion regarding restrictions on share ownership.

Q: Are there any ERISA considerations in connection with an investment in our shares?

A: The section of this prospectus captioned “Certain ERISA Considerations” describes the effect that the purchase of shares will have on individual retirement accounts and retirement plans that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code. ERISA is a federal law that regulates the operation of certain tax-advantaged retirement plans. Any retirement plan trustee or individual considering purchasing shares for a retirement plan or an individual retirement account (“IRA”) should consider, at a minimum: (1) whether the investment is in accordance with the documents and instruments governing the IRA, plan or other account; (2) whether the investment satisfies the fiduciary requirements associated with the IRA, plan or other account; (3) whether the investment will generate unrelated business taxable income to the IRA, plan or other account; (4) whether there is sufficient liquidity for that investment under the IRA, plan or other account; (5) the need to value the assets of the IRA, plan or other account annually or more frequently; and (6) whether the investment would constitute a non-exempt

prohibited transaction under applicable law. See “Risk Factors—Retirement Plan Risks” and “Certain ERISA Considerations.”

Q: Are there any Investment Company Act of 1940 considerations?

A: We intend to engage primarily in the business of investing in real estate and to conduct our operations so that neither we nor any of our subsidiaries is required to register as an investment company under the Investment Company Act. A company is an “investment company” under the Investment Company Act:

- under Section 3(a)(1)(A), if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- under Section 3(a)(1)(C), if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns, or proposes to acquire, “investment securities” having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis, which we refer to as the “40% test.” The term “investment securities” generally includes all securities except U.S. government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exemption from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We intend to acquire real estate and real estate-related assets directly, primarily by acquiring fee interests in real property. We may also invest in real property indirectly through investments in joint venture entities, including joint venture entities in which we do not own a controlling interest and joint venture entities in which Other Blackstone Accounts may invest. We plan to conduct our businesses primarily through the Operating Partnership, a majority-owned subsidiary, and expect to establish other direct or indirect majority-owned subsidiaries to hold particular assets.

We intend to conduct our operations so that we and most, if not all, of our wholly and majority-owned subsidiaries will comply with the 40% test. We will continuously monitor our holdings on an ongoing basis to determine compliance with this test. We expect that most, if not all, of our wholly owned and majority-owned subsidiaries will not be relying on exemptions under either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Consequently, interests in these subsidiaries (which are expected to constitute a substantial majority of our assets) generally will not constitute “investment securities.” Accordingly, we believe that we and most, if not all, of our wholly and majority-owned subsidiaries will not be considered investment companies under Section 3(a)(1)(C) of the Investment Company Act.

In addition, we believe that neither we nor any of our wholly or majority-owned subsidiaries will be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because they will not engage primarily or hold themselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we and our subsidiaries will be primarily engaged in non-investment company businesses related to real estate. Consequently, we expect to be able to conduct our subsidiaries’ respective operations such that none of them will be required to register as an investment company under the Investment Company Act.

We will determine whether an entity is a majority-owned subsidiary of our Company. The Investment Company Act defines a majority-owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat entities in which we own at least 50% of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. We have not requested that the SEC or its staff approve our treatment of any entity as a majority-owned subsidiary, and neither has done so. If the SEC or its staff was

to disagree with our treatment of one or more subsidiary entities as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any adjustment in our strategy could have a material adverse effect on us.

If we or any of our wholly or majority-owned subsidiaries would ever inadvertently fall within one of the definitions of “investment company,” we intend to rely on the exemption provided by Section 3(c)(5)(C) of the Investment Company Act, which is available for entities “primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate.” The SEC staff has taken the position that this exemption, in addition to prohibiting the issuance of certain types of securities, generally requires that at least 55% of an entity’s assets must be comprised of mortgages and other liens on and interests in real estate, also known as “qualifying assets,” and at least another 25% of the entity’s assets must be comprised of additional qualifying assets or a broader category of assets that we refer to as “real estate-related assets” under the Investment Company Act (and no more than 20% of the entity’s assets may be comprised of miscellaneous assets).

We will classify our assets for purposes of our 3(c)(5)(C) exemption based upon no-action positions taken by the SEC staff and interpretive guidance provided by the SEC and its staff. These no-action positions are based on specific factual situations that may be substantially different from the factual situations we may face, and a number of these no-action positions were issued more than twenty years ago. No assurance can be given that the SEC or its staff will concur with our classification of our assets. In addition, the SEC or its staff may, in the future, issue further guidance that may require us to re-classify our assets for purposes of the Investment Company Act. If we are required to re-classify our assets, we may no longer be in compliance with the exemption from the definition of an investment company provided by Section 3(c)(5)(C) of the Investment Company Act.

For purposes of determining whether we satisfy the 55%/25% test, based on certain no-action letters issued by the SEC staff, we intend to classify our fee interests in real property, held by us directly or through our wholly owned or majority-owned subsidiaries, as qualifying assets. In addition, based on no-action letters issued by the SEC staff, we will treat our investments in any joint ventures that in turn invest in qualifying assets such as real property as qualifying assets, but only if we are active in the management and operation of the joint venture and have the right to approve major decisions by the joint venture; otherwise, they will be classified as real estate-related assets. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts. We expect that no less than 55% of our assets will consist of investments in real property, including any joint ventures that we control or in which we share control.

Qualifying for an exemption from registration under the Investment Company Act will limit our ability to make certain investments. For example, these restrictions may limit our and our subsidiaries’ ability to invest directly in mortgage-backed securities that represent less than the entire ownership in a pool of mortgage loans, debt and equity tranches of securitizations and certain asset-backed securities, non-controlling equity interests in real estate companies or in assets not related to real estate.

Although we intend to monitor our portfolio, there can be no assurance that we will be able to maintain this exemption from registration.

A change in the value of any of our assets could negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To maintain compliance with the Section 3(c)(5)(C) exemption, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

To the extent that the SEC or its staff provides more specific guidance regarding any of the matters bearing upon the definition of investment company and the exemptions to that definition, we may be required to adjust our strategy accordingly. On August 31, 2011, the SEC issued a concept release and request for comments regarding the Section 3(c)(5)(C) exemption (Release No. IC-29778) in which it contemplated the possibility of issuing new rules or providing new interpretations of the exemption that might, among other things, define the phrase “liens on and other interests in real estate” or consider sources of income in determining a company’s “primary business.” Any additional guidance from the SEC or its staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies we have chosen.

If we are required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan. For additional discussion of the risks that we would face if we were required to register as an investment company under the Investment Company Act, see “Risk Factors—Risks Related to This Offering and Our Organizational Structure—Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.”

Q: When will I get my detailed tax information?

A: In the case of certain U.S. stockholders, we expect your IRS Form 1099-DIV tax information, if required, to be mailed by January 31 of each year.

Q: Who can help answer my questions?

A: If you have more questions about this offering or if you would like additional copies of this prospectus, you should contact your financial adviser or our transfer agent:

DST Systems, Inc.
PO Box 219349
Kansas City, MO 64121-9349

Overnight Address:
DST Systems, Inc.
430 W 7th St. Suite 219349
Kansas City, MO 64105

Toll Free Number: 844-702-1299

RISK FACTORS

An investment in shares of our common stock involves risks. You should specifically consider the following material risks in addition to the other information contained in this prospectus before you decide to purchase shares of our common stock. The occurrence of any of the following risks might cause you to lose a significant part of your investment. The risks and uncertainties discussed below are not the only ones we face, but do represent those risks and uncertainties that we believe are most significant to our business, operating results, financial condition, prospects and forward-looking statements.

Risks Related to This Offering and Our Organizational Structure

We have held most of our current investments for only a limited period of time and you will not have the opportunity to evaluate our future investments before we make them, which makes your investment more speculative.

We have held most of our current investments for a limited period of time and are not able to provide you with information to assist you in evaluating the merits of any specific properties or real estate debt that we may acquire, except for investments that may be described in one or more supplements to this prospectus. Because we have not held our current investments for a long period of time, it may be difficult for you to evaluate our success in achieving our investment objectives. We will continue to seek to invest substantially all of the future net offering proceeds from this offering and certain private offerings, after the payment of fees and expenses, in the acquisition of or investment in interests in properties and real estate debt. However, because you will be unable to evaluate the economic merit of our future investments before we make them, you will have to rely entirely on the ability of the Adviser to select suitable and successful investment opportunities. Furthermore, the Adviser has broad discretion in selecting the types of properties we will invest in and the tenants of those properties, and you will not have the opportunity to evaluate potential investments. These factors increase the risk that your investment may not generate returns comparable to other real estate investment alternatives.

The Adviser manages our portfolio pursuant to very broad investment guidelines and generally is not required to seek the approval of our board of directors for each investment, financing or asset allocation decision made by it, which may result in our making riskier investments and which could adversely affect our results of operations and financial condition.

Our board of directors approved very broad investment guidelines that delegate to the Adviser the authority to execute acquisitions and dispositions of real estate and real estate debt on our behalf, in each case so long as such investments are consistent with the investment guidelines and our charter. The Adviser will implement on our behalf the strategies and discretionary approaches it believes from time to time may be best suited to prevailing market conditions in furtherance of that purpose, subject to the limitations under our investment guidelines and our charter. There can be no assurance that the Adviser will be successful in implementing any particular strategy or discretionary approach to our investment activities. Furthermore, the diversification and type of investments may differ substantially from our prior investments. For example, future investments may focus on different sectors of real estate or different geographic areas than is the case for our current investment portfolio. Our board of directors reviews our investment guidelines on an annual basis (or more often as it deems appropriate) and reviews our investment portfolio periodically. The prior approval of our board of directors or a committee of independent directors will be required only as set forth in our charter (including for transactions with affiliates of the Adviser) or for the acquisition or disposition of assets that are not in accordance with our investment guidelines. In addition, in conducting periodic reviews, our directors rely primarily on information provided to them by the Adviser. Furthermore, transactions entered into on our behalf by the Adviser may be costly, difficult or impossible to unwind when they are subsequently reviewed by our board of directors.

There is no public trading market for shares of our common stock; therefore, your ability to dispose of your shares will likely be limited to repurchase by us. If you do sell your shares to us, you may receive less than the price you paid.

There is no current public trading market for shares of our common stock, and we do not expect that such a market will ever develop. Therefore, repurchase of shares by us will likely be the only way for you to dispose of your shares. We expect to continue to repurchase shares at a price equal to the transaction price of the class of shares being repurchased on the date of repurchase (which will generally be equal to our prior month's NAV per share) and not based on the price at which you initially purchased your shares. Subject to limited exceptions, shares repurchased within one year of the date of issuance will be repurchased at 95% of the transaction price. As a result, you may receive less than the price you paid for your shares when you sell them to us pursuant to our share repurchase plan. See "Share Repurchases—Early Repurchase Deduction."

Your ability to have your shares repurchased through our share repurchase plan is limited. We may choose to repurchase fewer shares than have been requested to be repurchased, in our discretion at any time, and the amount of shares we may repurchase is subject to caps. Further, our board of directors may make exceptions to, 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.

We may choose to repurchase fewer shares than have been requested in any particular month to be repurchased under our share repurchase plan, or none at all, in our discretion at any time. We may repurchase fewer shares than have been requested to be repurchased due to lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than repurchasing our shares. In addition, the aggregate NAV of total repurchases (including repurchases at certain non-U.S. investor access funds primarily created to hold shares of our common stock but excluding any Early Repurchase Deduction applicable to the repurchased shares) is limited, in any calendar month, to no more than 2% of our aggregate NAV (measured using the aggregate NAV as of the end of the immediately preceding month) and, in any calendar quarter, to shares whose aggregate value is no more than 5% of our aggregate NAV (measured using the average aggregate NAV at the end of the immediately preceding three months). Further, our board of directors may make exceptions to, 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. If the full amount of all shares of our common stock requested to be repurchased in any given month are not repurchased, funds will be allocated pro rata based on the total number of shares of common stock being repurchased without regard to class and subject to the volume limitation. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase plan, as applicable.

The vast majority of our assets consist of properties that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy repurchase requests. Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Because we are not required to authorize the recommencement of the share repurchase plan within any specified period of time, we may effectively terminate the plan by suspending it indefinitely. As a result, your ability to have your shares repurchased by us may be limited and at times you may not be able to liquidate your investment. See "Share Repurchases—Repurchase Limitations."

Economic events that may cause our stockholders to request that we repurchase their shares may materially adversely affect our cash flow and our results of operations and financial condition.

Economic events affecting the U.S. economy, such as the general negative performance of the real estate sector, could cause our stockholders to seek to sell their shares to us pursuant to our share repurchase plan at a time when such events are adversely affecting the performance of our assets. Even if we decide to satisfy all resulting repurchase requests, our cash flow could be materially adversely affected. In addition, if we determine to sell assets to satisfy repurchase requests, we may not be able to realize the return on such assets that we may have been able to achieve had we sold at a more favorable time, and our results of operations and financial condition, including, without limitation, breadth of our portfolio by property type and location, could be materially adversely affected.

We have incurred net losses under GAAP in the past and may incur net losses in the future, and we have an accumulated deficit and may continue to have an accumulated deficit in the future.

For the nine months ended September 30, 2020 and the year ended December 31, 2019, we had net loss attributable to our stockholders of approximately \$764.4 million and \$401.8 million, respectively. As of September 30, 2020 and December 31, 2019, we had an accumulated deficit of approximately \$1.5 billion and \$769.2 million, respectively. These amounts largely reflect the expense of real estate depreciation and amortization in accordance with GAAP, which was \$1.0 billion and \$824.0 million during these periods. For the nine months ended September 30, 2020 and the year ended December 31, 2019, our funds available for distribution, or FAD, was \$561.5 million and \$409.4 million, respectively.

Net loss and accumulated deficit are calculated and presented in accordance with GAAP, which, among other things, requires depreciation of real estate investments to be calculated on a straight-line basis. As a result, our operating results imply that the value of our real estate investments will decrease evenly over a set time period. However, we believe that the value of real estate investments will fluctuate over time based on market conditions. Thus, in addition to GAAP financial metrics, management reviews certain non-GAAP financial metrics that exclude real estate-related depreciation and amortization, including FAD, as an additional meaningful non-GAAP supplemental disclosure to provide information for considering our operating results. See “Selected Information Regarding our Operations—Funds from Operations and Adjusted Funds from Operations and Funds Available for Distribution” for reconciliations of FAD to GAAP net loss attributable to common stockholders and for considerations on how to review this metric.

We face risks associated with the deployment of our capital.

In light of the nature of our continuous public offering as well as ongoing and periodic private offerings in relation to our investment strategy and the need to be able to deploy potentially large amounts of capital quickly to capitalize on potential investment opportunities, if we have difficulty identifying and purchasing suitable properties on attractive terms, there could be a delay between the time we receive net proceeds from the sale of shares of our common stock in this offering or any private offering and the time we invest the net proceeds. We may also from time to time hold cash pending deployment into investments or have less than our targeted leverage, which cash or shortfall in target leverage may at times be significant, particularly at times when we are receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account for the benefit of our stockholders that may be invested in money market accounts or other similar temporary investments, each of which are subject to the management fees.

In the event we are unable to find suitable investments such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash flow from operations to you. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments pending deployment into investments will generate

significant interest, and investors should understand that such low interest payments on the temporarily invested cash may adversely affect overall returns. In the event we fail to timely invest the net proceeds of sales of our common stock or do not deploy sufficient capital to meet our targeted leverage, our results of operations and financial condition may be adversely affected.

If we are unable to successfully integrate new investments and manage our growth, our results of operations and financial condition may suffer.

We have in the past and may in the future significantly increase the size and/or change the types of investments in our portfolio. We may be unable to successfully and efficiently integrate newly acquired investments into our existing portfolio or otherwise effectively manage our assets or growth. In addition, increases in the size of our investment portfolio and/or changes in our investment focus may place significant demands on our Adviser's administrative, operational, asset management, financial and other resources which could lead to decreased efficiency. Any failure to effectively manage such growth or increase in scale could adversely affect our results of operations and financial condition.

The amount and source of distributions we may make to our stockholders is uncertain, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.

We have not established a minimum distribution payment level, and our ability to make distributions to our stockholders may be adversely affected by a number of factors, including the risk factors described in this prospectus. We have a limited track record and may not generate sufficient income to make distributions to our stockholders. Our board of directors (or a committee of our board of directors) will make determinations regarding distributions based upon, among other factors, our financial performance, debt service obligations, debt covenants, REIT qualification and tax requirements and capital expenditure requirements. Among the factors that could impair our ability to make distributions to our stockholders are:

- our inability to invest the proceeds from sales of our shares on a timely basis in income-producing properties;
- our inability to realize attractive risk-adjusted returns on our investments;
- high levels of expenses or reduced revenues that reduce our cash flow or non-cash earnings; and
- defaults in our investment portfolio or decreases in the value of our investments.

As a result, we may not be able to make distributions to our stockholders at any time in the future, and the level of any distributions we do make to our stockholders may not increase or even be maintained over time, any of which could materially and adversely affect the value of your investment.

We may pay distributions from sources other than our cash flow from operations, including, without limitation, from borrowings or the sale of or repayment under our assets, and we have no limits on the amounts we may pay from such sources.

We may not generate sufficient cash flow from operations to fully fund distributions to stockholders. Therefore, we may fund distributions to our stockholders from sources other than cash flow from operations, including, without limitation, from borrowings or the sale of or repayment under our assets. We will not fund our distributions with proceeds from this offering. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, the extent to which the Adviser elects to receive its management fee in Class I shares or Class I units and the Special Limited Partner elects to receive distributions on its performance participation interest in Class I units or Class B units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from

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borrowings or the sale of or repayment under our assets will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares. We may be required to continue to fund our regular distributions from a combination of some of these sources if our investments fail to perform, if expenses are greater than our revenues or due to numerous other factors. We have not established a limit on the amount of our distributions that may be paid from any of these sources.

To the extent we borrow funds to pay distributions, we would incur borrowing costs and these borrowings would require a future repayment. The use of these sources for distributions and the ultimate repayment of any liabilities incurred could adversely impact our ability to pay distributions in future periods, decrease our NAV, decrease the amount of cash we have available for operations and new investments and adversely impact the value of your investment.

We may also defer operating expenses or pay expenses (including the fees of the Adviser or distributions to the Special Limited Partner) with shares of our common stock or Operating Partnership units in order to preserve cash flow for the payment of distributions. The ultimate repayment of these deferred expenses could adversely affect our operations and reduce the future return on your investment. We may repurchase shares or redeem Operating Partnership units from the Adviser or the Special Limited Partner shortly after issuing such units or shares as compensation. The payment of expenses in shares of our common stock or with Operating Partnership units will dilute your ownership interest in our portfolio of assets. There is no guarantee any of our operating expenses will be deferred and the Adviser and Special Limited Partner are under no obligation to receive future fees or distributions in shares of our common stock or Operating Partnership units and may elect to receive such amounts in cash.

Payments to the Adviser or the Special Limited Partner in the form of common stock or Operating Partnership units they elect to receive in lieu of fees or distributions will dilute future cash available for distribution to our stockholders.

The Adviser or the Special Limited Partner may choose to receive, and have in the past received, our common stock or Operating Partnership units in lieu of certain fees or distributions. The holders of all Operating Partnership units are entitled to receive cash from operations pro rata with the distributions being paid to us and such distributions to the holder of the Operating Partnership units will reduce the cash available for distribution to us and to our stockholders. Furthermore, under certain circumstances the Operating Partnership units held by the Adviser or the Special Limited Partner are required to be repurchased, in cash at the holder's election, and there may not be sufficient cash to make such a repurchase payment; therefore, we may need to use cash from operations, borrowings, offering proceeds or other sources to make the payment, which will reduce cash available for distribution to you or for investment in our operations. Repurchases of our shares or Operating Partnership units from the Adviser paid to the Adviser as a management fee are not subject to the monthly and quarterly volume limitations or the Early Purchase Deduction, and such sales receive priority over other shares being put for repurchase during such period. Repurchases of our shares or Operating Partnership units from the Special Limited Partner distributed to the Special Limited Partner with respect to its performance participation interest are not subject to the Early Purchase Deduction, but such repurchases are subject to the monthly and quarterly volume limitations and do not receive priority over other shares being put for repurchase during such period.

Purchases and repurchases of shares of our common stock are not made based on the current NAV per share of our common stock.

Generally, our offering price per share and the price at which we make repurchases of our shares will equal the NAV per share of the applicable class as of the last calendar day of the prior month, plus, in the case of our

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offering price, applicable upfront selling commissions and dealer manager fees. The NAV per share, if calculated as of the date on which you make your subscription request or repurchase request, may be significantly different than the transaction price you pay or the repurchase price you receive. Certain of our investments or liabilities are subject to high levels of volatility from time to time and could change in value significantly between the end of the prior month as of which our NAV is determined and the date that you acquire or repurchase our shares, however the prior month's NAV per share will generally continue to be used as the transaction price per share and repurchase price per share. In exceptional circumstances, we may in our sole discretion, but are not obligated to, offer and repurchase shares at a different price that we believe reflects the NAV per share of such stock more appropriately than the prior month's NAV per share, including by updating a previously disclosed transaction price, 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 and we believe an updated price is appropriate. In such exceptional cases, the transaction price and the repurchase price will not equal our NAV per share as of any time.

Valuations and appraisals of our real estate and real estate debt are estimates of fair value and may not necessarily correspond to realizable value.

For the purposes of calculating our monthly NAV, our properties will generally initially be valued at cost, which we expect to represent fair value at that time. Thereafter, valuations of properties will be determined by the Adviser based in part on appraisals of each of our properties by independent third-party appraisal firms reviewed by our independent valuation advisor at least once per year in accordance with valuation guidelines approved by our board of directors. The Adviser will also conduct a monthly valuation of our properties that will be reviewed and confirmed for reasonableness by our independent valuation advisor. Investments in real estate debt and other securities with readily available market quotations will be valued monthly at fair market value. Certain investments, such as mortgages and mezzanine loans, are unlikely to have market quotations. In the case of loans acquired by us, such initial value will generally be the acquisition price of such loan. In the case of loans originated by us, such initial value will generally be the par value of such loan. Each such investment will then be valued by the Adviser within the first three full months after we invest in such investment and no less than quarterly thereafter. Additionally, the Adviser may in its discretion consider material market data and other information that becomes available after the end of the applicable month in valuing our assets and liabilities and calculating our NAV for a particular month. For more information regarding our valuation process, see "Net Asset Value Calculation and Valuation Guidelines."

Although monthly valuations of each of our real properties will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on asset- and portfolio-level information provided by the Adviser, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned capital expenditures and any other information relevant to valuing the real property, which information will not be independently verified by our independent valuation advisor. Similarly, each month, our independent valuation advisor will review and confirm for reasonableness our quarterly valuations (and our monthly updates of such valuations) of our real estate debt and other securities for which market quotations are not readily available. However, such valuations are based on information provided by the Adviser, which information will not be verified by our independent valuation advisor.

Within the parameters of our valuation guidelines, the valuation methodologies used to value our properties and certain of our investments will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations and appraisals of our properties and other investments will be only estimates of fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond our control and the control of the Adviser and our independent valuation advisor. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the

ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal. There will be no retroactive adjustment in the valuation of such assets, the offering price of our shares of common stock, the price we paid to repurchase shares of our common stock or NAV-based fees we paid to the Adviser and the Dealer Manager to the extent such valuations prove to not accurately reflect the realizable value of our assets. Because the price you will pay for shares of our common stock in this offering, and the price at which your shares may be repurchased by us pursuant to our share repurchase plan are generally based on our prior month's NAV per share, you may pay more than realizable value or receive less than realizable value for your investment.

Our NAV per share amounts may change materially if the appraised values of our properties materially change from prior appraisals or the actual operating results for a particular month differ from what we originally budgeted for that month.

We anticipate that the annual appraisals of our properties will be conducted on a rolling basis, such that properties may be appraised at different times but each property would be appraised at least once per year. When these appraisals are considered by the Adviser for purposes of valuing the relevant property, there may be a material change in our NAV per share amounts for each class of our common stock from those previously reported. In addition, actual operating results for a given month may differ from what we originally budgeted for that month, which may cause a material increase or decrease in the NAV per share amounts. We will not retroactively adjust the NAV per share of each class reported for the previous month. Therefore, because a new annual appraisal may differ materially from the prior appraisal or the actual results from operations may be better or worse than what we previously budgeted for a particular month, the adjustment to take into consideration the new appraisal or actual operating results may cause the NAV per share for each class of our common stock to increase or decrease, and such increase or decrease will occur in the month the adjustment is made.

It may be difficult to reflect, fully and accurately, material events that may impact our monthly NAV.

The Adviser's determination of our monthly NAV per share will be based in part on appraisals of each of our properties provided annually by independent third-party appraisal firms in individual appraisal reports reviewed by our independent valuation advisor and quarterly valuations of our real estate debt and other securities for which market prices are not readily available provided by the Adviser and reviewed by our independent valuation advisor, each in accordance with valuation guidelines approved by our board of directors. As a result, our published NAV per share in any given month may not fully reflect any or all changes in value that may have occurred since the most recent appraisal or valuation. The Adviser will review appraisal reports and monitor our real estate and real estate debt, and is responsible for notifying the independent valuation advisor of the occurrence of any property-specific or market-driven event it believes may cause a material valuation change in the real estate valuation, but it may be difficult to reflect fully and accurately rapidly changing market conditions or material events that may impact the value of our real estate and real estate debt or liabilities between valuations, or to obtain complete information regarding any such events in a timely manner. For example, an unexpected termination or renewal of a material lease, a material increase or decrease in vacancies or an unanticipated structural or environmental event at a property may cause the value of a property to change materially, yet obtaining sufficient relevant information after the occurrence has come to light and/or analyzing fully the financial impact of such an event may be difficult to do and may require some time. As a result, the NAV per share may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that our NAV may be appropriately adjusted in accordance with our valuation guidelines. Depending on the circumstance, the resulting potential disparity in our NAV may be in favor or to the detriment of either stockholders who repurchase their shares, or stockholders who buy new shares, or existing stockholders.

NAV calculations are not governed by governmental or independent securities, financial or accounting rules or standards.

The methods used by our Adviser and State Street to calculate our NAV, including the components used in calculating our NAV, is not prescribed by rules of the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and our NAV is not audited by our independent registered public accounting firm. We calculate and publish NAV solely for purposes of establishing the price at which we sell and repurchase shares of our common stock, and you should not view our NAV as a measure of our historical or future financial condition or performance. The components and methodology used in calculating our NAV may differ from those used by other companies now or in the future.

In addition, calculations of our NAV, to the extent that they incorporate valuations of our assets and liabilities, are not prepared in accordance with generally accepted accounting principles. These valuations may differ from liquidation values that could be realized in the event that we were forced to sell assets.

Additionally, errors may occur in calculating our NAV, which could impact the price at which we sell and repurchase shares of our common stock and the amount of the Adviser's management fee and the Special Limited Partner's performance participation interest. The Adviser has implemented certain policies and procedures to address such errors in NAV calculations. If such errors were to occur, the Adviser, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which shares of our common stock were sold or repurchased or on the amount of the Adviser's management fee or the Special Limited Partner's performance participation interest, may determine in its sole discretion to take certain corrective actions in response to such errors, including, subject to Blackstone's policies and procedures, making adjustments to prior NAV calculations. You should carefully review the disclosure of our valuation policies and how NAV will be calculated under "Net Asset Value Calculation and Valuation Guidelines."

Our board of directors may, in the future, adopt certain measures under Maryland law without stockholder approval that may have the effect of making it less likely that a stockholder would receive a "control premium" for his or her shares.

Corporations organized under Maryland law with a class of registered securities and at least three independent directors are permitted to elect to be subject, by a charter or bylaw provision or a resolution of its board of directors and notwithstanding any contrary charter or bylaw provision, to any or all of five provisions:

- staggering the board of directors into three classes;
- requiring a two-thirds vote of stockholders to remove directors;
- providing that only the board of directors can fix the size of the board;
- providing that all vacancies on the board, regardless of how the vacancy was created, may be filled only by the affirmative vote of a majority of the remaining directors in office and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- providing for a majority requirement for the calling by stockholders of a special meeting of stockholders.

These provisions may discourage an extraordinary transaction, such as a merger, tender offer or sale of all or substantially all of our assets, all of which might provide a premium price for stockholders' shares. In our charter, we have elected that vacancies on our board of directors be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred. Through other provisions in our charter and bylaws, we vest in our board of directors the exclusive power to fix the number of directorships, provided that the number is not less than three. We have not elected to be subject to any of the other provisions described above, but our charter does not prohibit our board of directors from opting into any of these provisions in the future.

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Further, under the Maryland Business Combination Act, we may not engage in any merger or other business combination with an “interested stockholder” (which is defined as (1) any person who beneficially owns, directly or indirectly, 10% or more of the voting power of our outstanding voting stock and (2) an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding stock) or any affiliate of that interested stockholder for a period of five years after the most recent date on which the interested stockholder became an interested stockholder. A person is not an interested stockholder if our board of directors approved in advance the transaction by which he would otherwise have become an interested stockholder. In approving a transaction, our board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms or conditions determined by our board of directors. After the five-year period ends, any merger or other business combination with the interested stockholder or any affiliate of the interested stockholder must be recommended by our board of directors and approved by the affirmative vote of at least:

- 80% of all votes entitled to be cast by holders of outstanding shares of our voting stock; and
- two-thirds of all of the votes entitled to be cast by holders of outstanding shares of our voting stock other than those shares owned or held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These supermajority voting provisions do not apply if, among other things, our stockholders receive a minimum price (as defined in the Maryland General Corporation Law (the “MGCL”)) for their common stock and the consideration is received in cash or in the same form as previously paid by the interested stockholder.

The statute permits various exemptions from its provisions, including business combinations that are exempted by our board of directors prior to the time the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution exempting any business combination involving us and any person, including Blackstone, the Dealer Manager and the Adviser, from the provisions of this law, provided that such business combination is first approved by our board of directors.

Our charter permits our board of directors to authorize us to issue preferred stock on terms that may subordinate the rights of the holders of our current common stock or discourage a third party from acquiring us.

Our board of directors is permitted, subject to certain restrictions set forth in our charter, to authorize the issuance of shares of preferred stock without stockholder approval. Further, our board of directors may classify or reclassify any unissued shares of common or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms or conditions of redemption of the stock and may amend our charter from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue without stockholder approval. Thus, our board of directors could authorize us to issue shares of preferred stock with terms and conditions that could subordinate the rights of the holders of our common stock or have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction such as a merger, tender offer or sale of all or substantially all of our assets, that might provide a premium price for holders of our common stock.

Maryland law limits, in some cases, the ability of a third party to vote shares acquired in a “control share acquisition.”

The Maryland Control Share Acquisition Act provides that “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights except to the extent approved by stockholders by a vote of two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquirer, by officers or by employees who are directors of the corporation, are excluded from shares entitled to vote on the matter. “Control

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shares” are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer can exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A “control share acquisition” means the acquisition of issued and outstanding control shares. The control share acquisition statute does not apply: (1) to shares acquired in a merger, consolidation or statutory share exchange if the Maryland corporation is a party to the transaction; or (2) to acquisitions approved or exempted by the charter or bylaws of the Maryland corporation. Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future. For a more detailed discussion on the Maryland laws governing control share acquisitions, see “Certain Provisions of Maryland Corporate Law and Our Charter and Bylaws—Control Share Acquisition.”

Maryland law and our organizational documents limit our rights and the rights of our stockholders to recover claims against our directors and officers, which could reduce your and our recovery against them if they cause us to incur losses.

Maryland law provides that a director will not have any liability as a director so long as he or she performs his or her duties in accordance with the applicable standard of conduct. In addition, our charter generally limits the personal liability of our directors and officers for monetary damages subject to the limitations of the North American Securities Administrators Association’s Statement of Policy Regarding Real Estate Investment Trusts, as revised and adopted on May 7, 2007 (the “NASAA REIT Guidelines”) and Maryland law. Maryland law and our charter provide that no director or officer shall be liable to us or our stockholders for monetary damages unless the director or officer (1) actually received an improper benefit or profit in money, property or services or (2) was actively and deliberately dishonest as established by a final judgment as material to the cause of action. Moreover, our charter generally requires us to indemnify and advance expenses to our directors and officers for losses they may incur by reason of their service in those capacities unless their act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, they actually received an improper personal benefit in money, property or services or, in the case of any criminal proceeding, they had reasonable cause to believe the act or omission was unlawful. Further, we have entered into separate indemnification agreements with each of our officers and directors. As a result, you and we may have more limited rights against our directors or officers than might otherwise exist under common law, which could reduce your and our recovery from these persons if they act in a manner that causes us to incur losses. In addition, we are obligated to fund the defense costs incurred by these persons in some cases. However, our charter provides that we may not indemnify our directors or officers, or the Adviser and its affiliates, for any liability or loss suffered by them or hold our directors or officers, the Adviser and its affiliates harmless for any liability or loss suffered by us, unless they have determined, in good faith, that the course of conduct that caused the loss or liability was in our best interests, they were acting on our behalf or performing services for us, the liability or loss was not the result of negligence or misconduct by our non-independent directors, the Adviser and its affiliates, or gross negligence or willful misconduct by our independent directors, and the indemnification or agreement to hold harmless is recoverable only out of our net assets or the proceeds of insurance and not from the stockholders. See “Management—Limited Liability and Indemnification of Directors, Officers, the Adviser and Other Agents.”

Maryland law limits our stockholders’ ability to amend our charter or dissolve us without the approval of our board of directors.

Although the NASAA REIT Guidelines indicate that stockholders are permitted to amend our charter or terminate us without the necessity for concurrence by our board of directors, we are required to comply with the MGCL, which provides that any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, our stockholders may vote to authorize the amendment

of our charter or the dissolution of our company, but only after such action has been declared advisable by our board of directors. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors and also require approval by our stockholders.

Your interest in us will be diluted if we issue additional shares. Your interest in our assets will also be diluted if the Operating Partnership issues additional units.

Holders of our common stock will not have preemptive rights to any shares we issue in the future. Our charter authorizes us to issue up to 10,100,000,000 shares of capital stock, of which 10,000,000,000 shares are classified as common stock, of which 500,000,000 shares are classified as Class T shares, 3,000,000,000 shares are classified as Class S shares, 500,000,000 shares are classified as Class D shares and 6,000,000,000 are classified as Class I shares, and 100,000,000 shares are classified as preferred stock. We have also issued shares in private offerings and Operating Partnership units to holders other than the Company, and expect to make more such issuances in the future. In addition, our board of directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of capital stock or the number of authorized shares of capital stock of any class or series without stockholder approval. After you purchase shares of our common stock in this offering, our board of directors may elect, without stockholder approval, to: (1) sell additional shares in this or future public offerings; (2) issue shares of our common stock or units in our Operating Partnership in private offerings; (3) issue shares of our common stock or units in our Operating Partnership upon the exercise of the options we may grant to our independent directors or future employees; (4) issue shares of our common stock or units in our Operating Partnership to the Adviser or the Special Limited Partner, or their successors or assigns, in payment of an outstanding obligation to pay fees for services rendered to us or the performance participation allocation; (5) issue shares of our common stock or units in our Operating Partnership to sellers of properties we acquire, or (6) issue equity incentive compensation to certain employees of affiliated service providers or to third parties as satisfaction of obligations under incentive compensation arrangements. To the extent we issue additional shares of common stock after your purchase in this offering, your percentage ownership interest in us will be diluted. Because we hold all of our assets through the Operating Partnership, to the extent we issue additional units of our Operating Partnership after you purchase in this offering, your percentage ownership interest in our assets will be diluted. Because certain classes of the units of our Operating Partnership may, in the discretion of our board of directors, be exchanged for shares of our common stock, any merger, exchange or conversion between our Operating Partnership and another entity ultimately could result in the issuance of a substantial number of shares of our common stock, thereby diluting the percentage ownership interest of other stockholders. Because of these and other reasons, our stockholders may experience substantial dilution in their percentage ownership of our shares or their interests in the underlying assets held by our Operating Partnership. Operating Partnership units may have different and preferential rights to the claims of common units of our Operating Partnership which correspond to the common stock held by our stockholders. Certain units in our Operating Partnership may have different and preferential rights to the terms of the common Operating Partnership units which correspond to the common stock held by our stockholders.

We are not required to comply with certain reporting requirements, including those relating to auditor's attestation reports on the effectiveness of our system of internal control over financial reporting, accounting standards and disclosure about our executive compensation, that apply to other public companies.

So long as our shares of common stock are not traded on a securities exchange, we will be deemed to be a "non-accelerated filer" under the Exchange Act, and as a non-accelerated filer, we will be exempt from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. In addition, so long as we are externally managed by the Adviser and we do not directly compensate our executive officers, or reimburse the Adviser or its affiliates for salaries, bonuses, benefits and severance payments for persons who also serve as one of our executive officers or as an executive officer of the Adviser, we do not have any executive compensation.

Our UPREIT structure may result in potential conflicts of interest with limited partners in our Operating Partnership whose interests may not be aligned with those of our stockholders.

Our directors and officers have duties to our corporation and our stockholders under Maryland law and our charter in connection with their management of the corporation. At the same time, we, as general partner, have fiduciary duties under Delaware law to our Operating Partnership and to the limited partners in connection with the management of our Operating Partnership. Our duties as general partner of our Operating Partnership and its partners may come into conflict with the duties of our directors and officers to the corporation and our stockholders. Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership's partnership agreement. The partnership agreement of our Operating Partnership provides that, for so long as we own a controlling interest in our Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the limited partners may be resolved in favor of our stockholders.

Additionally, the partnership agreement expressly limits our liability by providing that we and our officers, directors, agents and employees will not be liable or accountable to our Operating Partnership for losses sustained, liabilities incurred or benefits not derived if we or our officers, directors, agents or employees acted in good faith. In addition, our Operating Partnership is required to indemnify us and our officers, directors, employees, agents and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our Operating Partnership, unless it is established that: (1) the act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (2) the indemnified party received an improper personal benefit in money, property or services; or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful.

The provisions of Delaware law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict our fiduciary duties.

Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We intend to continue to conduct our operations so that neither we, nor our Operating Partnership nor the subsidiaries of our Operating Partnership are investment companies under the Investment Company Act. However, there can be no assurance that we and our subsidiaries will be able to successfully avoid operating as an investment company. See "Prospectus Summary—Are there any Investment Company Act of 1940 considerations?"

A change in the value of any of our assets could negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To maintain compliance with the applicable exemption under the Investment Company Act, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

If we were required to register as an investment company but failed to do so, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan, which could materially adversely affect our NAV and our ability to pay distributions to our stockholders.

We depend on the Adviser to develop appropriate systems and procedures to control operational risk.

Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in our operations may cause us to suffer financial losses, the disruption of our business, liability to third parties, regulatory intervention or damage to our reputation. We depend on the Adviser and its affiliates to develop the appropriate systems and procedures to control operational risk. We rely heavily on our financial, accounting and other data processing systems. The ability of our systems to accommodate transactions could also constrain our ability to properly manage our portfolio. Generally, the Adviser will not be liable for losses incurred due to the occurrence of any such errors.

We are subject to the risk that our trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failure or human error. As a result, we could be unable to achieve the market position selected by the Adviser or might incur a loss in liquidating our positions. Since some of the markets in which we may effect transactions are over-the-counter or interdealer markets, the participants in such markets are typically not subject to credit evaluation or regulatory oversight comparable to that which members of exchange-based markets are subject. We are also exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions, thereby causing us to suffer a loss.

Cybersecurity risks could result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations.

Our operations are highly dependent on our information systems and technology and we rely heavily on our and Blackstone's financial, accounting, treasury, communications and other data processing systems. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks which may continue to increase in sophistication and frequency in the future. Attacks on Blackstone and its affiliates and their portfolio companies' and service providers' systems could involve, and in some instances have in the past involved, attempts that are intended to obtain unauthorized access to our proprietary information or personal identifying information of our stockholders, destroy data or disable, degrade or sabotage our systems, or divert or otherwise steal funds, including through the introduction of computer viruses and other malicious code.

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Our information and technology systems as well as those of Blackstone, its portfolio entities and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, "phishing" attempts and other forms of social engineering, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees, or third-party agents and consultants of the Company. There has been an increase in the frequency and sophistication of the cyber and security threats Blackstone faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target Blackstone because Blackstone holds a significant amount of confidential and sensitive information about its investors, its portfolio companies and potential investments. As a result, Blackstone may face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures Blackstone takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful.

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If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to shareholders (and their beneficial owners) and material nonpublic information. Although Blackstone has implemented, and its portfolio entities and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Blackstone does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to Blackstone, its portfolio entities and us, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Blackstone's, its affiliates', their portfolio entities' or our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to shareholders, material nonpublic information and the intellectual property and trade secrets and other sensitive information in the possession of Blackstone and portfolio entities. We, Blackstone or a portfolio entity could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity and other events that may affect their business and financial performance.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, we could also suffer losses in connection with updates to, or the failure to timely update, our information systems and technology. In addition, we have become increasingly reliant on third-party service providers for certain aspects of our business, including for our administration, as well as for certain information systems and technology, including cloud-based services. These third-party service providers could also face ongoing cyber security threats and compromises of their systems and as a result, unauthorized individuals could gain access to certain confidential data.

Cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which Blackstone operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, as examples the General Data Protection Regulation in the European Union that went into effect in May 2018 and the California Consumer Privacy Act that went into effect in January 2020. Some jurisdictions have also enacted laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data. Breaches in security, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize Blackstone, its employees' or our investors' or counterparties' confidential, proprietary and other information processed and stored in, and transmitted through Blackstone's computer systems and networks, or otherwise cause interruptions or malfunctions in its, its employees', our investors', our counterparties' or third parties' business and operations, which could result in significant financial losses, increased costs, liability to our investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if Blackstone fails to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of breach in a timely manner, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and may cause our investors or Blackstone fund investors and clients to lose confidence in the effectiveness of our or Blackstone's security measures.

Furthermore, Blackstone's portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses.

Finally, Blackstone's technology, data and intellectual property and the technology, data and intellectual property of its portfolio companies are also subject to a heightened risk of theft or compromise to the extent Blackstone

and its portfolio companies engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, Blackstone and its portfolio companies may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on such businesses.

Compliance with the SEC's Regulation Best Interest by participating broker-dealers may negatively impact our ability to raise capital in this offering, which could harm our ability to achieve our investment objectives.

Commencing June 30, 2020, broker-dealers are required to comply with Regulation Best Interest, which, among other requirements, establishes a new standard of conduct for broker-dealers and their associated persons when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. The full impact of Regulation Best Interest on participating broker-dealers cannot be determined at this time, and it may negatively impact whether participating broker-dealers and their associated persons recommend this offering to certain retail customers. In particular, under SEC guidance concerning Regulation Best Interest, a broker-dealer recommending an investment in our shares should consider a number of factors, including but not limited to cost and complexity of the investment and reasonably available alternatives in determining whether there is a reasonable basis for the recommendation. Broker-dealers may recommend a more costly or complex product as long as they have a reasonable basis to believe is in the best interest of a particular retail customer. However, if broker-dealers instead choose alternatives to our shares, many of which likely exist, our ability to raise capital will be adversely affected. If Regulation Best Interest reduces our ability to raise capital in this offering, it may harm our ability to achieve our objectives.

General Risks Related to Investments in Real Estate

Our operating results will be affected by economic and regulatory changes that impact the real estate market in general.

We are subject to risks generally attributable to the ownership of real property, including:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- changes in supply of or demand for similar properties in a given market or metropolitan area, which could result in rising vacancy rates or decreasing market rental rates;
- vacancies, fluctuations in the average occupancy and room rates for hotel properties or inability to lease space on favorable terms;
- increased competition for properties targeted by our investment strategy;
- bankruptcies, financial difficulties or lease defaults by our tenants, particularly for our tenants with net leases for large properties;
- increases in interest rates and lack of availability of financing; and
- changes in government rules, regulations and fiscal policies, including increases in property taxes, changes in zoning laws, limitations on rental rates, and increasing costs to comply with environmental laws.

All of these factors are beyond our control. Any negative changes in these factors could affect our performance and our ability to meet our obligations and make distributions to stockholders.

Our success is dependent on general market and economic conditions.

The real estate industry generally and the success of our investment activities in particular will both be affected by global and national economic and market conditions generally and by the local economic conditions where our properties are located. These factors may affect the level and volatility of real estate prices, which could impair our profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect our investment opportunities and the value of our investments. Blackstone's financial condition may be adversely affected by a significant economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Blackstone's businesses and operations (including the Adviser).

A depression, recession or slowdown in the U.S. real estate market or one or more regional real estate markets, and to a lesser extent, the global economy (or any particular segment thereof) would have a pronounced impact on us, the value of our assets and our profitability, impede the ability of our assets to perform under or refinance their existing obligations, and impair our ability to effectively deploy our capital or realize upon investments on favorable terms. We would also be affected by any overall weakening of, or disruptions in, the financial markets. Any of the foregoing events could result in substantial losses to our business, which losses will likely be exacerbated by the presence of leverage in our capital structure or our investments' capital structures.

Market disruptions in a single country could cause a worsening of conditions on a regional and even global level, and economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. For example, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. The occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Additionally, political leaders in the U.S. and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect our performance.

For example, as a result of the 2008 financial crisis, the availability of debt financing secured by commercial real estate had been significantly restricted as a result of tightened lending standards for a prolonged period. As a result of the uncertainties in the credit market, real estate investors were unable to obtain debt financing on attractive terms, which adversely affected investment returns on acquisitions or their ability to make acquisitions or property improvements. Any future financial market disruptions (including financial market distributions related COVID-19) may force us to use a greater proportion of our offering proceeds to finance our acquisitions and fund property improvements, reducing the cash available to pay distributions or satisfy repurchase requests and reducing the number of acquisitions we would otherwise make.

Certain countries have been susceptible to epidemics and pandemics, most recently COVID-19, which has been designated as a pandemic by the World Health Organization. The outbreak of such epidemics or pandemics, together with the resulting restrictions on travel or quarantines imposed, have had a negative impact on the economy and business activity globally (including in the markets in which we invest), and thereby could adversely affect the performance of our investments. Furthermore, the rapid development of epidemics or

pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. These epidemics or pandemics could have particularly adverse impacts on certain industries, such as the hospitality and leisure industries, and may also have particular negative effects on certain regions in which we own investments.

The current outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economy and has had an adverse impact on our performance and results of operations.

Beginning in the first quarter of 2020, there was a global outbreak of a novel coronavirus (“COVID-19”), which has spread to over 100 countries, including the United States, and has spread to every state in the United States. The World Health Organization has designated COVID-19 as a pandemic, and numerous countries, including the United States, have declared national emergencies with respect to COVID-19. The global impact of the outbreak has been widespread and many countries have reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential businesses. Such actions have created disruption in global supply chains, and are adversely impacting many industries. Although vaccines for COVID-19 are being made available to the general public in the U.S. and around the world, it will take time for the vaccine to materially affect the spread of the virus and the outbreak could have a continued adverse impact on economic and market conditions.

The outbreak of COVID-19 has had and may in the future have an adverse impact on our NAV, results of operations (including FFO, AFFO and FAD), cash flows and fundraising, and may have an adverse impact on our ability to source new investments, obtain financing, fund distributions to stockholders and satisfy repurchase requests, among other factors. Although many or all facets of our business have been or could in the future be impacted by COVID-19, we currently believe the following impacts to be among the most important to us:

- We are subject to risks related to increases in rent defaults, rent deferral or rent forgiveness and decreases in rent collection. Since the outbreak of COVID-19, we have experienced a moderate decline in our average rent collection rates, which has negatively impacted our cash flow. We have also granted some of our tenants rent deferral and while it is expected that the deferred rent will generally be paid back over a period of three to twelve months from the date of each deferral, there is no guarantee we will be able to recover this rent. We continue to recognize rental revenue for such tenants, as permitted by applicable accounting guidance, while also considering any necessary bad debt reserves. We may continue to experience rent deferrals and decreased rent collection. We may not be able to promptly lease properties that are vacant or become vacant because a tenant defaults or decides not to renew its lease, resulting in reduced occupancy at our properties, and the rental rates or other terms under new leases may be less favorable than the terms of the current lease. The foregoing outcomes could affect any asset or asset class across our entire portfolio and such events would have a negative impact on our cash flows, operating results and NAV and on our ability to fund distributions to stockholders and satisfy repurchase requests.
- Our multifamily properties face an increased risk of tenant defaults as disruptions in the labor market, resulting in high rates of unemployment, have made it more difficult for some tenants to meet their rent obligations and for us to retain tenants at current rental rates. We may also, for economic or regulatory reasons, defer or forgive rent for certain tenants of our properties. In particular, certain state and local requirements have temporarily stayed any eviction proceedings. When these temporary stays expire, we may face increased rent defaults, deferrals or forgiveness. Furthermore, it may be difficult for us to find new tenants during the pandemic as potential residents are unwilling or unable to move. Our student housing properties, in particular, could be affected by the shift to online learning.
- Our net lease properties are gaming and leisure facilities in Las Vegas, Nevada that ceased operations during the pandemic, but have since reopened. While the rental payments on our net lease obligations are guaranteed by MGM Resorts International (“MGM”) and MGM has made its rent payments through the date of this prospectus and disclosed that it intends to continue making rent payments under the leases and funding other obligations for the foreseeable future, a prolonged period of limited and/or suspended operations at these properties may make it difficult for MGM to continue to operate

such properties and fulfill their lease obligations, including the requirement to post additional rent if certain covenants are breached. Furthermore, sustained poor performance may also implicate covenants under the financing arrangements for these properties, which may restrict our ability to distribute cash flows from these properties to the Company and our stockholders.

- The fair value of our hotel properties has decreased and may continue to decrease. The impairment charge aligns the GAAP carrying value of the hotels with the fair value already recorded within the September 30, 2020 fair value. We have incurred an impairment to two properties under GAAP and may incur additional impairments in the future. Many of our hotel properties, including our two full service hotel properties (JW Marriott San Antonio Hill Country Resort and Hyatt Regency Atlanta) and certain of our select services hotels, have experienced closures and although all of these properties have since re-opened, our hotel properties may either continue to operate at significantly reduced occupancy as potential guests are unwilling or not permitted to stay at these properties during the pandemic or may subsequently close. These effects negatively impact our NAV and our total assets under GAAP. Furthermore, our hotel properties have operated at a property net operating loss since the outbreak of COVID-19, which has had an adverse impact on our results of operations (including FFO, AFFO and FAD) and cash flow from operations.
- The fair value of our real estate debt portfolio, which consists primarily of CMBS, has decreased since the outbreak of COVID-19. Although the value of these investments have recovered substantially since the trough shortly after the outbreak of COVID-19, as of September 30, 2020, they still remain moderately below pre-COVID-19 levels and may decrease further in the future. Additionally, a large portion of our CMBS investments are collateralized by hospitality assets, which as referenced above have been particularly negatively impacted by the pandemic. CMBS backed by hospitality and other asset classes that have been more acutely affected by COVID-19 experienced steeper declines in market value at the onset of COVID-19 and have been slower to recover in value than CMBS backed by other asset classes. While we believe the principal amount of our real estate debt investments are generally adequately protected, there is a risk that we do not realize the principal value of these investments. Furthermore, the interest payments generated by such CMBS investments are supported by the rental payments received by the borrower on underlying properties or cash flow from operations and while, subject to certain limitations, the master servicer is responsible for making certain monetary advances if the borrower fails to do so, it is expected that rental payments will be missed for some underlying properties, cash flow from operations will be lower and there is no guarantee that the master servicer will be willing or able to make such advances, which would result in lost cash flow from operations from such real estate debt investments. The special servicer of such CMBS may also exercise, or be required to exercise, its appraisal rights over the value of the property securing the loan.
- As of September 30, 2020, we had \$3.7 billion of immediate liquidity, made up of capacity on our undrawn lines of credit as well as cash on hand. At the onset of the pandemic, it became difficult for businesses generally, including us, to obtain new financing. To the extent we are able to find financing as the pandemic continues, such financing could become difficult to obtain as was the case during the onset of the pandemic. In addition, we were required to post additional margin for our reverse repurchase agreements at the onset of the pandemic due to the initial decrease in value of our real estate debt investments. Due to the recovery in value we have since recalled the majority of margin posted at the onset of the pandemic, but may be required to post additional margin in the future. Certain of the financing agreements we have in place at our subsidiaries for our properties have covenants that restrict cash being distributed up to us if certain performance targets are not met. These factors may adversely impact our future liquidity, which will make it more difficult for us to fund new investments, fund distributions to our stockholders and satisfy repurchase requests.

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The immediately preceding outcomes are those we consider to be most important as a result of the pandemic. We have also experienced and may experience other negative impacts to our business as a result of the pandemic that could exacerbate other risks described in this prospectus, including:

- operational impacts on ourselves and our third-party advisors, service providers, vendors and counterparties, including operating partners, property managers, our independent valuation advisor, our administrator, our transfer agent, other independent third-party appraisal firms that provide appraisals of our properties, our lenders and other providers of financing, brokers and other counterparties that we purchase and sell assets to and from, derivative counterparties, and legal and diligence professionals that we rely on for acquiring our investments;
- limitations on our ability to ensure business continuity in the event our, or our third-party advisors' and service providers', continuity of operations plan is not effective or improperly implemented or deployed during a disruption;
- the availability of key personnel of the Adviser and our service providers as they face changed circumstances and potential illness during the pandemic;
- difficulty in valuing our assets. See also “—Valuations and appraisals of our real estate and real estate debt are estimates of fair value and may not necessarily correspond to realizable value”;
- limitations on our ability to raise new capital in our ongoing offerings;
- limitations on our ability to make distributions to our stockholders due to material adverse impacts on our cash flows from operations or liquidity; and
- limitations on our ability to satisfy all repurchase requests, including if increased demand for repurchases exceeds the limits of our share repurchase plan, we lack readily available funds to meet repurchase requests or we need to maintain liquidity for our operations.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions, and, as a result, present uncertainty and risk with respect to us and the performance of our investments. While certain geographies have to date experienced relatively low infection levels and disruption to businesses, others have experienced consistently high or accelerating levels. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, results of operations and ability to pay distributions and satisfy repurchase requests.

We are subject to additional risks from our non-U.S. investments.

We have in the past and may in the future invest in real estate located outside of the United States and real estate debt issued in, and/or backed by real estate in, countries outside the United States, including Canada, Europe and potentially elsewhere. Non-U.S. real estate and real estate-related investments involve certain factors not typically associated with investing in real estate and real estate-related investments in the U.S., including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which such investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iii) differences between U.S. and non-U.S. real estate markets, including potential price volatility in and relative illiquidity of some non-U.S. markets; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (v) certain economic, social and political risks, including potential exchange-control regulations, potential restrictions on non-U.S. investment and repatriation of capital, the risks associated with political, economic or social instability,

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including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, and adverse economic and political developments; (vi) the possible imposition of non-U.S. taxes on income and gains and gross sales or other proceeds recognized with respect to such investments; (vii) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (viii) different laws and regulations including differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (ix) political hostility to investments by foreign investors; and (x) less publicly available information. Furthermore, while we may have the capacity, but not the obligation, to mitigate such additional risks, including through the utilization of certain foreign exchange hedging instruments, there is no guarantee that we will be successful in mitigating such risks and in turn may introduce additional risks and expenses linked to such efforts.

Our portfolio is currently concentrated in certain industries and geographies and may in the future be concentrated in a limited number of industries, geographies or investments.

Our portfolio may be heavily concentrated at any time in only a limited number of industries, geographies or investments, and, as a consequence, our aggregate return may be substantially affected by the unfavorable performance of even a single investment. Currently, our portfolio is heavily concentrated in multifamily and industrial assets and geographically concentrated in the southern and western regions of the U.S., and in particular Las Vegas, Nevada. Concentration of our investments in a particular type of asset or geography, our portfolio makes us more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular type of asset or geography. Our concentration in Las Vegas exposes us to risks related to the economic health and other factors unique to that city, which is in turn largely reliant on the gaming and tourist industries. See “—Our investments in real estate associated with gaming facilities will be impacted by the risks associated with the gaming industry.” For investments that the Adviser intends to finance (directly or by selling assets), there is a risk that such financing may not be completed, which could result in us holding a larger percentage of our assets in a single investment and asset type than desired. Investors have no assurance as to the degree of diversification in our investments, either by geographic region or asset type.

We may change our investment and operational policies without stockholder consent.

Except for changes to the investment restrictions contained in our charter, which require stockholder consent to amend, we may change our investment and operational policies, including our policies with respect to investments, operations, indebtedness, capitalization and distributions, at any time without the consent of our stockholders, which could result in our making investments that are different from, and possibly riskier or more highly leveraged than, the types of investments described in this prospectus. Our board of directors also approved very broad investment guidelines with which we must comply, but these guidelines provide the Adviser with broad discretion and can be changed by our board of directors. A change in our investment strategy may, among other things, increase our exposure to real estate market fluctuations, default risk and interest rate risk, all of which could materially affect our results of operations and financial condition.

We may have difficulty selling our properties, which may limit our flexibility and ability to pay distributions.

Because real estate investments are relatively illiquid, it could be difficult for us to promptly sell one or more of our properties on favorable terms. Additionally, we have in the past and may in the future agree to lock-out or other provisions when we acquire a property that materially restrict us from selling such property or our interest in such property for a period of time. This may limit our ability to change our portfolio quickly in response to adverse changes in the performance of any such property or economic or market trends. In addition, U.S. federal tax laws that impose a 100% excise tax on gains from sales of dealer property by a REIT (generally, property held for sale, rather than investment) could limit our ability to sell properties and may affect our ability to sell properties without adversely affecting returns to our stockholders. These restrictions could adversely affect our results of operations and financial condition.

We face risks associated with property acquisitions.

We acquire properties and portfolios of properties, including large portfolios that could result in changes to our capital structure. Our acquisition activities and their success are subject to the following risks:

- we may be unable to complete an acquisition after making a non-refundable deposit or guarantee and incurring certain other acquisition-related costs;
- we may be unable to obtain financing for acquisitions on commercially reasonable terms or at all;
- acquired properties may fail to perform as expected;
- acquired properties may be located in new markets in which we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures; and
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations.

In addition, while we will invest primarily in stabilized, income-generating real estate, we may also acquire assets that require some amount of capital investment in order to be renovated or repositioned. These investments are generally subject to higher risk of loss than investments in stabilized real estate and there is no guarantee that any renovation or repositioning will be successful, or that the actual costs will not be greater than our estimates.

The sale and disposition of real properties carry certain litigation risks at the property level that may reduce our profitability and the return on your investment.

The acquisition, ownership and disposition of real properties carry certain specific litigation risks. Litigation may be commenced with respect to a property acquired by us in relation to activities that took place prior to our acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made, if such buyer is passed over in favor of another as part of our efforts to maximize sale proceeds. Similarly, successful buyers may later sue us under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

Competition for investment opportunities may reduce our profitability and the return on your investment.

We face competition from various entities for investment opportunities in properties, including other REITs, real estate operating companies, pension funds, insurance companies, investment funds and companies, partnerships and developers, some of which are likely a source of reasonable alternatives under Regulation Best Interest. In addition to third-party competitors, other programs sponsored by the Adviser and its affiliates, particularly those with investment strategies that overlap with ours may seek investment opportunities in accordance with Blackstone's prevailing policies and procedures. Some of these entities may have greater access to capital to acquire properties than we have. Competition from these entities may reduce the number of suitable investment opportunities offered to us or increase the bargaining power of property owners seeking to sell. Additionally, disruptions and dislocations in the credit markets could have a material impact on the cost and availability of debt to finance real estate acquisitions, which is a key component of our acquisition strategy. The lack of available debt on reasonable terms or at all could result in a further reduction of suitable investment opportunities and create a competitive advantage for other entities that have greater financial resources than we do. In addition, over the past several years, a number of real estate funds and publicly traded and non-traded REITs have been formed and others have been consolidated (and many such existing funds have grown in size) for the purpose of investing in real estate and/or real estate-related assets. Additional real estate funds, vehicles and REITs with similar investment objectives are expected to be formed in the future by other unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). Consequently, it is expected that competition

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for appropriate investment opportunities would reduce the number of investment opportunities available to us and adversely affect the terms, including price, upon which investments can be made. This competition may cause us to acquire properties and other investments at higher prices or by using less-than-ideal capital structures, and in such case our returns will be lower and the value of our assets may not appreciate or may decrease significantly below the amount we paid for such assets. If such events occur, you may experience a lower return on your investment.

We may make a substantial amount of joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.

We have made joint venture investments with third parties and we may, subject to the requirements in our charter, continue to co-invest in the future with Blackstone affiliates or third parties in partnerships or other entities that own real properties. We have entered into, and expect to continue to enter into, joint ventures as part of an acquisition with the seller of the properties. We may acquire non-controlling interests or shared control interests in joint ventures. Even if we have some control in a joint venture, we would not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were another party not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their required capital contributions. Joint venture partners may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the joint venture partner would have full control over the joint venture. Disputes between us and joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with joint venture partners might result in subjecting properties owned by the joint venture to additional risk. In some cases, our joint venture partner may be entitled to property management fees, promote or other incentive fee payments as part of the arrangement of the joint venture. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

In addition, in connection with any investments in which we participate alongside any Other Blackstone Accounts, the Adviser may decline to exercise, or delegate to a third party, certain control, foreclosure and similar governance rights relating to such shared investments for legal, tax, regulatory or other reasons. There is no guarantee that we will be able to co-invest with any Other Blackstone Account. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts.

If we have a right of first refusal to buy out a joint venture partner, we may be unable to finance such a buy-out if it becomes exercisable or we are required to purchase such interest at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to elect to purchase an interest of a joint venture partner subject to the buy/sell right, in which case we may be forced to sell our interest as the result of the exercise of such right when we would otherwise prefer to keep our interest. In some joint ventures we may be obligated to buy all or a portion of our joint venture partner's interest in connection with a crystallization event, and we may be unable to finance such a buy-out when such crystallization event occurs, which may result in interest or other penalties accruing on the purchase price. If we buy our joint venture partner's interest we will have increased exposure in the underlying investment. The price we use to buy our joint venture partner's interest or sell our interest is typically determined by negotiations between us and our joint venture partner and there is no assurance that such price will be representative of the value of the underlying property or equal to our then-current valuation of our interest in the joint venture that is used to calculate our NAV. Finally, we may not be able to sell

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our interest in a joint venture if we desire to exit the venture for any reason or if our interest is likewise subject to a right of first refusal of our joint venture partner, our ability to sell such interest may be adversely impacted by such right. Joint ownership arrangements with Blackstone affiliates may also entail further conflicts of interest. Joint venture partners may receive ongoing fees in connection with providing service to the joint venture or its properties, including promote fees, beyond their equity investment, which would reduce the amount of our economic interest.

Some additional risks and conflicts related to our joint venture investments (including joint venture investments with Blackstone affiliates) include:

- the joint venture partner could have economic or other interests that are inconsistent with or different from our interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such joint venture;
- our joint venture partners may receive ongoing fees from our joint ventures, including promote payments and potential buyouts of their equity investments, all of which may reduce amounts otherwise payable to us;
- tax, Investment Company Act and other regulatory requirements applicable to the joint venture partner could cause it to want to take actions contrary to our interests;
- the joint venture partner could have joint control or joint governance of the joint venture even in cases where its economic stake in the joint venture is significantly less than ours;
- under the joint venture arrangement, it is possible that neither we nor the joint venture partner will be in a position to unilaterally control the joint venture, and deadlocks may occur. Such deadlocks could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or disposition. In addition, depending on the governance structure of such joint venture partner, decisions of such vehicle may be subject to approval by individuals who are independent of Blackstone;
- under the joint venture arrangement, we and the joint venture partner may have a buy/sell right and, as a result of an impasse that triggers the exercise of such right, we could be forced to sell our investment in the joint venture, or buy the joint venture partner's share of the joint venture at a time when it would not otherwise be in our best interest to do so;
- our participation in investments in which a joint venture partner participates will be less than what our participation would have been had such joint venture partner not participated, and because there may be no limit on the amount of capital that such joint venture partner can raise, the degree of our participation in such investments may decrease over time;
- under the joint venture arrangement, we and the joint venture partner could each have preemptive rights in respect of future issuances by the joint venture, which could limit a joint venture's ability to attract new third-party capital;
- under the applicable JV Arrangement, we and the joint venture partner could be subject to lock-ups, which could prevent us from disposing of our interests in the joint venture at a time it determines it would be advantageous to exit; and
- the joint venture partner could have a right of first offer, tag-along rights, drag-along rights, consent rights or other similar rights in respect of any transfers of the ownership interests in the joint venture to third parties, which could have the effect of making such transfers more complicated or limiting or delaying us from selling our interest in the applicable investment.

Furthermore, we may have conflicting fiduciary obligations if we acquire properties with our affiliates or other related entities; as a result, in any such transaction we may not have the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

Acquiring or attempting to acquire multiple properties in a single transaction may adversely affect our operations.

We have in the past and may in the future acquire multiple properties in a single transaction. Portfolio acquisitions typically are more complex and expensive than single-property acquisitions, and the risk that a multiple-property acquisition does not close may be greater than in a single-property acquisition. Portfolio acquisitions may also result in us owning investments in geographically dispersed markets, placing additional demands on the Adviser in managing the properties in the portfolio. In addition, a seller may require that a group of properties be purchased as a package and/or also include certain additional investments or transactions even though, were it not part of the overall transaction, we may not want to purchase one or more properties included in such portfolio or participate in additional investments or transactions. In these situations, if we are unable to identify another person or entity to acquire the unwanted properties or investments, or if the seller imposes a lock-out period or other restriction on a subsequent sale, we may be required to operate such properties or attempt to dispose of such properties or investments (if not subject to a lock-out period). We may also share the acquisition of large portfolios of properties with our affiliates, which can result in conflicts of interest, including as to the allocation of properties within the portfolio and the prices attributable to such properties. See “Risks Related to Conflicts of Interest—We may invest in joint ventures with Other Blackstone Accounts or divide a pool of investments among us and Other Blackstone Accounts.” It may also be difficult for the Adviser to fully analyze each property in a large portfolio, increasing the risk that properties do not perform as anticipated. We also may be required to accumulate a large amount of cash to fund such acquisitions. We would expect the returns that we earn on such cash to be less than the returns on investments in real property. Therefore, acquiring multiple properties in a single transaction may reduce the overall yield on our portfolio.

In the event we obtain options to acquire properties, we may lose the amount paid for such options whether or not the underlying property is purchased.

We may obtain options to acquire certain properties. The amount paid for an option, if any, is normally surrendered if the property is not purchased and may or may not be credited against the purchase price if the property is purchased. Any unreturned option payments will reduce the amount of cash available for further investments or distributions to our stockholders.

In our due diligence review of potential investments, we may rely on third-party consultants and advisors and representations made by sellers of potential portfolio properties, and we may not identify all relevant facts that may be necessary or helpful in evaluating potential investments.

Before making investments, due diligence will typically be conducted in a manner that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental, social governance, real property and legal issues. Outside consultants, legal advisors, appraisers, accountants, investment banks and other third parties, including affiliates of the Adviser or Blackstone, may be involved in the due diligence process to varying degrees depending on the type of investment, the costs of which will be borne by us. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Adviser’s reduced control of the functions that are outsourced. Where affiliates of Blackstone are utilized, the Adviser’s management fee will not be offset for the fees paid or expenses reimbursed to such affiliates. In addition, if the Adviser is unable to timely engage third-party providers, the ability to evaluate and acquire more complex targets could be adversely affected. In the due diligence process and making an assessment regarding a potential investment, the Adviser will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, particularly for large portfolio investments. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments, including pursuant to risk

management procedures described in this prospectus, will achieve their desired effect and potential investors should regard an investment in us as being speculative and having a high degree of risk.

There can be no assurance that the Adviser will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices or material misstatements or omissions during the due diligence phase or during our efforts to monitor and disclose information about the investment on an ongoing basis or that any risk management procedures implemented by us will be adequate.

When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources available to it, including information provided or reported by the seller of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at the portfolio property, even activities that occurred prior to our investment therein, could have an adverse impact us.

In the event of fraud by the seller of any portfolio property, we may suffer a partial or total loss of capital invested in that property. An additional concern is the possibility of material misrepresentation or omission on the part of the seller. Such inaccuracy or incompleteness may adversely affect the value of our investments in such portfolio property. We will rely upon the accuracy and completeness of representations made by sellers of portfolio properties in the due diligence process to the extent reasonable when we make our investments, but cannot guarantee such accuracy or completeness.

In addition, we rely on information, including financial information and non-GAAP metrics, provided by sellers of our investments for disclosure to our investors about potential acquisitions or current assets owned by us. Accordingly, although we believe such information to be accurate, such information cannot be independently verified by the Adviser, and in some cases such information has not been independently reviewed or audited while under our ownership or control or at all. We cannot assure you that that the financial statements or metrics of properties we have acquired or will acquire would not be materially different if such statements or metrics had been independently audited or reviewed.

Consultants, legal advisors, appraisers, accountants, investment banks and other third parties may be involved in the due diligence process and/or the ongoing operation of our portfolio properties to varying degrees depending on the type of investment. For example, certain asset management and finance functions, such as data entry relating to a portfolio property, may be outsourced to a third-party service provider whose fees and expenses will be borne by such portfolio property or us. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to our reduced control of the functions that are outsourced.

We may be subject to expenses and liabilities related to employees of certain portfolio entities owned by us.

We may be subject to expenses and liabilities related to employees of certain portfolio entities owned by us. As part of our acquisition of Simply Self Storage in December 2020 (the “Simply Storage Acquisition”), we acquired Simply Storage Management. Simply Storage Management is our first portfolio entity with employees and we may have others in the future. Such expenses and liabilities include compensation, overhead and other administrative costs, as well as potential liabilities that are commonly faced by employers, such as workers’ disability and compensation claims, potential labor disputes, and other employee-related liabilities and grievances. We may also be subject to other operational risks from such employees, including cybersecurity risks or as a result of employee error or malfeasance. In addition, we may encounter unforeseen costs and expenses associated with acquiring such portfolio entities and such expenses may have an adverse effect on our results of operations.

The exit by the United Kingdom (“U.K.”) from the E.U. could adversely affect us.

The U.K. and E.U. agreed the text of a withdrawal agreement on October 17, 2019 to enable the U.K. to leave the E.U. on January 31, 2020 with an implementation period lasting until at least December 31, 2020. This agreement was subsequently ratified by the U.K. government on January 23, 2020 and the European Parliament on January 29, 2020, and the U.K. formally left the E.U. on January 31, 2020. During the implementation period, E.U. law continues to apply in the U.K. and the U.K. maintains its E.U. single market access rights (including passport rights) and E.U. customs union membership. The U.K. government has stated its intention that the implementation period will last only until December 31, 2020.

Even though a withdrawal agreement has been ratified and an implementation period has been secured, U.K. regulated firms and other U.K. businesses could still be adversely affected by the terms ultimately agreed for a future trading relationship with the E.U. A tariff or non-tariff barrier, customs checks, the inability to provide cross-border services, changes in withholding tax, restrictions on movements of employees, restrictions on the transfer of personal data, etc., all have the potential to materially impair the profitability of a business, require it to adapt, or even relocate.

In the event that the implementation period expires without any agreement being made for a future trading relationship between the U.K. and the E.U., the U.K. will become a third country vis-à-vis the E.U. As a third country, the U.K. will cease to have access to the single market and will no longer be a member of the E.U. customs union. The cross-border trade in goods between the U.K. and E.U. member states will, in such circumstances, depend on any multilateral trade agreements to which both the E.U. and the U.K. are parties (such as those administered by the World Trade Organization) and the provision of services by U.K. firms will be generally restricted to those that could be provided by firms established in any third country.

Without assurance as to whether any future trading relationship between the U.K. and the E.U. will be agreed, and as to the terms of any such relationship, many businesses may be unable to postpone executing their contingency plans. Contingency planning for some businesses involves re-establishing the business in another member state, moving personnel and, if applicable, seeking authorization from the local regulator—all of which are costly and disruptive.

Although it is probable that any adverse effects of the U.K.’s withdrawal from the E.U. will principally affect the U.K. (and those having an economic interest in, or connected to, the U.K.), given the size and global significance of the U.K.’s economy, unpredictability about the terms of its withdrawal and its future legal, political and/or economic relationships with Europe is likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the U.K. from the E.U. could therefore adversely affect our business, business opportunities, results of operations, financial conditions and cash flows. In addition, although it seems less likely now than at the time of Britain’s referendum, the withdrawal of the U.K. from the E.U. could have a further destabilizing effect if any other member states were to consider withdrawing from the E.U., presenting similar and/or additional potential risks and consequences to our business and financial results.

We rely on property managers to operate our properties and leasing agents to lease vacancies in our properties.

The Adviser hires property managers to manage our properties and leasing agents to lease vacancies in our properties. These property managers may be our affiliates or partners in joint ventures that we enter into. The property managers have significant decision-making authority with respect to the management of our properties. We are particularly dependent on property managers of any hospitality and leisure properties we invest in. Our ability to direct and control how our properties are managed on a day-to-day basis may be limited because we engage other parties to perform this function. Thus, the success of our business may depend in large part on the

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ability of our property managers to manage the day-to-day operations and the ability of our leasing agents to lease vacancies in our properties. Any adversity experienced by, or problems in our relationship with, our property managers or leasing agents could adversely impact the operation and profitability of our properties.

We depend on tenants for our revenue, and therefore our revenue is dependent on the success and economic viability of our tenants. Our reliance on single or significant tenants in certain buildings may decrease our ability to lease vacated space and could adversely affect our income, performance, operations and ability to pay distributions.

Rental income from real property, directly or indirectly, constitutes a significant portion of our income. Delays in collecting accounts receivable from tenants could adversely affect our cash flows and financial condition. In addition, the inability of a single major tenant or a number of smaller tenants to meet their rental obligations would adversely affect our income. Therefore, our financial success is indirectly dependent on the success of the businesses operated by the tenants in our properties or in the properties securing debts we may own. The weakening of the financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants and vacancies caused by defaults of tenants or the expiration of leases may adversely affect our operations, performance and our ability to pay distributions.

Generally, under U.S. bankruptcy law, a debtor tenant has 120 days to exercise the option of assuming or rejecting the obligations under any unexpired lease for nonresidential real property, which period may be extended once by the bankruptcy court for an additional 90 days. If the tenant assumes its lease, the tenant must cure all defaults under the lease and may be required to provide adequate assurance of its future performance under the lease. If the tenant rejects the lease, we will have a claim against the tenant's bankruptcy estate. Although rent owing for the period between filing for bankruptcy and rejection of the lease may be afforded administrative expense priority and paid in full, pre-bankruptcy arrears and amounts owing under the remaining term of the lease will be afforded general unsecured claim status (absent collateral securing the claim). Moreover, amounts owing under the remaining term of the lease will be capped. Other than equity and subordinated claims, general unsecured claims are the last claims paid in a bankruptcy and therefore funds may not be available to pay such claims in full.

Some of our properties may be leased to a single or significant tenant and, accordingly, may be suited to the particular or unique needs of such tenant. We may have difficulty replacing such a tenant if the floor plan of the vacant space limits the types of businesses that can use the space without major renovation. In addition, the resale value of the property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

For example, we are dependent on a subsidiary of MGM as the sole tenant of The Bellagio Las Vegas (the "Bellagio") as well as the MGM Grand Las Vegas and Mandalay Bay. The rental revenue we are entitled to receive from MGM comprises a sizeable portion of our overall revenue and therefore risks related to MGM's financial condition will expose us to risk, including adverse impacts to MGM's business as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, negative developments in the economy or political climate that depress travel activity, or other factors that may impact MGM's operations or the operation of these properties. As a result, MGM has been, and may in the future be, required to suspend operations at these properties for what could be an extended period of time. Additionally, while these properties are currently suited to MGM's needs, should MGM default under any of these leases, we may have difficulty finding a replacement tenant, any replacement tenant may not be of the same quality as MGM, the terms of any new lease may be less favorable than the terms of the current lease, or we may be required to incur significant expense to modify the properties to suit a new tenant.

Similarly, certain of our other properties, including certain industrial warehouses and student housing properties, are leased out to single tenants or tenants that are otherwise reliant on a single enterprise to remain in business and our hotel properties are generally operated by a single operator. Adverse impacts to such tenants, businesses

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or operators, including as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, political events or other factors that may impact the operation of these properties, may have negative effects on our business and financial results. As a result, such tenants or operators have been, and may in the future be, required to suspend operations at our properties for what could be an extended period of time. Further, if such tenants default under their leases or such operators are unable to operate our properties, we may not be able to promptly enter into a new lease or operating arrangement for such properties, rental rates or other terms under any new leases or operating arrangement may be less favorable than the terms of the current lease or operating arrangement or we may be required to make capital improvements to such properties for a new tenant or operator, any of which could adversely impact our operating results.

We may be unable to renew leases as leases expire.

We may not be able to lease properties that are vacant or become vacant because a tenant decides not to renew its lease or by the continued default of a tenant under its lease. In addition, certain of the properties we acquire may have some level of vacancy at the time of acquisition. Certain other properties may be specifically suited to the particular needs of a tenant and may become vacant after we acquire them. Even if a tenant renews its lease or we enter into a lease with a new tenant, the terms of the new lease may be less favorable than the terms of the old lease. In addition, the resale value of the property could be diminished because the market value may depend principally upon the value of the property's leases. If we are unable to promptly renew or enter into new leases, or if the rental rates are lower than expected, our results of operations and financial condition will be adversely affected. For example, following the termination or expiration of a tenant's lease there may be a period of time before we will begin receiving rental payments under a replacement lease. During that period, we will continue to bear fixed expenses such as interest, real estate taxes, maintenance, security, repairs and other operating expenses. In addition, declining economic conditions may impair our ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require us to make capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that we undertake may divert cash that would otherwise be available for distributions or for satisfying repurchase requests. Ultimately, to the extent that we are unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact our operating results.

We may be required to expend funds to correct defects or to make improvements before a tenant can be found for a property at an attractive lease rate or an investment in a property can be sold. No assurance can be given that we will have funds available to correct those defects or to make those improvements. In acquiring a property, we may agree to lock-out provisions that materially restrict us from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede our ability to respond to adverse changes in the performance of our properties could significantly affect our financial condition and operating results.

Leases with retail properties' tenants may restrict us from re-leasing space.

Most leases with retail tenants contain provisions giving the particular tenant the exclusive right to sell particular types of merchandise or provide specific types of services within the particular retail center. These provisions may limit the number and types of prospective tenants interested in leasing space in a particular retail property.

Our properties face significant competition.

We face significant competition from owners, operators and developers of properties. Substantially all of our properties will face competition from similar properties in the same market. This competition may affect our ability to attract and retain tenants and may reduce the rents we are able to charge. These competing properties may have vacancy rates higher than our properties, which may result in their owners being willing to lease

available space at lower prices than the space in our properties. If one of our properties were to lose an anchor tenant, this could impact the leases of other tenants, who may be able to modify or terminate their leases as a result.

Our properties may be leased at below-market rates under long-term leases.

We may seek to negotiate longer-term leases to reduce the cash flow volatility associated with lease rollovers, provided that contractual rent increases are generally included. In addition, where appropriate, we will seek leases that provide for operating expenses, or expense increases, to be paid by the tenants. These leases may allow tenants to renew the lease with pre-defined rate increases. If we do not accurately judge the potential for increases in market rental rates, or if our negotiated increases provide for a discount to then-current market rental rates (in exchange for lower volatility), we may set the rental rates of these long-term leases at levels such that even after contractual rental increases, the resulting rental rates are less than then-current market rental rates. Further, we may be unable to terminate those leases or adjust the rent to then-prevailing market rates. As a result, our income and distributions to our stockholders could be lower than if we did not enter into long-term leases.

We depend on the availability of public utilities and services, especially for water and electric power. Any reduction, interruption or cancellation of these services may adversely affect us.

Public utilities, especially those that provide water and electric power, are fundamental for the sound operation of our assets. The delayed delivery or any material reduction or prolonged interruption of these services could allow tenants to terminate their leases or result in an increase in our costs, as we may be forced to use backup generators or other replacements for the reduced or interrupted utilities, which also could be insufficient to fully operate our facilities and could result in our inability to provide services.

We may experience material losses or damage related to our properties and such losses may not be covered by insurance.

We may experience material losses related to our properties arising from natural disasters and acts of God, vandalism or other crime, faulty construction or accidents, fire, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, acts of terrorism or other catastrophes. We plan to carry insurance covering our properties under policies the Adviser deems appropriate. The Adviser will select policy specifications and insured limits that it believes to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Insurance policies on our properties may include some coverage for losses that are generally catastrophic in nature, such as losses due to terrorism, earthquakes and floods, but we cannot assure you that it will be adequate to cover all losses and some of our policies will be insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. In general, losses related to terrorism are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism, in others the coverage against terrorist acts is limited, or available only for a significant price. A similar dynamic has been unfolding with respect to certain weather and fire events. As a result, not all investments may be insured against terrorism, weather or fire. If we or one or more of our tenants experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. Certain of these events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting us or the Adviser.

We could become subject to liability for environmental violations, regardless of whether we caused such violations.

We could become subject to liability in the form of fines or damages for noncompliance with environmental laws and regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation

and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid hazardous materials, the remediation of contaminated property associated with the disposal of solid and hazardous materials and other health and safety-related concerns. Some of these laws and regulations may impose joint and several liability on tenants, owners or managers for the costs of investigation or remediation of contaminated properties, regardless of fault or the legality of the original disposal. Under various federal, state and local environmental laws, ordinances, and regulations, a current or former owner or manager of real property may be liable for the cost to remove or remediate hazardous or toxic substances, wastes, or petroleum products on, under, from, or in such property. These costs could be substantial and liability under these laws may attach whether or not the owner or manager knew of, or was responsible for, the presence of such contamination. Even if more than one person may have been responsible for the contamination, each liable party may be held entirely responsible for all of the clean-up costs incurred.

In addition, third parties may sue the owner or manager of a property for damages based on personal injury, natural resources, or property damage and/or for other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of contamination on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. In addition, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which the property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants. There can be no assurance that future laws, ordinances or regulations will not impose any material environmental liability, or that the environmental condition of our properties will not be affected by the operations of the tenants, by the existing condition of the land, by operations in the vicinity of the properties. There can be no assurance that these laws, or changes in these laws, will not have a material adverse effect on our business, results of operations or financial condition. We could also suffer losses if reserves or insurance proceeds prove inadequate to cover any such matters. The cost to perform any remediation, and the cost to defend against any related claims, could exceed the value of the relevant investment, and in such cases we could be forced to satisfy the claims from other assets and investments. We may have an indemnity from a third party purporting to cover these liabilities, but there can be no assurance as to the financial viability of any indemnifying party at the time a claim arises. In addition, some environmental laws create a lien on a contaminated asset in favor of governments or government agencies for costs they may incur in connection with the contamination.

Our costs associated with complying with the Americans with Disabilities Act of 1990 (the “ADA”) may affect cash available for distributions.

Any domestic properties we acquire will generally be subject to the ADA. Under the ADA, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The ADA has separate compliance requirements for “public accommodations” and “commercial facilities” that generally require that buildings and services be made accessible and available to people with disabilities. The ADA’s requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties or, in some cases, an award of damages. We may not acquire properties that comply with the ADA or we may not be able to allocate the burden on the seller or other third party, such as a tenant, to ensure compliance with the ADA in all cases.

Our properties are, and any properties we acquire in the future will be, subject to property taxes that may increase in the future, which could adversely affect our cash flow.

Our properties are, and any properties we acquire in the future will be, subject to real and personal property taxes that may increase as property tax rates change and as the properties are assessed or reassessed by taxing authorities. Some of our leases may provide that the property taxes, or increases therein, are charged to the lessees as an expense related to the properties that they occupy. As the owner of the properties, however, we are

ultimately responsible for payment of the taxes to the government. If property taxes increase, our tenants may be unable (or not obligated) to make the required tax payments, ultimately requiring us to pay the taxes. In addition, we are generally responsible for property taxes related to any vacant space. If we purchase residential properties, the leases for such properties typically will not allow us to pass through real estate taxes and other taxes to residents of such properties. Consequently, any tax increases may adversely affect our results of operations at such properties.

Certain of our investments are in the form of ground leases, which provide limited rights to the underlying property.

We hold and may in the future invest from time to time in real properties that are subject to ground leases. As a lessee under a ground lease, we may be exposed to the possibility of losing the property upon termination, or an earlier breach by us, of the ground lease, which may adversely impact our investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, we will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

Certain of our industrial properties may be special use and/or build-to-suit and may be difficult to sell or relet upon tenant defaults or lease terminations.

Certain of our industrial properties may include special use and/or build-to-suit properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets and this illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. With such properties, if the current lease is terminated or not renewed, we may be required to renovate the property or to make rent concessions in order to lease the property to another tenant, finance the property or sell the property. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect our ability to sell or relet our industrial properties and adversely affect our results of operations at such properties.

Certain properties may require permits or licenses.

A license, approval or permit may be required to acquire certain investments and their direct or indirect holding companies (or registration may be required before an acquisition can be completed). There can be no guarantee of when and if such a license, approval or permit will be obtained or if the registration will be effected.

Certain properties may require an expedited transaction, which may result in limited information being available about the property prior to its acquisition.

Investment analyses and decisions by the Adviser may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time of making an investment decision may be limited, and the Adviser may not have access to detailed information regarding the investment property or portfolio of properties, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting such investment. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that may adversely affect an investment, and we may make investments which we would not have made if more extensive due diligence had been undertaken. Because large portfolios of properties still generally require diligence to analyze individual properties, these risks are exacerbated in expedited transactions of large portfolios. In addition, the Adviser may use consultants, legal advisors, appraisers, accountants, investment banks and other third parties in connection with its evaluation and/or diligence of certain investments. No assurance can be given as to the accuracy or completeness of the information provided by such third parties, and we may incur liability as a result of such third parties' actions.

We face risks in effecting operating improvements.

In some cases, the success of an investment will depend, in part, on our ability to restructure and effect improvements in the operations of a property. The activity of identifying and implementing restructuring programs and operating improvements at property entails a high degree of uncertainty. There can be no assurance that we will be able to successfully identify and implement such restructuring programs and improvements.

We face legal risks when making investments.

Investments are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments. In addition, it is not uncommon for investments to be exposed to a variety of other legal risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action and legal action from special interest groups.

Our industrial tenants may be adversely affected by a decline in manufacturing activity in the United States.

Fluctuations in manufacturing activity in the United States may adversely affect our industrial tenants and therefore the demand for and profitability of our industrial properties. Trade agreements with foreign countries have given employers the option to utilize less expensive foreign manufacturing workers. Outsourcing manufacturing activities could reduce the demand for U.S. workers, thereby reducing the profitability of our industrial tenants and the demand for and profitability of our industrial properties.

We could be negatively impacted by the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing.

Fannie Mae and Freddie Mac are a major source of financing for multifamily real estate in the United States. We expect to utilize loan programs sponsored by these entities as a key source of capital to finance our growth and our operations. In September 2008, the U.S. government increased its control of Fannie Mae and Freddie Mac and placed both companies into a government conservatorship under the Federal Housing Finance Agency. In December 2009, the U.S. Treasury increased its financial support for these conservatorships. In February 2011, the Obama administration released its blueprint for winding down Fannie Mae and Freddie Mac and for reforming the system of housing finance. Since that time, members of Congress have introduced and Congressional committees have considered a substantial number of bills that include comprehensive or incremental approaches to winding down Fannie Mae and Freddie Mac or changing their purposes, businesses or operations. A decision by the U.S. government to eliminate or downscale Fannie Mae or Freddie Mac or to reduce government support for multifamily housing more generally may adversely affect interest rates, capital availability, development of multifamily communities and the value of multifamily assets and, as a result, may adversely affect our future growth and operations. Any potential reduction in loans, guarantees and credit-enhancement arrangements from Fannie Mae and Freddie Mac could jeopardize the effectiveness of the multifamily sector's derivative securities market, potentially causing breaches in loan covenants, and through reduced loan availability, impact the value of multifamily assets, which could impair the value of a significant portion of multifamily communities. Specifically, the potential for a decrease in liquidity made available to the multifamily sector by Fannie Mae and Freddie Mac could:

- make it more difficult for us to secure new takeout financing for any multifamily development projects we acquire;
- hinder our ability to refinance any completed multifamily assets;
- decrease the amount of available liquidity and credit that could be used to broaden our portfolio through the acquisition of multifamily assets; and
- require us to obtain other sources of debt capital with potentially different terms.

Short-term leases expose us to the effects of declining market rent and could adversely impact our ability to make cash distributions to you.

Substantially all of our multifamily leases are on a short-term basis. Because these leases generally permit the residents to leave at the end of the lease term without penalty, our rental revenues would be impacted by declines in market rents more quickly than if our leases were for longer terms.

Increased levels of unemployment could adversely affect the occupancy and rental rates of any multifamily residential properties we acquire.

Increased levels of unemployment in multifamily markets could significantly decrease occupancy and rental rates. In times of increasing unemployment, multifamily occupancy and rental rates have historically been adversely affected by:

- oversupply or reduced demand for apartment homes;
- rental residents deciding to share rental units and therefore rent fewer units;
- potential residents moving back into family homes or delaying leaving family homes;
- a reduced demand for higher-rent units;
- a decline in household formation;
- persons enrolled in college delaying leaving college or choosing to proceed to or return to graduate school in the absence of available employment;
- rent control or rent stabilization laws, or other laws regulating housing, that could prevent us from raising rents sufficiently to offset increases in operating costs;
- the inability or unwillingness of residents to pay rent increases; and
- increased collection losses.

These factors generally have contributed to lower rental rates. To the extent that we invest in any multifamily residential properties, our results of operations, financial condition and ability to make distributions to you may be adversely affected if these factors do not improve or worsen.

If any credit market disruptions or economic slowdowns occur, any investments in multifamily residential properties may face increased competition from single-family homes and condominiums for rent, which could limit our ability to retain residents, lease apartment units or increase or maintain rents.

Any multifamily communities in which we invest may compete with numerous housing alternatives in attracting residents, including single-family homes and condominiums available for rent. Such competitive housing alternatives may become more prevalent in a particular area in the event of any tightening of mortgage lending underwriting criteria, homeowner foreclosures, declines in single-family home and condominium sales or lack of available credit. The number of single-family homes and condominiums for rent in a particular area could limit our ability to retain residents, lease apartment units or increase or maintain rents.

The multifamily residential properties in which we invest must comply with the Fair Housing Amendment of 1988.

The multifamily residential properties in which we invest domestically, if any, must comply with the Fair Housing Amendment Act of 1988 (“FHAA”) which requires that multifamily communities first occupied after March 13, 1991 be accessible to handicapped residents and visitors. Compliance with the FHAA could require removal of structural barriers to handicapped access in a community, including the interiors of apartment units covered under the FHAA. Recently there has been heightened scrutiny of multifamily housing communities for

compliance with the requirements of the FHAA and the ADA and an increasing number of substantial enforcement actions and private lawsuits have been brought against multifamily communities to ensure compliance with these requirements. Noncompliance with the FHAA and the ADA could result in the imposition of fines, awards of damages to private litigants, payment of attorneys' fees and other costs to plaintiffs, substantial litigation costs and substantial costs of remediation.

The impacts of climate-related initiatives at the U.S. federal and state levels remain uncertain at this time but could result in increased operating costs.

Government authorities and various interest groups are promoting laws and regulations that could limit greenhouse gas, or GHG, emissions due to concerns over contributions to climate change. The United States Environmental Protection Agency, or EPA, has moved to regulate GHG emissions from large stationary sources, including electricity producers, and mobile sources, through fuel efficiency and other requirements, using its existing authority under the Clean Air Act. Moreover, certain state and regional programs are being implemented to require reductions in GHG emissions. Any additional taxation or regulation of energy use, including as a result of (i) the regulations that EPA has proposed or may propose in the future, (ii) state programs and regulations, or (iii) renewed GHG legislative efforts by future Congresses, could result in increased operating costs that we may not be able to effectively pass on to our tenants. In addition, any increased regulation of GHG emissions could impose substantial costs on our industrial tenants. These costs include, for example, an increase in the cost of the fuel and other energy purchased by our industrial tenants and capital costs associated with updating or replacing their trucks earlier than planned. Any such increased costs could impact the financial condition of our industrial tenants and their ability to meet their lease obligations and to lease or re-lease our properties.

Rent control and other changes in applicable laws, or noncompliance with applicable laws, could adversely affect our multifamily residential properties.

Lower revenue growth or significant unanticipated expenditures may result from changes in rent control or rent stabilization laws or other residential landlord/tenant laws. Municipalities may implement, consider or be urged by advocacy groups to consider rent control or rent stabilization laws and regulations or take other actions that could limit our ability to raise rents based on market conditions. For example, in 2016 in Mountain View, California, voters passed a referendum that limits rent increases on existing tenants (but not on new move-ins) in communities built before 1995. These initiatives and any other future enactments of rent control or rent stabilization laws or other laws regulating multifamily housing, as well as any lawsuits against us arising from such rent control or other laws, may reduce rental revenues or increase operating costs. Such laws and regulations may limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating costs and could make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with investments in residential properties, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from such properties.

The hospitality or leisure market is seasonal, highly competitive and generally subject to greater volatility than our other market segments.

The hospitality or leisure business is seasonal, highly competitive and influenced by factors such as general and local economic conditions, location, room rates, quality, service levels, reputation and reservation systems, among many other factors. The hospitality or leisure industry generally experiences seasonal slowdown in the third quarter and, to a lesser extent, in the fourth quarter of each year. As a result of such seasonality, there will likely be quarterly fluctuations in results of operations of any hospitality or leisure properties that we own. There are many competitors in this market, and these competitors may have substantially greater marketing and financial resources than those available to us. Competition also comes from non-traditional hospitality sources, such as home-sharing platforms. This competition, along with other factors, such as over-building in the hospitality or leisure industry and certain deterrents to traveling, may increase the number of rooms available and

may decrease the average occupancy and room rates of our hospitality or leisure properties. The demand for rooms at any hospitality or leisure properties that we may acquire will change much more rapidly than the demand for space at other properties that we acquire. In addition, any such properties that we may own may be adversely affected by factors outside our control, such as extreme weather conditions or natural disasters, terrorist attacks or alerts, outbreaks of contagious diseases, airline strikes, economic factors and other considerations affecting travel. These factors could have a material adverse effect on our financial condition, results of operations and ability to pay distributions to stockholders.

Our student housing properties are subject to seasonality.

Student housing properties are typically leased during leasing seasons, and our properties are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during such seasons. Additionally, our student housing properties are generally on short-term leases, exposing us to increased leasing risk. We may not be able to re-lease our properties on similar terms, if we are able to re-lease our properties at all. The terms of renewal or re-lease (including the cost of required renovations) may be less favorable to us than the prior lease. If we are unable to re-lease all or a substantial portion of our properties, or if the rental rates upon such re-leasing are significantly lower than expected rates, our cash flows from operations could be adversely affected.

Prior to the commencement of each new lease period, we prepare the units for new incoming residents. Other than revenue generated by in-place leases for returning residents, we do not generally recognize lease revenue during this period referred to as “turn” as we have no leases in place. In addition, during turn, we incur expenses preparing our units for occupancy, which we recognize immediately. This lease turn period results in seasonality in our operating results, and as a result, we may experience significantly reduced cash flows during such periods.

In addition, we may be adversely affected by a change in university admission policies. For example, if a university reduces the number of student admissions, the demand for our student housing properties may be reduced and our occupancy rates may decline. Our student housing properties also compete with university-owned student housing and other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators.

Our retail tenants face competition from numerous retail channels.

Retailers leasing our properties will face continued competition from shopping via the internet, discount or value retailers, factory outlet centers, wholesale clubs, mail order catalogues and operators and television shopping networks. Such competition could adversely affect our tenants and, consequently, our revenues and funds available for distribution.

Retail properties depend on anchor tenants to attract shoppers and could be adversely affected by the loss of a key anchor tenant.

Retail properties, like other properties, are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. A lease termination by a tenant that occupies a large area of a retail center (commonly referred to as an anchor tenant) could impact leases of other tenants. Other tenants may be entitled to modify the terms of their existing leases in the event of a lease termination by an anchor tenant, or the closure of the business of an anchor tenant that leaves its space vacant even if the anchor tenant continues to pay rent. Any such modifications or conditions could be unfavorable to us as the property owner and could decrease rents or expense recoveries. Additionally, major tenant closures may result in decreased customer traffic, which could lead to decreased sales at other stores. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

We may be adversely affected by trends in the office real estate industry.

Some businesses are rapidly evolving to make employee telecommuting, flexible work schedules, open workplaces and teleconferencing increasingly common. These practices enable businesses to reduce their space requirements. A continuation of the movement towards these practices could over time erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on our financial position, results of operations, cash flows and ability to make expected distributions to our stockholders. We may also be negatively impacted by competition from other short-term office or shared space leasing companies.

We could be negatively impacted by increased competition, decreased demand and restrictive zoning ordinances in the manufactured housing markets in which we invest.

The manufactured housing industry is generally subject to many of the same national and regional economic and demographic factors that affect the housing industry generally. These factors, including shortage of consumer financing, public's perception, consumer confidence, inflation, regional population and employment trends, availability of and cost of alternative housing, weather conditions and general economic conditions, tend to impact manufactured homes to a greater degree than traditional residential homes. Our operating results from our manufactured housing investments may be adversely affected by: (i) competition from other available manufactured housing sites or available land for the placement of manufactured homes outside of established communities and alternative forms of housing (such as apartment buildings and site built single-family homes) and (ii) local real estate market conditions such as the oversupply of manufactured housing sites or a reduction in demand for manufactured housing sites in an area. In addition, the inability to secure zoning permits from local authorities may pose the most significant barrier to entry for developing new manufactured housing sites.

Manufactured home loans may be subject to greater credit risk.

We may hold loans secured by manufactured homes, which generally have higher delinquency and default rates than standard residential mortgage loans due to various factors, including, among other things, the manner in which borrowers have handled previous credit, the absence or limited extent of borrowers' prior credit history, limited financial resources, frequent changes in or loss of employment and changes in borrowers' personal or domestic situations that affect their ability to repay loans. Any substantial economic slowdown could increase delinquencies, defaults, repossessions and foreclosures with respect to manufactured homes. Also, the value of manufactured homes may depreciate over time, which can negatively impact the manufactured home industry and lead to increased defaults and delinquencies and lower recovery rates upon default.

Our investments in real estate associated with gaming facilities will be impacted by the risks associated with the gaming industry.

We invest in real estate associated with gaming facilities, which are subject to risks associated with the gaming industry, including changes in consumer trends, the impact of gaming regulations on us and/or our tenants, reductions in discretionary consumer spending and corporate spending on conventions and business development and preferences, changes in laws or foreign monetary policies that impact consumer behavior, and other factors over which we have no control. Economic contraction, economic uncertainty or the perception by potential customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions. Such investments may also be affected by risks relating to the tourism industry for the geographic areas in which our properties are located, including cost and availability of air services or other travel methods.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, internet lotteries and other internet wagering gaming services

and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Gaming competition is intense in the markets where our facilities are located. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market, the growth of general internet and electronic sports-related gaming and legislative changes, including relating to sports betting. As competing properties and new markets are opened, we and our tenants may be negatively impacted.

We invest in commercial properties subject to net leases, which could subject us to losses.

We invest in commercial properties subject to net leases. Typically, net leases require the tenants to pay substantially all of the operating costs associated with the properties. As a result, the value of, and income from, investments in commercial properties subject to net leases will depend, in part, upon the ability of the applicable tenant to meet its obligations to maintain the property under the terms of the net lease. If a tenant fails or becomes unable to so maintain a property, we will be subject to all risks associated with owning the underlying real estate. In addition, we may have limited oversight into the operations or the managers of these properties, subject to the terms of the net leases.

Certain commercial properties subject to net leases in which we invest are occupied by a single tenant and, therefore, the success of such investments are largely dependent on the financial stability of each such tenant. A default of any such tenant on its lease payments to us would cause us to lose the revenue from the property and cause us to have to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a lease is terminated, we may also incur significant losses to make the leased premises ready for another tenant and experience difficulty or a significant delay in re-leasing such property.

In addition, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years.

We may acquire these investments through sale-leaseback transactions, which involve the purchase of a property and the leasing of such property back to the seller thereof. If we enter into a sale-leaseback transaction, we will seek to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" for U.S. federal income tax purposes, thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes. However, we cannot assure you that the IRS will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed, and the timing of our income inclusion could differ from that of the lease payments. If a sale-leaseback transaction were so recharacterized (or otherwise not respected as a lease), we might fail to satisfy the REIT qualification "asset tests" or "income tests" and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated, which might also cause us to fail to meet the REIT distribution requirement for a taxable year.

If a tenant of a net lease defaults and we are unable to find a replacement tenant, we may attempt to hold and operate the relevant property ourselves through a taxable REIT subsidiary, which would subject income on the property to corporate-level taxation, thereby reducing our funds available for distribution. In certain circumstances, depending on how much capacity we have available of the total value we are permitted to hold in taxable REIT subsidiaries under applicable rules, we may not be able to hold and operate the property in a taxable REIT subsidiary, which could result in the property and the related income not satisfying the REIT qualification asset and income tests and could jeopardize our REIT status.

Technological or other innovations may disrupt the markets and sectors in which we operate and subject us to increased competition or negatively impact the tenants of our properties and the value of our properties.

Current trends in the real estate market and the sectors in which we invest generally have been toward disrupting the industry with technological or other innovations, and multiple young companies have been successful in capitalizing on this trend toward disruption. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that could affect us, tenants of our properties or our investments or alter the market practices that help frame our strategy. For example, the value of our hospitality properties is affected by competition from the non-traditional hospitality sector (such as short-term rental services), our office properties are affected by competition from shared office spaces (including co-working environments), our retail properties may be affected by changes in consumer behavior, including increased shopping via the internet, and our warehouse industrial properties may be affected if supply chains evolve in a way that decreases the need for traditional warehousing. Any of these new approaches could damage our investments, significantly disrupt the market in which we operate and subject us to increased competition, which could materially and adversely affect our business, financial condition and results of investments. Moreover, given the pace of innovation in recent years, the impact on a particular investment may not have been foreseeable at the time we made the investment. Furthermore, we could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

Our self-storage investments are subject to risks from fluctuating demand and competition in the self-storage industry.

Our self-storage investments are subject to operating risks common to the self-storage industry, which include business layoffs or downsizing, industry slowdowns, relocation of businesses and changing demographics, changes in supply of, or demand for, similar or competing self-storage properties in an area and the excess amount of self-storage space in a particular market, changes in market rental rates and inability to collect rents from customers. The self-storage industry has at times experienced overbuilding in response to perceived increases in demand. A recurrence of overbuilding might cause our self-storage investments to experience a decrease in occupancy levels, as well as limit the ability to increase rents and offer discounted rents.

General Risks Related to Investments in Real Estate Debt

Investments in real estate debt are subject to risks including various creditor risks and early redemption features which may materially adversely affect our results of operations and financial condition.

The debt and other interests in which we may invest may include secured or unsecured debt at various levels of an issuer's capital structure. The real estate debt in which we may invest may not be protected by financial covenants or limitations upon additional indebtedness, may be illiquid or have limited liquidity, and may not be rated by a credit rating agency. Real estate debt is also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligation and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Our investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by us earlier than expected, resulting in a lower return to us than anticipated or reinvesting in a new obligation at a lower return to us.

Our debt investments face prepayment risk and interest rate fluctuations that may adversely affect our results of operations and financial condition.

During periods of declining interest rates, the issuer of a security or borrower under a loan may exercise its option to prepay principal earlier than scheduled, forcing us to reinvest the proceeds from such prepayment in lower yielding securities or loans, which may result in a decline in our return. Debt investments frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met. An issuer may choose to redeem debt if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in

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the credit standing of the issuer. In addition, the market price of our investments will change in response to changes in interest rates and other factors. During periods of declining interest rates, the market price of fixed-rate debt investments generally rises. Conversely, during periods of rising interest rates, the market price of such investments generally declines. The magnitude of these fluctuations in the market price of debt investments is generally greater for securities with longer maturities. If the U.S. Federal Reserve or other relevant central banks increase benchmark interest rates, this could also negatively impact the price of debt instruments and could adversely affect the value of our investments and the NAV and price per share of our shares.

Reinvestment risk could affect the price for our shares or their overall returns.

Reinvestment risk is the risk that income from our portfolio will decline if we invest the proceeds from matured, traded or called securities at market interest rates that are below our real estate debt portfolio's current earnings rate. A decline in income could affect the NAV of our shares or their overall returns.

Debt-oriented real estate investments face a number of general market-related risks that can affect the creditworthiness of issuers, and modifications to certain loan structures and market terms make it more difficult to monitor and evaluate investments.

Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact our performance by making it more difficult for issuers to satisfy their debt payment obligations, increasing the default risk applicable to issuers, and/or making it relatively more difficult for us to generate attractive risk-adjusted returns. Changes in general economic conditions will affect the creditworthiness of issuers and/or real estate collateral relating to our investments and may include economic and/or market fluctuations, changes in environmental and zoning laws, casualty or condemnation losses, regulatory limitations on rents, decreases in property values, changes in the appeal of properties to tenants, changes in supply and demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in real estate fundamentals (including average occupancy, operating income and room rates for hotel properties), the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, political events, trade barriers, currency exchange controls, changes in government regulations (such as rent control), changes in real property tax rates and operating expenses, changes in interest rates, changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, outbreaks of an infectious disease, epidemics/pandemics or other serious public health concerns, negative developments in the economy or political climate that depress travel activity (including restrictions on travel or quarantines imposed), environmental liabilities, contingent liabilities on disposition of assets, acts of God, terrorist attacks, war, demand and/or real estate values generally and other factors that are beyond the control of the Adviser. Such changes may develop rapidly and it may be difficult to determine the comprehensive impact of such changes on our investments, particularly for investments that may have inherently limited liquidity. These changes may also create significant volatility in the markets for our investments which could cause rapid and large fluctuations in the values of such investments. There can be no assurance that there will be a ready market for the resale of our debt investments because such investments may not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by us. The value of securities of companies which service the real estate business sector may also be affected by such risks.

The Adviser cannot predict whether economic conditions generally, and the conditions for real estate debt investing in particular, will deteriorate in the future. Declines in the performance of the U.S. and global economies or in the real estate debt markets could have a material adverse effect on our investment activities. In addition, market conditions relating to real estate debt investments have evolved since the financial crisis, which has resulted in a modification to certain loan structures and market terms. For example, it has become increasingly difficult for real estate debt investors in certain circumstances to receive full transparency with

respect to underlying investments because transactions are often effectuated on an indirect basis through pools or conduit vehicles rather than directly with the borrower. These and other similar changes in loan structures or market terms may make it more difficult for us to monitor and evaluate investments.

The operating and financial risks of issuers and the underlying default risk across capital structures may adversely affect our results of operations and financial condition.

Our securities investments involve credit or default risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt when due. The risk of default and losses on real estate debt instruments will be affected by a number of factors, including global, regional and local economic conditions, interest rates, the commercial real estate market in general, an issuer's equity and the financial circumstances of the issuer, as well as general economic conditions. Such default risk will be heightened to the extent we make relatively junior investments in an issuer's capital structure since such investments are structurally subordinate to more senior tranches in such issuer's capital structure, and our overall returns would be adversely affected to the extent one or more issuers is unable to meet its debt payment obligations when due. To the extent we hold an equity or "mezzanine" interest in any issuer that is unable to meet its debt payment obligations, such equity or mezzanine interest could become subordinated to the rights of such issuer's creditors in a bankruptcy. See "—We invest in subordinated debt, which is subject to greater credit risk than senior debt" below. Furthermore, the financial performance of one or more issuers could deteriorate as a result of, among other things, adverse developments in their businesses, changes in the competitive environment or an economic downturn. As a result, underlying properties or issuers that we expected to be stable may operate, or expect to operate, at a loss or have significant fluctuations in ongoing operating results, may otherwise have a weak financial condition or be experiencing financial distress and subject our investments to additional risk of loss and default.

We generally invest in high-yield debt which is generally subject to more risk than higher rated securities.

Debt that is, at the time of purchase, rated below investment grade (below Baa by Moody's and below BBB by S&P and Fitch), an equivalent rating assigned by another nationally recognized statistical rating organization or unrated but judged by the Adviser to be of comparable quality are commonly referred to as "high-yield" securities.

Investments in high-yield securities generally provide greater income and increased opportunity for capital appreciation than investments in higher quality securities, but they also typically entail greater price volatility and principal and income risk, including the possibility of issuer default and bankruptcy. High-yield securities are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. Debt instruments in the lowest investment grade category also may be considered to possess some speculative characteristics by certain rating agencies. In addition, analysis of the creditworthiness of issuers of high-yield securities may be more complex than for issuers of higher quality securities.

High-yield securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield security prices because the advent of a recession could lessen the ability of an issuer to make principal and interest payments on its debt obligations. If an issuer of high yield securities defaults, in addition to risking non-payment of all or a portion of interest and principal, we may incur additional expenses to seek recovery. The market prices of high-yield securities structured as zero-coupon, step-up or payment-in-kind securities will normally be affected to a greater extent by interest rate changes, and therefore tend to be more volatile than the prices of securities that pay interest currently and in cash.

The secondary market on which high-yield securities are traded may be less liquid than the market for investment grade securities. Less liquidity in the secondary trading market could adversely affect the price at which we could sell a high yield security, and could adversely affect the NAV of our shares. Adverse publicity and investor

perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield securities, especially in a thinly-traded market. When secondary markets for high yield securities are less liquid than the market for investment grade securities, it may be more difficult to value the securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and we may have greater difficulty selling our portfolio securities. We will be more dependent on the Adviser's research and analysis when investing in high-yield securities.

Some of our securities investments may become distressed, which securities would have a high risk of default and may be illiquid.

While it is generally anticipated that our real estate-related investments will focus primarily on investments in non-distressed real estate-related interests (based on our belief that there is not a low likelihood of repayment), our investments may become distressed following our acquisition thereof. Additionally, we may invest in real estate debt investments that we believe are available to purchase at "discounted" rates or "undervalued" prices. Purchasing real estate debt at what may appear to be "undervalued" or "discounted" levels is no guarantee that these investments will generate attractive returns to us or will not be subject to further reductions in value. There is no assurance that such investments can be acquired at favorable prices, that such investments will not default, or that the market for such interests will improve. In addition, the market conditions for real estate debt investments may deteriorate further, which could have an adverse effect on the performance of our investments.

During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. There is no assurance that the Adviser will correctly evaluate the value of the assets collateralizing such investments or the prospects for a successful reorganization or similar action.

These financial difficulties may never be overcome and may cause issuers to become subject to bankruptcy or other similar administrative proceedings, or may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, an extension of the term, a substantial reduction in the interest rate, a substantial writedown of the principal of such investment and other concessions which could adversely affect our returns on the investment. There is a possibility that we may incur substantial or total losses on our investments and in certain circumstances, subject us to certain additional potential liabilities that may exceed the value of our original investment therein.

For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In any reorganization or liquidation proceeding relating to our investments, we may lose our entire investment, may be required to accept cash or securities with a value less than our original investment and/or may be required to accept different terms, including payment over an extended period of time. In addition, under certain circumstances payments to us may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transactions under applicable bankruptcy and insolvency laws. Furthermore, bankruptcy laws and similar laws applicable to administrative proceedings may delay our ability to realize on collateral for loan positions we held, or may adversely affect the economic terms and priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such investment, replacement “takeout” financing will not be available, resulting in an inability by the issuer to repay the investment. Although unlikely, it is possible that the Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate debt we acquire. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Issuers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action, which often prolongs and complicates an already difficult and time consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, an issuer may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing, management, development and other operations of the property. In the event we foreclose on an investment, we will be subject to the risks associated with owning and operating real estate.

Certain risks associated with CMBS may adversely affect our results of operations and financial condition.

We invest a portion of our assets in pools or tranches of CMBS, including horizontal and other risk retention investments. The collateral underlying CMBS generally consists of commercial mortgages on real property that has a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels, and which from time to time include assets or properties owned directly or indirectly by one or more Other Blackstone Accounts. CMBS have been issued in a variety of issuances, with varying structures including senior and subordinated classes. The commercial mortgages underlying CMBS generally face the risks described above in “—We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.”

Mortgage-backed securities may also have structural characteristics that distinguish them from other securities. The interest rate payable on these types of securities may be set or effectively capped at the weighted average net coupon of the underlying assets themselves. As a result of this cap, the return to investors in such a security would be dependent on the relevant timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law may also affect the return to investors by capping the interest rates payable by certain mortgagors. Certain mortgage-backed securities may provide for the payment of only interest for a stated period of time. In addition, in a bankruptcy or similar proceeding involving the originator or the servicer of the CMBS (often the same entity or an affiliate), the assets of the issuer of such securities could be treated as never having been truly sold to the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer.

The credit markets, including the CMBS market, have periodically experienced decreased liquidity on the primary and secondary markets during periods of market volatility. Such market conditions could re-occur and would impact the valuations of our investments and impair our ability to sell such investments if we were required to liquidate all or a portion of our CMBS investments quickly. Additionally, certain of our securities investments, such as horizontal or other risk retention investments in CMBS, may have certain holding period and other restrictions that limit our ability to sell such investments.

Concentrated CMBS investments may pose specific risks beyond the control of the Adviser that may adversely affect our results of operations and financial condition.

Default risks with respect to CMBS investments may be further pronounced in the case of single-issuer CMBSs or CMBSs secured by a small or less diverse collateral pool, which is the majority of our real estate debt portfolio. At any one time, a portfolio of CMBS may be backed by commercial mortgage loans

disproportionately secured by properties in only a few states, regions or foreign countries. As a result, such investments may be more susceptible to geographic risks relating to such areas, including adverse economic conditions, declining home values, adverse events affecting industries located in such areas and other factors beyond the control of the Adviser relative to investments in multi-issuer CMBS or a pool of mortgage loans having more diverse property locations.

The quality of the CMBS is dependent on the credit quality and selection of the mortgages for each issuance.

CMBS are also affected by the quality of the credit extended. As a result, the quality of the CMBS is dependent upon the selection of the commercial mortgages for each issuance and the cash flow generated by the commercial real estate assets, as well as the relative diversification of the collateral pool underlying such CMBS and other factors such as adverse selection within a particular tranche or issuance.

There are certain risks associated with the insolvency of obligations backing mortgage-backed securities and other investments.

The real estate loans backing the mortgage-backed securities ("MBS") and other investments may be subject to various laws enacted in the jurisdiction or state of the borrower for the protection of creditors. If an unpaid creditor files a lawsuit seeking payment, the court may invalidate all or part of the borrower's debt as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower in satisfaction of such indebtedness, based on certain tests for borrower insolvency and other facts and circumstances, which may vary by jurisdiction. There can be no assurance as to what standard a court would apply in order to determine whether the borrower was "insolvent" after giving effect to the incurrence of the indebtedness constituting the mortgage backing the MBS and other investments, or that regardless of the method of valuation, a court would not determine that the borrower was "insolvent" after giving effect to such incurrence. In addition, in the event of the insolvency of a borrower, payments made on such mortgage loans could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency.

There are certain risks associated with MBS interest shortfalls.

Our MBS investments may be subject to interest shortfalls due to interest collected from the underlying loans not being sufficient to pay accrued interest to all of the MBS interest holders. Interest shortfalls to the MBS trust will occur when the servicer does not advance full interest payments on defaulted loans. The servicer in a MBS trust is required to advance monthly principal and interest payments due on a delinquent loan. Once a loan is delinquent for a period of time (generally 60 days), the servicer is required to obtain a new appraisal to determine the value of the property securing the loan. The servicer is only required to advance interest based on the lesser of the loan amount or 90%, generally, of the appraised value. Interest shortfalls occur when 90%, generally, of the appraised value is less than the loan amount and the servicer does not advance interest on the full loan amount. The resulting interest shortfalls impact interest payments on the most junior class in the trust first. As interest shortfalls increase, more senior classes may be impacted. Over time, senior classes may be reimbursed for accumulated shortfalls if the delinquent loans are resolved, but there is no guarantee that shortfalls will be collected. Interest shortfalls to the MBS trust may also occur as a result of accumulated advances and expenses on defaulted loans. When a defaulted loan or foreclosed property is liquidated, the servicer will be reimbursed for accumulated advances and expenses prior to payments to MBS bond holders. If proceeds are insufficient to reimburse the servicer or if a defaulted loan is modified and not foreclosed, the servicer is able to make a claim on interest payments that is senior to the bond holders to cover accumulated advances and expenses. If the claim is greater than interest collected on the loans, interest shortfalls could impact one or more bond classes in a MBS trust until the servicer's claim is satisfied.

We have acquired and expect in the future to acquire MBS affiliated with Blackstone.

We have acquired and expect in the future to acquire MBS whereby mortgages underlying the MBS were issued or acquired by, properties underlying the mortgages in the MBS are owned by, and/or the MBS is serviced or

structured by, a Blackstone affiliate. While we may acquire such MBS from third parties on terms already negotiated by and agreed with third parties and will forgo certain non-economic rights (including voting rights) in such MBS as long as the affiliation persists, which we believe should mostly mitigate any conflicts of interest, there is no assurance that such procedures will adequately address all of the conflicts of interest that may arise or will address such conflicts in a manner that results in the allocation of a particular investment opportunity to us or is otherwise favorable to us. While the mortgage loans underlying such MBS are generally made in advance of any issuance of the MBS, our investment, or the expectation of our investment, in such an MBS may have the potential to affect the pricing terms of underlying mortgage loans for properties owned by Other Blackstone Accounts. Since certain of our executives are also executives of Blackstone, the same personnel may determine the price and terms for the investments for both us and these entities and there can be no assurance that any procedural protections, such as obtaining market prices or other reliable indicators of fair value, will prevent the consideration we pay for these investments from exceeding their fair value or ensure that we receive terms for a particular investment opportunity that are as favorable as those available from an independent third party.

Our CMBS investments face risks associated with extensions that may adversely affect our results of operations and financial condition.

Our CMBS and other investments may be subject to extension, resulting in the term of the securities being longer than expected. Extensions are affected by a number of factors, including the general availability of financing in the market, the value of the related mortgaged property, the borrower's equity in the mortgaged property, the financial circumstances of the borrower, fluctuations in the business operated by the borrower on the mortgaged property, competition, general economic conditions and other factors. Such extensions may also be made without the Adviser's consent.

There are certain risks associated with the servicers of commercial real estate loans underlying CMBS and other investments.

The exercise of remedies and successful realization of liquidation proceeds relating to commercial real estate loans underlying CMBS and other investments may be highly dependent on the performance of the servicer or special servicer. The servicer may not be appropriately staffed or compensated to immediately address issues or concerns with the underlying loans. Such servicers may exit the business and need to be replaced, which could have a negative impact on the portfolio due to lack of focus during a transition. Special servicers frequently are affiliated with investors who have purchased the most subordinate bond classes, and certain servicing actions, such as a loan extension instead of forcing a borrower pay off, may benefit the subordinate bond classes more so than the senior bonds. While servicers are obligated to service the portfolio subject to a servicing standard and maximize the present value of the loans for all bond classes, servicers with an affiliate investment in the CMBS or other investments may have a conflict of interest. There may be a limited number of special servicers available, particularly those which do not have conflicts of interest. In addition, to the extent any such servicers fail to effectively perform their obligations pursuant to the applicable servicing agreements, such failure may adversely affect our investments.

We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.

We may invest from time to time in commercial mortgage loans, including mezzanine loans and B-notes, which are secured by multifamily, commercial or other properties and are subject to risks of delinquency and foreclosure and risks of loss. Commercial real estate loans are generally not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the

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property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Furthermore, we may not have the same access to information in connection with investments in commercial mortgage loans, either when investigating a potential investment or after making an investment, as compared to publicly traded securities.

Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invest increase, the performance of our investments related thereto may be adversely affected. Default rates and losses on commercial mortgage loans will be affected by a number of factors, including global, regional and local economic conditions in the area where the mortgage properties are located, the borrower's equity in the mortgage property, the financial circumstances of the borrower, tenant mix and tenant bankruptcies, property management decisions, including with respect to capital improvements, property location and condition, competition from other properties offering the same or similar services, environmental conditions, real estate tax rates, tax credits and other operating expenses, governmental rules, regulations and fiscal policies, acts of God, terrorism, social unrest and civil disturbances. A continued decline in specific commercial real estate markets and property valuations may result in higher delinquencies and defaults and potentially foreclosures. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. The overall level of commercial mortgage loan defaults remains significant and market values of the underlying commercial real estate remain distressed in many cases. It has also become increasingly difficult for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, ultimately leading to a decline in the value of such investments.

In the event of any default under a mortgage or real estate loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or real estate loan, which could have a material adverse effect on our profitability. In the event of the bankruptcy of a mortgage or real estate loan borrower, the mortgage or real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage or real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Additionally, in the event of a default under any senior debt, the junior or subordinate lender generally forecloses on the equity, purchases the senior debt or negotiates a forbearance or restructuring arrangement with the senior lender in order to preserve its collateral.

We may invest in structured products or similar products that may include structural and legal risks.

We have and in the future may invest from time to time in structured products, including pools of mortgages, loans and other real estate-related interests. These investments may include debt securities issued by a private investment fund that invests, on a leveraged basis, in bank loans, high-yield debt or other asset groups, certificates issued by a structured investment vehicle that holds pools of commercial mortgage loans. We have and in the future may also invest in credit risk transfer notes that, while not structured products, face similar risks as structured products because they are debt securities issued by governmental agencies but their value depends in part on a pool of mortgage loans. Our investments in structured products are subject to a number of risks, including risks related to the fact that the structured products will be leveraged, and other structural and legal risks related thereto. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor investing in the subordinated debt securities. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product.

and a complete loss of our investment therein. In addition, if the particular structured product is invested in a security in which we are also invested, this would tend to increase our overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative basis. The value of an investment in a structured product will depend on the investment performance of the assets in which the structured product invests and will, therefore, be subject to all of the risks associated with an investment in those assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuer of such asset or nullified under applicable law.

We have and may in the future acquire and sell residential credit investments, which may subject us to legal, regulatory and other risks that could adversely impact our business and financial results.

We have and may in the future invest directly and indirectly in residential credit investments, which may include performing loans, nonperforming loans, residential mortgage loans and RMBS, which represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Investments in residential credit (including RMBS) are subject to various risks and uncertainties, including credit, market, interest rate, structural and legal risk. These risks may be magnified by volatility in the economy and in real estate markets generally. Any downturn in the U.S. or global economies may adversely affect the financial condition of residential owners and tenants, making it more difficult for them to meet their periodic repayment obligations relating to residential real estate. Residential credits are not traded on an exchange and there may be a limited market for the securities, especially when there is a perceived weakness in the mortgage and real estate market sectors. In addition, interest and principal payments for RMBS are made more frequently than traditional debt securities and the principal of any RMBS may often be prepaid at any time because the underlying residential mortgage loans may be prepaid at any time.

Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued may be guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's equity in the mortgaged property, and the financial circumstances of the borrower. Certain mortgage loans may be of sub-prime credit quality (i.e., do not meet the customary credit standards of Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac")). Delinquencies and liquidation proceedings are more likely with sub-prime mortgage loans than with mortgage loans that satisfy customary credit standards. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Residential mortgage loans in an issue of RMBS may also be subject to various U.S. federal and state laws, foreign laws, public policies and principles of equity that protect consumers which, among other things, may regulate interest rates and other fees, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information, and regulate debt collection practices. In addition, a number of legislative proposals have been introduced in the United States at the federal, state, and municipal level that are designed to discourage predatory lending practices. Violation of such laws, public policies, and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and administrative enforcement. Any such violation could also result in cash flow delays and losses on the related issue of RMBS.

Our investments in RMBS, which may include government mortgage pass-through securities and non-agency RMBS, are subject to certain other risks which may adversely affect our results of operations and financial condition.

Our investments in RMBS are subject to the risks of defaults, foreclosure timeline extension, fraud, home price depreciation and unfavorable modification of loan principal amount, interest rate and amortization of principal accompanying the underlying residential mortgage loans. To the extent that assets underlying our investments are concentrated geographically, by property type or in certain other respects, we may be subject to certain of the foregoing risks to a greater extent. In the event of defaults on the residential mortgage loans that underlie our investments in RMBS and the exhaustion of any underlying or any additional credit support, we may not realize our anticipated return on our investments and we may incur a loss on these investments. At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions in the United States or in only a few foreign countries. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse political changes, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. We may also acquire non-agency RMBS, which are backed by residential property but, in contrast to agency RMBS, their principal and interest are not guaranteed by federally chartered entities such as the Fannie Mae and Freddie Mac and, in the case of the Government National Mortgage Association (“Ginnie Mae”), the U.S. government. In addition, we may invest in government mortgage pass-through securities, which represent participation interests in pools of residential mortgage loans purchased from individual lenders by a federal agency or originated by private lenders and guaranteed by a federal agency, including those issued or guaranteed by Ginnie Mae, Fannie Mae and Freddie Mac. Ginnie Mae certificates are direct obligations of the U.S. Government and, as such, are backed by the “full faith and credit” of the United States. Fannie Mae is a federally chartered, privately owned corporation and Freddie Mac is a corporate instrumentality of the United States. Fannie Mae and Freddie Mac certificates are not backed by the full faith and credit of the United States but the issuing agency or instrumentality has the right to borrow, to meet its obligations, from an existing line of credit with the U.S. Treasury. The U.S. Treasury has no legal obligation to provide such line of credit and may choose not to do so.

We will face risks related to our investments in collateralized debt obligations.

We may also invest from time to time in collateralized debt obligations (“CDOs”). CDOs include, among other things, collateralized loan obligations (“CLOs”) and other similarly structured securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. CDOs may charge a management fee and administrative expenses. For CLOs, the cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The riskiest portion is the “equity” tranche which bears the bulk of defaults from the bonds or loans in the trust and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CLO trust typically has higher ratings and lower yields than the underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, CLO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults and aversion to CLO securities as a class. The risks of an investment in a CDO depend largely on the type of the collateral and the class of the CDO in which we invest.

Normally, CLOs and other CDOs are privately offered and sold, and thus are not registered under the securities laws. As a result, certain investments in CDOs may be characterized as illiquid securities and volatility in CLO and CDO trading markets may cause the value of these investments to decline. Moreover, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with

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the trust or other conduit arrangement for such securities, we may incur significant losses. Also, with respect to the CLOs and CDOs in which we may invest, control over the related underlying loans will be exercised through a special servicer or collateral manager designated by a “directing certificate holder” or a “controlling class representative,” or otherwise pursuant to the related securitization documents. We may acquire classes of CLOs or CDOs for which we may not have the right to appoint the directing certificate holder or otherwise direct the special servicing or collateral management. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could adversely affect our interests. In addition to the risks associated with debt instruments (e.g., interest rate risk and credit risk), CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that we may invest in CDOs that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

We invest in subordinated debt, which is subject to greater credit risk than senior debt.

We have in the past and may in the future from time to time invest in debt instruments, including junior tranches of CMBS and “mezzanine” or junior mortgage loans (e.g., B-Notes), that are subordinated in an issuer’s capital structure. To the extent we invest in subordinated debt of an issuer’s capital structure, including subordinated CMBS bonds or other “mezzanine” debt, such investments and our remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in an issuer’s capital structure and, to the extent applicable, contractual inter-creditor, co-lender and participation agreement provisions.

Investments in subordinated debt involve greater credit risk of default and loss than the more senior classes or tranches of debt in an issuer’s capital structure. Subordinated tranches of debt instruments (including mortgage-backed securities) absorb losses from default before other more senior tranches of such instruments, which creates a risk particularly if such instruments (or securities) have been issued with little or no credit enhancement or equity. As a result, to the extent we invest in subordinate debt instruments (including mortgage-backed securities), we would likely receive payments or interest distributions after, and must bear the effects of losses or defaults on, the senior debt (including underlying mortgage loans, senior mezzanine debt or senior CMBS bonds) before, the holders of other more senior tranches of debt instruments with respect to such issuer.

We will face risks related to our investments in mezzanine loans.

Although not directly secured by the underlying real estate, mezzanine loans are also subject to risk of subordination and share certain characteristics of subordinate loan interests described above. As with commercial mortgage loans, repayment of a mezzanine loan is dependent on the successful operation of the underlying commercial properties and, therefore, is subject to similar considerations and risks. Mezzanine loans may also be affected by the successful operation of other properties, but mezzanine loans are not secured by interests in the underlying commercial properties.

With most mezzanine loans, the bulk of the loan balance is payable at maturity with a one-time “balloon payment.” Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, and full satisfaction of a loan will be affected by a borrower’s access to credit or a functioning sales market. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan may be impaired. Moreover, mezzanine loans are usually non-recourse in nature. Therefore, if a borrower defaults on the loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invests increase, the performance of our investments related thereto may be adversely affected.

B-Notes and A/B Structures may pose additional risks that may adversely affect our results of operations and financial condition.

We may invest in B-notes, which are mortgage loans typically (i) secured by a first mortgage on a commercial property or group of related properties and (ii) subordinated to an A-note portion of the same first mortgage secured by the same collateral (which we would not expect to hold). As a result, if a borrower defaults, there may not be sufficient funds remaining to repay B-note holders after payment to the A-note holders. Since each transaction is privately negotiated, B-notes can vary in their structural characteristics and risks. In addition to the risks described above, certain additional risks apply to B-note investments, including those described herein. The B-note portion of a loan is typically small relative to the overall loan, and is in the first loss position. As a means to protect against the holder of the A-note from taking certain actions or, receiving certain benefits to the detriment of the holder of the B-note, the holder of the B-note often (but not always) has the right to purchase the A-note from its holder. If available, this right may not be meaningful to us. For example, we may not have the capital available to protect our B-note interest or purchasing the A-note may alter our overall portfolio and risk/return profile to the detriment of our stockholders. In addition, a B-note may be in the form of a “rake bond.” A “rake bond” is a CMBS backed solely by a single promissory note secured by a mortgaged property, which promissory note is subordinate in right of payment to one or more separate promissory notes secured by the same mortgaged property.

We may invest in a wide range of real estate debt pursuant to our broad investment guidelines.

Pursuant to our broad investment guidelines, our real estate debt investments may include, but are not limited to, CMBS, real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including residential mortgage-backed securities and other residential credit and debt of real estate-related companies) and derivatives, and such investments may not be secured by real estate assets. The Adviser may also employ new investment techniques or invest in new instruments that it believes will help achieve our investment objectives, whether or not such investment techniques or instruments are specifically defined herein, so long as such investments are consistent with the investment guidelines and our charter. New investment techniques or instruments may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to us. In addition, any new investment technique or instrument developed by us may be more speculative than earlier investment techniques or instruments and may involve material and unanticipated risks. Our board of directors may also change our investment guidelines without the consent of our stockholders.

We invest in real estate-related equity, which is subordinate to any indebtedness, but involves different rights.

We have in the past and may in the future invest from time to time in non-controlling preferred equity positions, common equity and other real estate-related interests. Preferred equity investments generally rank junior to all existing and future indebtedness, including commercial mezzanine and mortgage loans, but rank senior to the owners' common equity. Preferred equity investments typically pay a dividend rather than interest payments and often have the right for such dividends to accrue if there is insufficient cash flow to pay currently. These interests are not secured by the underlying real estate, but upon the occurrence of a default, the preferred equity provider typically has the right to effectuate a change of control with respect to the ownership of the property. In addition, equity investments may be illiquid or have limited liquidity due to lock-out periods, limited trading volume or other limitations or prohibitions against their transfer, sale, pledge or disposition, including any necessary registration with the SEC requiring coordination with the issuer for the sale of such securities. Our investments in real estate-related equity securities will involve risks relating to the particular issuer of the equity securities, including the financial condition and business outlook of the issuer. Issuers of real estate-related common equity securities generally invest in real estate or real estate-related assets and are subject to the inherent risks associated with real estate discussed in “—General Risks Related to Investments in Real Estate.”

We invest in real estate corporate debt, which consists of secured and unsecured obligations issued by companies in the business of owning and/or operating real estate-related businesses.

We have in the past and may in the future invest in corporate debt obligations of varying maturities issued by U.S. and foreign corporations and other business entities, which may include loans, corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. Bonds are fixed or variable rate debt obligations, including bills, notes, debentures, money market instruments and similar instruments and securities. Corporate debt is generally used by corporations and other issuers to borrow money from investors. The issuer pays the investor a rate of interest and normally must repay the amount borrowed on or before maturity. The rate of interest on corporate debt may be fixed, floating or variable, and may vary inversely with respect to a reference rate. The rate of return or return of principal on some debt obligations may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies. Debt instruments may be acquired with warrants attached. Certain bonds are “perpetual” in that they have no maturity date.

Our investments in real estate-related corporate credit are subject to a number of risks, including interest rate risk, credit risk, high yield risk, issuer risk, foreign (non-U.S.) investment risk, inflation/deflation risk, liquidity risk, smaller company risk and management risk. We generally will not have direct recourse to real estate assets owned or operated by the issuers of the corporate debt obligations that we invest in and the value of such corporate debt obligations may be impacted by numerous factors and may not be closely tied to the value of the real estate held by the corporate issuer.

We invest in equity of other REITs that invest in real estate or real estate debt as one of their core businesses and other real estate-related companies, which subjects us to certain risks including those risks associated with an investment in our own common stock.

REITs that invest primarily in real estate or real estate debt are subject to the risks of the real estate market, the real estate debt market and the securities market.

REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs may be subject to a management fees and other expenses, and so when we invest in REITs we will bear our proportionate share of the costs of the REITs’ operations. Investing in REITs and real estate-related companies involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. The market value of REIT shares and the ability of the REIT to distribute income may be adversely affected by several factors, including the risks described herein that relate to an investment in our common stock. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, distributions received by us from REITs may consist of dividends, capital gains and/or return of capital. Generally, dividends received by us from REIT shares and distributed to our stockholders will not constitute “qualified dividend income” eligible for the reduced tax rate applicable to qualified dividend income. In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

REITs (especially mortgage REITs) are also subject to interest rate risk. Rising interest rates may cause REIT investors to demand a higher annual yield, which may, in turn, cause a decline in the market price of the equity securities issued by a REIT.

Investing in certain REITs and real estate-related companies, which often have small market capitalizations, may also involve the same risks as investing in other small capitalization companies. REITs and real estate-related companies may have limited financial resources and their securities may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

Certain of our investments may have additional capital requirements.

Certain of our investments, including those that may be in a development phase, if any, are expected to require additional financing to satisfy their working capital requirements or development strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular asset, which may be an unfavorable price at such time. Each round of financing (whether from us or other investors) is typically intended to provide enough capital to reach the next major milestone in an asset's life-cycle. If the funds provided are not sufficient, additional capital may be required to be raised at a price unfavorable to the existing investors, including us. In addition, we may make additional debt and equity investments or exercise warrants, options, convertible securities or other rights that were acquired in the initial investment in such portfolio company in order to preserve our proportionate ownership when a subsequent financing is planned, or to protect our investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of us or any portfolio company. There can be no assurance that we or any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. Failure to provide sufficient additional capital with respect to an investment could adversely affect our performance.

We will face "spread widening" risk related to our investment in securities.

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the market spreads of the securities in which we invest may increase substantially causing the securities prices to fall. It may not be possible to predict, or to hedge against, such "spread widening" risk. The perceived discount in pricing described under "—Some of our securities investments may become distressed, which securities would have a high risk of default and may be illiquid." may still not reflect the true value of the real estate assets underlying such real estate debt in which we may invest, and therefore further deterioration in value with respect thereto may occur following our investment therein. In addition, mark-to-market accounting of our investments will have an interim effect on the reported value prior to realization of an investment.

We will face risks associated with hedging transactions.

We may utilize a wide variety of derivative and other hedging instruments for risk management purposes, the use of which is a highly specialized activity that may entail greater than ordinary investment risks. Any such derivatives and other hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks), thereby resulting in losses to us. Engaging in derivatives and other hedging transactions may result in a poorer overall performance for us than if we had not engaged in any such transaction, and the Adviser may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect our investment portfolio. In addition, our investment portfolio will always be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties as well as interest rate risks. See "—We invest in derivatives, which involve numerous risks" below.

We invest in derivatives, which involve numerous risks.

We have in the past and may in the future enter into derivatives transactions including, but not limited to, options contracts, futures contracts, options on futures contracts, forward contracts, interest rate swaps, total return swaps, credit default swaps and other swap agreements for investment, hedging or leverage purposes. Derivative instruments, especially when purchased in large amounts, may not be liquid in all circumstances, so that in volatile markets we may not be able to close out a position without incurring a loss. Our use of derivative instruments may be particularly speculative and involves investment risks and transaction costs to which we would not be subject absent the use of these instruments, and use of derivatives generally involves leverage in the

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sense that the investment exposure created by the derivatives may be significantly greater than our initial investment in the derivative. Leverage magnifies investment, market and certain other risks. Thus, the use of derivatives may result in losses in excess of principal and greater than if they had not been used. The value of such derivatives also depends upon the price of the underlying instrument or commodity. Such derivatives and other customized instruments also are subject to the risk of non-performance by the relevant counterparty. In addition, actual or implied daily limits on price fluctuations and speculative position limits on the exchanges or over-the-counter markets in which we may conduct our transactions in derivative instruments may prevent prompt liquidation of positions, subjecting us to the potential of greater losses. Derivative instruments that may be purchased or sold by us may include instruments not traded over-the-counter or on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which we can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are traded over-the-counter and not on an exchange. Such over-the-counter derivatives are also subject to types and levels of investor protections or governmental regulation that may differ from exchange traded instruments.

The ability to successfully use derivative investments depends on the ability of the Adviser. The skills needed to employ derivatives strategies are different from those needed to select portfolio investments and, in connection with such strategies, the Adviser must make predictions with respect to market conditions, liquidity, market values, interest rates or other applicable factors, which may be inaccurate. The use of derivative investments may require us to sell or purchase portfolio investments at inopportune times or for prices below or above the current market values, may limit the amount of appreciation we can realize on an investment or may cause us to hold a security that we might otherwise want to sell. We will also be subject to credit risk with respect to the counterparties to our derivatives contracts (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments). In addition, the use of derivatives will be subject to additional unique risks associated with such instruments including a lack of sufficient asset correlation, heightened volatility in reference to interest rates or prices of reference instruments and duration/term mismatch, each of which may create additional risk of loss.

Failure to obtain and maintain an exemption from being regulated as a commodity pool operator could subject us to additional regulation and compliance requirements that could materially adversely affect our business, results of operations and financial condition.

Registration with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a “commodity pool operator” or any change in our operations (including, without limitation, any change that causes us to be subject to certain specified covered statutory disqualifications) necessary to maintain our ability to rely upon the exemption from being regulated as a commodity pool operator could adversely affect our ability to implement our investment program, conduct our operations and/or achieve our objectives and subject us to certain additional costs, expenses and administrative burdens. Furthermore, any determination by us to cease or to limit investing in interests that may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on our ability to implement our investment objectives and to hedge risks associated with our operations.

We may face risks associated with short sales.

Our use of short sales for investment and/or risk management purposes subjects us to risks associated with selling short. We may engage in short sales where we do not own or have the right to acquire the security sold short at no additional cost. Our loss on a short sale theoretically could be unlimited in a case where we are unable, for whatever reason, to close out a short position.

Our short selling strategies may limit our ability to benefit from increases in the markets. Short selling also involves a form of financial leverage that may exaggerate any losses. Also, there is the risk that the counterparty

to a short sale may fail to honor its contractual terms, causing a loss to us. Finally, SEC, FINRA or other regulations relating to short selling may restrict our ability to engage in short selling.

We may make open market purchases or invest in traded securities.

Although not anticipated to be a large component of our investment strategy, we have the ability to invest in securities that are traded (publicly or through other active markets (including through private transactions)) and are, therefore, subject to the risks inherent in investing in traded securities. When investing in traded securities, we may be unable to obtain financial covenants or other contractual governance rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, we may not have the same access to information in connection with investments in traded securities, either when investigating a potential investment or after making the investment, as compared to privately negotiated investments. Furthermore, we may be limited in our ability to make investments, and to sell existing investments, in traded securities because Blackstone may be deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies or requirements. The inability to sell traded securities in these circumstances could materially adversely affect the investment results. In addition, securities acquired of a public company may, depending on the circumstances and securities laws of the relevant jurisdiction, be subject to lock-up periods.

We may incur contingent liabilities in connection with the disposition of investments.

In connection with the disposition of an investment, we may be required to make certain representations about the business, financial affairs and other aspects (such as environmental, property, tax, insurance, and litigation) of such investment typical of those made in connection with the sale of a business or other investment comparable to the investment being sold. We may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which the Adviser may establish reserves or escrow accounts.

Political changes may affect the real estate debt markets.

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The current U.S. President has a legislative agenda that includes certain deregulatory measures for the U.S. financial services industry, including changes to the Volcker Rule, capital and risk retention requirements, the Financial Stability Oversight Council's authority and other aspects of the Dodd-Frank Act. The U.S. Department of the Treasury has issued a series of recommendations in several reports for streamlining banking regulation and changing key features of the Dodd-Frank Act and other measures taken by regulators following the 2008 financial crisis.

The outcome of the upcoming congressional and other elections creates uncertainty with respect to legal, tax and regulatory regimes in which we and our investments, as well as the Adviser and its affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the investment management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on us and our investments.

We may utilize non-recourse securitizations of certain of our CMBS investments, which may expose us to risks that could result in losses.

We may seek to utilize non-recourse securitizations of certain of our CMBS investments to the extent consistent with REIT and 1940 Act requirements. This would likely involve us creating a special-purpose vehicle, contributing a pool of our assets to the entity, and selling interests in the entity on a non-recourse basis to

purchasers (whom we would expect to be willing to accept a lower interest rate to invest in investment-grade loan pools). We would expect to retain all or a portion of the equity in the securitized pool of loans or investments. Prior to any such financing, we may use short-term facilities to finance the acquisition of securities until a sufficient quantity of securities had been accumulated, at which time we would refinance these facilities through a securitization, such as a CMBS, or issuance of CLOs, or the private placement of loan participations or other long-term financing. If we were to employ this strategy, we would be subject to the risk that we would not be able to acquire, during the period that our short-term facilities are available, a sufficient amount of eligible securities to maximize the efficiency of a CMBS, CLO or private placement issuance. We also would be subject to the risk that we would not be able to obtain short-term credit facilities or would not be able to renew any short-term credit facilities after they expire should we find it necessary to extend our short-term credit facilities to allow more time to seek and acquire the necessary eligible securities for a long-term financing. The inability to consummate securitizations of our portfolio to finance our loans and investments on a long-term basis could require us to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or price, which could adversely affect our performance and our ability to grow our business. Moreover, conditions in the capital markets, including volatility and disruption in the capital and credit markets, may not permit a non-recourse securitization at any particular time or may make the issuance of any such securitization less attractive to us even when we do have sufficient eligible assets. We may also suffer losses if the value of the mortgage loans we acquire declines prior to securitization. Declines in the value of a mortgage loan can be due to, among other things, changes in interest rates and changes in the credit quality of the loan. In addition, transaction costs incurred in executing transactions impact any liability that we may incur, or may be required to reserve for, in connection with executing a transaction can cause a loss to us. To the extent that we incur a loss executing or participating in future securitizations for the reasons described above or for other reasons, it could materially and adversely impact our business and financial condition.

In addition, the securitization of investments in our portfolio might magnify our exposure to losses because any equity interest we retain in the issuing entity would be subordinate to the notes issued to investors and we would, therefore, absorb all of the losses sustained with respect to a securitized pool of assets before the owners of the notes experience any losses. The inability to securitize our portfolio may hurt our performance and our ability to grow our business. At the same time, the securitization of our loans or investments might expose us to losses, as the residual loans or investments in which we do not sell interests will tend to be riskier and more likely to generate losses. Moreover, the Dodd Frank Act contains a risk retention requirement for all asset-backed securities, which requires both public and private securitizers to retain not less than 5% of the credit risk of the assets collateralizing any asset-backed security issuance. Significant restrictions exist, and additional restrictions may be added in the future, regarding who may hold risk retention interests, the structure of the entities that hold risk retention interests and when and how such risk retention interests may be transferred. Therefore such risk retention interests will generally be illiquid. As a result of the risk retention requirements, we may be required to purchase and retain certain interests in a securitization into which we sell mortgage loans and/or when we act as issuer, may be required to sell certain interests in a securitization at prices below levels that such interests have historically yielded and/or may be required to enter into certain arrangements related to risk retention that we have not historically been required to enter into and, accordingly, the risk retention rules may increase our potential liabilities and/or reduce our potential profits in connection with securitization of mortgage loans. It is likely, therefore, that these risk retention rules will increase the administrative and operational costs of asset securitizations.

We may find it necessary or desirable to foreclose on certain of the loans or CMBS we acquire, and the foreclosure process may be lengthy and expensive.

We may find it necessary or desirable to foreclose on certain of the loans or CMBS we acquire, and the foreclosure process may be lengthy and expensive. The protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests may not be adequate. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of our rights. Borrowers may resist foreclosure actions by asserting

numerous claims, counterclaims and defenses against us, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy-out of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy or its equivalent, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and potentially result in a reduction or discharge of a borrower's debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value, and in the event of any such foreclosure or other similar real estate owned-proceeding, we would also become the subject to the various risks associated with direct ownership of real estate, including environmental liabilities. Even if we are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss.

Risks Related to Debt Financing

We may encounter adverse changes in the credit markets.

Any adverse changes in the global credit markets could make it more difficult for us to obtain favorable financing. Our ability to generate attractive investment returns for its shareholders will be adversely affected to the extent we are unable to obtain favorable financing terms. If we are unable to obtain favorable financing terms, it may not be able to adequately leverage our portfolio, may face increased financing expenses or may face increased restrictions on its investment activities, any of which would negatively impact our performance.

We will incur mortgage indebtedness and other borrowings, which may increase our business risks, could hinder our ability to make distributions and could decrease the value of your investment.

The acquisition of investment properties may be financed in substantial part by borrowing, which increases our exposure to loss. Under our charter, we have a limitation that precludes us from borrowing in excess of 300% of our net assets, which approximates borrowing 75% of the cost of our investments (unless a majority of our independent directors approves any borrowing in excess of the limit and we disclose the justification for doing so to our stockholders), but such restriction does not restrict the amount of indebtedness we may incur with respect to any single investment. Our target leverage ratio is in the range of 60%. 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. See "Investment Objectives and Strategies—Borrowing Policies." We may exceed our target leverage ratio, particularly during a market downturn or in connection with a large acquisition. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. Principal and interest payments on indebtedness (including mortgages having "balloon" payments) will have to be made regardless of the sufficiency of cash flow from the properties. Our investments will be impaired by a smaller decline in the value of the properties than is the case where properties are owned with a proportionately smaller amount of debt.

We may incur or increase our mortgage debt by obtaining loans secured by a portfolio of some or all of the real estate acquired and may borrow under mortgages on properties after they are acquired. Depending on the level of leverage and decline in value, if mortgage payments are not made when due, one or more of the properties may be lost (and our investment therein rendered valueless) as a result of foreclosure by the mortgagee(s). A foreclosure may also have substantial adverse tax consequences for us.

Many of these same issues also apply to credit facilities which are expected to be in place at various times as well. For example, the loan documents for such facilities may include various coverage ratios, the continued

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compliance with which may not be completely within our control. If such coverage ratios are not met, the lenders under such credit facilities may declare any unfunded commitments to be terminated and declare any amounts outstanding to be due and payable. We may also rely on short-term financing that would be especially exposed to changes in availability.

Although borrowings by us have the potential to enhance overall returns that exceed our cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than our cost of funds. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase properties provides us with the advantages of leverage, but exposes us to greater market risks and higher current expenses.

In certain cases, financings for our properties may be recourse to us.

Generally, commercial real estate financings are structured as non-recourse to the borrower, which limits a lender's recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders customarily will require that a creditworthy parent entity enter into so-called "recourse carveout" guarantees to protect the lender against certain bad-faith or other intentional acts of the borrower in violation of the loan documents. A "bad boy" guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, "bad boy" guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. These financing arrangements with respect to our investments generally require "bad boy" guarantees from us and/or the Operating Partnership and in the event that such a guarantee is called, our assets could be adversely affected. Moreover, our "bad boy" guarantees could apply to actions of the joint venture partners associated with our investments. While the Adviser expects to negotiate indemnities from such joint venture partners to protect against such risks, there remains the possibility that the acts of such joint venture partner could result in liability to us under such guarantees. We may provide "bad boy" guarantees on behalf of Other Blackstone Accounts investing alongside us and as such guarantees are not for borrowed money, they will typically not be included under our leverage limitations.

If we draw on a line of credit to fund repurchases or for any other reason, our financial leverage ratio could increase beyond our target.

We have lines of credits with financial institutions that are either unsecured or secured by certain of our assets as well as an uncommitted line of credit from an affiliate of Blackstone and we may seek to obtain additional lines of credit in an effort to provide for a ready source of liquidity for any business purpose, including to fund repurchases of shares of our common stock in the event that repurchase requests exceed our operating cash flow and/or net proceeds from our continuous offering. There can be no assurances that we will be able to borrow under or maintain our existing lines of credit or obtain additional lines of credit on financially reasonable terms. In addition, we may not be able to obtain lines of credit of an appropriate size for our business. If we borrow under a line of credit to fund repurchases of shares of our common stock, our financial leverage will increase and may exceed our target leverage ratio. Our leverage may remain at the higher level until we receive additional net proceeds from our continuous offering or generate sufficient operating cash flow or proceeds from asset sales to repay outstanding indebtedness. In connection with a line of credit, distributions may be subordinated to payments required in connection with any indebtedness contemplated thereby. We may utilize a line of credit for the benefit of Other Blackstone Accounts which may invest alongside us in one or more investments. In such circumstances, we generally intend to disclose such arrangements as part of our reporting and enter into arrangements to cause any Other Blackstone Accounts to bear (or reimburse us for) their pro rata share of any costs and expenses (including interest payments) allocable to such extensions of credit.

Increases in interest rates could increase the amount of our loan payments and adversely affect our ability to make distributions to our stockholders.

Interest we pay on our loan obligations will reduce cash available for distributions. We have and will likely in the future obtain variable rate loans, and as a result, increases in interest rates could increase our interest costs, which could reduce our cash flows and our ability to make distributions to you. In addition, if we need to repay existing loans during periods of rising interest rates, we could be required to liquidate one or more of our investments at times that may not permit realization of the maximum return on such investments. While we cannot predict factors which may or may not affect interest rates, during the nine months ended September 30, 2020, a 10% increase or decrease in the one-month U.S. denominated LIBOR rate would have resulted in an increase or decrease to our interest expense of \$2.5 million.

Volatility in the financial markets and challenging economic conditions could adversely affect our ability to secure debt financing on attractive terms and our ability to service or refinance any future indebtedness that we may incur.

The volatility of the global credit markets could make it more difficult to obtain favorable financing for investments. During periods of volatility, which often occur during economic downturns, generally credit spreads widen, interest rates rise, and investor demand for high yield debt declines. These trends result in reduced willingness by investment banks and other lenders to finance new investments and deterioration of available terms. If the overall cost of borrowing increases, either by increases in the index rates or by increases in lender spreads, the increased costs may result in future acquisitions generating lower overall economic returns and potentially reducing future cash flow available for distribution. Disruptions in the debt markets negatively impact our ability to borrow monies to finance the purchase of, or other activities related to, real estate assets. If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the return on the properties we do purchase may be lower. In addition, we may find it difficult, costly or impossible to refinance indebtedness that is maturing. Moreover, to the extent that such marketplace events are not temporary, they could have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. economy.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to obtain additional loans. Loan documents we enter into may contain covenants that limit our ability to further mortgage or dispose of the property or discontinue insurance coverage. In addition, loan documents may limit our ability to enter into or terminate certain operating or lease agreements related to the property. Loan documents may also require lender approval of certain actions and as a result of the lender's failure to grant such approval, we may not be able to take a course of action we deem most profitable. These or other limitations may adversely affect our flexibility and our ability to make distributions to you and the value of your investment.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions to our stockholders.

Some of our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment is uncertain and may depend upon our ability to obtain replacement financing or our ability to sell particular properties. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the particular property at a price sufficient to make the balloon payment. Such a refinancing would be dependent upon interest rates and lenders' policies at the time of refinancing, economic conditions in general and the value of the underlying properties in particular. The effect of a refinancing or sale could affect the rate of return to stockholders and the projected time of disposition of our assets.

We use reverse repurchase agreements to finance our securities investments, which may expose us to risks that could result in losses.

We use reverse repurchase agreements as a form of leverage to finance our securities investments, and the proceeds from reverse repurchase agreements are generally invested in additional securities. There is a risk that the market value of the securities acquired from the proceeds received in connection with a reverse repurchase agreement may decline below the price of the securities underlying the reverse repurchase agreement that we have sold but remain obligated to repurchase. Reverse repurchase agreements also involve the risk that the counterparty liquidates the securities we delivered to it under the reverse repurchase agreements following the occurrence of an event of default under the applicable repurchase agreement by us. In addition, there is a risk that the market value of the securities we retain may decline. If the buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experiences insolvency, we may be adversely affected. Furthermore, our counterparty may require us to provide additional margin in the form of cash, securities or other forms of collateral under the terms of the derivative contract. Also, in entering into reverse repurchase agreements, we bear the risk of loss to the extent that the proceeds of the reverse repurchase agreement are less than the value of the underlying securities. In addition, the interest costs associated with reverse repurchase agreements transactions may adversely affect our results of operations and financial condition, and, in some cases, we may be worse off than if we had not used such instruments.

Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and financial condition.

Subject to any limitations required to maintain qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest rate cap or collar agreements and interest rate swap agreements. These agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements and that these arrangements may not be effective in reducing our exposure to interest rate changes. These interest rate hedging arrangements may create additional assets or liabilities from time to time that may be held or liquidated separately from the underlying property or loan for which they were originally established. Hedging may reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and financial condition.

Changes to, or the elimination of, LIBOR may adversely affect interest expense related to borrowings under our credit facilities and real estate-related investments.

We pay interest under our credit facilities, and receive interest payments on certain of our real estate debt investments, based on LIBOR, which is the subject of recent national, international and regulatory guidance and proposals for reform.

In a speech on July 27, 2017, Andrew Bailey, the Chief Executive of the Financial Conduct Authority of the U.K., or the FCA, announced the FCA's intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. It is possible that the ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) (the "IBA") and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we do not currently anticipate that LIBOR will survive in its current form, or at all. Other jurisdictions have also indicated they will implement reforms or phase-outs, which are currently scheduled to take effect at the end of calendar year 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. At this time, it is not

possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated in coming years.

Our debt includes floating-rate loans and reverse repurchase agreements for which the interest rates are tied to LIBOR and real estate debt investments with interest payments based on LIBOR. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. In addition, any benchmark may perform differently during any phase-out period than in the past. As such, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined, and any changes to benchmark interest rates could increase our financing costs or decrease the income we earn on our real estate debt investments, which could impact our results of operations, cash flows and the market value of our investments. In addition, we may need to renegotiate certain of our loan agreements that extend past 2021, which could require us to incur significant expense and may subject us to disputes or litigation over the appropriateness or comparability to the relevant benchmark of the replacement reference rates. Moreover, the elimination of LIBOR and/or changes to another index could result in mismatches with the interest rate of investments that we are financing. In addition, the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR. We are assessing the impact of a potential transition from LIBOR; however, we cannot reasonably estimate the impact of the transition at this time.

Risks Related to our Relationship with the Adviser and the Dealer Manager

We depend on the Adviser to select our investments and otherwise conduct our business, and any material adverse change in its financial condition or our relationship with the Adviser could have a material adverse effect on our business and ability to achieve our investment objectives.

Our success is dependent upon our relationship with, and the performance of, the Adviser in the acquisition and management of our real estate portfolio, and our corporate operations. The Adviser may suffer or become distracted by adverse financial or operational problems in connection with Blackstone's business and activities unrelated to us and over which we have no control. Should the Adviser fail to allocate sufficient resources to perform its responsibilities to us for any reason, we may be unable to achieve our investment objectives or to pay distributions to our stockholders.

The termination or replacement of the Adviser could trigger a repayment event under our mortgage loans for some of our properties, the credit agreement governing any of our lines of credit and our repurchase agreements.

Lenders for certain of our properties may request provisions in the mortgage loan documentation that would make the termination or replacement of the Adviser an event requiring the immediate repayment of the full outstanding balance of the loan. The termination or replacement of the Adviser could trigger repayment of outstanding amounts under the credit agreements governing our lines of credit that we may obtain or under the repurchase agreements that we may enter into. If a repayment event occurs with respect to any of our properties, our results of operations and financial condition may be adversely affected.

The Adviser's inability to retain the services of key real estate professionals could hurt our performance.

The Adviser's power to approve the acquisition of a particular investment, finance or refinance any new or existing investment or dispose of an existing investment rests with the Investment Committee, sub-committees of the Investment Committee or particular professionals employed by the Adviser, depending on the size and type of the investment. Accordingly, our success depends to a significant degree upon the contributions of certain key real estate professionals employed by the Adviser, each of whom would be difficult to replace. There is ever increasing competition among alternative asset firms, financial institutions, private equity firms, investment advisors, investment managers, real estate investment companies, real estate investment trusts and other industry participants for hiring and retaining qualified investment professionals and there can be no assurance that such

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professionals will continue to be associated with the us or the Adviser, particularly in light of our perpetual-life nature, or that replacements will perform well. Neither we nor the Adviser have employment agreements with these individuals and they may not remain associated with us. If any of these persons were to cease their association with us, our operating results could suffer. Our future success depends, in large part, upon the Adviser's ability to attract and retain highly skilled managerial, operational and marketing professionals. If the Adviser loses or is unable to obtain the services of highly skilled professionals, our ability to implement our investment strategies could be delayed or hindered.

Any material adverse change to the Dealer Manager's ability to successfully build and maintain a network of licensed broker-dealers could have a material adverse effect on our business and this offering.

The dealer manager for this offering is Blackstone Securities Partners L.P. Any material adverse change to the ability of our Dealer Manager to build and maintain a network of licensed securities broker-dealers and other agents could have a material adverse effect on our business and this offering. If the Dealer Manager is unable to build and maintain a sufficient network of participating broker-dealers to distribute shares in this offering, our ability to raise proceeds through this offering and implement our investment strategy may be adversely affected. In addition, the Dealer Manager currently serves and may serve as dealer manager for other issuers. As a result, the Dealer Manager may experience conflicts of interest in allocating its time between this offering and such other issuers, which could adversely affect our ability to raise proceeds through this offering and implement our investment strategy. Further, the participating broker-dealers retained by the Dealer Manager may have numerous competing investment products, some with similar or identical investment strategies and areas of focus as us, which they may elect to emphasize to their retail clients.

You will not have the benefit of an independent due diligence review in connection with this offering and, if a conflict of interest arises between us and Blackstone, we may incur additional fees and expenses.

Because the Adviser and the Dealer Manager are affiliates of Blackstone Real Estate, our sponsor, you will not have the benefit of an independent due diligence review and investigation of the type normally performed by an unaffiliated, independent underwriter and its counsel in connection with a securities offering. If any situation arises in which our interests are in conflict with those of the Adviser, the Dealer Manager or its affiliates, and we are required to retain independent counsel, we will incur additional fees and expenses.

The fees we pay in connection with this offering and the agreements entered into with Blackstone and its affiliates were not determined on an arm's-length basis and therefore may not be on the same terms we could achieve from a third party.

The compensation paid to the Adviser, Dealer Manager and other Blackstone affiliates for services they provide us was not determined on an arm's-length basis. All service agreements, contracts or arrangements between or among Blackstone and its affiliates, including the Adviser and us, were not negotiated at arm's-length. Such agreements include our Advisory Agreement, the Operating Partnership's partnership agreement, our dealer manager agreement (the "Dealer Manager Agreement"), and any property related corporate services and other agreements we may enter into with affiliates of the Adviser from time to time.

We do not own the Blackstone name, but we may use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of Blackstone. Use of the name by other parties or the termination of our trademark license agreement may harm our business.

We have entered into a trademark license agreement ("Trademark License Agreement"), with Blackstone TM L.L.C. (the "Licensor"), an affiliate of Blackstone, pursuant to which it has granted us a fully paid-up, royalty-free, non-exclusive, non-transferable license to use the name "Blackstone Real Estate Income Trust, Inc.". Under this agreement, we have a right to use this name for so long as the Adviser (or another affiliate of the Licensor) serves as our advisor (or another advisory entity) and the Adviser remains an affiliate of the Licensor under the

Trademark License Agreement. The Trademark License Agreement may also be earlier terminated by either party as a result of certain breaches or for convenience upon 90 days' prior written notice, provided that upon notification of such termination by us, the Licensor may elect to effect termination of the Trademark License Agreement immediately at any time after 30 days from the date of such notification. The Licensor and its affiliates, such as Blackstone, will retain the right to continue using the "Blackstone" name. We will further be unable to preclude the Licensor from licensing or transferring the ownership of the "Blackstone" name to third parties, some of whom may compete with us. Consequently, we will be unable to prevent any damage to goodwill that may occur as a result of the activities of the Licensor, Blackstone or others. Furthermore, in the event that the Trademark License Agreement is terminated, we will be required to, among other things, change our name. Any of these events could disrupt our recognition in the market place, damage any goodwill we may have generated and otherwise harm our business.

Risks Related to Conflicts of Interest

Various potential and actual conflicts of interest will arise, and these conflicts may not be identified or resolved in a manner favorable to us.

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Dealer Manager, the Adviser and the affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. If any matter arises that we and our affiliates (including the Adviser) determine in our good faith judgment constitutes an actual and material conflict of interest, we and our affiliates (including the Adviser) will take such actions as we determine appropriate to mitigate the conflict. Transactions between us and Blackstone or its affiliates will require approval by our board of directors, including a majority of our independent directors. There can be no assurance that our board of directors or Blackstone will identify or resolve all conflicts of interest in a manner that is favorable to us.

The Adviser faces a conflict of interest because the fees it receives for services performed are based in part on our NAV, which the Adviser is ultimately responsible for determining.

The Adviser is paid a management fee for its services based on our NAV, which is calculated by State Street, based on valuations provided by the Adviser. In addition, the distributions to be received by the Special Limited Partner with respect to its performance participation interest in the Operating Partnership are based in part upon the Operating Partnership's net assets (which is a component of our NAV). The calculation of our NAV includes certain subjective judgments with respect to estimating, for example, the value of our portfolio and our accrued expenses, net portfolio income and liabilities, and therefore, our NAV may not correspond to realizable value upon a sale of those assets. The Adviser may benefit by us retaining ownership of our assets at times when our stockholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price of shares of our common stock or the price paid for the repurchase of your shares of common stock on a given date may not accurately reflect the value of our portfolio, and your shares may be worth less than the purchase price or more than the repurchase price. The valuation of our investments will affect the amount and timing of the management fee paid to the Adviser and the Special Limited Partner's performance participation interest. As a result, there may be circumstances where the Adviser is incentivized to determine valuations that are higher than the actual fair value of our investments.

The Adviser's management fee and the Special Limited Partner's performance participation interest may not create proper incentives or may induce the Adviser and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.

We pay the Adviser a management fee regardless of the performance of our portfolio. The Adviser's entitlement to a management fee, which is not based upon performance metrics or goals, might reduce its incentive to devote

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its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We would be required to pay the Adviser a management fee in a particular period even if we experienced a net loss or a decline in the value of our portfolio during that period.

The existence of the Special Limited Partner's 12.5% performance participation interest in our Operating Partnership, which is based on our total distributions plus the change in NAV per share, may create an incentive for the Adviser to make riskier or more speculative investments on our behalf or cause us to use more leverage than it would otherwise make in the absence of such performance-based compensation. In addition, the change in NAV per share will be based on the value of our investments on the applicable measurement dates and not on realized gains or losses. As a result, the performance participation interest may receive distributions based on unrealized gains in certain assets at the time of such distributions and such gains may not be realized when those assets are eventually disposed of.

Because the management fee and performance participation are based on our NAV, the Adviser may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail repurchases to maintain a higher NAV, and the Dealer Manager may also be incentivized to sell more shares of our common stock to increase aggregate NAV, which would, in each case, increase amounts payable to the Adviser and the Special Limited Partner, but may make it more difficult for us to efficiently deploy new capital.

Blackstone personnel work on other projects and conflicts may arise in the allocation of personnel between us and other projects.

The Adviser and its affiliates will devote such time as they determine to be necessary to conduct our business affairs in an appropriate manner. However, Blackstone personnel, including members of the Investment Committee, will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise assist the investment programs of Other Blackstone Accounts and their portfolio entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from our activities, which could negatively impact us. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Our sponsor's personnel share in the fees and performance-based compensation generated by Other Blackstone Accounts. These and other factors create conflicts of interest in the allocation of time by such personnel.

Blackstone is subject to a number of conflicts of interest, regulatory oversight and legal and contractual restrictions due to its multiple business lines, which may reduce the synergies that we expect to draw on or otherwise reduce the opportunities available to us.

Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Other Blackstone Accounts and their portfolio entities and third parties, will in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits our ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Adviser or its affiliates that would be relevant to monitoring our investments and other activities. Additionally, Blackstone or Other Blackstone Accounts can be expected to enter into covenants that restrict or otherwise limit our ability to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits us and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Account could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact our ability to implement our investment program. Finally, certain personnel who are members of the investment team

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or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other businesses or for other reasons, including other business activities, in which case we will not benefit from their experience. Our stockholders will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Some of these policies and procedures, such as Blackstone's information wall policy, also have the effect of reducing firm-wide synergies and collaboration that the Adviser could otherwise expect to utilize for purposes of identifying and managing attractive investments. Blackstone personnel may be unable, for example, to assist with our activities of as a result of these walls. There can be no assurance that additional restrictions won't be imposed that would further limit the ability of Blackstone to share information internally.

Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to us. Blackstone has long-term relationships with a significant number of corporations and their senior management. The Adviser and its affiliates will consider those relationships when evaluating an investment opportunity, which may result in the Adviser or its affiliates choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client or any other person with whom Blackstone has a relationship). We may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone may make or has made. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to us. See "—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns" below. We may also co-invest with clients of Blackstone or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Adviser and its affiliates with respect to our investments and otherwise result in a conflict.

Blackstone, its affiliates and their related parties and personnel participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by us or our subsidiaries or advising on such transactions. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or "best efforts", basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone can be expected to also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by its portfolio entities. A Blackstone broker-dealer will from time to time act as the managing underwriter, a member of the underwriting syndicate or broker for us or our subsidiaries, or as dealer, broker or advisor to a counterparty to us or our subsidiaries, and purchase securities from or sell securities to us, our subsidiaries, Other Blackstone Accounts or their portfolio entities, or advise on such transactions. Blackstone will also from time to time, on our behalf or on behalf of other parties to a transaction involving us, effect transactions, including transactions in the secondary markets, subject to applicable law that result in commissions or other compensation paid to Blackstone by us or the counterparty to the transaction, thereby creating a potential conflict of interest. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets, advisory fees, lending arrangement fees, asset/property management fees, insurance (including title insurance fees), incentive fees, consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, an Other Blackstone Account or their portfolio entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with us or our stockholders. Our independent directors will approve any transactions in which a Blackstone broker-dealer acts as underwriter, as broker for us, or as dealer, broker or advisor, on the other side of a transaction with us only where such directors believe in good faith that such transactions are

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appropriate for us, and our stockholders, by executing a subscription agreement for our shares, consent to all such transactions, along with other transactions involving conflicts described herein, to the fullest extent permitted by law. Sales of securities for our account will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Accounts. It could be impossible, as determined by the Adviser and its affiliates in their sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices will, in certain circumstances, therefore be averaged which may be disadvantageous to us. When Blackstone serves as underwriter with respect to securities held by us or any of our subsidiaries, we could be subject to a “lock-up” period following the offering under applicable regulations during which time we would be unable to sell any securities subject to the “lock-up”. This may prejudice our ability to dispose of such securities at an opportune time. Blackstone employees are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including our potential competitors. Our stockholders will not receive any benefit from any such investments.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving us, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone can be expected to influence the Adviser to select or recommend PJT to perform services for us (the cost of which will generally be borne directly or indirectly by us). Given that PJT is no longer an affiliate of Blackstone, the Adviser and its affiliates will be free to cause us to transact with PJT generally without restriction under our charter notwithstanding the relationship between Blackstone and PJT. See also “—The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us” below.

Blackstone receives or obtains various kinds of data and information from us, Other Blackstone Accounts and portfolio entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as “big data”. Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from us, Other Blackstone Account and portfolio entities. Blackstone has entered and will continue to enter into information sharing and use arrangements, which will give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course, with us, Other Blackstone Accounts, portfolio entities, related parties and service providers. Although Blackstone believes that these activities improve Blackstone’s investment management activities on our behalf and on behalf of Other Blackstone Accounts, information obtained from us and portfolio entities also provides material benefits to Blackstone or Other Blackstone Accounts without compensation or other benefit accruing to us or our stockholders. For example, information from a portfolio entity can be expected to enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Accounts that do not own an interest in the portfolio entity, without compensation or benefit to us or the portfolio entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use data and information from our activities to assist in the pursuit of Blackstone’s various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Account. For example, Blackstone’s ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio entity in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to us or our stockholders.

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The sharing and use of “big data” and other information presents potential conflicts of interest and investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not offset the Adviser’s management fee or otherwise be shared with investors. As a result, the Adviser has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Accounts.

Other present and future activities of Blackstone and its affiliates (including the Adviser and the Dealer Manager) will from time to time give rise to additional conflicts of interest relating to us and our investment activities. In the event that any such conflict of interest arises, we will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of our interests.

Blackstone engages various advisors and operating partners who may co-invest alongside us, and there can be no assurance that such advisors and operating partners will continue to serve in such roles.

Blackstone, its affiliates and their personnel and related parties engage and retain strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of the Adviser, its affiliates, portfolio entities or Other Blackstone Accounts (collectively, “Consultants”), to provide a variety of services. Similarly, we, Other Blackstone Accounts and portfolio entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by us or a portfolio entity to Consultants in connection with the above services, including cash fees, profits, or equity interests in a portfolio entity, discretionary bonus awards, performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as our expenses or expenses of the portfolio entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be chargeable to the Adviser or deemed paid to or received by the Adviser, or offset or reduce any management fees to the Adviser. Also, Consultants may co-invest alongside us in investments, participate in long-term incentive plans of a portfolio entity, which generally will result in us being allocated a smaller share of an investment. Consultants’ benefits described in this paragraph may continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant advises our sponsor on transactions, provides the Adviser with industry-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of portfolio entities and contributing to the identification and origination of new investment opportunities. We may rely on these Consultants to recommend the Adviser and us as a preferred investment partner and carry out our investment program, but there is no assurance that any Consultant will continue to be involved with us for any length of time. We, Blackstone, and/or portfolio companies can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of Blackstone “employees” (e.g., they can be expected to have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Dealer Manager Agreement and the Advisory Agreement, and their salary and related expenses are paid by us or by portfolio entities without any reduction or offset to the Adviser’s management fees. Some Consultants work only for us and/or portfolio entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a “Senior Advisor” title, have been and will be engaged with the responsibility to source and recommend transactions to the Adviser potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Adviser under the Advisory Agreement,

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the compensation to such Consultants could be borne fully by us (with no reduction or offset to the management fee paid to the Adviser). If such Senior Advisors generate investment opportunities on our behalf, such members may receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction. Consultants could have conflicts of interest between their work for us and portfolio entities, on the one hand, and themselves or other clients, on the other hand, and the Adviser is limited in its ability to monitor and mitigate these conflicts. Additionally, Consultants could provide services on behalf of both us and Other Blackstone Accounts, and any work performed by Consultants retained on our behalf could benefit such Other Blackstone Accounts (and alternatively, work performed by Consultants on behalf of Other Blackstone Accounts could benefit us), and the sponsor shall have no obligation to allocate any portion of the costs to be borne by us in respect of such Consultant to such Other Blackstone Accounts.

We may source, sell and/or purchase assets either to or from the Adviser and its affiliates or issued by affiliates of the Adviser, and such transactions may cause conflicts of interest.

We may directly or indirectly source, sell and/or purchase all or any portion of an asset (or portfolio of assets/investments) to or from the Adviser and its affiliates or their respective related parties, including parties which such affiliates or related parties, or Other Blackstone Accounts, own or have invested in. Such transactions will be subject to the approval of a majority of directors (including a majority of our independent directors) not otherwise interested in the transaction. We may also source, sell to and/or purchase from third parties interests in or assets issued by affiliates of the Adviser or their respective related parties and such transactions would not require approval by our independent directors or an offset of any fees we otherwise owe to the Adviser or its affiliates. The transactions referred to in this paragraph involve conflicts of interest, as our sponsor and its affiliates may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.

Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Accounts in a wide variety of investment opportunities on a global basis. Not every opportunity suitable for us will be allocated to us in whole or in part. First, certain exceptions exist that allow specified types of investment opportunities that fall within our investment objectives or strategy to be allocated in whole or in part to Blackstone itself or Other Blackstone Accounts, such as strategic investments made by Blackstone itself (whether in financial institutions or otherwise) and investments by Other Blackstone Accounts that have investment objectives or guidelines similar to or overlapping with ours. It is expected that some activities of Blackstone, Other Blackstone Accounts and portfolio entities will compete with us for one or more investment opportunities that are consistent with our investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to us. The Adviser may have conflicting loyalties in determining whether an investment opportunity should be allocated to us or an Other Blackstone Account. Our sponsor has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

With respect to Other Blackstone Accounts with investment objectives or guidelines that overlap with ours but that do not have priority over us (including the Private Core+ Accounts), investment opportunities are allocated among us and one or more Other Blackstone Accounts in accordance with our sponsor's prevailing policies and procedures on a basis that the Adviser and its affiliates believe to be fair and reasonable in their sole discretion, which is generally pro rata based on relative available capital, subject to the following considerations: (i) any applicable investment objectives or focus of ours and such Other Blackstone Accounts (which, for us, includes our primary objective of providing attractive current income in the form of regular, stable cash distributions), (ii) any investment limitations, parameters or contractual provisions of ours and such Other Blackstone Accounts (e.g., joint venture investments between us and an Other Blackstone Account must be on the same terms and satisfy the restrictions of all participants, such as lowest leverage targeted by any participant), (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability

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or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act).

Currently, a Private Core+ Account invests in “core+” real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone’s prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). Certain Other Blackstone Accounts also invest in real estate debt with investment objectives or guidelines that overlap with ours but do not have priority over us. To the extent an investment satisfies the investment objectives of us and such Other Blackstone Accounts, such investment will be allocated in accordance with Blackstone’s prevailing policies and procedures described above. There may be instances where an overlapping investment opportunity would have satisfied our primary investment objective of providing attractive current income in the form of regular, stable cash distributions assuming our targeted leverage ratio in the range of 60%, but which does not satisfy our investment objectives at the lower targeted leverage ratio of the Private Core+ Accounts. If the Adviser and its affiliates determine to use the lower leverage ratio, such overlapping investment opportunity would not be allocated to us in whole or part. A sharing of the investment opportunity at different leverage ratios would not be possible because such joint venture investments with the Private Core+ Accounts must be on the same terms (including leverage ratio).

Furthermore, the Select Opportunistic Blackstone Accounts invest in “opportunistic” real estate and real estate-related assets globally (which often are undemanaged assets and with higher potential for equity appreciation) and have priority over us with respect to such investment opportunities. This priority will result in fewer investment opportunities being made available to us.

As of September 30, 2020, Other Blackstone Accounts with investment objectives or guidelines that overlap with our primary strategy but that do not have priority over us (including the Private Core+ Accounts) that are in their investing stage had no unused capital commitments and Select Opportunistic Blackstone Accounts (which are Other Blackstone Accounts that receive priority over us and whose investment strategies are generally less similar to ours but can overlap to some extent) in their investing stage had approximately \$14.5 billion of unused capital commitments.

The Adviser and its affiliates calculate available capital, weigh the factors described above (which will not be weighted equally) and make other investment allocation decisions in accordance with their prevailing policies and procedures in their sole discretion. The manner in which our available capital is determined may differ from, or subsequently change with respect to, Other Blackstone Accounts. The amounts and forms of leverage utilized for investments will also be determined by the Adviser and its affiliates in their sole discretion. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

The amount of performance-based compensation charged and/or management fees paid by us may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for our sponsor to allocate a greater percentage of an investment opportunity to us or such Other Blackstone Accounts, as the case may be.

Under certain circumstances, our Adviser may determine not to pursue some or all of an investment opportunity within our investment objectives and guidelines, including without limitation, as a result of our prior investments, business or other reasons applicable to us, Other Blackstone Accounts, Blackstone or its affiliates.

Under certain circumstances, our Adviser may determine not to pursue some or all of an investment opportunity within our investment objectives and guidelines, including without limitation, as a result of business, reputational or other reasons applicable to us, Other Blackstone Accounts, Blackstone or its affiliates. In addition, the Adviser and its affiliates may determine that we should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because we have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Adviser and its affiliates in their good faith discretion, or the investment is not appropriate for us for other reasons as determined by the Adviser and its affiliates in their good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Accounts, portfolio entities, joint venture partners, related parties or third parties. Any such Other Blackstone Accounts may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Adviser believes to be the case. In any event, there can be no assurance that the Adviser's assessment will prove correct or that the performance of any investments actually pursued by us will be comparable to any investment opportunities that are not pursued by us. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by us to the Adviser. In some cases Blackstone earns greater fees when Other Blackstone Accounts participate alongside or instead of us in an investment.

When the Adviser and its affiliates determine not to pursue some or all of an investment opportunity for us that would otherwise be within our investment objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Accounts, Blackstone, including its personnel (including real estate personnel), can be expected to receive compensation from the Other Blackstone Accounts, whether or not in respect of a particular investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by us to the Adviser. As a result, the Adviser (including real estate personnel who receive such compensation) could be incentivized to allocate investment opportunities away from us to or source investment opportunities for Other Blackstone Accounts.

The Adviser and its affiliates make good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Information unavailable to the Adviser, or circumstances not foreseen by the Adviser at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Adviser and its affiliates determine to be consistent with the return objective of Other Blackstone Accounts rather than us may not match the expectations and underwriting of the Adviser and its affiliates and generate an actual return that would have been appropriate for us. Conversely, an investment that the Adviser and its affiliates expect to be consistent with our return objectives will, in certain circumstances, fail to achieve them. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

Our board of directors has adopted a resolution that renounces our interest or expectancy with respect to business opportunities and competitive activities.

Our board of directors has adopted a resolution that renounces our interest or expectancy in, or in being offered an opportunity to participate in, business opportunities, and provides that none of Blackstone or its affiliates, our directors or any person our directors control must refrain from competing with us or present to us such business opportunities. Under this resolution Blackstone and its affiliates and our directors or any person our directors control would not be obligated to present to us opportunities unless those opportunities are expressly offered to

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such person in his or her capacity as a director or officer and intended exclusively for us or any of our subsidiaries, and those persons will be able to engage in competing activities without any restriction imposed as a result of Blackstone's or its affiliates' status as a stockholder or Blackstone's affiliates' status as our officers or directors.

We co-invest with Blackstone affiliates and such investments are at times in different parts of the capital structure of an issuer and may otherwise involve conflicts of interest. When we hold investments in which Other Blackstone Accounts have a different principal investment, conflicts of interest arise between us and Other Blackstone Accounts, and the Adviser may take actions that are adverse to us.

We co-invest with Other Blackstone Accounts in investments that are suitable for both us and such Other Blackstone Accounts. We may hold an interest in an investment that is different (including with respect to relative seniority) than the interests held by Other Blackstone Accounts (and in certain circumstances, the Adviser will be unaware of an Other Blackstone Account's participation, as a result of information walls or otherwise). In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, in certain circumstances we will likely recuse ourselves from participating in any decisions relating or with respect to such investment by us or the applicable investments by the Other Blackstone Accounts, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the other actions described below that the Adviser may take to mitigate the conflict, Blackstone may be required to take action when it will have conflicting loyalties between its duties to us and such Other Blackstone Accounts, which may adversely impact us. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to us (and vice versa). If the Other Blackstone Account maintains voting rights with respect to the securities it holds, or if we do not recuse ourselves, Blackstone may be required to take action where it will have conflicting loyalties between its duties to us and such Other Blackstone Account, which may adversely impact us. If we recuse ourselves from decision-making, we will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made.

There can be no assurance that any conflict will be resolved in our favor. Conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on our investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. In addition, it is anticipated that in a bankruptcy proceeding our interest will likely be subordinated or otherwise adversely affected by virtue of such Other Blackstone Accounts' involvement and actions relating to such investment. For example, in circumstances where we hold a junior mezzanine interest in an issuer, holders of more senior classes of debt issued by such entity (which may include Other Blackstone Accounts) may take actions for their benefit (particularly in circumstances where such issuer faces financial difficulty or distress) that further subordinate or adversely impact the value of our investment in such issuer.

In connection with negotiating loans, bank or securitization financings in respect of our real estate-related transactions, Blackstone will generally obtain the right to participate on its own behalf (or on behalf of vehicles it manages) in a portion of the financings with respect to such Blackstone-sponsored transactions (including transactions where the underlying collateral includes property owned by Other Blackstone Accounts) upon an agreed upon set of terms. We do not believe that this arrangement has an effect on the overall terms and conditions negotiated with the arrangers of such senior loans other than as described in the preceding sentence. If we make or have an investment in a property in which an Other Blackstone Account has a mezzanine or other debt investment, or vice versa, Blackstone may have conflicting loyalties between its duties to us and to other affiliates. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. Because of the affiliation with Blackstone, the Adviser may have a greater incentive to invest in Blackstone-sponsored financings (as compared to real estate-related financings sponsored by other real estate firms or financial sponsors). In certain circumstances, we may be required to commit funds necessary for an investment prior to the time that all

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anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Accounts and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. In any such circumstance, the Other Blackstone Accounts and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of the management fee paid to the Adviser. The conflicts applicable to Other Blackstone Accounts who invest in different securities of issuers will apply equally to Blackstone itself in such situations.

To the extent that we make or have an investment in, or through the purchase of debt obligations become a lender to, a company in which an Other Blackstone Account has a debt or equity investment (including through investments in CMBS where the underlying properties are owned by Other Blackstone Accounts), or if an Other Blackstone Account participates in a separate tranche of a financing with respect to a portfolio entity, Blackstone will generally have conflicting loyalties between its duties to us and to Other Blackstone Accounts. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to us (and vice versa). Moreover, we will generally “follow the vote” of other similarly situated third-party creditors (if any) in voting and governance matters where conflicts of interest exist and will have a limited ability to separately protect our investment and will be dependent upon such third parties’ actions (which may not be as capable as the Adviser and may have other conflicts arising from their other relationships, both with Blackstone and other third parties that could impact their decisions). In addition, conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof.

We may seek to participate in investments relating to (i) the refinancing or modifications of loan investments or portfolios held or proposed to be acquired by certain Other Blackstone Accounts, and Other Blackstone Accounts may refinance a loan currently held by us and/or (ii) portfolio entities of one or more Other Blackstone Accounts, including primary or secondary issuances of loans or other interests by such portfolio entities. While it is expected that our participation in connection with any such transactions will generally be negotiated by third parties, such transactions will give rise to potential or actual conflicts of interest.

We may invest in joint ventures with Other Blackstone Accounts or divide a pool of investments among us and Other Blackstone Accounts.

To the extent we acquire properties through joint ventures with Other Blackstone Accounts, such investments will be allocated as described above, and we may be allocated interests in such joint ventures that are smaller than the interests of the Other Blackstone Accounts. Generally, we expect the level of control we have with respect to any joint venture will correspond to our economic interest in such joint venture. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts. Such joint venture investments will involve risks and conflicts of interests. See “—Risks Related Investments in Real Estate—We may make a substantial amount of joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.”

Our sponsor may have an opportunity to acquire a portfolio or pool of assets, securities and instruments in a single or related transactions with a particular seller that it determines in its sole discretion should be divided and allocated among us and Other Blackstone Accounts, including where certain of such assets, securities or instruments are specifically allocated (in whole or in part) to us and such Other Blackstone Accounts. Such allocations generally would be based on its assessment of, among other things, the expected returns and risk profile of the portfolio and each of the assets therein and may provide greater benefits to Other Blackstone Accounts than to us (or vice versa). For example, some of the assets in a pool may have an opportunistic return

profile not appropriate for us. Also, a pool may contain both debt and equity instruments that our sponsor determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool based on a determination by the seller, by a third-party valuation firm and/or by the Adviser and its affiliates, and therefore among us and the Other Blackstone Accounts acquiring any of the assets, securities and instruments, although our sponsor could, in certain circumstances, allocate value to us and such Other Blackstone Accounts on a different basis than the contractual purchase price. To the extent that any such allocations would cause us to participate in a transaction with Other Blackstone Accounts for a portfolio or pool of assets, securities and instruments that we otherwise may not have acquired individually, our sponsor will have conflicting loyalties between its duties to us and to Other Blackstone Accounts.

Similarly, there will likely be circumstances in which we and Other Blackstone Accounts will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an allocation of value in the purchase or sale contract, though our sponsor could determine such allocation of value is not accurate and should not be relied upon. Unless an appraisal is required by our charter, our sponsor will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third-party valuation reports. Regardless of the methodology for allocating value, our sponsor will have conflicting duties to us and Other Blackstone Accounts when they buy or sell assets together in a portfolio, including as a result of different financial incentives our sponsor has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that our investment will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Blackstone Accounts.

The amount of performance-based compensation charged and/or management fees paid by us may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for our sponsor to allocate a greater percentage of an investment opportunity to us or such Other Blackstone Accounts, as the case may be.

Blackstone may structure certain investments such that Blackstone will face conflicting fiduciary duties to us and certain debt funds.

It is expected that Blackstone will structure certain investments such that one or more mezzanine or other investment funds, structured vehicles or other collective investment vehicles primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other similar debt instruments managed by affiliates of Blackstone (collectively, "Debt Funds") are offered the opportunity to participate in the debt tranche of an investment allocated to us. The Adviser and its affiliates owe fiduciary duties to the Debt Funds as well as to us. If the Debt Funds purchase high-yield securities or other debt instruments related to a property or real estate company that we hold an investment in (or if we make or have an investment in or, through the purchase of debt obligations become a lender to, a company or property in which a Debt Fund or an Other Blackstone Account or another Blackstone real estate fund or vehicle has a mezzanine or other debt investment), the Adviser and its affiliates will face a conflict of interest in respect of the advice given to, or the decisions made with regard to, the Debt Funds, such Other Blackstone Accounts and us (e.g., with respect to the terms of such high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). Similarly, certain Other Blackstone Accounts can be expected to invest in securities of publicly traded companies that are actual or potential investments of ours. The trading activities of Other Blackstone Accounts may differ from or be inconsistent with activities that are undertaken for our account in any such securities. In addition, we may not pursue an investment otherwise within our investment objectives and guidelines as a result of such trading activities by Other Blackstone Accounts.

Blackstone may raise and/or manage Other Blackstone Accounts, which could result in the reallocation of Blackstone personnel and the direction of potential investments to such Other Blackstone Accounts.

Blackstone reserves the right to raise and/or manage Other Blackstone Accounts, including opportunistic and stabilized and substantially stabilized real estate funds or separate accounts, dedicated managed accounts, investments suitable for lower risk, lower return funds or higher risk, higher return funds, real estate debt obligation and trading investment vehicles, real estate funds primarily making investments globally, in a particular region outside of the U.S. and Canada, or in a single sector of the real estate investment space (e.g., office, industrial, retail or multifamily) or making non-controlling investments in public and private debt and equity securities and/or investment funds that may have the same or similar investment objectives or guidelines as us or investments, including those raised by us and one or more managed accounts (or other similar arrangements structured through an entity) for the benefit of one or more specific investors (or related group of investors) which, in each case, may have investment objectives or guidelines that overlap with ours. See “—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.” In particular, we expect that there will be overlap of real estate and real estate debt investment opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts. The closing of an Other Blackstone Account could result in the reallocation of Blackstone personnel, including reallocation of existing real estate professionals, to such Other Blackstone Account. In addition, potential investments that may be suitable for us may be directed toward such Other Blackstone Account.

Blackstone’s potential involvement in financing a third party’s purchase of assets from us could lead to potential or actual conflicts of interest.

We may from time to time dispose of all or a portion of an investment by way of a third-party purchaser’s bid where Blackstone or one or more Other Blackstone Accounts is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. This may include the circumstance where Blackstone or one or more Other Blackstone Accounts is making commitments to provide financing at or prior to the time such third-party purchaser commits to purchase such investments or assets from us. Such involvement of Blackstone or one or more Other Blackstone Accounts as such a provider of debt financing in connection with the potential acquisition of portfolio investments by third parties from us may give rise to potential or actual conflicts of interest.

We may provide debt financing in connection with acquisitions by third parties of assets owned by Other Blackstone Accounts.

We may provide financing as part of a third-party purchaser’s bid or acquisition of (or investment in) a portfolio entity (or the underlying assets of) owned by one or more Other Blackstone Accounts (or in connection with the acquisitions by one or more Other Blackstone Accounts or their affiliates of assets or interests (and/or portfolios thereof) owned by a third party). This may include making commitments to provide financing at, prior to or around the time that any such purchaser commits to or makes such investments. We may make investments and provide debt financing with respect to portfolio entities in which Other Blackstone Accounts and/or affiliates hold or subsequently acquire an interest. While the terms and conditions of any such arrangements will generally be on market terms, the involvement of the Other Blackstone Accounts or affiliates in such transactions may affect credit decisions and the terms of such transactions or arrangements and/or may otherwise influence the Adviser’s decisions, which will give rise to potential or actual conflicts of interest and which may adversely impact us. For example, such transactions may involve the partial or complete payoff of such loans (with related proceeds being received by the applicable Other Blackstone Accounts) and/or otherwise result in restructurings of terms and pricing relating to such existing loans with the borrowers thereof in respect of which such Other Blackstone Accounts may receive refinancing proceeds and/or a retained interest in such loans in accordance with such restructuring arrangements. Additionally, in certain situations we may not commit to provide financing until a third party has committed to make a deposit in connection with the acquisition of an investment from an

Other Blackstone Account, which may result in us being disadvantaged in the overall bid process or potentially not consummating the investment.

Disputes between Blackstone and our joint venture partners who have pre-existing investments with Blackstone may affect our investments relating thereto.

Some of the third-party operators and joint-venture partners with which the Adviser may elect to co-invest our capital may have pre-existing investments with Blackstone. The terms of these preexisting investments may differ from the terms upon which we invest with such operators and partners. To the extent a dispute arises between Blackstone and such operators and partners, our investments relating thereto may be affected.

Certain principals and employees will, in certain circumstances, be involved in and have a greater financial interest in the performance of other Blackstone funds or accounts, and such activities may create conflicts of interest in making investment decisions on our behalf.

Certain Blackstone personnel will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to us, Other Blackstone Accounts and portfolio entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of us, including if such other entities compete with us for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than our performance. This involvement may create conflicts of interest in making investments on our behalf and on behalf of such other funds, accounts and other entities. Although the Adviser will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for us. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interests. Such personal securities transactions will, in certain circumstances, relate to securities or instruments, which can be expected to also be held or acquired by us or Other Blackstone Accounts, or otherwise relate to companies or issuers in which we have or acquire a different principal investment (including, for example, with respect to seniority). There can be no assurance that conflicts of interest arising out of such activities will be resolved in our favor. Investors will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to us.

The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us.

Certain third-party advisors and other service providers and vendors to us (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) are owned by Blackstone or Other Blackstone Accounts or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Accounts and their portfolio entities, the Dealer Manager, the Adviser and affiliates and personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to us could have other commercial or personal relationships with Blackstone, Other Blackstone Accounts and their respective affiliates, personnel or family members of personnel of the foregoing.

Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will, in certain circumstances, influence Blackstone in deciding whether

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to select, recommend or form such an advisor or service provider to perform services for us, the cost of which will generally be borne directly or indirectly by us, and incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to cause us to pay such service providers and vendors higher fees or commissions than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone may also have an incentive to invest in or create service providers and vendors to realize on these opportunities. Furthermore, Blackstone will from time to time encourage third-party service providers to Other Blackstone Accounts to use other service providers and vendors in which Blackstone has an interest, and Blackstone has an incentive to use third-party service providers who do so as a result of the additional business for the related service providers and vendors. Fees paid to or value created in these services providers and vendors do not offset or reduce the Adviser's management fee and are not otherwise shared with us. In the case of brokers of securities, our sponsor has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone, Other Blackstone Accounts, portfolio entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to us, such as fees for asset, development and property management; arranging, underwriting, syndication or refinancing of a loan or investment (or other additional fees, including acquisition fees, loan modification or restructuring fees); loan servicing; special servicing; other servicing; administrative services; advisory services on purchase or sale of an asset or company; other advisory services; investment banking and capital market services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement; brokerage solutions and risk management services; data extraction and management products and services; fees for monitoring and oversight of loans or title insurance; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organizational and financing, and divestment services). Such parties will also provide products and services for fees to Blackstone, Other Blackstone Accounts and portfolio entities, and their personnel and related parties, as well as third parties. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to us, our portfolio properties, Other Blackstone Accounts and their affiliates, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, we would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with us or our stockholders and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Accounts and portfolio entities, and their personnel and related parties will, in certain circumstances, receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by us. We will incur expense in negotiating for any such fees and services. Finally, Blackstone and its personnel and related parties may also receive compensation for origination expenses and with respect to unconsummated transactions.

Portfolio entities of Other Blackstone Accounts are and will be counterparties or participants in agreements, transactions and other arrangements with us for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the management fees we pay to the Adviser notwithstanding that some of the services provided by such portfolio entity are similar in nature to the services provided by the Adviser. Generally, we may engage Blackstone-affiliated portfolio entities only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors) not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

We may engage portfolio entities of Other Blackstone Accounts to provide some or all of the following services: (a) corporate support services (including, without limitation, accounting/audit (including valuation support services), account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (i.e.,

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coordination with JV partners, property managers), risk management, tax and treasury; (b) loan management (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (i.e., management by a portfolio entity, Blackstone affiliate or third party (e.g., a third-party manager) of operational services); (d) operational services (i.e., general management of day to day operations, including, without limitation, construction management, leasing services, project management and property management); and (e) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordination of design and development works, overseeing brokers, lawyers, accountants and other advisors, providing legal and accounting services, assistance with due diligence, preparation of project feasibilities, site visits, and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents).

Such portfolio entities that can be expected to provide services to us include, without limitation, the following, and may include additional portfolio entities that may be formed or acquired in the future:

LivCor. We have engaged LivCor, L.L.C., a portfolio company owned by a Blackstone-advised fund for certain of our multifamily properties.

Equity Office Management/Equity Office Properties. We have engaged Equity Office Management, L.L.C., a portfolio company owned by Blackstone-advised funds for certain of our office properties.

ShopCore. We have engaged ShopCore Properties TRS Management LLC, a portfolio company owned by a Blackstone-advised fund for certain of our retail properties.

Link. We have engaged Link Industrial Properties Holdco LLC, a portfolio company owned by a Blackstone-advised fund for certain of our industrial properties.

BRE Hotels and Resorts. We have engaged BRE Hotels & Resorts LLC, a portfolio company controlled (but not owned) by a Blackstone-advised fund for certain of our hotel properties.

Revantage. We have engaged Revantage Corporate Services, LLC, a portfolio company owned by a Blackstone-advised fund, to provide corporate support services (including, without limitation, accounting, legal, tax, and treasury, as applicable) and transaction support services to certain of our investments directly.

We compensate these service providers and vendors owned by the Other Blackstone Accounts for services rendered to us, including through promote or other incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a portfolio entity or property will vary from the incentive based compensation paid with respect to other portfolio entities and properties; as a result the management team or other related parties may have greater incentives with respect to certain properties and portfolio entities relative to others, and the performance of certain properties and portfolio entities may provide incentives to retain management that also service other properties and portfolio entities. Service providers and vendors owned by Other Blackstone Accounts may charge us for certain goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates below applies equally in respect of the fees and expenses of the portfolio entity service providers, if charged at rates generally consistent with those available in the market. Such service providers and vendors may also pass through expenses for other services on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for our benefit to us, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses;

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marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a portfolio property; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, and therefore we could pay more than our pro rata portion of fees for services. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a number of different methodologies, including, without limitation, “cost” basis as described above, “time-allocation” basis, “per unit” basis, “per square footage” basis or “fixed percentage” basis. There can be no assurance that a different manner of allocation would result in our bearing less or more costs and expenses. A service provider may subcontract certain of its responsibilities to other portfolio entities. In such circumstances, the relevant subcontractor could invoice the portfolio entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The portfolio entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above.

We, Other Blackstone Accounts and their affiliates are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third-party joint venture partner may negotiate to not pay its pro rata share of fees, costs and expenses to be allocated as described above, in which case we, Other Blackstone Accounts and their affiliates that also use the services of the portfolio entity service provider will, directly or indirectly, pay the difference, or the portfolio entity service provider will bear a loss equal to the difference. Portfolio entity service providers described in this section are generally owned and controlled by one or more Blackstone funds such as Other Blackstone Accounts. In certain instances a similar company could be owned or controlled by Blackstone directly. Service providers described in this risk factor are generally owned and controlled by a Blackstone fund, such as the Other Blackstone Accounts.

Blackstone has a general practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to us for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if we consummate a higher percentage of transactions with a particular law firm than Blackstone, Other Blackstone Accounts and their affiliates, we could indirectly pay a higher net effective rate for the services of that law firm than Blackstone or Other Blackstone Accounts or their affiliates. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by us are different from those used by Blackstone, Other Blackstone Accounts and their affiliates and personnel, we can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Other Blackstone Accounts and affiliates and we can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty’s products or services depending on the volume of transactions in the aggregate or other factors.

In addition to the service providers (including portfolio entity service providers) and vendors described above, we will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses will, in certain circumstances, also enter into transactions with other counterparties of ours. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. Furthermore, Blackstone will from time to time encourage our third-party service providers to use other Blackstone-affiliated service providers and vendors in connection with our business and the business of portfolio entities and unaffiliated entities, and Blackstone has an incentive to use third-party service providers who do so as a result of the indirect benefit to Blackstone and additional business for the related service providers and

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vendors. No fees charged by these service providers and vendors will offset or reduce the Adviser's management fees. Furthermore, Blackstone, the Other Blackstone Accounts and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

Blackstone-affiliated service providers and vendors, include, without limitation:

CTIMCO. CT Investment Management LLC ("CTIMCO"), is the investment management business operated by Blackstone Real Estate Debt Strategies that specializes in real estate-related debt investments with a focus on mortgage loans that are backed by commercial real estate assets, which may be engaged by us and Other Blackstone Accounts as a special servicer. Special servicers are responsible for managing underlying loans of the CMBS that are in default, including exercising remedies. The fees for special servicers are set forth in a pooling and servicing arrangement at the creation of the CMBS. See "—General Risks Related to Investments in Real Estate Debt—There are certain risks associated with the servicers of commercial real estate loans underlying CMBS and other investments." In cases where we and/or Other Blackstone Accounts control the controlling class of securities in a CMBS that has the power to appoint or remove the special servicer, we and/or Other Blackstone Accounts may determine to appoint or replace an existing third party special servicer with CTIMCO. In any such replacement, CTIMCO would be entitled to receive the same fees that the former third party special servicer was entitled to receive (including any arrangements, if any, entered into with the former special servicer by which the special servicer agreed to share a portion of its fee with us and/or Other Blackstone Accounts pro rata based on ownership of the controlling class of the CMBS). As special servicer, CTIMCO would be obligated to act in the best interests of all holders of securities of the CMBS, not just the class or classes of securities held by us. As a result, CTIMCO may not always act in our best interest.

LNLS. Lexington National Land Services ("LNLS") is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters and (iii) acts as escrow agent in connection with investments by us, Other Blackstone Accounts and their affiliates and related parties, and third parties. In exchange for such services LNLS earns fees, which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which we participate, LNLS will benchmark such fees to the extent market data is available except when LNLS is providing such services in a state where the insurance premium or escrow fee, as applicable, is regulated by the state or when LNLS is part of a syndicate of title insurance companies where the insurance premium is negotiated by other title insurance underwriters or their agents.

Certain Blackstone-affiliated service providers and their respective personnel may receive a management promote, an incentive fee and other performance-based compensation in respect of our investments. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), provided that these amounts will not exceed market rates as determined to be appropriate under the circumstances. Generally, we may engage Blackstone-affiliated service providers only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

The Adviser and its affiliates will make determinations of market rates (i.e., rates that fall within a range that the Adviser and its affiliates has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include the experience of the Adviser and its affiliates with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Adviser and its affiliates to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third

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parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset by asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired (such as location or size), or the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by us or by Other Blackstone Accounts and will not offset the management fee we pay to the Adviser. Finally, in certain circumstances third-party benchmarking may be considered unnecessary, including because the price for a particular good or service is mandated by law (e.g., title insurance in rate regulated states). Some of the services performed by Blackstone-affiliated service providers could also be performed by our sponsor from time to time and vice versa. Fees paid by us to Blackstone-affiliated service providers do not offset or reduce the management fee we pay to the Adviser and are not otherwise shared with us.

For more information regarding our relationships with Blackstone entities providing services to us or our subsidiaries, see “Selected Information Regarding our Operations—Related Party Transactions” in this prospectus, as well as “Transactions with Related Persons and Certain Control Persons—Our Relationship with Our Adviser and Blackstone—Affiliate Service Agreements” in our definitive Proxy Statement on Schedule 14A attached as Annex D to this prospectus, and “Related Party Transactions” in the notes to our consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the period ended September 30, 2020, each attached as Annex A and Annex B to this prospectus, respectively.

Blackstone and Other Blackstone Accounts operate in multiple industries, including the real estate related information technology industry, and provide products and services to or otherwise contract with us, among others. In connection with any such investment, Blackstone and Other Blackstone Accounts (or their respective portfolio entities and personnel and related parties) can be expected to make referrals or introductions to us or other portfolio entities in an effort, in part, to increase the customer base of such companies or businesses or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, participation in revenue share, accruing to the party making the introduction. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a portfolio entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services to such portfolio entities) that are referred to the joint venture or business by Blackstone. Such joint venture or business could use data obtained from such portfolio entities. We typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Accounts and their respective portfolio entities as a result of such introduction.

We will enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof) and will otherwise enter into operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among us, Other Blackstone Accounts and portfolio entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone and its personnel, or Other Blackstone Accounts and their portfolio entities, including as a result of transactions entered into by us, and such commissions or payment will not offset the management fee payable to the Adviser. Blackstone can be expected to also receive consulting, usage or other fees from the parties to these group procurement arrangements. To the extent that a portfolio entity of an Other Blackstone Account is providing such a service, such portfolio entity

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and such Other Blackstone Account will benefit. Further, the benefits received by the particular portfolio entity providing the service will, in certain circumstances, be greater than those received by us in receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements.

We will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure us, our portfolio properties, the Adviser, Blackstone and their respective directors, officers, employees, agents and representatives and other indemnified parties, against liability in connection with our activities. This includes a portion of any premiums, fees, costs and expenses for one or more “umbrella”, group or other insurance policies maintained by Blackstone that cover one or more of us and Other Blackstone Accounts, the Adviser and Blackstone (including their respective directors, officers, employees, agents and representatives and other indemnified parties). The Adviser and its affiliates will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella”, group or other insurance policies among one or more of us and Other Blackstone Accounts, the Adviser and Blackstone on a fair and reasonable basis, in their discretion, and may make corrective allocations should they determine subsequently that such corrections are necessary or advisable. For example, some property insurance could be allocated on a property-by-property basis in accordance with the relative values of the respective assets that are insured by such policies.

Additionally, we and Other Blackstone Accounts (and their portfolio entities) will, in certain circumstances, jointly contribute to a pool of funds that can be expected to be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions may similarly be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine).

In respect of such insurance arrangements, Blackstone may make corrective allocations from time to time should it determine subsequently that such adjustments are necessary or advisable. There can be no assurance that different allocations or arrangements than those implemented by Blackstone as provided above would not result in us and our portfolio properties bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

We and Other Blackstone Accounts have self-insured through a captive insurance company (the “captive”) owned entirely by its participants (including us and such Other Blackstone Accounts). This arrangement is expected to provide us with greater control over our insurance program and reduce overall costs of insurance through lower premiums and reduction or elimination of insurance brokerage costs. An affiliate of our sponsor manages the captive, oversees its operations and service providers, provides a guarantee for a letter of credit to help capitalize it and receives a fee based on a percentage of the premiums (subject to the benchmarking process described above). A third-party insurance services firm will provide brokerage, administration and insurer management services. The fees and expenses of the captive, including insurance premiums and fees paid to its manager, will be borne by us and Other Blackstone Accounts pro rata based on estimates of insurance premiums that would have been payable for each party’s respective properties, as benchmarked by third parties, and will be paid by each participant annually. While we do not expect to provide any funding in addition to such annual contribution, it is possible that each member of the captive, including us, is required to make additional capital contributions in certain circumstances. While the captive is expected to be beneficial to us, there can be no assurance that different allocations or arrangements than those described above would not result in us and our portfolio properties bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies relative to Other Blackstone Accounts or otherwise.

Blackstone or an affiliate of Blackstone formed in the future may provide data management services to portfolio properties and may also provide such services directly to us and Other Blackstone Accounts (collectively, “Data Holders”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the requirements under our charter (including any necessary approval of by our board of

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directors, including a majority of our independent directors not interested in the transaction) and any other applicable contractual limitations, with us, Other Blackstone Accounts, portfolio properties and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Accounts make investments, and portfolio entities thereof). Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by the Blackstone in its discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation is also expected to include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Additionally, Blackstone is also expected to determine to share the products from such data management services within Blackstone or its affiliates (including Other Blackstone Accounts or their portfolio entities) at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone may create incentives for the Adviser to cause us to invest in portfolio entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

We may be subject to potential conflicts of interest as a consequence of family relationships that Blackstone employees have with other real estate professionals.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which we invest or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described above) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of us or our other counterparties and portfolio properties. Moreover, in certain instances, we can be expected to purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, we will not be precluded from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Adviser.

We are subject to conflicts of interest related to tenants.

Certain properties owned by us and/or an Other Blackstone Account will, in certain circumstances, be leased out to tenants that are affiliates of Blackstone, including but not limited to Other Blackstone Accounts and/or their respective portfolio companies, which would give rise to a conflict of interest. In such events, the Adviser will endeavor to ensure that such conflicts are resolved in a fair and equitable manner, subject to applicable oversight of the board of directors.

We are party to an uncommitted line of credit with an affiliate of Blackstone.

We have entered into an uncommitted line of credit with Blackstone Holdings Finance Co. L.L.C., an affiliate of Blackstone, pursuant to which we may borrow up to \$150 million at an interest rate equal to the then-current interest rate offered by an unaffiliated third-party lender or, if no such rate is available, LIBOR plus 2.50%. Because this line of credit is with an affiliate of Blackstone, the terms of the agreement were not negotiated at arm's-length. Blackstone may face conflicts of interest in connection with any borrowings or disputes under this uncommitted line of credit.

The personnel of the Dealer Manager and the Adviser may trade in securities for their own accounts, subject to restrictions applicable to Blackstone personnel.

The officers, directors, members, managers and employees of the Dealer Manager and the Adviser can be expected to trade in securities and make personal investments for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies, or otherwise determined from time to time by the Dealer Manager or the Adviser. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which we hold or acquire an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to ours or pursue similar investment opportunities as us.

We have and continue to expect to have a diverse stockholder group and the interests of our stockholders may conflict with one another and may conflict with the interests of investors in other vehicles that we co-invest with.

Our stockholders may have conflicting investment, tax and other interests with respect to their investments in us and with respect to the interests of investors in other investment vehicles managed or advised by the Adviser or its affiliates that participate in the same investments as us. The conflicting interests of individual stockholders with respect to other stockholders and relative to investors in other investment vehicles and investors relate to, among other things, the nature, structuring, financing, tax profile and timing of disposition of investments. The Adviser may as a result have conflicts in making these decisions, which may be more beneficial for one or more (but not all) stockholder than for other stockholders. In addition, we may make investments that may have a negative impact on related investments made by the stockholders in separate transactions. In selecting and structuring investments appropriate for us, the Adviser considers the investment and tax objectives of us (including our qualification as a REIT) and our stockholders (and those of investors in other investment vehicles managed or advised by the Adviser or its affiliates) that participate in the same investments as us, not the investment, tax or other objectives of any stockholder individually. In addition, certain investors may also be limited partners in Other Blackstone Accounts, including supplemental capital vehicles and co-investment vehicles that invest alongside us in one or more investments, which could create conflicts for the Adviser in the treatment of different investors.

Stockholders may also include affiliates of Blackstone, such as Other Blackstone Accounts, affiliates of portfolio entities, charities or foundations associated with Blackstone personnel and current or former Blackstone personnel, Blackstone's senior advisors and operating partners, and any such affiliates, funds or persons may also invest in us. Except as provided in our charter, all of these Blackstone-related stockholders will have equivalent rights to vote and withhold consents as nonrelated stockholders. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone-related stockholders.

We may be subject to additional potential conflicts of interests as a consequence of Blackstone's status as a public company.

As a consequence of Blackstone's status as a public company, our officers, directors, members, managers and employees and those of the Adviser may take into account certain considerations and other factors in connection with the management of the business and affairs of us and our affiliates that would not necessarily be taken into account if Blackstone were not a public company.

We, Other Blackstone Accounts and their portfolio entities may engage in permissible political activities with the intent of furthering our or their business interests or otherwise.

We, Other Blackstone Accounts and their portfolio entities may, in the ordinary course of our or their respective businesses, make political contributions to elected officials, candidates for elected office or political

organizations, hire lobbyists or engage in other permissible political activities with the intent of furthering our or their business interests or otherwise. In certain circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of us, Other Blackstone Accounts and/or their portfolio entities. The interests advanced by a portfolio entity through such activities may, in certain circumstances, not align with or be adverse to our interests, the interests of our stockholders or the interests of Other Blackstone Accounts or their other portfolio entities. The costs of such activities may be allocated among us, Other Blackstone Accounts and their portfolio entities (and borne indirectly by our stockholders). While the costs of such activities will typically be borne by the entity undertaking such activities, such activities may also directly or indirectly benefit us, Other Blackstone Accounts, their portfolio entities or Blackstone. There can be no assurance that any such activities will be successful in advancing our interests or the interests of an Other Blackstone Accounts or a portfolio entity or otherwise benefit such entities.

Risks Related to our REIT Status and Certain Other Tax Items

If we do not maintain our qualification as a REIT, we will be subject to tax as a regular corporation and could face a substantial tax liability.

We expect to continue to operate so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, various compliance requirements could be failed, which could jeopardize our REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then:

- we would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to stockholders in computing taxable income and being subject to federal income tax on our taxable income at regular corporate income tax rates;
- any resulting tax liability could be substantial and could have a material adverse effect on our book value;
- unless we were entitled to relief under applicable statutory provisions, we would be required to pay taxes, and therefore, our cash available for distribution to stockholders would be reduced for each of the years during which we did not qualify as a REIT and for which we had taxable income; and
- we generally would not be eligible to requalify as a REIT for the subsequent four full taxable years.

To maintain our REIT status, we may have to borrow funds on a short-term basis during unfavorable market conditions.

To qualify as a REIT, we generally must distribute annually to our stockholders a minimum of 90% of our net taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. We will be subject to regular corporate income taxes on any undistributed REIT taxable income each year. Additionally, we will be subject to a 4% nondeductible excise tax on any amount by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from previous years. Payments we make to our stockholders under our share repurchase plan will not be taken into account for purposes of these distribution requirements. If we do not have sufficient cash to make distributions necessary to preserve our REIT status for any year or to avoid taxation, we may be forced to borrow funds or sell assets even if the market conditions at that time are not favorable for these borrowings or sales. These options could increase our costs or reduce our equity.

Compliance with REIT requirements may cause us to forego otherwise attractive opportunities, which may hinder or delay our ability to meet our investment objectives and reduce your overall return.

To qualify as a REIT, we are required at all times to satisfy tests relating to, among other things, the sources of our income, the nature and diversification of our assets, the ownership of our stock and the amounts we distribute to our stockholders. Compliance with the REIT requirements may impair our ability to operate solely on the basis of maximizing profits. For example, we may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution.

Compliance with REIT requirements may force us to liquidate or restructure otherwise attractive investments.

To qualify as a REIT, at the end of each calendar quarter, at least 75% of the value of our assets must consist of cash, cash items, government securities and qualified real estate assets. The remainder of our investments in securities (other than qualified real estate assets and government securities) generally cannot include more than 10% of the voting securities (other than securities that qualify for the straight debt safe harbor) of any one issuer or more than 10% of the value of the outstanding securities of more than any one issuer unless we and such issuer jointly elect for such issuer to be treated as a “taxable REIT subsidiary” under the Code. Debt will generally meet the “straight debt” safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a certain sum of money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits, the borrower’s discretion, or similar factors. Additionally, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our assets may be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any calendar quarter, we must dispose of a portion of our assets within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions in order to avoid losing our REIT qualification and suffering adverse tax consequences. In order to satisfy these requirements and maintain our qualification as a REIT, we may be forced to liquidate assets from our portfolio or not make otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

Our charter does not permit any person or group to own more than 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or of our outstanding capital stock of all classes or series, and attempts to acquire our common stock or our capital stock of all other classes or series in excess of these 9.9% limits would not be effective without an exemption (prospectively or retroactively) from these limits by our board of directors.

For us to qualify as a REIT under the Code, not more than 50% of the value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of assisting our qualification as a REIT for U.S. federal income tax purposes, among other purposes, our charter prohibits beneficial or constructive ownership by any person or group of more than 9.9%, in value or number of shares, whichever is more restrictive, of the outstanding shares of our outstanding common stock, or 9.9% in value or number of shares, whichever is more restrictive, of our outstanding capital stock of all classes or series, which we refer to as the “Ownership Limit.” The constructive ownership rules under the Code and our charter are complex and may cause shares of the outstanding common stock owned by a group of related persons to be deemed to be constructively owned by one person. As a result, the acquisition of less than 9.9% of our outstanding common stock or our capital stock by a person could cause another person to constructively own in excess of 9.9% of our outstanding common stock or our capital stock, respectively, and thus violate the Ownership Limit. There can be no assurance that our board of directors, as permitted in the charter, will not decrease this Ownership Limit in the future. Any attempt to own or transfer shares of our common stock or capital stock in excess of the Ownership Limit without the consent of our board of directors will result either in the shares in excess of the limit being transferred by operation of our charter to a charitable trust, and the person who attempted to acquire such excess shares not having any rights in such excess shares, or in the transfer being void.

The Ownership Limit may have the effect of precluding a change in control of us by a third party, even if such change in control would be in the best interests of our stockholders or would result in receipt of a premium to the price of our common stock (and even if such change in control would not reasonably jeopardize our REIT status). The exemptions to the ownership limit granted to date may limit our board of directors' power to increase the ownership limit or grant further exemptions in the future.

Non-U.S. holders may be subject to U.S. federal income tax upon their disposition of shares of our common stock or upon their receipt of certain distributions from us.

In addition to any potential withholding tax on ordinary dividends, a non-U.S. holder (as such term is defined below under "Material U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Our Common Stock"), other than a "qualified shareholder" or a "qualified foreign pension fund," that disposes of a "U.S. real property interest" ("USRPI") (which includes shares of stock of a U.S. corporation whose assets consist principally of USRPIs), is generally subject to U.S. federal income tax under the Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), on the amount received from such disposition. Such tax does not apply, however, to the disposition of stock in a REIT that is "domestically controlled." Generally, a REIT is domestically controlled if less than 50% of its stock, by value, has been owned directly or indirectly by non-U.S. persons during a continuous five-year period ending on the date of disposition or, if shorter, during the entire period of the REIT's existence. We cannot assure you that we will qualify as a domestically controlled REIT. If we were to fail to so qualify, amounts received by a non-U.S. holder on certain dispositions of shares of our common stock (including a redemption) would be subject to tax under FIRPTA, unless (i) our shares of common stock were regularly traded on an established securities market and (ii) the non-U.S. holder did not, at any time during a specified testing period, hold more than 10% of our common stock. See "Material U.S. Federal Income Tax Considerations—Taxation of Non-U.S. Holders of Our Common Stock—Sales of Our Common Stock."

A non-U.S. holder other than a "qualified shareholder" or a "qualified foreign pension fund," that receives a distribution from a REIT that is attributable to gains from the disposition of a USRPI as described above, including in connection with a repurchase of our common stock, is generally subject to U.S. federal income tax under FIRPTA to the extent such distribution is attributable to gains from such disposition, regardless of whether the difference between the fair market value and the tax basis of the USRPI giving rise to such gains is attributable to periods prior to or during such non-U.S. holder's ownership of our common stock. In addition, a repurchase of our common stock, to the extent not treated as a sale or exchange, may be subject to withholding as an ordinary dividend. See "Material U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders of Our Common Stock – Distributions, and – Repurchases of our Common Stock."

We seek to act in the best interests of the Company as a whole and not in consideration of the particular tax consequences to any specific holder of our stock. Potential non-U.S. holders should inform themselves as to the U.S. tax consequences, and the tax consequences within the countries of their citizenship, residence, domicile, and place of business, with respect to the purchase, ownership and disposition of shares of our common stock.

Investments outside the United States may subject us to additional taxes and could present additional complications to our ability to satisfy the REIT qualification requirements.

Non-U.S. investments may subject us to various non-U.S. tax liabilities, including withholding taxes. In addition, operating in functional currencies other than the U.S. dollar and in environments in which real estate transactions are typically structured differently than they are in the United States or are subject to different legal rules may present complications to our ability to structure non-U.S. investments in a manner that enables us to satisfy the REIT qualification requirements.

We may incur tax liabilities that would reduce our cash available for distribution to you.

Even if we qualify and maintain our status as a REIT, we may become subject to U.S. federal income taxes and related state and local taxes. For example, net income from the sale of properties that are "dealer" properties sold

by a REIT (a “prohibited transaction” under the Code) will be subject to a 100% tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if we were to fail an income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect) we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gain we earn from the sale or other disposition of our investments and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. We also may be subject to state and local taxes on our income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which we indirectly own our assets, such as our taxable REIT subsidiaries, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to you.

Our board of directors is authorized to revoke our REIT election without stockholder approval, which may cause adverse consequences to our stockholders.

Our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. Our board of directors has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in our best interests and in the best interests of our stockholders. In this event, we would become subject to U.S. federal income tax on our taxable income and we would no longer be required to distribute most of our net income to our stockholders, which may cause a reduction in the total return to our stockholders.

You may have current tax liability on distributions you elect to reinvest in our common stock.

If you participate in our distribution reinvestment plan, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in shares of our common stock to the extent the amount reinvested was not a tax-free return of capital. Therefore, unless you are a tax-exempt entity, you may be forced to use funds from other sources to pay your tax liability on the reinvested dividends.

Generally, ordinary dividends payable by REITs do not qualify for reduced U.S. federal income tax rates.

Currently, the maximum tax rate applicable to qualified dividend income payable to certain non-corporate U.S. stockholders is 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rate. Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock. However, under the Tax Reform Bill, commencing with taxable years beginning on or after January 1, 2018 and continuing through 2025, individual taxpayers may be entitled to claim a deduction in determining their taxable income of 20% of ordinary REIT dividends (dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us), which temporarily reduces the effective tax rate on such dividends. See “Material U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Our Common Stock—Distributions Generally.” You are urged to consult with your tax advisor regarding the effect of this change on your effective tax rate with respect to REIT dividends.

We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the price of our common stock.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of our common stock.

Additional changes to the tax laws are likely to continue to occur, and we cannot assure you that any such changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. You are urged to consult with your tax advisor with respect to the impact of the recent legislation on your investment in our shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. The impact of tax reform on an investment in our shares is uncertain. Prospective investors should consult their own tax advisors regarding changes in tax laws.

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT.

We may acquire mezzanine loans, for which the IRS has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. We may acquire mezzanine loans that do not meet all of the requirements of this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan's treatment as a real estate asset for purposes of the REIT asset and income tests and, if such a challenge were sustained, we could fail to qualify as a REIT.

If our Operating Partnership failed to qualify as a partnership or is not otherwise disregarded for U.S. federal income tax purposes, we would cease to qualify as a REIT.

If the IRS were to successfully challenge the status of our Operating Partnership as a partnership or disregarded entity for U.S. federal income tax purposes, it would be taxable as a corporation. In the event that this occurs, it would reduce the amount of distributions that our Operating Partnership could make to us. This would also result in our failing to qualify as a REIT and becoming subject to a corporate-level tax on our income, which would substantially reduce our cash available to pay distributions and the yield on your investment.

Retirement Plan Risks

If the fiduciary of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, fails to meet the fiduciary and other standards under ERISA, the Code or common law as a result of an investment in our stock, the fiduciary could be subject to civil penalties.

There are special considerations that apply to investing in our shares on behalf of a trust, pension, profit sharing or 401(k) plans, health or welfare plans, trusts, individual retirement accounts, or IRAs, or Keogh plans. If you are investing the assets of any of the entities identified in the prior sentence in our common stock, you should satisfy yourself that:

- the investment is consistent with your fiduciary obligations under applicable law, including common law, ERISA and the Code;
- the investment is made in accordance with the documents and instruments governing the trust, plan or IRA, including a plan's investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Code;

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- the investment will not impair the liquidity of the trust, plan or IRA;
- the investment will not produce “unrelated business taxable income” for the plan or IRA;
- our stockholders will be able to value the assets of the plan annually in accordance with ERISA requirements and applicable provisions of the plan or IRA; and
- the investment will not constitute a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil penalties, and can subject the fiduciary to equitable remedies. In addition, if an investment in our shares constitutes a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, the fiduciary that authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested.

If our assets at any time are deemed to constitute “plan assets” under ERISA, that may lead to the rescission of certain transactions, tax or fiduciary liability and our being held in violation of certain ERISA and Code requirements.

Stockholders subject to ERISA should consult their own advisors as to the effect of ERISA on an investment in the shares. As discussed under “Certain ERISA Considerations,” if our assets are deemed to constitute “plan assets” of stockholders that are Covered Plans (as defined below) (i) certain transactions that we might enter into in the ordinary course of our business might have to be rescinded and may give rise to certain excise taxes and fiduciary liability under Title I of ERISA and/or Section 4975 of the Code; (ii) our management, as well as various providers of fiduciary or other services to us (including the Adviser), and any other parties with authority or control with respect to us or our assets, may be considered fiduciaries or otherwise parties in interest or disqualified persons for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code; and (iii) the fiduciaries of stockholders that are Covered Plans would not be protected from “co-fiduciary liability” resulting from our decisions and could be in violation of certain ERISA requirements.

Accordingly, prospective investors that are (i) “employee benefit plans” (within the meaning of Section 3(3) of ERISA), which are subject to Title I of ERISA; (ii) “plans” defined in Section 4975 of the Code, which are subject to Section 4975 of the Code (including “Keogh” plans and “individual retirement accounts”); or (iii) entities whose underlying assets are deemed to include plan assets within the meaning of Section 3(42) of ERISA and the regulations thereunder (e.g., an entity of which 25% or more of the total value of any class of equity interests is held by “benefit plan investors”) (each such plan, account and entity described in clauses (i), (ii) and (iii) we refer to as “Covered Plans”) should consult with their own legal, tax, financial and other advisors prior to investing to review these implications in light of such investor’s particular circumstances. The sale of our common stock to any Covered Plan is in no respect a representation by us or any other person associated with the offering of our shares of common stock that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

ESTIMATED USE OF PROCEEDS

The following tables present information about the net proceeds raised in this offering for each class, assuming that we sell the maximum primary offering amount of \$20,000,000,000 and no shares under our distribution reinvestment plan. The tables assume that 5% of our gross offering proceeds are from the sale of Class T shares, 50% of our gross offering proceeds are from the sale of Class S shares, 10% of our gross offering proceeds are from the sale of Class D shares and 35% of our gross offering proceeds are from the sale of Class I shares, which are estimated based on the proportion of shares per class issued to date in our initial public offering. The number of shares of each class sold and the relative proportions in which the classes of shares are sold are uncertain and may differ significantly from what is shown in the tables below. We may reallocate the shares of our common stock we are offering between the primary offering and our distribution reinvestment plan. We will only use the proceeds raised in this offering for the purposes set forth in this prospectus and in a manner within the investment guidelines approved by our board of directors, who serve as fiduciaries to our stockholders.

The actual amount of upfront selling commissions and dealer manager fees, however, will vary from the estimated amounts shown because (1) our Class T, Class S and Class D shares are sold at a price that varies monthly generally based on our prior month's NAV per share for that class of shares and actual upfront selling commissions and dealer manager fees per Class T, Class S and Class D share are a percentage of the transaction price and (2) the upfront selling commission and dealer manager fees may be reduced in connection with certain categories of sales of Class T, Class S and Class D shares. Any reduction in upfront selling commissions and dealer manager fees will be accompanied by a corresponding reduction in the Class T, Class S and Class D per share purchase price to the applicable stockholder, but will not affect the amounts available to us for investment. Because amounts in this table are estimates, they may not accurately reflect the actual receipt or use of the offering proceeds.

We intend to use the net proceeds from this offering to (1) make investments in accordance with our investment strategy and policies, (2) reduce borrowings and repay indebtedness incurred under various financing agreements we may enter into and (3) fund repurchases under our share repurchase plan. Generally, our policy will be to pay distributions from cash flow from operations. However, subject to Maryland law and the discretion of our board of directors, particularly in the earlier part of this offering, we may choose to use cash flows from borrowings or the sale of or repayment under our assets, or other sources to fund distributions to our stockholders.

The following table presents information regarding the use of proceeds raised in this offering with respect to Class T shares.

	Maximum Offering of \$1,000,000,000 in Class T Shares	
Gross Proceeds(1)	\$1,000,000,000	100%
Upfront Selling Commissions and Dealer Manager Fees(2)	\$ 33,816,425	3.38%
Organization and Offering Expenses(3)	\$ 827,115	0.08%
Other Wholesaling Activities(4)	\$ 595,750	0.06%
Adviser Funding of Wholesaling Activities(4)	\$ (595,750)	(0.06%)
Net Proceeds Available for Investment	\$ 965,356,460	96.54%

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The following table presents information regarding the use of proceeds raised in this offering with respect to Class S shares.

	Maximum Offering of \$10,000,000,000 in Class S Shares	
Gross Proceeds(1)	\$ 10,000,000,000	100%
Upfront Selling Commissions(2)	\$ 338,164,251	3.38%
Organization and Offering Expenses(3)	\$ 8,271,150	0.08%
Other Wholesaling Activities(4)	\$ 5,957,500	0.06%
Adviser Funding of Wholesaling Activities(4)	\$ (5,957,500)	(0.06%)
Net Proceeds Available for Investment	<u>\$ 9,653,564,599</u>	<u>96.54%</u>

The following table presents information regarding the use of proceeds raised in this offering with respect to Class D shares.

	Maximum Offering of \$2,000,000,000 in Class D Shares	
Gross Proceeds(1)	\$2,000,000,000	100%
Upfront Selling Commissions(2)	\$ 29,556,650	1.48%
Organization and Offering Expenses(3)	\$ 1,654,230	0.08%
Other Wholesaling Activities(4)	\$ 1,191,500	0.06%
Adviser Funding of Wholesaling Activities(4)	\$ (1,191,500)	(0.06%)
Net Proceeds Available for Investment	<u>\$1,968,789,120</u>	<u>98.44%</u>

The following table presents information regarding the use of proceeds raised in this offering with respect to Class I shares.

	Maximum Offering of \$7,000,000,000 in Class I Shares	
Gross Proceeds(1)	\$7,000,000,000	100%
Upfront Selling Commissions(2)	—	—
Organization and Offering Expenses(3)	\$ 5,789,805	0.08%
Other Wholesaling Activities(4)	\$ 4,170,250	0.06%
Adviser Funding of Wholesaling Activities(4)	\$ (4,170,250)	(0.06%)
Net Proceeds Available for Investment	<u>\$6,994,210,195</u>	<u>99.92%</u>

- (1) Gross offering proceeds include upfront selling commissions and dealer manager fees that the Dealer Manager is entitled to receive (including any amounts that may be retained by, or reallocated (paid) to, participating broker-dealers). We intend to conduct a continuous offering of an unlimited number of shares of our common stock over an unlimited time period by filing a new registration statement prior to the end of the three-year period described in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"); however, in certain states this offering is subject to annual extensions.
- (2) For Class T shares, includes upfront selling commissions of 3.0% of the transaction price and upfront dealer manager fees of 0.5% of the transaction price, however such amounts may vary at certain participating broker-dealers provided that the sum will not exceed 3.5% of the transaction price. For Class S shares, includes upfront selling commissions of 3.5% of the transaction price. For Class D shares, includes upfront selling commissions of 1.5% of the transaction price. Amounts presented in the tables are less than 3.5% and 1.5%, as applicable, of gross proceeds because upfront selling commissions and dealer manager fees are calculated as 3.5% and 1.5%, as applicable, of the transaction price (which excludes upfront selling

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commissions and dealer manager fees), which means that upfront selling commissions expressed as a percentage of the total investment (including upfront selling commissions and dealer manager fees) are less than 3.5% and 1.5%, as applicable. We will also pay the following selling commissions over time as stockholder servicing fees to the dealer manager, subject to FINRA limitations on underwriting compensation: (a) for Class T shares only, an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares, (b) for Class S shares only, a stockholder servicing fee equal to 0.85% per annum of the aggregate NAV for the Class S shares and (c) for Class D shares only, a stockholder servicing fee equal to 0.25% per annum of the aggregate NAV for the Class D shares, in each case, payable monthly. The stockholder servicing fees are selling commissions paid over time. The stockholder servicing expenses borne by the participating brokers may be different from and substantially less than the amount of stockholder servicing fees charged. The total amount that will be paid over time for stockholder servicing fees depends on the average length of time for which shares remain outstanding, the term over which such amount is measured and the performance of our investments, and is not expected to be paid from sources other than cash flow from operating activities. See “Plan of Distribution—Underwriting Compensation—Selling Commissions and Dealer Manager Fees” and “Compensation—Stockholder Servicing Fees.”

- (3) The organization and offering expense numbers shown above represent our estimates of expenses to be incurred by us in connection with this offering and include estimated wholesaling expenses reimbursable by us. See “Compensation—Organization and Offering Expense Reimbursement” for examples of the types of organization and offering expenses we may incur.
- (4) The Adviser currently pays wholesaling compensation expenses and certain related expenses of persons associated with the Dealer Manager without reimbursement from us.

In the aggregate, underwriting compensation from all sources, including upfront selling commissions, dealer manager fees, stockholder servicing fees and other underwriting compensation, will not exceed 10% of the gross proceeds from our primary offering.

INVESTMENT OBJECTIVES AND STRATEGIES

Investment Objectives

Our investment objectives are to invest in assets that will enable us to:

- provide attractive current income in the form of regular, stable cash distributions;
- preserve and protect invested capital;
- realize appreciation in NAV from proactive investment management and asset management; and
- provide an investment alternative for stockholders seeking to allocate a portion of their long-term investment portfolios to commercial real estate with lower volatility than public real estate companies.

We cannot assure you that we will achieve our investment objectives. In particular, we note that the NAV of non-traded REITs may be subject to volatility related to the values of their underlying assets. See the “Risk Factors” section of this prospectus.

Investment Strategy

Through its affiliation with Blackstone Real Estate, the Adviser acquires, manages and sells properties in our portfolio on our behalf, subject to the supervision and oversight of our board of directors. Blackstone Real Estate is one of the largest real estate investment managers in the world with \$174 billion of investor capital under management as of September 30, 2020, representing approximately \$341 billion of debt and equity as of September 30, 2020. Our objective is to bring Blackstone’s leading institutional-quality real estate investment platform to income-focused investors.

Our investment strategy is to acquire primarily stabilized, income-generating U.S. commercial real estate. To a lesser extent, we also invest in real estate debt and other securities to provide current income and a source of liquidity for our share repurchase plan, cash management and other purposes.

Our investment strategy seeks to capitalize on Blackstone’s scale and the real-time information provided by its real estate holdings to identify and acquire our target investments at attractive pricing. We also seek to benefit from Blackstone’s reputation and ability to transact in scale with speed and certainty, and its long-standing and extensive relationships in the real estate industry.

Our investments in primarily stabilized, income-generating U.S. commercial real estate focus on a range of asset types. These may include multifamily, industrial, net lease, hotel, retail and office assets, as well as others, including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties. For a description of our current investments, see “Investments in Real Estate and Real Estate Debt.”

Our real estate debt strategy is focused on generating current income and contributing to our overall net returns. Alongside our credit facilities and operating cash flow, our real estate debt investments may provide an additional source of liquidity. These liquidity sources are collectively used for cash management, satisfying any stock repurchases under our share repurchase plan and other purposes. We use the Blackstone Real Estate Debt Strategies team to assist in this portion of the portfolio. The Blackstone Real Estate Debt Strategies team leverages the competitive advantages of the broader Blackstone Real Estate platform and its own proprietary investment models to seek attractive real estate debt investment opportunities throughout the capital structure.

We believe that our structure as a perpetual-life REIT will allow us to acquire and manage our investment portfolio in a more active and flexible manner. We expect the structure to be beneficial to your investment, as we are not limited by a pre-determined operational period and the need to provide a “liquidity event” at the end of that period.

Potential Competitive Strengths

We believe our most powerful competitive strength is our affiliation with Blackstone, which is one of the largest buyers, sellers and managers of commercial real estate in the world. Blackstone Real Estate has been investing since 1991, and has total investor capital under management of \$174 billion representing approximately \$341 billion of debt and equity as of September 30, 2020. Blackstone is one of the world's largest real estate investment managers in the world, with 594 real estate professionals as of September 30, 2020 located in 11 cities, including New York, Los Angeles, London, Hong Kong, Mumbai and Sydney. We believe our long-term success in executing our investment strategy will be supported by Blackstone Real Estate's competitive strengths, which include:

Extensive market and asset knowledge. Blackstone has been an extremely active investor in the U.S. real estate market for over 29 years. Blackstone Real Estate's U.S. holdings include:

- 421 million square feet of industrial properties.
- 119,000 multifamily units.
- 47 million square feet of office properties.
- 91,000 hotel keys.
- 29 million square feet of retail properties.

This portfolio provides valuable real-time, proprietary market data that we expect will enable us to identify and act on market conditions and trends more rapidly than our competitors. The proprietary data generated by Blackstone Real Estate's portfolio is expected to enable us to target specific themes with conviction and deploy significant amounts of discretionary capital.

A systematic and disciplined approach to acquiring and managing its real estate portfolio. Throughout its 29-year history, Blackstone Real Estate has relied on consistent processes to limit risks and take advantage of intellectual capital across the firm. Blackstone Real Estate has one centralized Investment Committee that meets weekly to review large new investments around the world. The committee discussions are led by Blackstone's President and Chief Operating Officer and Blackstone Real Estate's Global Co-Heads. The Investment Committee includes all other Senior Managing Directors in Blackstone Real Estate, as well as select senior executives of Blackstone. Smaller real estate investments are reviewed by a subset of the Investment Committee. The high level of interaction between the Investment Committee and investment professionals from the inception of a transaction to closing helps identify potential issues early and enables the team to more effectively streamline resources and workflows. Post-acquisition Blackstone Real Estate manages its real estate investments through proactive asset management, as well as periodic global asset reviews and valuation meetings.

Unparalleled relationships within the industry. The resources, relationships, and proprietary information of the Blackstone organization provide a deep sourcing network for new opportunities. We believe Blackstone Real Estate sees significantly more deal flow than most of its competitors as a result of its scale, its strong ties to major financial institutions, real estate brokers, and other institutional real estate investors, and its reputation for closing with speed and certainty.

Broad experience and tenure of its senior management. The 33 Senior Managing Directors in Blackstone Real Estate have been at the firm an average of 13 years, and have between 10 and 37 years of experience as of September 30, 2020. The Senior Managing Directors have a long history of working together and oversee a deeply integrated global business that relies on regular communication, regular asset and strategy reviews with the entire global team and relocations of professionals among its offices in order to effectively instill Blackstone Real Estate's process and culture worldwide.

A reputation for executing large, complicated transactions with speed and certainty. Historically Blackstone Real Estate has faced less competition in large-scale transactions with multiple layers of complexity, due to the small number of real estate firms that are able to manage such transactions. This has enabled Blackstone to acquire assets and portfolios at attractive valuations. We believe Blackstone has earned a reputation in the market as the preeminent buyer of large, complex transactions because it is decisive and can close quickly. We believe this capability has benefited us in our acquisitions to date, including our acquisitions of the EdR Student Housing Portfolio, Jupiter 12 Industrial Portfolio and The Bellagio.

Intense focus on asset management and value creation. Blackstone Real Estate aims to unlock value during its ownership through proactive asset management. Blackstone Real Estate recruits talented onsite managers for its investments, optimizes pricing strategies, controls costs, executes capital management projects, and seeks regulatory and zoning approvals needed to position assets for their highest and best use.

For more information regarding the Adviser and Blackstone Real Estate's investment management business, see "Management—The Adviser and Blackstone."

Investment Guidelines and Portfolio Allocation

Our board of directors, including our independent directors, reviews our investment portfolio not less than quarterly. In addition, our board of directors has adopted investment guidelines which set forth, among other things, guidelines for investing in our targeted property types and certain investment policies restricting certain types of investments which we describe in more detail below. Our board of directors, including our independent directors, will review the investment guidelines on an annual basis or more frequently as it deems appropriate. Changes to our investment guidelines must be approved by our board of directors, including a majority of our independent directors. Our board of directors may revise our investment guidelines without the concurrence of our stockholders. However, our board of directors will not amend our charter, including any investment policies that are provided in our charter and described under "Charter-Imposed Investment Limitations" below, without the concurrence of holders of a majority of the outstanding shares entitled to vote, except for amendments that do not adversely affect the rights, preferences and privileges of our stockholders and do not require stockholder approval under Maryland law.

Our investment guidelines delegate to the Adviser authority to execute acquisitions and dispositions of investments in real estate and real estate debt, in each case so long as such acquisitions and dispositions are consistent with the investment guidelines adopted by our board of directors. Our board of directors will at all times have oversight over our investments and may change from time to time the scope of authority delegated to the Adviser with respect to acquisition and disposition transactions. In addition, under our investment guidelines our board of directors is required to approve any acquisition of a single property or portfolio of properties with a purchase price exceeding 10% of our most recent month-end total asset value (as measured under generally accepted accounting principles) plus the proceeds expected in good faith to be raised in our registered offering over the next twelve months. A majority of our board of directors will periodically determine that the consideration paid for property we acquire will ordinarily be based on the fair market value of the property. If a majority of our independent directors determines, or if the property is acquired from the Adviser, a director, Blackstone or any of their affiliates, such fair market value shall be determined by a qualified independent appraiser selected by our independent directors.

We will seek to invest:

- at least 80% of our assets in real estate; and
- up to 20% of our assets in real estate debt.

Notwithstanding the foregoing, the actual percentage of our portfolio that is invested in each investment type may from time to time be outside the levels provided above due to factors such as a large inflow of capital over a

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short period of time, the Adviser's assessment of the relative attractiveness of opportunities, or an increase in anticipated cash requirements or repurchase requests and subject to any limitations or requirements relating to our intention to be treated as a REIT for U.S. federal income tax purposes. Certain investments, such as preferred equity investments, could be characterized as either real estate or real estate debt depending on the terms and characteristics of such investments.

Identification of Investments

Blackstone believes it sees significantly more deal flow than most of its competitors as a result of its strong ties to major real estate owners and brokers, its track record of closing on investments to which it commits, and its fair and honest treatment of counterparties. Blackstone believes it has earned a reputation as the preeminent investor in the real estate market because of its capacity to underwrite and source large, complex transactions across multiple property sectors.

In addition, Blackstone Real Estate has developed a strong network of relationships with real estate owners, leading financial institutions, operating partners, senior business executives and government officials. These relationships provide market knowledge and form the backbone of its investment-sourcing network. Blackstone has, and expects to continue to have, a significant volume of deal flow. Primary sources of Blackstone Real Estate transactions include:

- Relationships of individual Blackstone Senior Managing Directors and professionals;
- Major corporations, real estate owners and real estate operators with which Blackstone has worked in the past and that wish to divest assets or partner with Blackstone;
- Investment/commercial banks;
- Brokers/dealers; and
- Borrowers.

In Blackstone's opinion, its strong market position makes it attractive to potential sellers, which sometimes approach Blackstone on an off-market basis because Blackstone is one of the few firms that can manage large and complex property acquisitions. This market recognition gives Blackstone leverage to achieve better pricing when negotiating such transactions.

Investments in Real Estate

To execute our investment strategy, we invest primarily in stabilized, income-generating U.S. commercial real estate. We may invest to a lesser extent in Canadian and European cities and potentially elsewhere and opportunistically in equity of public and private real estate-related companies. We may also acquire assets that require some amount of capital investment in order to be renovated or repositioned. We generally will limit investment in new developments on a standalone basis, but may consider development that is ancillary to an overall investment.

We do not designate specific geography or sector allocations for the portfolio; rather we intend to invest in regions or asset classes where we see the best opportunities that support our investment objectives.

We may only invest in equity securities if a majority of our directors, including a majority of the independent directors, not otherwise interested in the transaction approve such investment as being fair, competitive and commercially reasonable.

Ownership Interests

Our Operating Partnership or one or more subsidiary entities controlled by our Operating Partnership will acquire properties on our behalf. In many cases, we will acquire the entire equity ownership interest in properties and

exercise control over such properties. However, we may also enter into joint ventures, general partnerships, co-tenancies and other participation arrangements with other investors, including affiliates of the Adviser, to acquire properties. We generally will acquire fee simple interests for the properties (in which we own both the land and the building improvements), but will from time to time invest in leased fee and leasehold interests if we believe the investment is consistent with our investment strategy and objectives.

Joint Ventures and Other Co-Ownership Arrangements

Subject to limitations in our charter, we may enter into joint ventures, partnerships, tenant-in-common investments or other co-ownership arrangements with entities affiliated with the Adviser as well as third parties for the acquisition or improvement of properties. In many cases, we may not control the management of the affairs of the joint venture. A joint venture creates an alignment of interest with a private source of capital for the benefit of our stockholders. In determining whether to invest in a particular joint venture, the Adviser will evaluate the real property that such joint venture owns or is being formed to own under the same criteria described elsewhere in this prospectus for our selection of real property investments.

The terms of any particular joint venture will be established on a case-by-case basis considering all relevant facts, including the nature and attributes of the potential joint venture partner, the proposed structure of the joint venture, the nature of the operations, the liabilities and assets associated with the proposed joint venture and the size of our interest in the venture. Other factors we will consider include: (1) our ability to manage and control the joint venture; (2) our ability to exit the joint venture; and (3) our ability to control transfers of interests held by other partners to the venture. Our interests may not be totally aligned with those of our partner. See “Risks Related to This Offering and Our Organizational Structure—We may make a substantial amount of joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of joint venture partners and disputes between us and our joint venture partners.”

In the event that the joint venture partner elects to sell property held in any such joint venture, we may not have sufficient funds to exercise any right of first refusal or other purchase right that we may have. Entering into joint ventures with other Blackstone-sponsored programs will result in certain conflicts of interest. See “Risk Factors—Risks Related to Conflicts of Interest” and “Conflicts of Interest—Joint Ventures with Affiliates of the Adviser.”

We may enter into joint ventures with Blackstone, the Adviser, one or more of our directors or any of their affiliates, including other Blackstone-sponsored programs, only if a majority of our directors, including a majority of the independent directors, not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on substantially the same, or more favorable, terms and conditions as those received by other affiliate joint venture partners.

Co-Investments

We co-invest with third parties or Other Blackstone Accounts, including by dividing a portfolio of assets among us and such co-investor.

Due Diligence

Comprehensive due diligence is conducted on each property that the Adviser proposes to purchase on our behalf, including these four primary types:

- ***Financial Due Diligence.*** A preliminary review of each opportunity is conducted in order to screen the attractiveness of each transaction. The preliminary review is followed by an initial projection based on macro- and micro-economic analyses. Projection assumptions generally are developed from analysis of

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historical operating performance, discussions with local real estate contacts or sector experts and a review of published sources and data from Blackstone's other portfolios. If the Adviser deems appropriate, further due diligence will be conducted, as described below, to confirm the initial financial review. The Adviser will forecast expected cash flows and analyze various scenarios and exit strategies utilizing its proprietary models and the financial information received. Blackstone believes that the speed and sophistication of its analysis provides a competitive advantage in the market.

- **Books and Records.** Third-party accounting consultants will be used as deemed necessary to review relevant books and records (for example, comparing rent rolls to leases for office buildings), confirm cash flow information provided by the seller and conduct other similar types of analysis.
- **Physical Due Diligence.** This primarily will involve an analysis of environmental and engineering matters by third-party consultants. Conclusions will be incorporated from environmental/engineering reports into the financial projection analysis. Additionally, the Adviser will investigate each potential investment and comparable properties to assess relative market position, functionality and obsolescence.
- **Legal and Tax Due Diligence.** The Adviser will work closely with outside counsel to review, diligence and negotiate applicable legal and property specific documents pertaining to an investment (e.g., loan documents, leases, management agreements, purchase contracts, etc.). Additionally, the Adviser will work with internal and external tax advisors to structure investments in an efficient manner.

The Adviser would not move forward on an investment if it does not satisfy its investment criteria.

Exit Strategies

We anticipate that we will hold most of our properties for 7-10 years. One of the Adviser's primary considerations in evaluating any potential investment opportunity is the likely exit strategy. When determining whether to sell a particular asset, the Adviser will take the following steps:

- **Evaluate Condition of the Property.** Evaluate whether the asset is in the appropriate condition for a successful sale.
- **Monitor Market Conditions.** Monitor the markets to identify favorable conditions for asset sales.
- **Assess Returns from the Property.** Assess the returns from each investment to determine whether the expected sale price exceeds the net present value of the projected cash flows of the property.
- **Evaluate Status of Business Plan.** Evaluate whether it has successfully completed the value creation plan that was established at acquisition.

We believe that holding our target assets for a long period of time will enable us to execute our business plan, generate favorable cash-on-cash returns and drive long-term cash flow and NAV growth.

Generally, we will reinvest proceeds from the sale, financing or disposition of properties in a manner consistent with our investment strategy, although we may be required to distribute such proceeds to the stockholders in order to comply with REIT requirements.

Investments in Real Estate Debt

Our real estate debt investments focus on non-distressed public and private real estate debt, including, but not limited to, CMBS, real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including RMBS and other residential credit), interests of collateralized debt obligation and collateralized loan obligation vehicles and equity interests in public and private entities that invest in real estate debt as one of their core businesses, and may also include derivatives. Our investments in real estate debt will be focused in the United States, but may also include investments issued or backed by real estate in Europe and certain other countries.

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As part of our real estate debt investment strategy, we invest in CMBS. CMBS may include multi-issuer CMBS, single-issuer CMBS and “rake bonds,” in each case, relating to real estate-related companies or assets. In a typical multi-issuer CMBS issuance, one or more mortgage loans of varying size, asset type (including, but not limited to, office, retail, multifamily, hospitality, industrial and single-family rental), and geography are pooled and transferred to a trust. The trust then issues a series of bonds that vary in duration, payment priority and yield. Then rating agencies (such as Moody’s, S&P or Fitch) assign credit ratings to the various bond classes ranging from investment grade to below investment grade.

The Company also invests in RMBS and other residential credit. In a typical RMBS issuance, residential mortgages of varying size and geographic location are pooled and transferred to a trust. The trust then issues a series of bonds that vary in duration, payment priority, and yield. Then rating agencies (such as S&P’s, Moody’s, or Fitch) assign credit ratings to the various bond classes ranging from investment grade to below investment grade.

We may also invest in loans, which may include commercial mortgage loans, bank loans, mezzanine loans, other interests relating to real estate and debt of companies in the business of owning and/or operating real estate-related businesses. Commercial mortgage loans are typically secured by single-family, multifamily or commercial property and are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower.

We may also invest in real estate-related derivatives, including, without limitation, total return swaps and credit default swaps that have real estate debt as reference assets. See “—Derivative Instruments and Hedging Activities.”

We do not intend to make loans to other persons or to engage in the purchase and sale of any types of investments other than those related to real estate.

Mezzanine loans may take the form of subordinated loans secured by a pledge of the ownership interests of either the entity owning the real property or an entity that owns (directly or indirectly) the interest in the entity owning the real property. These types of investments may involve a higher degree of risk than mortgage lending because the investment may become unsecured as a result of foreclosure by the senior lender.

Although our investments in real estate debt investments will be primarily in non-distressed CMBS and other debt investments (based on our belief that there is not a low likelihood of repayment), we may nonetheless invest in instruments of any credit quality at various levels of an issuer’s capital structure. Debt securities of below investment grade quality are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and to repay principal, and are commonly referred to as “high yield” securities. Securities rated Caa or below and CCC or below are considered vulnerable to nonpayment and their issuers to be dependent on favorable business, financial and economic conditions to meet their financial commitments. Securities rated below Caa/CCC may include obligations already in default. Debt securities in the lowest investment grade category will likely possess speculative characteristics. Additionally, some of our investments may be structured as investments in real estate debt securities or loans but are intended to provide us with returns based on the performance of the related real estate. As such, these debt securities or loans may have risks that are similar to that which a real estate equity investment would possess.

We may also invest, without limit, in securities that are unregistered (but are eligible for purchase and sale by certain qualified institutional buyers) or are held by control persons of the issuer and securities that are subject to contractual restrictions on their resale.

Issuing Securities for Property

Subject to limitations contained in our charter, we have issued and may in the future issue, or cause to be issued, shares of our stock or limited partnership units in our Operating Partnership in any manner (and on such terms

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and for such consideration) in exchange for real estate. Our existing stockholders have no preemptive rights to purchase any such shares of our stock or limited partnership units, and any such issuance might cause a dilution of a stockholder's initial investment. We may enter into additional contractual arrangements with contributors of property under which we would agree to repurchase a contributor's units for shares of our common stock or cash, at the option of the contributor, at specified times.

Investment Process for Real Estate Debt

The following is a brief summary of certain key aspects of the real estate debt investment process the Adviser expects to generally utilize:

- **Fundamental Analysis.** The Adviser expects to utilize an asset-by-asset valuation approach to evaluate potential investments with a focus on underlying cash flow projections, replacement costs and market-by-market supply/demand trends.
- **Disciplined Investment Approach.** The Adviser expects to employ conservative underwriting and rigorous due diligence with respect to each investment while carefully assessing the impact of certain potential downside scenarios.
- **Leverage Proprietary Knowledge and Relationships.** The Adviser expects to utilize the knowledge, relationships and expertise of the existing Blackstone Real Estate operating team to evaluate the sponsorship and collateral of potential investments.

Derivative Instruments and Hedging Activities

We may use derivatives for hedging purposes and, subject to maintaining our status as a REIT and compliance with any applicable exemption from being regulated as a commodity pool operator, we may also use derivatives for investment purposes and as a form of effective leverage. Our principal investments in derivative instruments may include investments in interest rate swaps, total return swaps, credit default swaps and indices thereon, and short sales (typically related to treasuries), but we may also invest in futures transactions, options and options on futures. See "Risk Factors—We invest in derivatives, which involve numerous risks."

Cash, Cash Equivalents and Other Short-Term Investments

We hold cash, cash equivalents and other short-term investments. These types of investments may include the following, to the extent consistent with our intended qualification as a REIT:

- money market instruments, cash and other cash equivalents (such as high-quality short-term debt instruments, including commercial paper, certificates of deposit, bankers' acceptances, repurchase agreements, interest-bearing time deposits and credit rated corporate debt securities);
- U.S. government or government agency securities; and
- Credit-rated corporate debt or asset-backed securities of U.S. or foreign entities, or credit-rated debt securities of foreign governments or multi-national organizations.

Other Investments

We may, but do not presently intend to, make investments other than as described above. At all times, we intend to make investments in such a manner consistent with maintaining our qualification as a REIT under the Code. We do not intend to underwrite securities of other issuers.

Borrowing Policies

We use financial leverage to provide additional funds to support our investment activities. This allows us to make more investments than would otherwise be possible, resulting in a broader portfolio. Subject to the limitation on

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indebtedness for money borrowed in our charter described below, our target leverage ratio is in the range of 60%. 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.

Our real estate debt portfolio has embedded leverage through the use of reverse repurchase agreements and may also have embedded leverage through the use of derivatives, including, but not limited to, total return swaps, securities lending arrangements and credit default swaps. During times of increased investment and capital market activity, but subject to the limitation on indebtedness for money borrowed in our charter described below, we may employ greater leverage in order to quickly build a broader portfolio of assets. We may leverage our portfolio by assuming or incurring secured or unsecured property-level or entity-level debt. An example of property-level debt is a mortgage loan secured by an individual property or portfolio of properties incurred or assumed in connection with our acquisition of such property or portfolio of properties. An example of entity-level debt is a line of credit obtained by us or our Operating Partnership. We currently have secured and unsecured lines of credit from third parties and an uncommitted line of credit from an affiliate of Blackstone. We may decide to seek to obtain additional lines of credit under which we would reserve borrowing capacity. Borrowings under the line of credit or any future lines of credit may be used not only to repurchase shares, but also to fund acquisitions or for any other corporate purpose.

Our actual leverage level will be affected by a number of factors, some of which are outside our control. Significant inflows of proceeds from the sale of shares of our common stock generally will cause our leverage as a percentage of our net assets, or our leverage ratio, to decrease, at least temporarily. Significant outflows of equity as a result of repurchases of shares of our common stock generally will cause our leverage ratio to increase, at least temporarily. Our leverage ratio will also increase or decrease with decreases or increases, respectively, in the value of our portfolio. If we borrow under a line of credit to fund repurchases of shares of our common stock or for other purposes, our leverage would increase and may exceed our target leverage. In such cases, our leverage may remain at the higher level until we receive additional net proceeds from our continuous offering or sell some of our assets to repay outstanding indebtedness.

Our board of directors reviews our aggregate borrowings at least quarterly. In connection with such review, our board of directors may determine to modify our target leverage ratio in light of then-current economic conditions, relative costs of debt and equity capital, fair values of our properties, general conditions in the market for debt and equity securities, growth and investment opportunities or other factors. We may exceed our targeted leverage ratio at times if the Adviser deems it advisable for us. For example, if we fund a repurchase under a line of credit, we will consider actual borrowings when determining whether we are at our leverage target, but not unused borrowing capacity. If, therefore, we are at a leverage ratio in the range of 60% and we borrow additional amounts under a line of credit, or if the value of our portfolio decreases, our leverage could exceed the range of 60% of our gross real estate assets. In the event that our leverage ratio exceeds our target, regardless of the reason, we will thereafter endeavor to manage our leverage back down to our target.

There is no limit on the amount we may borrow with respect to any individual property or portfolio. However, under our charter we may not incur indebtedness for money borrowed in an amount exceeding 300% of the cost of our net assets, which approximates borrowing 75% of the cost of our investments, unless any excess over this limit is approved by a majority of our independent directors, and disclosed to stockholders in our next quarterly report, along with justification for such excess. This limitation includes indebtedness for money borrowed with respect to our real estate debt portfolio. "Net assets" is defined as our total assets other than intangibles valued at cost (prior to deducting depreciation, reserves for bad debts and other non-cash reserves) less total liabilities.

Our charter prohibits us from obtaining loans from any of our directors, Blackstone or any of their affiliates, unless approved by a majority of our board of directors (including a majority of our independent directors) not

otherwise interested in the transaction as fair, competitive and commercially reasonable and on terms and conditions not less favorable than comparable loans between unaffiliated parties under the same or similar circumstances.

Temporary Strategies

During periods in which the Adviser determines that economic or market conditions are unfavorable to investors and a defensive strategy would benefit us, we may temporarily depart from our investment strategy. During these periods, subject to compliance with the Investment Company Act, we may deviate from our investment guideline of investing at least 80% of our assets in real estate and/or up to 20% of our assets in real estate debt, or invest all or any portion of our assets in U.S. government securities, including bills, notes and bonds differing as to maturity and rates of interest that are either issued or guaranteed by the U.S. Treasury or by U.S. government agencies or instrumentalities; non-U.S. government securities that have received the highest investment grade credit rating; certificates of deposit issued against funds deposited in a bank or a savings and loan association; commercial paper; bankers' acceptances; fixed time deposits; shares of money market funds; credit-linked notes; repurchase agreements with respect to any of the foregoing; or any other fixed income securities that the Adviser considers consistent with this strategy. During these periods, we may also determine to pay down certain of our indebtedness and have indebtedness below our target leverage or we may borrow more to provide for additional liquidity causing us to exceed our target leverage. It is impossible to predict when, or for how long, the Adviser will use these alternative strategies. There can be no assurance that such strategies will be successful.

Charter-Imposed Investment Limitations

Our charter places numerous limitations on us with respect to the manner in which we may invest our funds. In addition, our board of directors has adopted a policy to act in manner consistent with certain amendments to our charter proposed at the 2019 annual meeting of stockholders. See "—Board Policy with Respect to Certain Charter Provisions."

- We will not make investments in unimproved real property or indebtedness secured by a deed of trust or mortgage loans on unimproved real property in excess of 10% of our total assets. Unimproved real property means a property in which we have an equity interest that was not acquired for the purpose of producing rental or other income, that has no development or construction in process and for which no development or construction is planned, in good faith, to commence within one year;
- We will not invest in commodities or commodity futures contracts (which term does not include derivatives related to non-commodity investments, including futures contracts when used solely for the purpose of hedging in connection with our ordinary business of investing in real estate assets, mortgages and real estate-related securities);
- We will not invest in real estate contracts of sale, otherwise known as land sale contracts, unless the contract is in recordable form and is appropriately recorded in the chain of title;
- We will not make or invest in individual mortgage loans unless an appraisal is obtained concerning the underlying property except for mortgage loans insured or guaranteed by a government or government agency. In cases where a majority of our independent directors determines and in all cases in which a mortgage loan transaction is with the Adviser, our sponsor, any of our directors or any of their affiliates, the appraisal shall be obtained from an independent appraiser. We will maintain the appraisal in our records for at least five years and it will be available for inspection and duplication by our common stockholders. We will also obtain a mortgagee's or owner's title insurance policy as to the priority of the mortgage;
- We will not make or invest in mortgage loans, including construction loans, on any one real property if the aggregate amount of all mortgage loans on such real property would exceed an amount equal to 85% of the appraised value of such real property as determined by appraisal unless substantial justification exists because of the presence of other underwriting criteria;

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- We will not make or invest in mortgage loans that are subordinate to any lien or other indebtedness or equity interest of any of our directors, our sponsor, the Adviser or their affiliates;
- We will not issue (1) equity securities redeemable solely at the option of the holder (except that stockholders may offer their shares of our common stock to us pursuant to our share repurchase plan), (2) debt securities unless the historical debt service coverage (in the most recently completed fiscal year) as adjusted for known changes is anticipated to be sufficient to properly service that higher level of debt, (3) equity securities on a deferred payment basis or under similar arrangements or (4) options or warrants to the directors, our sponsor, the Adviser, or any of their affiliates, except on the same terms as such options or warrants, if any, are sold to the general public. Options or warrants may be issued to persons other than the directors, our sponsor, the Adviser, or any of their affiliates, but not at exercise prices less than the fair value of the underlying securities on the date of grant and not for consideration (which may include services) that in the judgment of the independent directors has a fair value less than the value of the option or warrant on the date of grant;
- We will not engage in the business of underwriting or the agency distribution of securities issued by other persons;
- We will not acquire interests or equity securities in any entity holding investments or engaging in activities prohibited by our charter except for investments in which we hold a non-controlling interest or investments in any entity having securities listed on a national securities exchange or included for quotation on an interdealer quotation system;
- We will not acquire equity securities unless a majority of the board of directors (including a majority of the independent directors) not otherwise interested in the transaction approves such investment as being fair, competitive and commercially reasonable;
- We will not violate any provisions of our charter in connection with any purchase, sale, lease, loan or other transaction involving us and one or more of Blackstone, the Adviser, our directors, or any of their affiliates; or
- We will not violate any provisions of our charter in connection with any roll-up transaction.

In addition, our charter includes many other investment limitations in connection with transactions with affiliated entities or persons. Our charter also includes restrictions on roll-up transactions, which are described under “Description of Capital Stock—Restrictions on Roll-Up Transactions.”

Board Policy with Respect to Certain Charter Provisions

As a condition to the renewal of the registration of this offering in certain states, our board of directors has adopted a policy to act in a manner consistent with the amendments to our charter proposed at our 2019 annual meeting of stockholders. As described in detail in our Definitive Proxy Statement on Schedule 14A filed on March 29, 2019, the proposed charter amendments conformed certain provisions of our charter to the exact wording of the NASAA REIT Guidelines. A copy of this policy is filed as an exhibit to the registration statement of which this prospectus is a part.

Investment Company Act Considerations

We intend to engage primarily in the business of investing in real estate and to conduct our operations so that neither we nor any of our subsidiaries is required to register as an investment company under the Investment Company Act. Under the Investment Company Act, in relevant part, a company is an “investment company” if:

- under Section 3(a)(1)(A), it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- under Section 3(a)(1)(C), it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns, or proposes to acquire, “investment securities”

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having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis, which we refer to as the “40% test.” The term “investment securities” generally includes all securities except U.S. government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exemption from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We intend to acquire real estate and real estate-related assets directly, primarily by acquiring fee interests in real property. We may also invest in real property indirectly through investments in joint venture entities, including joint venture entities in which we do not own a controlling interest. We anticipate that our assets generally will be held in our wholly and majority-owned subsidiaries, each formed to hold a particular asset. A smaller portion of our assets are anticipated to be real estate debt.

We intend to conduct our operations so that we and most of our wholly and majority-owned subsidiaries will comply with the 40% test. We will continuously monitor our holdings on an ongoing basis to determine compliance with this test. We expect that most, if not all, of our wholly owned and majority-owned subsidiaries will not be relying on exemptions under either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Consequently, interests in these subsidiaries (which are expected to constitute a substantial majority of our assets) generally will not constitute “investment securities.” Accordingly, we believe that we and most, if not all, of our wholly and majority-owned subsidiaries will not be considered investment companies under Section 3(a)(1)(C) of the Investment Company Act.

In addition, we believe that neither we nor any of our wholly or majority-owned subsidiaries will be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because they will not engage primarily or hold themselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we and our subsidiaries will be primarily engaged in non-investment company businesses related to real estate. Consequently, we and our subsidiaries expect to be able to conduct their respective operations such that none of them will be required to register as an investment company under the Investment Company Act.

We will determine whether an entity is a majority-owned subsidiary of our Company. The Investment Company Act defines a majority-owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat entities in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. We have not requested that the SEC or its staff approve our treatment of any entity as a majority-owned subsidiary, and neither has done so. If the SEC or its staff was to disagree with our treatment of one or more subsidiary entities as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any adjustment in our strategy could have a material adverse effect on us.

If we or any of our wholly or majority-owned subsidiaries would ever inadvertently fall within one of the definitions of “investment company,” we intend to rely on the exemption provided by Section 3(c)(5)(C) of the Investment Company Act, which is available for entities “primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate.” The SEC staff has taken the position that this exemption, in addition to prohibiting the issuance of certain types of securities, generally requires that at least 55% of an entity’s assets must be comprised of mortgages and other liens on and interests in real estate, also known as “qualifying assets,” and at least another 25% of the entity’s assets must be comprised of additional qualifying assets or a broader category of assets that we refer to as “real estate-related assets” under the Investment Company Act (and no more than 20% of the entity’s assets may be comprised of miscellaneous assets).

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We will classify our assets for purposes of our 3(c)(5)(C) exemption based upon no-action positions taken by the SEC staff and interpretive guidance provided by the SEC and its staff. These no-action positions are based on specific factual situations that may be substantially different from the factual situations we may face, and a number of these no-action positions were issued more than twenty years ago. No assurance can be given that the SEC or its staff will concur with our classification of our assets. In addition, the SEC or its staff may, in the future, issue further guidance that may require us to re-classify our assets for purposes of the Investment Company Act. If we are required to re-classify our assets, we may no longer be in compliance with the exemption from the definition of an investment company provided by Section 3(c)(5)(C) of the Investment Company Act.

For purposes of determining whether we satisfy the 55%/25% test, based on the no-action letters issued by the SEC staff, we intend to classify our fee interests in real property, held by us directly or through our wholly owned subsidiaries or controlled subsidiaries as qualifying assets. In addition, based on no-action letters issued by the SEC staff, we will treat our investments in joint ventures, which in turn invest in qualifying assets such as real property, as qualifying assets only if we have the right to approve major decisions by the joint venture; otherwise, they will be classified as real estate-related assets. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts. We expect that no less than 55% of our assets will consist of investments in real property, including any joint ventures that we control.

Qualifying for an exemption from registration under the Investment Company Act will limit our ability to make certain investments. For example, these restrictions may limit our and our subsidiaries' ability to invest directly in mortgage-backed securities that represent less than the entire ownership in a pool of mortgage loans, debt and equity tranches of securitizations and certain asset-backed securities, non-controlling equity interests in real estate companies or in assets not related to real estate, however, we and our subsidiaries may invest in such securities to a certain extent.

Although we intend to monitor our portfolio, there can be no assurance that we will be able to maintain this exemption from registration.

A change in the value of any of our assets could negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To maintain compliance with the Section 3(c)(5)(C) exemption, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

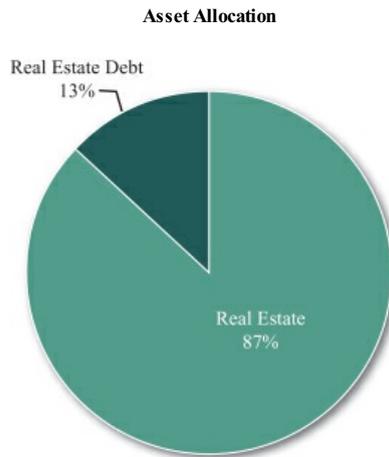
To the extent that the SEC or its staff provide more specific guidance regarding any of the matters bearing upon the definition of investment company and the exemptions to that definition, we may be required to adjust our strategy accordingly. On August 31, 2011, the SEC issued a concept release and request for comments regarding the Section 3(c)(5)(C) exemption (Release No. IC-29778) in which it contemplated the possibility of issuing new rules or providing new interpretations of the exemption that might, among other things, define the phrase "liens on and other interests in real estate" or consider sources of income in determining a company's "primary business." Any additional guidance from the SEC or its staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies we have chosen.

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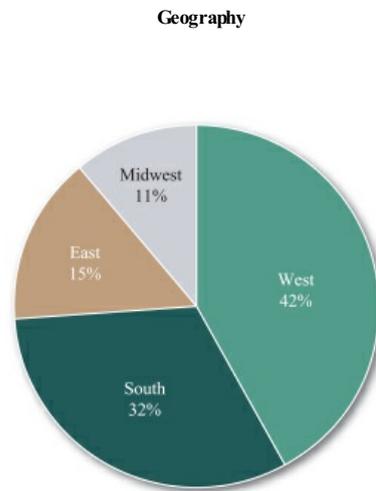
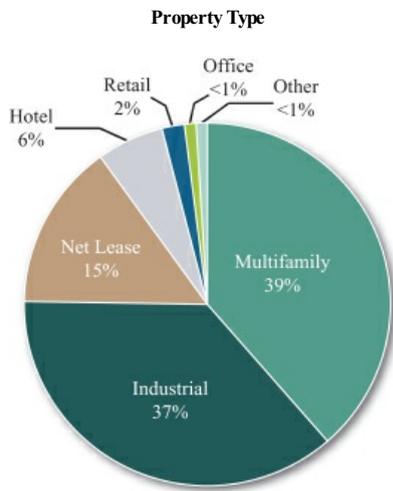
If we are required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act) and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan. For additional discussion of the risks that we would face if we were required to register as an investment company under the Investment Company Act, see “Risk Factors—Risks Related to This Offering and Our Organizational Structure—Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.”

INVESTMENTS IN REAL ESTATE AND REAL ESTATE DEBT

The following chart outlines the percentage of our investments in real properties and real estate debt based on fair value as of September 30, 2020:

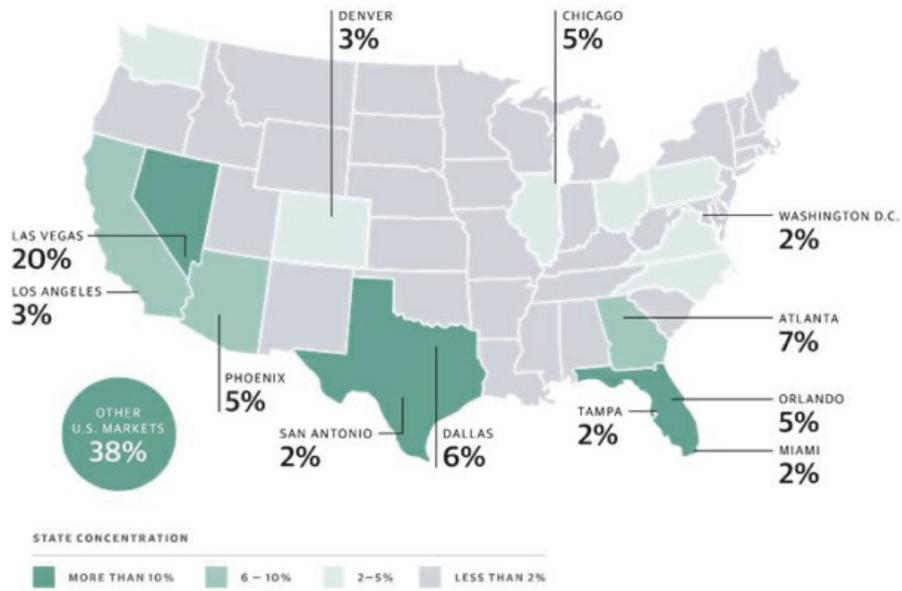


The following charts further describe the diversification of our investments in real properties based on fair value as of September 30, 2020:



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The following map identifies the top markets of our portfolio composition in real properties based on fair value as of September 30, 2020:



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Investments in Real Properties

As of September 30, 2020, we had acquired 1,182 properties resulting in a diversified portfolio of income producing assets primarily consisting of Multifamily and Industrial properties, and to a lesser extent Net Lease, Hotel, Retail, Office and Other properties, concentrated in growth markets across the U.S. The following table provides a summary of our portfolio as of September 30, 2020:

Segment	Number of Properties	Sq. Feet (in thousands)/ Units/Keys	Occupancy Rate(1)	Average Effective Annual Base Rent Per Leased Square Foot/Units/Keys(2)	Gross Asset Value(3) (\$ in thousands)	Segment Revenue(4)	Percentage of Total Revenues
Multifamily(5)	227	73,587 units	94%	\$14.177	\$ 12,986,617	\$ 752,721	38%
Industrial	844	138,637 sq. ft.	95%	\$4.97	12,528,184	627,759	32%
Net lease	3	24,748 sq. ft.	N/A	N/A	5,101,178	312,062	16%
Hotel	58	9,669 keys	49%	\$140.08/\$68.52	1,969,326	209,866	11%
Retail	13	1,933 sq. ft.	97%	\$23.23	669,373	41,277	2%
Office	1	228 sq. ft.	95%	\$29.05	126,807	9,394	—%
Other	36	2,344 sq. ft.	91%	\$11.05	276,158	13,599	1%
Total	1,182				\$ 33,657,643	\$1,966,678	100%

- (1) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of September 30, 2020. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of September 30, 2020. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the nine months ended September 30, 2020. The occupancy rate for our hotel investments includes paid occupied rooms for the 12 months ended September 30, 2020. Hotels owned less than 12 months are excluded from the average occupancy rate calculation.
- (2) For industrial, manufactured housing, retail, office and self-storage properties, average effective annual base rent represents the annualized September 30, 2020 base rent per leased square foot or unit and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization. For student housing and other multifamily properties, average effective annual base rent represents the base rent for the three months ended September 30, 2020, per leased unit and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization. For hotel properties, average effective annual base rent represents Average Daily Rate (“ADR”) and Revenue Per Available Room (“RevPAR”), respectively, for the 12 months ended September 30, 2020. Hotels owned less than 12 months are excluded from the ADR and RevPAR calculations.
- (3) Based on fair value as of September 30, 2020.
- (4) Segment revenue is presented for the nine months ended September 30, 2020. Net lease segment revenue includes income from unconsolidated entities.
- (5) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.

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Real Estate

The following table provides information regarding our portfolio of real properties as of September 30, 2020:

Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
<i>Multifamily:</i>						
TA Multifamily Portfolio	6	Various	April 2017	100%	2,514 units	93%
Emory Point	1	Atlanta, GA	May 2017	100%	750 units	86%
Nevada West Multifamily	3	Las Vegas, NV	May 2017	100%	972 units	96%
Mountain Gate & Trails Multifamily	2	Las Vegas, NV	June 2017	100%	539 units	95%
Elysian West Multifamily	1	Las Vegas, NV	July 2017	100%	466 units	96%
Gilbert Multifamily	2	Gilbert, AZ	Sept. 2017	90%	748 units	96%
Domain & GreenVue Multifamily	2	Dallas, TX	Sept. 2017	100%	803 units	95%
ACG II Multifamily	4	Various	Sept. 2017	94%	932 units	95%
Olympus Multifamily	3	Jacksonville, FL	Nov. 2017	95%	1,032 units	93%
Amberglen West Multifamily	1	Hillsboro, OR	Nov. 2017	100%	396 units	92%
Aston Multifamily Portfolio	20	Various	Various	100%	4,584 units	96%
Talavera and Flamingo Multifamily	2	Las Vegas, NV	Dec. 2017	100%	674 units	97%
Walden Pond & Montair Multifamily Portfolio	2	Everett, WA & Thornton, CO	Dec. 2017	95%	635 units	95%
Signature at Kendall Multifamily	1	Miami, FL	Dec. 2017	100%	546 units	97%
The Boulevard	1	Phoenix, AZ	April 2018	100%	294 units	95%
Blue Hills Multifamily	1	Boston, MA	May 2018	100%	472 units	93%
Wave Multifamily Portfolio	6	Various	May 2018	100%	2,199 units	96%
ACG III Multifamily	2	Gresham, OR & Turlock, CA	May 2018	95%	475 units	94%
Carroll Florida Multifamily	2	Jacksonville & Orlando, FL	May 2018	100%	716 units	95%
Solis at Flamingo	1	Las Vegas, NV	June 2018	95%	524 units	97%
Velaire at Aspera	1	Phoenix, AZ	July 2018	100%	286 units	94%
Coyote Multifamily Portfolio	6	Phoenix, AZ	Aug. 2018	100%	1,752 units	95%
Avanti Apartments	1	Las Vegas, NV	Dec. 2018	100%	414 units	97%
Gilbert Heritage Apartments	1	Phoenix, AZ	Feb. 2019	90%	256 units	95%
Roman Multifamily Portfolio	14	Various	Feb. 2019	100%	3,743 units	96%
Elevation Plaza Del Rio	1	Phoenix, AZ	April 2019	90%	333 units	96%
Courtney at Universal Multifamily	1	Orlando, FL	April 2019	100%	355 units	94%
Citymark Multifamily 2-Pack	2	Various	April 2019	95%	608 units	97%
Tri-Cities Multifamily 2-Pack	2	Richland & Kennewick, WA	April 2019	95%	428 units	97%
Raider Multifamily Portfolio	4	Las Vegas, NV	Various	100%	1,514 units	96%
Bridge II Multifamily Portfolio	6	Various	Various	100%	2,363 units	95%
Miami Doral 2-Pack	2	Miami, FL	May 2019	100%	720 units	91%
Davis Multifamily 2-Pack	2	Various	May 2019	100%	454 units	98%
Slate Savannah	1	Savannah, GA	May 2019	90%	272 units	95%
Amara at MetroWest	1	Orlando, FL	May 2019	95%	411 units	94%
Colorado 3-Pack	3	Denver & Fort Collins, CO	May 2019	100%	855 units	95%
Edge Las Vegas	1	Las Vegas, NV	June 2019	95%	296 units	95%
ACG IV Multifamily	2	Various	June 2019	95%	606 units	95%
Perimeter Multifamily 3-Pack	3	Atlanta, GA	June 2019	100%	691 units	92%
Anson at the Lakes	1	Charlotte, NC	June 2019	100%	694 units	95%
San Valiente Multifamily	1	Phoenix, AZ	July 2019	95%	604 units	95%
Edgewater at the Cove	1	Oregon City, OR	Aug. 2019	100%	244 units	92%
Haven 124 Multifamily	1	Denver, CO	Sept. 2019	100%	562 units	95%

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Villages at McCullers Walk Multifamily	1	Raleigh, NC	Oct. 2019	100%	412 units	96%
Canopy at Citrus Park Multifamily	1	Largo, FL	Oct. 2019	90%	318 units	95%
Ridge Multifamily Portfolio	4	Las Vegas, NV	Oct. 2019	90%	1,220 units	96%
Charleston on 66th Multifamily	1	Tampa, FL	Nov. 2019	95%	258 units	95%
Evolve at Timber Creek Multifamily	1	Gamer, NC	Nov. 2019	100%	304 units	97%
Solis at Towne Center Multifamily	1	Glendale, AZ	Nov. 2019	100%	240 units	95%
Arches at Hidden Creek Multifamily	1	Chandler, AZ	Nov. 2019	98%	432 units	92%
Terra Multifamily	1	Austin, TX	Dec. 2019	100%	372 units	95%
Arium Multifamily Portfolio	5	Various	Dec. 2019	100%	1,684 units	95%
Easton Gardens Multifamily	1	Columbus, OH	Feb. 2020	95%	1,064 units	94%
Acorn Multifamily Portfolio	21	Various	Feb. & May 2020	98%	8,309 units	94%
Indigo West Multifamily	1	Orlando, FL	March 2020	100%	456 units	94%
The Sixes Multifamily	1	Holly Springs, GA	Sept. 2020	100%	340 units	97%
Highroads MH	3	Phoenix, AZ	April 2018	99%	265 units	95%
Evergreen Minari MH	2	Phoenix, AZ	June 2018	99%	115 units	94%
Southwest MH	14	Various	June 2018	99%	3,065 units	77%
Hidden Springs MH	1	Desert Hot Springs, CA	July 2018	99%	317 units	86%
SVPAC MH	2	Phoenix, AZ	July 2018	99%	234 units	93%
Royal Vegas MH	1	Las Vegas, NV	Oct. 2018	99%	176 units	76%
Riverest MH	1	Tavares, FL	Dec. 2018	99%	130 units	87%
Angler MH Portfolio	5	Phoenix, AZ	April 2019	99%	940 units	86%
Florida MH 4-Pack	4	Various	April & July 2019	99%	795 units	75%
Impala MH	3	Phoenix & Chandler, AZ	July 2019	99%	333 units	98%
Clearwater MH	2	Clearwater, FL	March & Aug. 2020	99%	207 units	98%
Legacy MH Portfolio	7	Various	April 2020	99%	1,896 units	84%
May Manor MH	1	Lakeland, FL	June 2020	99%	297 units	84%
EdR Student Housing Portfolio	20	Various	Sept. 2018	95%	10,676 units	91%
Total Multifamily	227				73,587 units	
<i>Industrial:</i>						
Stockton Industrial Park	1	Stockton, CA	Feb. 2017	100%	878 sq. ft.	86%
HS Industrial Portfolio	36	Various	April 2017	100%	5,838 sq. ft.	97%
Fairfield Industrial Portfolio	11	Fairfield, NJ	Sept. 2017	100%	578 sq. ft.	100%
Southeast Industrial Portfolio	5	Various	Nov. 2017	100%	1,927 sq. ft.	97%
Kraft Chicago Industrial Portfolio	3	Aurora, IL	Jan. 2018	100%	1,693 sq. ft.	100%
Canyon Industrial Portfolio	145	Various	March 2018	100%	21,174 sq. ft.	95%
HP Cold Storage Industrial Portfolio	6	Various	May 2018	100%	2,252 sq. ft.	100%
Meridian Industrial Portfolio	106	Various	Nov. 2018	99%	14,011 sq. ft.	94%
Stockton Distribution Center	1	Stockton, CA	Dec. 2018	100%	987 sq. ft.	100%
Summit Industrial Portfolio	8	Atlanta, GA	Dec. 2018	100%	631 sq. ft.	92%
4500 Westport Drive	1	Harrisburg, PA	Jan. 2019	100%	179 sq. ft.	100%
Morgan Savannah	1	Savannah, GA	April 2019	100%	357 sq. ft.	100%
Minneapolis Industrial Portfolio	34	Minneapolis, MN	April 2019	100%	2,460 sq. ft.	93%
Atlanta Industrial Portfolio	61	Atlanta, GA	May 2019	100%	3,779 sq. ft.	93%
D.C. Powered Shell Warehouse Portfolio	9	Ashburn & Manassas, VA	June 2019	90%	1,471 sq. ft.	100%
Patriot Park	2	Durham, NC	Sept. 2019	100%	323 sq. ft.	100%
Denali Industrial Portfolio	18	Various	Sept. 2019	100%	4,098 sq. ft.	100%
Jupiter 12 Industrial Portfolio	315	Various	Sept. 2019	100%	63,965 sq. ft.	94%
2201 Main Street	1	San Diego, CA	Oct. 2019	100%	260 sq. ft.	N/A
Triangle Industrial Portfolio	37	Greensboro, NC	Jan. 2020	100%	2,783 sq. ft.	91%
Midwest Industrial Portfolio	27	Various	Feb. 2020	100%	5,940 sq. ft.	94%

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Panecal Industrial Portfolio	12	Various	Feb. & April 2020	100%	2,109 sq. ft.	100%
Grainger Distribution Center	1	Jacksonville, FL	March 2020	100%	297 sq. ft.	100%
Diamond Industrial	1	Rico Rivera, CA	Aug. 2020	100%	243 sq. ft.	100%
Inland Empire Industrial Portfolio	2	Etiwanda & Fontana, CA	Sept. 2020	100%	404 sq. ft.	100%
Total Industrial	844				138,637 sq. ft.	
<i>Net Lease:</i>						
Bellagio Net Lease	1	Las Vegas, NV	Nov. 2019	95%	8,507 sq. ft.	N/A
MGM Grand Net Lease	1	Las Vegas, NV	Feb. 2020	49.9%	6,917 sq. ft.	N/A
Mandalay Bay Net Lease	1	Las Vegas, NV	Feb. 2020	49.9%	9,324 sq. ft.	N/A
Total Net Lease	3				24,748 sq. ft.	
<i>Hotel:</i>						
Hyatt Place UC Davis	1	Davis, CA	Jan. 2017	100%	127 keys	54%
Hyatt Place San Jose Downtown	1	San Jose, CA	June 2017	100%	240 keys	45%
Florida Select-Service 4-Pack	4	Tampa & Orlando, FL	July 2017	100%	476 keys	54%
Hyatt House Downtown Atlanta	1	Atlanta, GA	Aug. 2017	100%	150 keys	57%
Boston/Worcester Select-Service 3-Pack	3	Boston & Worcester, MA	Oct. 2017	100%	374 keys	49%
Henderson Select-Service 2-Pack	2	Henderson, NV	May 2018	100%	228 keys	59%
Orlando Select-Service 2-Pack	2	Orlando, FL	May 2018	100%	254 keys	59%
Corporex Select Service Portfolio	5	Various	Aug. 2018	100%	601 keys	52%
JW Marriott San Antonio Hill Country Resort	1	San Antonio, TX	Aug. 2018	100%	1,002 keys	38%
Hampton Inn & Suites Federal Way	1	Seattle, WA	Oct. 2018	100%	142 keys	49%
Staybridge Suites Reno	1	Reno, NV	Nov. 2018	100%	94 keys	71%
Salt Lake City Select Service 3 Pack	3	Salt Lake City, UT	Nov. 2018	60%	454 keys	54%
Courtyard Kona	1	Kailua-Kona, HI	March 2019	100%	452 keys	43%
Raven Select Service Portfolio	21	Various	June 2019	100%	2,555 keys	55%
Urban 2-Pack	1	Chicago, IL	July 2019	100%	337 keys	34%
Hyatt Regency Atlanta	1	Atlanta, GA	Sept. 2019	100%	1,260 keys	41%
RHW Portfolio	9	Various	Nov. 2019	100%	923 keys	N/A
Total Hotel	58				9,669 keys	
<i>Retail:</i>						
Bakers Centre	1	Philadelphia, PA	March 2017	100%	237 sq. ft.	100%
Plaza Del Sol Retail	1	Burbank, CA	Oct. 2017	100%	166 sq. ft.	100%
Vista Center	1	Miami, FL	Aug. 2018	100%	91 sq. ft.	93%
El Paseo Simi Valley	1	Simi Valley, CA	June 2019	100%	109 sq. ft.	97%
Towne Center East	1	Signal Hill, CA	Sept. 2019	100%	163 sq. ft.	100%
Plaza Pacoima	1	Pacoima, CA	Oct. 2019	100%	204 sq. ft.	100%
Canarsie Plaza	1	Brooklyn, NY	Dec. 2019	100%	274 sq. ft.	98%
SoCal Grocery Portfolio	6	Various	Jan. 2020	100%	689 sq. ft.	95%
Total Retail	13				1,933 sq. ft.	
<i>Office:</i>						
EmeryTech Office	1	Emeryville, CA	Oct. 2019	100%	228 sq. ft.	95%
Total Office	1				228 sq. ft.	
<i>Other:</i>						
East Coast Storage Portfolio	21	Various	Aug. 2019	98%	1,347 sq. ft.	94%
Phoenix Storage 2-Pack	2	Phoenix, AZ	March 2020	98%	111 sq. ft.	95%
Cactus Storage Portfolio	13	Various	Sept. 2020	98%	886 sq. ft.	87%
Total Other	36				2,344 sq. ft.	
Total Investments in Real Estate	1,182					

(1) Certain of the joint venture agreements entered into by the Company provide the seller or the other partner a profits interest based on certain internal rate of return hurdles being achieved. Such investments are

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consolidated by us and any profits interest due to the other partner is reported within non-controlling interests. The table includes properties owned by an unconsolidated entity.

- (2) Multifamily includes various forms of rental housing such as apartments, student housing and manufactured housing. Multifamily units include manufactured housing sites and student housing beds.
- (3) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of September 30, 2020. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of September 30, 2020. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the three months ended September 30, 2020. The occupancy rate for our hotel investments is the average occupancy rate for the 12 months ended September 30, 2020. The occupancy rate for hotels owned less than 12 months is not included.

Lease Expirations

The following schedule details the expiring leases at our consolidated industrial, net lease, retail, and office properties by annualized base rent and square footage as of September 30, 2020 (\$ and square feet data in thousands). The table below excludes our multifamily and self-storage properties as substantially all leases at such properties expire within 12 months:

Year	Number of Expiring Leases	Annualized Base Rent(1)	% of Total Annualized Base Rent Expiring	Square Feet	% of Total Square Feet Expiring
2020 (remaining)	102	\$ 20,411	2%	3,460	2%
2021	475	96,519	10%	19,666	14%
2022	539	113,157	12%	21,748	16%
2023	448	108,528	12%	22,030	16%
2024	365	78,907	8%	14,957	11%
2025	278	65,691	7%	11,846	9%
2026	121	69,255	7%	14,635	11%
2027	95	43,533	5%	8,590	6%
2028	70	29,334	3%	4,453	3%
2029	49	28,118	3%	4,017	3%
Thereafter	74	296,322	31%	12,574	9%
Total	2,616	\$ 949,775	100%	137,976	100%

- (1) Annualized base rent is determined from the annualized September 30, 2020 base rent per leased square foot of the applicable year and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization.

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Investments in Real Estate Debt

As of September 30, 2020, our investments in real estate debt consisted of 201 investments in CMBS, 15 corporate bond investments, 11 loans, and 14 investments in RMBS. The following table details our investments in real estate debt as of September 30, 2020 (\$ in thousands):

Type of Security/Loan	September 30, 2020					
	Number of Positions	Weighted Average Coupon(1)	Weighted Average Maturity Date(2)	Face Amount/Notional(3)	Cost Basis	Fair Value
CMBS—floating	138	L+2.7%	1/5/2025	\$ 3,212,846	\$ 3,193,384	\$ 2,914,116
CMBS—fixed	54	4.0%	4/18/2028	1,022,626	991,867	933,104
Corporate bonds	15	5.0%	2/28/2027	231,249	229,821	222,315
CMBS—zero coupon	4	N/A	1/2/2027	236,090	134,960	136,476
RMBS—fixed	14	4.4%	12/9/2031	28,462	28,635	27,695
CMBS—interest only	5	2.3%	10/10/2026	2,258,809	21,748	21,726
Total real estate securities	230	3.1%	12/18/2025	N/M	4,600,415	4,255,432
Term loans	10	L+3.0%	3/15/2022	598,533	562,778	591,101
Mezzanine loans	1	L+6.9%	12/15/2024	134,750	134,338	119,144
Total real estate loans	11	L+3.7%	8/31/2022	733,283	697,116	710,245
Total investments in real estate debt	241	3.2%	6/29/2025	N/M	\$ 5,297,531	\$ 4,965,677

- (1) The term “L” refers to the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, EURIBOR and Sterling Overnight Index Average, as applicable to each security and loan.
- (2) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS and RMBS, the underlying collateral.
- (3) Represents notional amount for interest only positions.

The following table details the collateral type of the properties securing our investments in real estate debt (\$ in thousands):

Collateral(1)	September 30, 2020			
	Number of Positions	Cost Basis	Fair Value	Percentage Based on Fair Value
Hospitality	84	\$2,199,573	\$1,960,694	40%
Multifamily	71	991,973	1,015,850	21%
Office	38	766,733	715,184	14%
Industrial	24	669,778	656,682	13%
Diversified	17	314,077	297,011	6%
Other	5	238,202	201,398	4%
Net Lease	1	99,820	102,942	2%
Retail	1	17,375	15,916	—%
Total	241	\$5,297,531	\$4,965,677	100%

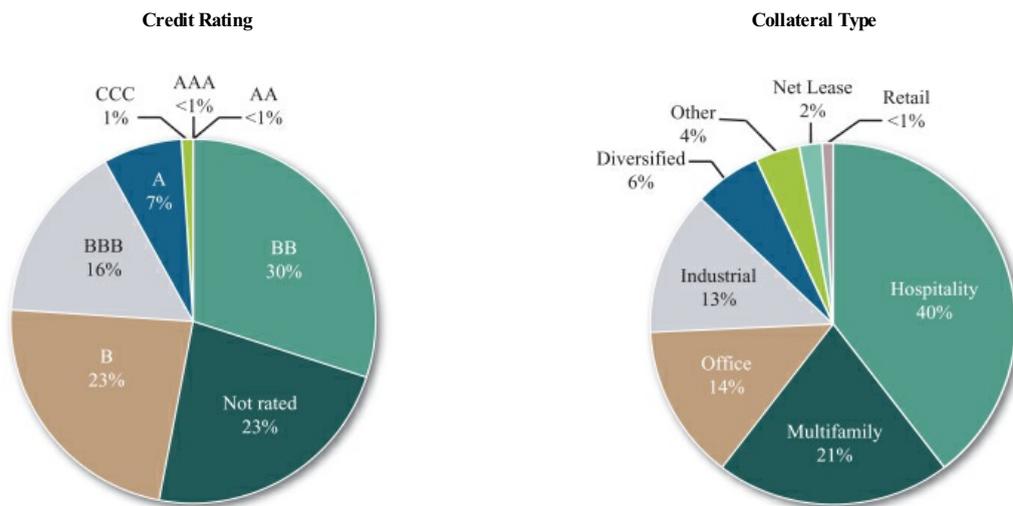
- (1) Multifamily investments in real estate debt are collateralized by various forms of rental housing including single-family homes and apartments.

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The following table details the credit rating of our investments in real estate debt (\$ in thousands):

Credit Rating	September 30, 2020			
	Number of Positions	Cost Basis	Fair Value	Percentage Based on Fair Value
BB	79	\$1,632,234	\$1,503,362	30%
Not rated	38	1,177,793	1,149,268	23%
B	52	1,220,773	1,130,536	23%
BBB	51	883,408	812,313	16%
A	15	341,495	331,143	7%
CCC	3	32,429	29,665	1%
AAA	2	8,608	8,600	—%
AA	1	791	790	—%
Total	241	\$5,297,531	\$4,965,677	100%

The following charts further describe the diversification of our real estate debt investments by credit rating and collateral type based on fair value as of September 30, 2020:



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Subsequent Events to September 30, 2020

Simply Self Storage

Subsequent to September 30, 2020, the Company entered into an agreement to acquire Simply Self Storage, a fully integrated self-storage platform that owns and operates 101 storage assets for \$1.2 billion, exclusive of closing costs. During December 2020, the Company completed the acquisition.

Acquisitions

Subsequent to September 30, 2020, the Company acquired an aggregate of \$801.8 million of real estate, exclusive of closing costs, across eight separate transactions.

Subsequent to September 30, 2020, the Company purchased an aggregate of \$35.9 million of investments in real estate debt.

Proceeds from the Issuance of Common Stock

Subsequent to September 30, 2020, the Company had received net proceeds of \$918.0 million from the issuance of its common stock.

Repurchases

Subsequent to September 30, 2020, the Company repurchased \$103.2 million of shares of our common stock/units.

MANAGEMENT

Board of Directors

We operate under the direction of our board of directors, the members of which are accountable to us and our stockholders as fiduciaries. Our board of directors has retained the Adviser to manage the acquisition and dispositions of our investments, subject to the board of directors' supervision.

We have a seven-member board. Our board of directors may change the number of directors, but not to fewer than three directors nor, unless we amend our bylaws, more than 15. Our charter provides that a majority of our directors must be independent directors, except for a period of up to 60 days after the death, removal or resignation of an independent director pending the election of a successor independent director. Our charter defines an independent director as a director who is not and has not for the last two years been associated, directly or indirectly, with Blackstone Real Estate or the Adviser. Pursuant to our charter and the policy adopted by our board of directors with respect to certain charter provisions, a director is deemed to be associated with Blackstone Real Estate or the Adviser if he or she owns any interest (other than ownership of an interest that was (a) divested before the later of July 31, 2019 and appointment to our board of directors and (b) de minimis relative to its owner's net worth) in, is employed by, is an officer or director of, or has any material business or professional relationship with Blackstone Real Estate, the Adviser or any of their affiliates, performs services (other than as a director) for us, or serves as a director or trustee for more than three REITs sponsored by Blackstone Real Estate or advised by the Adviser. A business or professional relationship will be deemed material per se if the gross income derived by the director from Blackstone Real Estate, the Adviser or any of their affiliates exceeds 5% of (1) the director's annual gross income derived from all sources during either of the last two years or (2) the director's net worth on a fair market value basis. An indirect association is defined to include circumstances in which the director's spouse, parents, children, siblings, mothers- or fathers-in-law, sons- or daughters-in-law or brothers- or sisters-in-law is or has been associated with us, Blackstone Real Estate, the Adviser or any of their affiliates. Our charter requires that a director have at least three years of relevant experience demonstrating the knowledge required to successfully acquire and manage the type of assets that we intend to acquire. Our charter also requires that at all times at least one of our independent directors must have at least three years of relevant real estate experience. Our charter and bylaws have been ratified by our board of directors, including a majority of our independent directors.

Each director will serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies. Although the number of directors may be increased or decreased, a decrease may not shorten the term of any incumbent director. Any director may resign at any time or may be removed with or without cause by the stockholders upon the affirmative vote of stockholders entitled to cast at least a majority of all the votes entitled to be cast generally in the election of directors. The notice of a special meeting called to remove a director must indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed. A vacancy on our board of directors may be filled only by a vote of a majority of the remaining directors, or in the case of election of an independent director, after nomination by a majority of the remaining independent directors (if any remaining directors are independent directors). Any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred.

Our board of directors generally meets quarterly or more frequently if necessary, in addition to meetings of any committees of the board of directors described below. Our directors are not required to devote all of their time to our business and are only required to devote the time to our business as their duties may require. Consequently, in the exercise of their fiduciary responsibilities, our directors will rely heavily on the Adviser and on information provided by the Adviser. Our directors have a fiduciary duty to our stockholders to supervise the relationship between us and the Adviser. Our board of directors is empowered to fix the compensation of all officers and approve the payment of compensation to directors for services rendered to us.

Our board of directors has adopted written policies on investments and borrowings, the general terms of which are set forth in this prospectus. The board of directors may revise these policies or establish further written

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policies on investments and borrowings and will monitor our administrative procedures, investment operations and performance to ensure that the policies are fulfilled and are in the best interests of our stockholders. Our board of directors, including a majority of our independent directors, will review our investment policies with sufficient frequency, and at least annually, to determine that they are in the best interest of our stockholders.

Directors and Executive Officers

Our directors and executive officers are set forth below.

<u>Name</u>	<u>Age*</u>	<u>Position</u>
Frank Cohen	48	Chairman of the Board and Chief Executive Officer
A.J. Agarwal	54	President and Director
Wesley LePatner	39	Chief Operating Officer and Director
Robert Harper	42	Head of Asset Management
Brian Kim	41	Head of Acquisitions and Capital Markets
Paul D. Quinlan	43	Chief Financial Officer and Treasurer
Karen Sprogis	59	Head of Investor Relations
Leon Volchyok	37	Chief Legal Officer, Chief Compliance Officer and Secretary
Paul Kolodziej	41	Chief Accounting Officer
Raymond J. Beier	64	Independent Director
Richard I. Gilchrist	74	Independent Director
Field Griffith	67	Independent Director
Edward Lewis	80	Independent Director

* As of January 1, 2021

Frank Cohen has been Chairman of the Board and the Chief Executive Officer of the Company since July 2016. He is a Senior Managing Director with Blackstone based in New York. He is the Global Head of Core+ Real Estate and a member of the Investment Committee. Since joining Blackstone in 1996, Mr. Cohen has been involved in over \$100 billion of real estate transactions. He has been involved with many of Blackstone's notable investments, including Equity Office Properties, CamAmerica Realty, Trizec Properties, IndCor Properties, and Tricon Residential Inc. Mr. Cohen received a BA from Northwestern University, where he graduated from the Honors Program in Mathematical Methods in the Social Sciences, with a double major in political science. Mr. Cohen has served as a director of Tricon Residential Inc. (TSX: TCN) since September 2020. He serves as a director for several private Blackstone portfolio companies, including EQ Properties, and served as a director for Hudson Pacific Properties (NYSE: HPP) from 2015 until 2017. He is also a Trustee of the Urban Land Institute and serves on the Advisory Board of Governors for NAREIT, on the Board of the Regional Plan Association and on the WCAS Board of Visitors at Northwestern University. Mr. Cohen is a valuable member of our board of directors because of his vast real estate experience, his history with Blackstone and his leadership of Blackstone Real Estate's Global Core+ business.

A.J. Agarwal has been a director and the President of the Company since December 2015. He is a Senior Managing Director in Blackstone Real Estate and leads Blackstone's U.S. Core+ real estate business. Prior to launching and leading Blackstone's Core+ real estate business in 2014, Mr. Agarwal was co-head of U.S. Acquisitions for Blackstone's opportunistic real estate business and oversaw more than \$15 billion of equity commitments and \$50 billion of transactions across all real estate asset classes. In addition to leading the Brixmor and Extended Stay Hotels IPOs, he was directly involved with and led investments across all sectors, including Blackstone's investment in malls through General Growth Properties, limited service hotels through Apple REIT 6 and Extended Stay Hotels, luxury hotels through Hotel del Coronado, shopping centers through Brixmor and multiple other grocery-anchored portfolios, and office buildings such as One Market Plaza in San Francisco. Mr. Agarwal joined Blackstone in 1992 and is a member of Blackstone's Real Estate Investment Committee. Mr. Agarwal has served as a board member, President and Senior Managing Director at BRE Select Hotels Corp since May 2013. Mr. Agarwal graduated from Princeton University, where he graduated magna cum

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laude and Phi Beta Kappa, and received his MBA from Stanford University Graduate School of Business. Mr. Agarwal is a valuable member of our board of directors because of his vast real estate and investment experience, his history with Blackstone and his leadership and oversight of Blackstone Real Estate's U.S. Core+ business.

Wesley LePatner has been a director and the Chief Operating Officer of the Company since July 2016. She is a Senior Managing Director with Blackstone Real Estate and serves as the Global Chief Operating Officer of the Core+ business and as a member of the Investment Committee. Mrs. LePatner also serves as the Chair of the Women's Initiative at Blackstone. Before joining Blackstone in 2014, Mrs. LePatner spent 11 years at Goldman Sachs, most recently as a Managing Director and the Chief Operating Officer of the Real Estate Investment Group within the Asset Management Division. Prior to that, Mrs. LePatner worked in Goldman Sachs' Real Estate Principal Investment Area and the Real Estate Investment Banking Group. Mrs. LePatner received a BA from Yale University, summa cum laude and Phi Beta Kappa. Mrs. LePatner is a valuable member of our board of directors because of her extensive real estate experience, her history with Blackstone and her leadership of Blackstone Real Estate's Global Core+ business.

Robert Harper has been the Head of Asset Management of the Company since August 2016. He is a Senior Managing Director and the Head of U.S. Asset Management for Blackstone Real Estate. He is based in New York. Since joining Blackstone in 2002, Mr. Harper has been involved in analyzing Blackstone's real estate equity and debt investments in many property types and has worked on transactions including Hilton Worldwide and Equity Office Properties. Mr. Harper has previously worked for Blackstone both in Los Angeles and London, where he served as Head of Europe for the Blackstone Real Estate Debt Strategies business. Mr. Harper currently serves as a board member for the Global Heritage Fund and the McIntire School of Commerce Foundation Board at the University of Virginia. Mr. Harper has served as a director of Invitation Homes, Inc. (NYSE: INVH) since February 2017. From September 2016 to May 2017, Mr. Harper served as a director of ESH Hospitality, Inc. and from January 2017 to December 2017, Mr. Harper served as a director of Park Hotels & Resorts Inc. Prior to joining Blackstone, Mr. Harper worked for Morgan Stanley's real estate private equity group in Los Angeles and San Francisco. Mr. Harper received a BS from the McIntire School of Commerce at the University of Virginia.

Brian Kim has been the Head of Acquisitions and Capital Markets of the Company since January 2017. He is a Senior Managing Director with Blackstone Real Estate and is based in New York. Since joining Blackstone in 2008, Mr. Kim has played a key role in a number of Blackstone's investments including the take private and subsequent sale of Strategic Hotels & Resorts, the acquisition of Peter Cooper Village / Stuyvesant Town and the creation of BRE Select Hotels Corp., Blackstone's select service hotel platform. Prior to joining Blackstone, Mr. Kim worked at Apollo Real Estate Advisors, Max Capital Management Corp. and Credit Suisse First Boston. Mr. Kim has served as a board member, Chief Financial Officer, Vice President and Managing Director of BRE Select Hotels Corp since May 2013 and as a board member of CorePoint Lodging Inc. (NYSE: CPLG), a portfolio company of a Blackstone fund, since November 2015. Mr. Kim received an AB in Biology from Harvard College where he graduated with honors.

Paul D. Quinlan has been the Chief Financial Officer and Treasurer of the Company since June 2016. He is a Managing Director and Chief Financial Officer of Blackstone Real Estate based in New York. Mr. Quinlan was previously the CFO for Blackstone Real Estate Debt Strategies and Blackstone Mortgage Trust, Inc. (NYSE: BXMT). Prior to this, he was a member of Blackstone Finance, where he served as Head of Financial Planning & Business Development, with oversight of management and public reporting, as well as strategic acquisitions. Mr. Quinlan also served as the CFO for Blackstone Securities Partners L.P. Prior to joining Blackstone in 2010, Mr. Quinlan worked at Bank of America Merrill Lynch, focusing on strategic corporate M&A and private equity investments. Mr. Quinlan received a B.S. in Finance cum laude from Georgetown University and an MBA with distinction from the NYU Stern School of Business.

Karen Sprogis has been the Head of Investor Relations of the Company since June 2016. She is a Managing Director in the Institutional Client Solutions group of Blackstone Real Estate and is based in New York. Since

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joining Blackstone in 1995, Ms. Sprogis has been involved in the asset management of Blackstone Real Estate's investments in the U.S. and Canada across various property types and is involved in capital raising efforts for real estate funds. Before joining Blackstone, Ms. Sprogis was a Vice President at Kleinwort Benson, where she was an international equity sales trader. Prior to that, Ms. Sprogis was a Portfolio Manager at JMB Institutional Realty Corporation. Ms. Sprogis received a BS in Accounting from the University of Illinois and an MBA from the University of Chicago.

Leon Volchyok has been the Chief Legal Officer and Chief Compliance Officer of the Company since September 2017 and he has been the Secretary of the Company since June 2016. Mr. Volchyok served as the Chief Securities Counsel of the Company from June 2016 to September 2017. Mr. Volchyok is a Managing Director in Blackstone Real Estate, where he plays a key role in the structuring, launch and operations of Blackstone Real Estate's public vehicles, handles the legal affairs for the Blackstone Real Estate Debt Strategies group and is involved in a number of other initiatives throughout the firm. Mr. Volchyok was instrumental in launching and co-leads Blackstone's Mexican CERPI, a market leading public platform through which the Mexican pension plans (AFOREs) invest in Blackstone funds. Mr. Volchyok also serves as Head of Legal and Compliance for Blackstone Mortgage Trust (NYSE: BXMT) and as Chief Legal Officer and Chief Compliance Officer of the Blackstone Real Estate Income Funds (BREIF). Prior to joining Blackstone in 2013, Mr. Volchyok was a Senior Associate in the Real Estate Capital Markets group at Proskauer Rose LLP since 2008, where he specialized in capital markets transactions and general securities law and corporate governance matters, with a specific focus on REITs and other real estate companies. Mr. Volchyok received a BBA from Baruch College—Zicklin School of Business and a JD from Fordham Law School. Mr. Volchyok is the chair-elect of the Board for the Institute for Portfolio Alternatives and on the Executive Committee of NAREIT's Public Non-listed REIT Council.

Paul Kolodziej has been the Chief Accounting Officer of the Company since March 2019. He is a Senior Vice President in Blackstone Real Estate and previously served as Controller of the Company from June 2016 to March 2019. Prior to joining Blackstone in June 2016, Mr. Kolodziej was a Senior Manager at PricewaterhouseCoopers LLP, where he provided assurance services to financial service clients focused on real estate investment trusts, private real estate funds and hedge funds. During his time at PricewaterhouseCoopers LLP, Mr. Kolodziej also completed a two year rotation in PricewaterhouseCoopers LLP's SEC Services Group within their National Office, focusing on client consultations over a wide range of matters related to security registrations and on-going SEC filing requirements. Mr. Kolodziej received a BS in Accountancy from DePaul University and is a Certified Public Accountant.

Raymond J. Beier has been a director of the Company since July 2016. He was a partner in the financial services practice at PricewaterhouseCoopers LLP, having been with the firm from 1993 to 2016. Mr. Beier has extensive experience in financial reporting matters relating to mergers, acquisitions and corporate finance transactions. Mr. Beier served in a variety of roles at PricewaterhouseCoopers LLP, including as a member of the National Office leadership team responsible for its strategic policy and analysis group and as a senior partner in the transaction services group. Mr. Beier also served on various PricewaterhouseCoopers committees, including the Global Private Equity Committee and the Extended Leadership Committee. He received a BS in Accounting, *summa cum laude*, from the University of Minnesota—Duluth and an MBA from the University of Minnesota—Carlson School of Management. Mr. Beier also serves on the Chancellor's Advisory Board at the University of Minnesota—Duluth. Mr. Beier is a valuable member of our board of directors because of his extensive experience with accounting and financial reporting matters.

Richard I. Gilchrist has been a director of the Company since July 2016. He currently is Senior Advisor for acquisitions and investments at The Irvine Company, a privately-held real estate investment company, a position he has held since July 2011 after having served as President of its Investment Properties Group from 2006 to 2011. He served as President and Co-Chief Executive Officer and on the board of directors of Maguire Properties, Inc., a publicly-held REIT, from 2002 to 2006. From 1997 to 2001, Mr. Gilchrist served as Chief Executive Officer, President and member of the board of directors of Commonwealth Atlantic Properties, a privately-held REIT. From 1995 to 1997, he served as the Co-Chairman and Managing Partner of

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Commonwealth Partners, a real estate company he co-founded. He currently serves on the board of directors of two publicly-traded REITs, Spirit Realty Capital, Inc. (NYSE: SRC) and Ventas, Inc. (NYSE: VTR). He serves as Chairman of the Board and on the compensation committee of Spirit Realty Capital, Inc. and Chairman of both the compensation and investment committee of Ventas, Inc. He has previously served as a director of BioMed Realty Trust, Inc. (NYSE: BMR) from 2007 to 2014, Nationwide Health Properties, Inc. from 2008 to 2011, and TIER REIT, Inc. (NYSE: TIER) from 2013 to 2019, and as Chairman from 2016 to 2019 until TIER REIT, Inc. was acquired by Cousins Properties Inc. (NYSE: CUZ). Mr. Gilchrist is a member of the advisory board of Preferred Office Growth Fund, a private company. Mr. Gilchrist is a member emeritus of the Whittier College Board of Trustees and served as its Chairman from 2003 to 2011 where he received his BA in 1968. He is also a member of the Advisory Board of the University of California, Los Angeles Law School, where he earned a JD in 1971. Mr. Gilchrist is a valuable member of our board of directors and has a unique insight into our investment activities because of his extensive experience in the real estate industry, including having served as an executive officer of several REITs, his knowledge and experience in internal and external risk oversight, and his experience as a member of the board of directors of three public REITs.

Field Griffith has been a director of the Company since July 2016. He also currently serves as a non-executive director on the board of The Forest Company Limited and as a director for the Prime Property Fund LLC and the board of Tedford Housing, Inc., a non-profit entity focused on homelessness-related services. Mr. Griffith was most recently employed full time as the Director of Real Assets Investments for the Virginia Retirement System from 2004 to 2016 where he was responsible for managing all aspects of the System's global real estate, infrastructure and natural resource portfolios. The global real estate portfolio consisted of publicly- and privately-traded equity and debt investments in the form of separate accounts, joint ventures, closed-end funds and open-end funds. Mr. Griffith was also a member of the management committee of the Virginia Retirement System and was directly involved in the pension fund's asset allocation and investment management process. From 1999 to 2004, he was a senior executive at Gemini Rosemont Commercial Real Estate and was engaged in real estate portfolio management activities for the private real investment group. From 1985 to 1999, Mr. Griffith was employed in the real estate investment group for UNUM Life Insurance Company engaged in mortgage and equity underwriting, structuring, property acquisitions and asset management oversight, culminating in his role as portfolio manager of the commercial real estate equity group. From 1983 to 1985, he worked in the real estate investment group at Phoenix Home Life Insurance Company. Mr. Griffith is a Chartered Financial Analyst and received a B.A. from Beloit College and an M.B.A. from the University of Washington. From 2007 to 2013, he served as a board member of the Pension Real Estate Association. Mr. Griffith is a valuable member of our board of directors because of his extensive experience with real estate investments.

Edward Lewis has been a director of the Company since July 2016. From 2000 until February 2017, he was Senior Advisor to Solera Capital, a private equity firm. In 1995, Mr. Lewis co-founded Latina Magazine, recognizing the significant opportunity to create the first lifestyle magazine to exclusively address the interests of bicultural Latin women in the U.S. In 1969, he co-founded Essence Communications Partners, a multimedia company targeting African-American women, serving as CEO, publisher and Chairman for 35 years. Previously, he served on the boards of Great Atlantic & Pacific Tea Company, Inc. (NYSE: GAP), the Apollo Theater Foundation, the Boys and Girls Clubs of America and the Economic Club of New York. He also served as chairman of the Magazine Publishers of America from 1997 to 1999, becoming the first African-American to hold this position in the 75-year history of the organization. In 2014, Mr. Lewis was inducted into the Advertising Hall of Fame of the American Advertising Federation and received its distinguished David Bell Award for Industry Service. He received a BA and MA in Political Science and International Affairs from the University of New Mexico. Mr. Lewis is a valuable member of our board of directors because of his experience as founder and chairman of Essence Communications, as well as the skills he gained during his active board service to a number of diverse organizations.

Although most of the services provided to us by the individuals who are executive officers are in their respective roles as executive officers of the Adviser, they have certain duties as executive officers of our company arising from Maryland law, our charter and our bylaws. These duties include executing contracts and other instruments

in our name and on our behalf and such other duties as may be prescribed by our board of directors from time to time.

Our executive officers will act as our agents, execute contracts and other instruments in our name and on our behalf, and in general perform all duties incident to their offices and such other duties as may be prescribed by our board of directors from time to time. Our officers will devote such portion of their time to our affairs as is required for the performance of their duties, but they are not required to devote all of their time to us.

Committees of the Board of Directors

Our entire board of directors is responsible for supervising our business. However, pursuant to our charter, our board of directors may delegate some of its powers to one or more committees as deemed appropriate by the board of directors, provided that each committee consists of at least a majority of independent directors. Members of each of the committees discussed below are appointed by our board of directors.

Audit Committee. Our board of directors has established an audit committee, which consists of Messrs. Beier, Gilchrist and Lewis. Mr. Beier serves as the chairperson of the audit committee and qualifies as an “audit committee financial expert” as that term is defined by the SEC. The SEC has determined that the audit committee financial expert designation does not impose on a person with that designation any duties, obligations or liability that are greater than the duties, obligations or liability imposed on such person as a member of the audit committee of the board of directors in the absence of such designation. The audit committee assists the board of directors in overseeing:

- our accounting and financial reporting processes,
- the integrity and audits of our financial statements,
- our compliance with legal and regulatory requirements,
- the qualifications and independence of our independent auditors and
- the performance of our internal and independent auditors.

In addition, the audit committee selects the independent auditors to audit our annual financial statements and reviews with the independent auditors the plans and results of the audit engagement. The audit committee also approves the audit and non-audit services provided by the independent public accountants and the fees we pay for these services.

The audit committee has adopted procedures for the processing of complaints relating to accounting, internal control and auditing matters. The audit committee oversees the review and handling of any complaints submitted pursuant to the forgoing procedures and of any whistleblower complaints subject to Section 21F of the Exchange Act.

Affiliate Transaction Committee. The affiliate transaction committee is currently comprised of Messrs. Beier, Gilchrist, Griffith and Lewis. Mr. Gilchrist serves as the chairperson of the affiliate transaction committee. The primary purpose of the affiliate transaction committee is to review transactions between us and Blackstone or its affiliates (including the Adviser) or with related persons and to determine if the resolution of the conflict of interest is fair and reasonable to us and our stockholders. However, we cannot assure you that this committee will successfully eliminate the conflicts of interest that will exist between us and Blackstone, or reduce the risks related thereto.

The affiliate transaction committee is responsible for reviewing and approving the terms of all transactions between us and Blackstone or its affiliates (including the Adviser) or any member of our board of directors, including (when applicable) the economic, structural and other terms of all acquisitions and dispositions.

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Generally, we may enter into transactions with Blackstone, the Adviser, our directors, and their respective affiliates only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties. The affiliate transaction committee is also responsible for reviewing the Adviser's performance and the fees and expenses paid by us to the Adviser and any of its affiliates. See “—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursement.”

Compensation Committee. The compensation committee is currently comprised of Messrs. Beier, Griffith and Lewis. Mr. Griffith serves as the committee's chairperson. The primary purpose of the compensation committee is to oversee our compensation programs. The committee reviews the compensation and benefits paid by us to our directors and, in the event we hire employees, the compensation paid to our executive officers as well as any employment, severance and termination agreements or arrangements made with any executive officer and, if required, produces the report to be included in our annual proxy statement. We are externally managed by the Adviser pursuant to the Advisory Agreement.

The compensation committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the committee. In particular, the committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the compensation committee who are (i) “Non-Employee Directors” for the purposes of Rule 16b-3 under the Exchange Act, and (ii) “outside directors” for the purposes of Section 162(m) of the Code.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee is currently comprised of Messrs. Gilchrist, Griffith and Lewis. Mr. Lewis serves as the chairperson of the nominating and corporate governance committee. This committee:

- assists our board of directors in identifying individuals qualified to become members of our board of directors;
- recommends candidates to our board of directors to fill vacancies on the board;
- recommends committee assignments for directors to the full board;
- periodically assesses the performance of our board of directors;
- reviews and recommends appropriate corporate governance policies and procedures to our board of directors; and
- reviews and monitors our Code of Business Conduct and Ethics, and any other corporate governance policies and procedures we may have from time to time.

Corporate Governance

Code of Business Conduct and Ethics. We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees (if any), and to all of the officers and employees of the Adviser, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Code of Business Conduct and Ethics, as it relates to those also covered by Blackstone's code of conduct, operates in conjunction with, and in addition to, Blackstone's code of conduct. Our Code of Business Conduct and Ethics is designed to comply with SEC regulations relating to codes of conduct and ethics.

Corporate Governance Guidelines. We have also adopted corporate governance guidelines to advance the functioning of our board of directors and its committees and to set forth our board of directors' expectations as to how it and they should perform its and their respective functions.

Compensation of Directors

We compensate each of our non-employee directors who are not affiliated with the Adviser or Blackstone with an annual retainer of \$165,000, plus an additional retainer of \$10,000 to each chairperson of our committees, other than the audit committee. The audit committee chairperson will receive an additional retainer of \$15,000. On an annual basis, \$100,000 is paid in the form of an annual grant of restricted stock based on the then-current per share transaction price of our Class I shares at the time of grant and the remaining amount is paid in cash. Restricted stock grants will generally vest one year from the date of grant. We do not intend to pay our directors additional fees for attending board meetings, but we intend to reimburse each of our directors for reasonable out-of-pocket expenses incurred in attending board and committee meetings (including, but not limited to, airfare, hotel and food). Our directors who are affiliated with the Adviser or Blackstone will not receive additional compensation for serving on the board of directors or committees thereof.

Executive Compensation

We are externally managed and, as of December 31, 2020, have no employees other than the employees that are employed in connection by our portfolio entity acquired in with the Simply Storage Acquisition, and none of whom are executive officers of the Company. Our executive officers serve as officers of the Adviser and are employees of the Adviser or one or more of its affiliates. Our Advisory Agreement provides that the Adviser is responsible for managing our investment activities, as such our executive officers do not receive any cash compensation from us or any of our subsidiaries for serving as our executive officers but, instead, receive compensation from the Adviser. In addition, we do not reimburse the Adviser for compensation it pays to our executive officers. The Advisory Agreement does not require our executive officers to dedicate a specific amount of time to fulfilling the Adviser's obligations to us under the Advisory Agreement. Accordingly, the Adviser has informed us that it cannot identify the portion of the compensation it awards to our executive officers that relates solely to such executives' services to us, as the Adviser does not compensate its employees specifically for such services. Furthermore, we do not have employment agreements with our executive officers, we do not provide pension or retirement benefits, perquisites or other personal benefits to our executive officers, our executive officers have not received any nonqualified deferred compensation and we do not have arrangements to make payments to our executive officers upon their termination or in the event of a change in control of us.

Although we do not pay our executive officers any cash compensation, we pay the Adviser the fees described under the heading "—The Advisory Agreement."

The Adviser and Blackstone

We are externally managed by our adviser, BX REIT Advisors L.L.C., a Delaware limited liability company. The Adviser is an affiliate of Blackstone Real Estate, our sponsor.

Blackstone is a leading* global investment manager with total assets under management of \$584 billion. Blackstone's alternative asset management businesses include investment vehicles focused on private equity, real estate, insurance, hedge fund solutions, non-investment grade credit, secondary private equity funds of funds and multi-asset class strategies. Blackstone also provides capital markets services.

Blackstone Real Estate was founded in 1991 and is one of the largest real estate investment managers in the world, with \$174 billion of investor capital under management as of September 30, 2020, representing approximately \$341 billion of debt and equity as of September 30, 2020. Blackstone Real Estate operates as one globally integrated business with 594 employees and investments in North America, Europe, Asia and Latin America. In the United States, Blackstone Real Estate is one of the largest owners of multifamily, office, hospitality and retail assets, and has been one of the most active investors in industrial properties over the past five years. Our objective is to bring Blackstone's leading institutional-quality real estate investment platform to

* See *INREV Survey*, June 2020.

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income-focused investors. During the ten year period ended December 31, 2019, the sponsor sponsored two public real estate programs other than us, consisting of one New York Stock Exchange (“NYSE”) listed public REIT, and one registered investment company master-feeder complex. Neither of these two prior public programs sponsored by the sponsor included a date or time period in its offering materials at which the program might be liquidated. See “Investment Objectives and Strategies—Potential Competitive Strengths.”

Pursuant to the Advisory Agreement, the Adviser has contractual and fiduciary responsibilities to us and our stockholders and is responsible for sourcing, evaluating and monitoring our investment opportunities and making decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our board of directors. We or the Adviser may retain other service providers in connection with our operations, including, without limitation, administration, legal and accounting support. The Adviser will leverage the global resources of Blackstone Real Estate to achieve our investment goals and objectives.

Significant investment opportunities are generally approved by the Investment Committee. Smaller property acquisitions are reviewed by a subset of the Investment Committee. The high level of interaction between the Investment Committee and investment professionals from the inception of a transaction to closing helps identify potential issues early and enables the team to more effectively streamline resources and workflows. The Investment Committee process emphasizes a consensus-based approach to decision making among the members. The Investment Committee discussions are led by Jonathan Gray and Kenneth Caplan, Blackstone’s President and Chief Operating Officer and Blackstone Real Estate’s Global Co-Head, respectively. The Investment Committee includes all other Senior Managing Directors in Blackstone Real Estate, as well as senior executives of Blackstone, including Steve Schwarzman and Tony James, Blackstone’s CEO and its Executive Vice Chairman, respectively. The Senior Managing Directors in Blackstone Real Estate who are members of the Investment Committee are as follows:

Name	Position
Kenneth Caplan	Senior Managing Director and Global Co-Head of Blackstone Real Estate
Kathleen McCarthy	Senior Managing Director and Global Co-Head of Blackstone Real Estate
Frank Cohen	Senior Managing Director and Global Head of Core+ Real Estate
A.J. Agarwal	Senior Managing Director and Head of U.S. Core+ Real Estate
Wesley LePatner	Senior Managing Director and Global Chief Operating Officer of Core+ Real Estate
Robert Harper	Senior Managing Director and Head of U.S. Asset Management of Blackstone Real Estate
Nadeem Meghji	Senior Managing Director and Head of Blackstone Real Estate Americas
Jonathan Pollack	Senior Managing Director and Global Head of Blackstone Real Estate Debt Strategies
Giovanni Cutaia	Senior Managing Director and Global Head of Asset Management of Blackstone Real Estate
Samir Amichi	Senior Managing Director and Head of Blackstone Real Estate Europe Acquisitions
Tyler Henritze	Senior Managing Director and Head of Blackstone Real Estate Americas Acquisitions
Christopher Heady	Senior Managing Director and Chairman of Asia Pacific and Head of Blackstone Real Estate Asia
Alexandra Hill	Senior Managing Director and Head of Real Estate Business Development for the Americas
Timothy Johnson	Senior Managing Director and Global Head of Originations of Blackstone Real Estate Debt Strategies
Lama Kanazeh	Senior Managing Director and Head of Real Estate Business Development in Europe
Farhad Karim	Senior Managing Director, Global General Counsel of Blackstone Real Estate and Chief Operating Officer of Blackstone Real Estate Europe

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<u>Name</u>	<u>Position</u>
Katherine Keenan	Senior Managing Director of Blackstone Real Estate Debt Strategies
Brian Kim	Senior Managing Director of Blackstone Real Estate
Daisuke Kitta	Senior Managing Director, Head of Blackstone Japan and Head of Real Estate Japan
Michael Lascher	Senior Managing Director and Global Head of Real Estate Debt Capital Markets
David Levine	Senior Managing Director of Blackstone Real Estate
David McClure	Senior Managing Director and Head of Asset Management for Asia Pacific
Alan Miyasaki	Senior Managing Director and Head of Blackstone Real Estate Asia Acquisitions
Asheesh Mohta	Senior Managing Director and Head of Blackstone Real Estate India Acquisitions
Anthony Myers	Senior Managing Director and the Chairman of Blackstone Real Estate Europe
Michael Nash	Senior Managing Director and Co-Founder and Chairman of Blackstone Real Estate Debt Strategies
Brett Newman	Senior Managing Director and Global Head of Real Estate Institutional Client Solutions
Tuhin Parikh	Senior Managing Director and Head of Real Estate India
Stephen Plavin	Senior Managing Director of Blackstone Real Estate Debt Strategies
James Seppala	Senior Managing Director and Head of Blackstone Real Estate Europe
Adam Shah	Senior Managing Director and Head of Blackstone Real Estate Asset Management for Europe
William Skinner	Senior Managing Director and Global Chief Operating Officer of Blackstone Real Estate Debt Strategies
William J. Stein	Senior Managing Director of Blackstone Real Estate
Michael Swank	Senior Managing Director of Blackstone Real Estate
Christopher Tynan	Senior Managing Director and Head of Real Estate Australia
Tim Wang	Senior Managing Director and Head of Real Estate China
Jacob Wemer	Senior Managing Director of Blackstone Real Estate
Michael Wiebolt	Senior Managing Director of Blackstone Real Estate Debt Strategies

For information concerning the background of Mr. Cohen, Mr. Agarwal, Mr. Harper, Mrs. LePatner and Mr. Kim see “—Directors and Executive Officers” above. Information concerning the background of the remainder of the individuals named in the chart above is set forth below.

Kenneth A. Caplan is a Senior Managing Director and Global Co-Head of Blackstone Real Estate. Mr. Caplan most recently served as Global Chief Investment Officer of Blackstone Real Estate and prior to that as Head of Real Estate Europe. Since joining Blackstone in 1997, Mr. Caplan has been involved in over \$100 billion of real estate acquisitions and initiatives in the United States, Europe and Asia. These include major acquisitions such as Equity Office Properties, Hilton Hotels, Logisor and GE Real Estate. Before joining Blackstone, he was at Lazard Frères & Co. in the real estate investment banking group. Mr. Caplan received an AB in Economics from Harvard College, where he graduated magna cum laude, was elected to Phi Beta Kappa and was a John Harvard Scholar. He currently serves on the Board of Trustees of Invitation Homes and Prep for Prep.

Kathleen McCarthy is a Senior Managing Director and Global Co-Head of Blackstone Real Estate. Ms. McCarthy previously served as Global Chief Operating Officer of Blackstone Real Estate, where she was responsible for its day-to-day operations with a particular focus on its investors, capital raising and business development efforts across new investment products. Before joining Blackstone in 2010, Ms. McCarthy worked

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at Goldman Sachs, where she was a Vice President focused on investments for the Real Estate Principal Investment Area. Ms. McCarthy began her career at Goldman Sachs in the Mergers & Acquisitions Group. Ms. McCarthy received a BA with Distinction from Yale University. Ms. McCarthy serves on the boards of City Harvest, the Real Estate Roundtable, the PREA Foundation and the Blackstone Charitable Foundation.

Nadeem Meghji is a Senior Managing Director in the Real Estate Group and Head of Real Estate Americas, based in New York. Mr. Meghji has played a leadership role in Blackstone's investment activity in the US, including the acquisition of Stuyvesant Town-Peter Cooper Village, Biomed Realty Trust, and Brixmor Property Group. Before joining Blackstone in 2008, Mr. Meghji worked as an associate at the Lionstone Group. Mr. Meghji received a BS in Electrical Engineering from Columbia University, where he graduated summa cum laude. He received a JD from Harvard Law School and an MBA from Harvard Business School. Mr. Meghji serves as a board member for the Lupus Research Alliance and is the Co-Chair of the annual Rally Against Lupus fundraiser. Mr. Meghji was named a World Economic Forum Young Global Leader in 2018.

Jonathan Pollack is a Senior Managing Director and Global Head of the Blackstone Real Estate Debt Strategies group and is based in New York. Since joining Blackstone in 2015, Mr. Pollack has been responsible for overseeing our real estate debt investment strategy. He is also a member of the firm's real estate investment committee, and serves on the board of Blackstone Mortgage Trust. Prior to joining Blackstone, Mr. Pollack was a Managing Director and Global Head of Commercial Real Estate, as well as Head of Risk for Structured Finance, at Deutsche Bank. Mr. Pollack joined Deutsche Bank in 1999 from Nomura Group. Mr. Pollack received a BA in Economics from Northwestern University. He currently serves on the Board of Trustees of the East Harlem Tutorial Program.

Giovanni Cutaia is a Senior Managing Director and Head of Global Asset Management in Blackstone Real Estate. Prior to joining Blackstone in 2014, Mr. Cutaia was at Lone Star Funds where he was a Senior Managing Director and Co-Head of Commercial Real Estate Investments Americas. Prior to Lone Star, Mr. Cutaia spent over 12 years at Goldman Sachs in its Real Estate Principal Investments Area as a Managing Director in its New York and London offices. Mr. Cutaia received a BA from Colgate University and an MBA from the Tuck School of Business at Dartmouth College.

Samir Amichi is a Senior Managing Director in the Real Estate Group and the Head of Real Estate Europe Acquisitions, based in London. Since joining Blackstone in 2011, Mr. Amichi has been involved in a number of Blackstone's investments in Europe, including OfficeFirst, the Banco Popular portfolio, Testa Residencial and the GE European portfolio. Previously, Mr. Amichi spent seven years in Goldman Sachs International's real estate private equity group focused on equity and debt investment opportunities in Europe and two years at The Richemont Group overseeing the set-up and growth of its global real estate investment business. Mr. Amichi received an MS in Management from the HEC business school in Paris, where he majored in Economics.

Tyler Henritze is a Senior Managing Director in Blackstone Real Estate and the Head of Acquisitions Americas based in New York. Since joining Blackstone in 2004, Mr. Henritze has been involved in approximately \$100 billion of real estate investments across all property types. Notable transactions include the acquisition of Gramercy Capital, International Market Center, GE Capital's real estate business, Strategic Hotels, Motel 6, The Cosmopolitan of Las Vegas, Extended Stay America, Equity Office Properties, CarrAmerica. Mr. Henritze currently serves as a board member of The Cosmopolitan of Las Vegas and is a former board member of Hilton Worldwide, Park Hotels and La Quinta. Before joining Blackstone, Mr. Henritze worked at Merrill Lynch, where he was an Analyst in the Real Estate Investment Banking group. Mr. Henritze received a BS in Commerce from The McIntire School at the University of Virginia where he graduated with distinction. He also helped found and serves on the investment community board of CityYear New York.

Christopher Heady is a Senior Managing Director, the Chairman of Asia Pacific and Head of Blackstone Real Estate Asia. Mr. Heady is based in Hong Kong and is responsible for the day-to-day management of Blackstone Real Estate's investment activities and personnel in Asia. Mr. Heady joined Blackstone in 2000 and has been

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involved in a variety of real estate acquisitions and initiatives in the U.S., Europe and Asia. Since 2007, Mr. Heady has played a key role in Blackstone Real Estate's Asia expansion, including establishing teams and executing investments in Greater China, India, Singapore, Japan and Australia. Before joining Blackstone, Mr. Heady was with Morgan Stanley in London and New York, where he was involved in real estate private equity. Mr. Heady received a AB in Public Policy from the University of Chicago, where he graduated with honors. He currently serves on the board of ANREV, Embassy Office Parks and 151 Property Group.

Alexandra Hill is a Senior Managing Director and the Head of Real Estate Business Development for the Americas, based in New York. Since joining Blackstone, Ms. Hill has focused her efforts on raising capital for Blackstone's private investment funds, with a primary focus on Blackstone's real estate efforts. Before joining Blackstone in 2008, Ms. Hill was Vice President of Investor Relations at Colony Capital, a real estate investment manager. Prior to joining Colony, Ms. Hill worked at the law firm of Clifford Chance as a member of the corporate mergers and acquisition department. Ms. Hill received a BA from the University of Massachusetts at Amherst and a JD with honors from the George Washington University School of Law.

Timothy Johnson is a Senior Managing Director of Blackstone Real Estate Debt Strategies and the Global Head of Originations for Blackstone Real Estate Debt Strategies, based in New York. Mr. Johnson is involved in sourcing, underwriting, negotiating and structuring debt investments across all asset types and geographies. Before joining Blackstone in 2011, Mr. Johnson was a co-founder of BroadPeak Funding, a boutique commercial real estate finance company based in Los Angeles. Prior to founding BroadPeak, Mr. Johnson was a Vice President in the Lehman Brothers Global Commercial Real Estate Group where he worked from 2002 to 2008. Mr. Johnson received a BA in Mathematics from the College of the Holy Cross where he graduated cum laude.

Lama Kanazeh is a Senior Managing Director and the Head of Real Estate Business Development in Europe, based in London. Ms. Kanazeh manages Blackstone Real Estate's capital raising, investor relations and new business development initiatives in Europe and the Middle East. Before joining Blackstone in 2008, Ms. Kanazeh spent four years at Credit Suisse in their Investment Banking and Leveraged Finance Divisions. Ms. Kanazeh received a BA in Economics and Political Science from Columbia University.

Farhad Karim is a Senior Managing Director, Global General Counsel of Blackstone Real Estate, and Chief Operating Officer of Blackstone Real Estate Europe, based in London. Mr. Karim is responsible for the oversight and coordination of all legal affairs relating to Blackstone Real Estate's global business. Since joining Blackstone in 2011, Mr. Karim has also been involved in a number of real estate acquisitions, dispositions, financing, and other initiatives throughout Europe. Prior to joining Blackstone, Mr. Karim was a partner at Simpson Thacher & Bartlett LLP where he worked on a variety of real estate transactions in Asia, Europe, and North America. Mr. Karim received a BA (Honours) from McGill University and a Masters in International Affairs and JD from Columbia University.

Katherine Keenan is a Senior Managing Director in the Real Estate Debt Strategies group at Blackstone and President of Blackstone Mortgage Trust (NYSE: BXMT). As President of BXMT, Ms. Keenan focuses on the REIT's investments, operations and strategy. Ms. Keenan also originates loans and other investments for BXMT as well as for other investment vehicles managed by Blackstone's Real Estate Debt Strategies Group. Before joining Blackstone in 2012, Ms. Keenan was a Vice President at G2 Investment Group, focusing on real estate and private equity investment activities. Prior to that, she worked at Lubert-Adler Real Estate Funds and in the Real Estate Investment Banking Group at Lehman Brothers. She sits on the Advisory Board of NYPEN Real Estate and is a member of WX. Ms. Keenan graduated cum laude with an A.B. in History from Harvard College.

Daisuke Kitta is the Head of Blackstone Japan, Head of Real Estate Japan and is a Senior Managing Director at Blackstone based in Tokyo. Mr. Kitta is responsible for the day-to-day management of the Real Estate group's investment activities in Japan as well as all business and administrative functions for the office. Since joining Blackstone in 2008, Mr. Kitta has been involved in analyzing various real estate investment opportunities in Japan. Before joining Blackstone, Mr. Kitta worked at Deutsche Bank, where he was responsible for originating

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and executing real estate transactions in Japan. Mr. Kitta received a degree in Economics from Nihon University and also graduated with a B.S. from the School of Hotel Administration at Cornell University.

Michael Lascher is a Senior Managing Director in the Real Estate group and the Global Head of Real Estate Debt Capital Markets. Mr. Lascher oversees the financing of all of Blackstone's real estate investments, and since joining the firm in 2012, has been involved in over \$240 billion of asset, stock and portfolio-level financings. He is also involved in obtaining fund-level leverage utilized by Blackstone's real estate investment vehicles. Before joining Blackstone, Mr. Lascher was a Managing Director with the Lehman Brothers bankruptcy estate where he asset managed a portfolio of real estate investments. From 2004 until the company's bankruptcy, Mr. Lascher was a member of Lehman's Global Real Estate Group where he focused on the origination, structuring and closing of CMBS financings. He previously was an associate in the real estate group of Cadwalader, Wickersham & Taft. Mr. Lascher received a BA in History and Communications from The University of Pennsylvania and a JD from the Benjamin N. Cardozo School of Law.

Andrew Lax is a Senior Managing Director and the Head of Blackstone Real Estate Asset Management for Europe, based in London. Since joining Blackstone in 2002, Mr. Lax has worked in both Blackstone's New York and London offices and been involved in investments across all property types, including IndCor Properties, Logicor, Multi Corporation and Office First. Before joining Blackstone, Mr. Lax worked for TD Securities' real estate group. Mr. Lax received a BComm from the University of British Columbia, where he graduated with honors. Mr. Lax currently serves as chairman of Sponda and The Office Group.

David Levine is a Senior Managing Director in the Real Estate group. Mr. Levine currently focuses on new investment opportunities in the industrial/logistics and office sectors. Since joining Blackstone in 2010, Mr. Levine has been involved in analyzing real estate investments in several property sectors and has worked on various transactions, including the creation and sale of Blackstone's 117 million square foot industrial platform, IndCor Properties. Mr. Levine currently oversees Blackstone's U.S. and Canadian logistics portfolio which spans more than 400 million square feet. Mr. Levine has been involved in the acquisition of GLP's 179 million square foot U.S. Portfolio, BioMed Realty Trust, Gramercy Property Trust, Apple REIT 6, Motel 6, Pure Industrial and the IPO of Extended Stay Hotels. Mr. Levine graduated from Northwestern University, where he received a BA in Economics.

David McClure is a Senior Managing Director in the Real Estate Group and the Head of Asset Management for Asia Pacific, based in Hong Kong. Before joining Blackstone, Mr. McClure was a Vice President at Silverpeak Real Estate, where he focused on asset management activities in the United Kingdom and France. Mr. McClure received an Honours Degree in Law from the University of Edinburgh, Scotland and is also a qualified accountant with the Institute of Chartered Accountants in England & Wales.

Alan Miyasaki is a Senior Managing Director and the Head of Blackstone Real Estate Asia Acquisitions, based in Singapore. Mr. Miyasaki is responsible for the day-to-day management of the Blackstone Real Estate's investment activities in Asia. Since joining Blackstone in 2001, Mr. Miyasaki has been involved in a variety of real estate transactions in both the United States and Asia. Since 2007, Mr. Miyasaki has played a key role in building Blackstone Real Estate's business in Asia, including executing investments in Greater China, India, Singapore, Japan and Australia. Before joining Blackstone, Mr. Miyasaki was with Starwood Capital Group, where he worked in acquisitions. Mr. Miyasaki received a BS in Economics from The Wharton School of the University of Pennsylvania, where he graduated cum laude. He currently serves on the board of the Singapore American School Foundation, K Raheja Corp Investment Managers LLP (manager of the Mindspace Business Parks REIT) and 151 Property Group.

Asheesh Mohta is a Senior Managing Director in the Real Estate group and the Head of Real Estate India Acquisitions based in Mumbai. Since joining Blackstone in 2007, Mr. Mohta has been involved in analyzing real estate investments across the residential, commercial, and hospitality sectors. Before joining Blackstone, Mr. Mohta worked as Assistant Vice President with the real estate arm of The Chatterjee Group, one of the first

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private equity investors in India. He was responsible for the treasury and resource raising functions for the group across a pan-Indian portfolio of properties. Mr. Mohta received a Bachelor's of Commerce (honours) degree from the University of Calcutta and an MBA from the Indian School of Business.

Anthony Myers is a Senior Managing Director and the Chairman of Blackstone Real Estate Europe, based in London. Since joining Blackstone in 2001, Mr. Myers has been involved in a number of real estate investments, both in Europe and in the US and was previously the Head of Blackstone Real Estate Europe. Prior to joining Blackstone, Mr. Myers was Executive Vice President and COO at Balfour Holdings, Inc., a residential and commercial land development company acquired by affiliates of Blackstone in 1997. Before joining Balfour, Mr. Myers was an Associate Director in the Bear Stearns Real Estate group. Mr. Myers received a BSc (Honors) in Civil Engineering from the University of Cape Town and an MBA from Columbia University.

Michael Nash is a Senior Managing Director of Blackstone and Co-Founder and Chairman of Blackstone Real Estate Debt Strategies. Mr. Nash is a member of the Real Estate Investment Committee for both Blackstone Real Estate Debt Strategies and Blackstone Real Estate Advisors. He is also Executive Chairman of Blackstone Mortgage Trust, Inc. (NYSE: BXMT), and is the Chairman of the Board of the Blackstone Real Estate Income Funds, which is a complex of registered closed-end funds. Prior to joining Blackstone, Mr. Nash was with Merrill Lynch from 1997 to 2007 where he led the firm's Real Estate Principal Investment Group—Americas. Prior to 1997, Mr. Nash held various positions with Barclays Bank, Bank of Nova Scotia and Deloitte Haskins & Sells. Mr. Nash received a BS in Accounting from State University of New York at Albany, as well as an MBA in Finance from the Stern School of Business at New York University.

Brett Newman is a Senior Managing Director and Global Head of Real Estate Institutional Client Solutions. Since joining Blackstone in 2007, Mr. Newman has performed various roles across the firm, including in the Corporate Development Group where he executed acquisitions, joint ventures and partnerships on behalf of Blackstone. As a member of Blackstone's M&A investment banking business, Mr. Newman also advised a wide range of clients on numerous transactions in the financial services industry. Before joining Blackstone, Mr. Newman provided M&A consulting services at PricewaterhouseCoopers. Mr. Newman received a BSBA in finance and accounting from Bowling Green State University and an MBA with high honors from the University of Chicago Booth School of Business.

Tuhin Parikh is a Senior Managing Director in Blackstone Real Estate based in Mumbai, and has oversight responsibilities for Blackstone Real Estate operations in India. Since joining Blackstone in 2007, Mr. Parikh has been involved in identifying and evaluating Indian real estate in several sectors, and recently completed three significant transactions in India, including the acquisition of a 12.9 million square foot business park development, the acquisition of a 1.9 million square foot office park in Pune, and the acquisition of a 50% interest in Embassy Holding Company, which owns 20.9 million square feet across three Class A office parks in India. Before joining Blackstone, Mr. Parikh was the CFO and subsequently CEO of TCG Urban Infrastructure Holdings Ltd., a national level office developer and asset owner in India. Mr. Parikh received a Bachelor in Accountancy from Mumbai University and an MBA from Indian Institute of Management (Ahmedabad).

Stephen Plavin is a Senior Managing Director in Blackstone Real Estate Debt Strategies and Chief Executive Officer of Blackstone Mortgage Trust, Inc. (NYSE: BXMT). Mr. Plavin is a member of the Investment Committee for both Blackstone Real Estate Debt Strategies and Blackstone Real Estate Advisors. He is based in New York. Before joining Blackstone, Mr. Plavin was Chief Executive Officer of Capital Trust, Inc. and CT Investment Management Co., LLC, a commercial real estate debt investment manager and rated special servicer that was wholly owned by Capital Trust and acquired by Blackstone in December 2012. Prior to joining Capital Trust in 1998, Mr. Plavin was co-head of Global Real Estate for The Chase Manhattan Bank and Chase Securities Inc. Mr. Plavin received a BA from Tufts University and an MBA from the J.L. Kellogg Graduate School of Management at Northwestern University.

James Seppala is a Senior Managing Director in Blackstone Real Estate and the Head of Blackstone Real Estate Europe, based in London. Since joining Blackstone in 2011, Mr. Seppala has been involved in a number of

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Blackstone's investments across Europe, including Logicor, OfficeFirst, Sponda and Mileway. Prior to joining Blackstone, Mr. Seppala was a Vice President at Goldman Sachs & Co, where he spent 10 years focused on equity and debt investment opportunities in Europe and the U.S. on behalf of Goldman Sachs's real estate private equity group. Mr. Seppala graduated magna cum laude from Harvard College in 2001. Mr. Seppala currently serves as Chairman of Sponda, is on the board of The Office Group, and chairs the European Advisory Board of the Zell/Lurie Real Estate Center at the Wharton School.

Adam Shah is a Senior Managing Director and Chief Operating Officer of Real Estate Asset Management for Europe. Before joining Blackstone, Mr. Shah was a Managing Director and Chief Operating Officer of Europe at Starwood Capital Group, where he most recently led asset management activities across Europe and was a member of the European Investment Committee. Mr. Shah received both a BSc. with honours and a MSc. in Engineering from Queen's University at Kingston, Canada and an MBA from the Tuck School of Business at Dartmouth College.

William Skinner is a Senior Managing Director and Global Chief Operating Officer of Blackstone Real Estate Debt Strategies. Since joining Blackstone in 2013, Mr. Skinner has been involved in over \$100 billion of real estate transactions including the financing of Invitation Homes, Logicor, Indcor, GE Real Estate, Office First, Equity Office Properties, Sponda, Brixmor, BRE Select and Hilton. Mr. Skinner has previously worked for Blackstone in London where he served as Head of European Capital Markets. Prior to joining Blackstone, Mr. Skinner worked at Goldman Sachs where he was an Associate in the Real Estate Investment Banking Group. Mr. Skinner received a BA from Princeton University and a MBA from Wharton, where he graduated as a Palmer Scholar and received the Robert Linneman Memorial Fellowship and Jerome Freedman Memorial Award.

William J. Stein is a Senior Managing Director for Blackstone Real Estate. Since joining Blackstone in 1997, Mr. Stein has been involved in the direct asset management and asset management oversight of Blackstone's global real estate platform with over \$115 billion of investor capital under management. Blackstone's portfolio includes hotel, office, retail, industrial and residential properties in the U.S., Europe, Asia and Latin America. Mr. Stein currently serves on the boards of The Cosmopolitan of Las Vegas, Edens Investment Trust and Invitation Homes and is a member of the University of Michigan Ross School of Business Advisory Board and the University of Michigan Real Estate Fund Advisory Board. Prior board memberships include Hilton Worldwide, Extended Stay America, La Quinta, Brixmor Property Group and the Blackstone Charitable Foundation. Before joining Blackstone, Mr. Stein was a Vice President at Heitman Real Estate Advisors and JMB Realty Corp. Mr. Stein received a BBA from the University of Michigan and an MBA from the University of Chicago.

Michael Swank is a Senior Managing Director in the Real Estate Group based in London. Mr. Swank focuses on Blackstone's real estate acquisitions in Germany and the Nordics. Since joining Blackstone in 2010, Mr. Swank has been involved in a number of Blackstone's investments in Europe and the U.S., including Dream Global, Hembra (D. Carnegie), Obligo, Sponda, Hilton Worldwide, and Cecina. Mr. Swank graduated summa cum laude from the University of Pennsylvania, where he received a BS in Economics from the Wharton School.

Christopher J. Tynan is a Senior Managing Director in the Real Estate group and the Head of Real Estate Australia, is based in Sydney. Since joining Blackstone in 2016, Mr. Tynan has been involved in Blackstone's investments across Australia and New Zealand. Before joining Blackstone, Mr. Tynan was a Managing Director with Morgan Stanley where he led real estate investing activities in Australasia for Morgan Stanley's real estate funds. Mr. Tynan received a Bachelor of Commerce (Merit) and a Bachelor of Laws from University of New South Wales. He currently serves on the Boards of 151 Property Group and La Trobe Financial Group.

Tim Wang is a Senior Managing Director and Head of Real Estate China at Blackstone. Mr. Wang is based in Hong Kong and is responsible for Blackstone's Real Estate investment in Greater China. Mr. Wang has over 20 years of working experience in the real estate industry. Mr. Wang joined Blackstone in 2010 and has been involved in evaluating real estate investments in China and managing the Greater China portfolio. Mr. Wang led

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the initiation, sale and restructuring of some of the key investments and projects in China including SCPG, Westlink and building up logistics portfolios in China. Before joining Blackstone, Mr. Wang worked at Bank of America Merrill Lynch's Real Estate Principal Division in China. He was involved in acquisitions and asset management. Prior to that, Mr. Wang worked in various real estate development companies in China and Australia. Mr. Wang received a Master for International Business degree from Curtin University of Technology. He also has a Bachelor Degree in Economics from Zhejiang University in China. Mr. Wang is currently a Director of SCPG Group. He also serves as a member of the ICSC China leadership board and ULI Asia Pacific Executive Committee.

Jacob Werner is a Senior Managing Director in the Real Estate group and is based in New York. Since joining Blackstone in 2005, Mr. Werner has been involved in analyzing Blackstone's real estate investments in all property types and has worked on a variety of transactions, including BioMed Realty, Pure Industrial, Equity Office Properties, CarrAmerica, Trizec, 1140 Avenue of the Americas and the former New York Times Building and the Willis Tower. Before joining Blackstone's Real Estate group, Mr. Werner was an analyst in Blackstone's Restructuring and Reorganization group where he assisted in advising on a variety of restructuring transactions, including Goodyear Tire & Rubber and General Motors Corporation. Mr. Werner received a BS from the McIntire School of Commerce at the University of Virginia where he graduated with distinction.

Michael Wiebolt is a Senior Managing Director in the Blackstone Real Estate Debt Strategies group, where he is involved in investments in liquid real estate debt. Before joining Blackstone, Mr. Wiebolt was a Vice President at Goldman, Sachs & Co. While at Goldman, Sachs, Mr. Wiebolt was most recently responsible for trading high yield CMBS and CRE CDOs. Mr. Wiebolt holds a BA in History from Carleton College, where he graduated magna cum laude and was elected to Phi Beta Kappa. Mr. Wiebolt also received a Master's in Business Administration from the Columbia Graduate School of Business.

The Advisory Agreement

Our board of directors at all times has oversight and policy-making authority, including responsibility for governance, financial controls, compliance and disclosure with respect to our company and our Operating Partnership. Pursuant to the Advisory Agreement, our board of directors has delegated to the Adviser the authority to source, evaluate and monitor our investment opportunities and make decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our board of directors. We believe that the Adviser currently has sufficient staff and resources so as to be capable of fulfilling the duties set forth in the Advisory Agreement.

Services

Pursuant to the terms of the Advisory Agreement, the Adviser is responsible for, among other things:

- serving as an advisor to us and the Operating Partnership with respect to the establishment and periodic review of our investment guidelines and our and the Operating Partnership's investments, financing activities and operations;
- sourcing, evaluating and monitoring our and Operating Partnership's investment opportunities and executing the acquisition, management, financing and disposition of our and Operating Partnership's assets, in accordance with our investment guidelines, policies and objectives and limitations, subject to oversight by our board of directors;
- with respect to prospective acquisitions, purchases, sales, exchanges or other dispositions of investments, conducting negotiations on our and Operating Partnership's behalf with sellers, purchasers, and other counterparties and, if applicable, their respective agents, advisors and representatives, and determining the structure and terms of such transactions;
- providing us with portfolio management and other related services;

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- serving as our advisor with respect to decisions regarding any of our financings, hedging activities or borrowings; and
- engaging and supervising, on our and Operating Partnership's behalf and at our and the Operating Partnership's expense, various service providers.

The above summary is provided to illustrate the material functions which the Adviser will perform for us and it is not intended to include all of the services which may be provided to us by the Adviser or third parties.

Term and Termination Rights

Our Advisory Agreement was most recently renewed on March 12, 2020 and has a one-year term expiring March 31, 2021, subject to renewals by our board of directors for an unlimited number of successive one-year periods. Our independent directors will evaluate the performance of the Adviser before renewing the Advisory Agreement. The Advisory Agreement may be terminated:

- immediately by us (1) for "cause," (2) upon the bankruptcy of the Adviser or (3) upon a material breach of the Advisory Agreement by the Adviser;
- upon 60 days' written notice by us without cause or penalty upon the vote of a majority of our independent directors; or
- upon 60 days' written notice by the Adviser.

"Cause" is defined in the Advisory Agreement to mean fraud, criminal conduct, willful misconduct or willful or negligent breach of fiduciary duty by the Adviser under the Advisory Agreement.

In the event the Advisory Agreement is terminated, the Adviser will be entitled to receive its prorated management fee through the date of termination. In addition, upon the termination or expiration of the Advisory Agreement, the Adviser will cooperate with us and take all reasonable steps requested to assist our board of directors in making an orderly transition of the advisory function.

Management Fee, Performance Participation and Expense Reimbursements

Management Fee. As compensation for its services provided pursuant to the Advisory Agreement, we pay the Adviser a management fee of 1.25% of NAV per annum payable monthly. Additionally, to the extent that our Operating Partnership issues Operating Partnership units to parties other than us, our Operating Partnership will pay the Adviser a management fee equal to 1.25% of the NAV of the Operating Partnership attributable to such Operating Partnership units not held by us per annum payable monthly. In calculating our management fee, we will use our NAV before giving effect to accruals for the management fee, performance participation allocation, stockholder servicing fees or distributions payable on our shares.

Performance Participation. So long as the Advisory Agreement has not been terminated, the Special Limited Partner will hold a performance participation interest in the Operating Partnership that entitles it to receive an allocation from our Operating Partnership equal to 12.5% of the Total Return, subject to a 5% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined under "Summary of our Operating Partnership Agreement—Special Limited Partner Interest").

Expense Reimbursement. Under the Advisory Agreement, and subject to the limitations described below under "—Reimbursement by the Adviser," our Adviser is entitled to reimbursement of all costs and expenses incurred by it or its affiliates on our behalf, provided that the Adviser is responsible for the expenses related to any and all personnel of the Adviser who provide investment advisory services to us pursuant to the Advisory Agreement (including, without limitation, each of our executive officers and any directors who are also directors, officers or employees of the Adviser or any of its affiliates), including, without limitation, salaries, bonus and other wages,

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payroll taxes and the cost of employee benefit plans of such personnel, and costs of insurance with respect to such personnel. Without limiting the generality of the foregoing, costs eligible for reimbursement include for out-of-pocket costs and expenses the Adviser incurs in connection with the services it provides to us related to (1) legal, accounting, printing, mailing and subscription processing fees and other expenses attributable to our organization, preparation of the registration statement, registration and qualification of our common stock for sale with the SEC and in the various states and filing fees incurred by the Adviser (as described further below), (2) the actual cost of goods and services used by us and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other services providers, and brokerage fees paid in connection with the purchase and sale of investments and securities, (3) expenses of managing and operating our properties, whether payable to an affiliate or a non-affiliated person, and (4) out-of-pocket expenses in connection with the selection and acquisition of properties and real estate debt, whether or not such investments are acquired. Such out-of-pocket costs and expenses will include expenses relating to compliance-related matters and regulatory filings relating to our activities (including, without limitation, expenses relating to the preparation and filing of Form PF, Form ADV, reports to be filed with the CFTC, reports, disclosures, and/or other regulatory filings of the Adviser and its affiliates relating to our activities (including our pro rata share of the costs of the Adviser and its affiliates of regulatory expenses that relate to us and Other Blackstone Accounts)).

We reimburse the Adviser for any organization and offering expenses associated with this offering that it incurs on our behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, and expense reimbursements for actual costs incurred by employees of the Dealer Manager in the performance of wholesaling activities, but excluding upfront selling commissions, dealer manager fees and the stockholder servicing fee) as and when incurred. The Adviser currently pays wholesaling compensation expenses and certain related expenses of persons associated with the Dealer Manager without reimbursement from us. After the termination of the primary offering and again after termination of the offering under our distribution reinvestment plan, the Adviser has agreed to reimburse us to the extent that the organization and offering expenses that we incur exceed 15% of our gross proceeds from the applicable offering.

In connection with our initial public offering, the Adviser advanced all of our organization and offering expenses on our behalf through December 31, 2017. We began reimbursing the Adviser for all such advanced expenses ratably over the 60 months following December 31, 2017. Beginning January 1, 2018, we also began reimbursing the Adviser for any organization and offering expenses related to our initial public offering that it incurred on our behalf as and when incurred.

Reimbursement by the Adviser. The Adviser will reimburse us for any expenses that cause our Total Operating Expenses in any four consecutive fiscal quarters to exceed the greater of (1) 2% of our Average Invested Assets or (2) 25% of our Net Income.

Notwithstanding the foregoing, to the extent that our Total Operating Expenses exceed these limits and the independent directors determine that the excess expenses were justified based on unusual and nonrecurring factors that they deem sufficient, the Adviser would not be required to reimburse us. Within 60 days after the end of any fiscal quarter for which our Total Operating Expenses for the four consecutive fiscal quarters then ended exceed these limits and our independent directors approve such excess amount, we will send our stockholders a written disclosure of such fact, or will include such information in our next quarterly report on Form 10-Q or in a current report on Form 8-K filed with the SEC, together with an explanation of the factors our independent directors considered in arriving at the conclusion that such excess expenses were justified. In addition, our independent directors will review at least annually the total fees and expense reimbursements for operating expenses paid to the Adviser and the Special Limited Partner to determine if they are reasonable in light of our performance, our net assets and our net income and the fees and expenses of other comparable unaffiliated REITs. Each such determination will be recorded in the minutes of a meeting of the independent directors.

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Independent Directors' Review of Compensation. Our independent directors evaluates at least annually whether the compensation that we contract to pay to the Adviser is reasonable in relation to the nature and quality of services performed and that such compensation is within the limits prescribed by our charter. Our independent directors will supervise the performance of the Adviser and the compensation we pay to it to determine that the provisions of the Advisory Agreement are being carried out. This evaluation is based on the factors set forth below, as well as any other factors deemed relevant by the independent directors:

- the amount of fees paid to the Adviser in relation to the size, composition and performance of our investments;
- the success of the Adviser in generating investments that meet our investment objectives;
- rates charged to other externally advised REITs and other similar investment entities by advisors performing similar services;
- additional revenues realized by the Adviser and its affiliates through their advisory relationship with us (including the performance participation allocation paid to the Special Limited Partner);
- the quality and extent of the services and advice furnished by the Adviser;
- the performance of the assets, including income, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and
- the quality of our portfolio in relationship to the investments generated by the Adviser for its own account.

In addition to the management fee, performance participation and expense reimbursements, we have agreed to indemnify and hold harmless the Adviser and its affiliates performing services for us from specific claims and liabilities arising out of the performance of their obligations under the Advisory Agreement, subject to certain limitations. See “—Limited Liability and Indemnification of Directors, Officers, the Advisor and Other Agents” below.

Limited Liability and Indemnification of Directors, Officers, the Adviser and Other Agents

Our organizational documents generally limit the personal liability of our stockholders, directors and officers for monetary damages and require us to indemnify and advance expenses to our directors, officers and the Adviser and any of its affiliates acting as our agents subject to the limitations of the NASAA REIT Guidelines and Maryland law. Maryland law permits a corporation to include in its charter a provision limiting the liability of directors and officers to the corporation and its stockholders for money damages, except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL allows directors and officers to be indemnified against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with a proceeding unless the following can be established:

- an act or omission of the director or officer was material to the cause of action adjudicated in the proceeding, and was committed in bad faith or was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- with respect to any criminal proceeding, the director or officer had reasonable cause to believe his or her act or omission was unlawful.

A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was

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adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by the corporation or in its right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses. The MGCL permits a corporation to advance reasonable expenses to a director or officer upon receipt of a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed if it is ultimately determined that the standard of conduct was not met.

In addition to the above limitations of the MGCL, our charter provides that our directors, the Adviser and its affiliates may be indemnified for losses or liability suffered by them or held harmless for losses or liability suffered by us only if all of the following conditions are met:

- the indemnitee determined, in good faith, that the course of conduct which caused the loss or liability was in our best interest;
- the indemnitee was acting on our behalf or performing services for us;
- in the case of affiliated directors, the Adviser or its affiliates, the liability or loss was not the result of negligence or misconduct by the party seeking indemnification; and
- in the case of our independent directors, the liability or loss was not the result of gross negligence or willful misconduct by the party seeking indemnification.

In addition, any indemnification or any agreement to hold harmless is recoverable only out of our net assets and not from our stockholders.

Our charter also provides that we may not provide indemnification to a director, the Adviser or any affiliate of the Adviser for any loss, liability or expense arising from or out of an alleged violation of federal or state securities laws by such party unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the party seeking indemnification;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to such party; or
- a court of competent jurisdiction approves a settlement of the claims against such party and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authority in which our securities were offered or sold as to indemnification for violations of securities laws.

Finally, our charter provides that we may pay or reimburse reasonable legal expenses and other costs incurred by our directors, the Adviser and its affiliates in advance of final disposition of a proceeding only if all of the following are satisfied:

- the proceeding relates to acts or omissions with respect to the performance of duties or services on our behalf;
- the indemnitee provides us with written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification;
- the legal proceeding was initiated by a third party who is not a stockholder or, if by a stockholder acting in his or her capacity as such, a court of competent jurisdiction approves such advancement; and
- the indemnitee provides us with a written agreement to repay the amount paid or reimbursed, together with the applicable legal rate of interest thereon, if it is ultimately determined that he or she did not comply with the requisite standard of conduct and is not entitled to indemnification.

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We have entered into indemnification agreements with each of our directors and executive officers. Pursuant to the terms of these indemnification agreements, we would indemnify and advance expenses and costs incurred by our directors and executive officers in connection with any claims, suits or proceedings brought against such directors and executive officers as a result of his or her service. However, our indemnification obligation is subject to the limitations set forth in the indemnification agreements and in our charter. We also maintain a directors and officers insurance policy.

The general effect to investors of any arrangement under which any of our controlling persons, directors or officers are insured or indemnified against liability is a potential reduction in distributions resulting from our payment of premiums, deductibles and other costs associated with such insurance or, to the extent any such loss is not covered by insurance, our payment of indemnified losses. In addition, indemnification could reduce the legal remedies available to us and our stockholders against the indemnified individuals; however, this provision does not reduce the exposure of our directors and officers to liability under federal or state securities laws, nor does it limit our stockholder's ability to obtain injunctive relief or other equitable remedies for a violation of a director's or an officer's duties to us or our stockholders, although the equitable remedies may not be an effective remedy in some circumstances.

The SEC and certain state securities regulators take the position that indemnification against liabilities arising under the Securities Act and state securities laws is against public policy and unenforceable.

Our Operating Partnership must also indemnify us and our directors and officers and other persons we may designate against damages and other liabilities in our capacity as general partner.

Legal Proceedings

Neither we nor the Adviser is currently involved in any material litigation. As a registered investment advisor, the Adviser may be examined periodically by the SEC.

COMPENSATION

We pay the Adviser, the Special Limited Partner, the Dealer Manager and their affiliates the fees and expense reimbursements described below in connection with performing services for us.

We do not intend to pay the Adviser or its affiliates any separate fees for property acquisitions, dispositions, financings (except interest and other payments to the lender in cases where the lender is an affiliate of the Adviser) or development, or adopt a long-term incentive plan, although our charter permits us to do so, subject to certain limitations. We do, however, reimburse the Adviser and its affiliates for out-of-pocket and other expenses related to the foregoing activities to the extent such expenses are paid by the Adviser.

<u>Type of Compensation and Recipient</u>	<u>Determination of Amount</u>	<u>Estimated Amount</u>
<i>Organization and Offering Activities</i>		
Upfront Selling Commissions and Dealer Manager Fees ⁽¹⁾⁽²⁾ — <i>The Dealer Manager</i>	<p>The Dealer Manager is entitled to receive upfront selling commissions of up to 3.0%, and upfront dealer manager fees of 0.5%, of the transaction price of each Class T share sold in the primary offering, however such amounts may vary at certain participating broker-dealers provided that the sum will not exceed 3.5% of the transaction price. The Dealer Manager is entitled to receive upfront selling commissions of up to 3.5% of the transaction price of each Class S share sold in the primary offering. The Dealer Manager may be entitled to receive upfront selling commissions of up to 1.5% of the transaction price of each Class D share sold in the primary offering. The Dealer Manager anticipates that all or a portion of the upfront selling commissions and dealer manager fees will be retained by, or reallocated (paid) to, participating broker-dealers.</p> <p>No upfront selling commissions or dealer manager fees are paid with respect to purchases of Class I shares or shares of any class sold pursuant to our distribution reinvestment plan.</p>	<p>The actual amount will depend on the number of Class T, Class S and Class D shares sold and the transaction price of each Class T, Class S and Class D share. Aggregate upfront selling commissions will equal approximately \$396.7 million if we sell the maximum amount in our primary offering, and aggregate dealer manager fees will equal approximately \$4.8 million if we sell the maximum amount in our primary offering, assuming payment of the full upfront selling commissions and dealer manager fees (with a split for Class T shares of 3.0% and 0.5%, respectively), that 5%, 50% and 10% of our offering proceeds are from the sale of each of Class T, Class S and Class D shares, respectively, and that the transaction prices of our Class T, Class S and Class D shares remain constant at \$10.00.</p>
Stockholder Servicing Fees ⁽²⁾⁽³⁾ — <i>The Dealer Manager</i>	Subject to FINRA limitations on underwriting compensation, we pay the Dealer Manager selling commissions over time as stockholder servicing fees for	Actual amounts depend upon the per share NAVs of our Class T shares,

Type of Compensation and Recipient

Determination of Amount

Estimated Amount

ongoing services rendered to stockholders by participating broker-dealers or broker-dealers servicing investors' accounts, referred to as servicing broker-dealers:

- with respect to our outstanding Class T shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class T shares, consisting of an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV of our outstanding Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares;
- with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares; and
- with respect to our outstanding Class D shares equal to 0.25% per annum of the aggregate NAV of our outstanding Class D shares.

We do not pay a stockholder servicing fee with respect to our outstanding Class I shares.

The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services. Because the stockholder servicing fees are calculated based on our NAV for our Class T, Class S and Class D shares, they will reduce the NAV or, alternatively, the distributions payable, with respect to the shares of each such class, including shares issued under our distribution reinvestment plan.

We will cease paying the stockholder servicing fee with respect to any Class T share, Class S share or Class D share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or, in the case of Class T shares

Class S shares and Class D shares, the number of Class T shares, Class S shares and Class D shares purchased and when such shares are purchased. For Class T shares, the stockholder servicing fees will equal approximately \$8.2 million per annum if we sell the maximum amount. For Class S shares, the stockholder servicing fees will equal approximately \$82.1 million per annum if we sell the maximum amount. For Class D shares, the stockholder servicing fees will equal approximately \$4.9 million per annum if we sell the maximum amount. In each case, we are assuming that, in our primary offering, 5% of our offering proceeds are from the sale of Class T shares, 50% of our offering proceeds are from the sale of Class S shares and 10% of our offering proceeds are from the sale of Class D shares, that the NAV per share of our Class T shares, Class S shares and Class D shares remains constant at \$10.00 and none of our stockholders participate in our distribution reinvestment plan.

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Type of Compensation and Recipient

Determination of Amount

Estimated Amount

sold through certain participating broker-dealers, a lower limit as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto) (collectively, the “Fee Limit”). At the end of such month, each such Class T share, Class S share or Class D share will convert into a number of Class I shares (including any fractional shares), with an equivalent aggregate NAV as such share (the “Share Conversion”). Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class T share (in the case of a limit of 8.75% of gross proceeds) or Class S share over approximately 7 years from the date of purchase and with respect to a Class D share over approximately 30 years from the date of purchase, assuming payment of the full upfront selling commissions and dealer manager fees, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for these time periods, this fee with respect to a Class T share or Class S share would total approximately \$0.91 and with respect to a Class D share would total approximately \$0.89.

In addition, we will cease paying the stockholder servicing fee on the Class T shares, Class S shares and Class D shares on the earlier to occur of the following: (i) a listing of Class I shares, (ii) our merger or consolidation with or into another entity, or the sale or other disposition of all or substantially all of our assets or (iii) the date following the completion of the primary portion of this offering on which, in the aggregate, underwriting compensation from all sources in connection with this offering, including upfront selling commissions, the stockholder servicing fee and other underwriting compensation, is equal to 10% of the gross proceeds from our primary offering.

For a description of the services required from the participating broker-dealer or servicing broker-dealer, see the “Plan of Distribution—Underwriting Compensation—Stockholder Servicing Fees—Class T, Class S and Class D Shares.”

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<u>Type of Compensation and Recipient</u>	<u>Determination of Amount</u>	<u>Estimated Amount</u>
Organization and Offering Expense Reimbursement(2)(4)— <i>The Adviser</i>	<p>We reimburse the Adviser for any organization and offering expenses associated with this offering that it incurs on our behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, and expense reimbursements for actual costs incurred by employees of the Dealer Manager in the performance of wholesaling activities, but excluding upfront selling commissions, dealer manager fees and the stockholder servicing fee) as and when incurred. The Adviser currently pays wholesaling compensation expenses and certain related expenses of persons associated with the Dealer Manager without reimbursement from us.</p> <p>In connection with our prior public offering, the Adviser advanced \$10.2 million of organization and offering expenses to us through December 31, 2017. We are reimbursing the Adviser these expenses ratably over a 60 month period which began on January 1, 2018. After the termination of the primary offering and again after termination of the offering under our distribution reinvestment plan, the Adviser has agreed to reimburse us to the extent that the organization and offering expenses that we incur exceed 15% of our gross proceeds from the applicable offering.</p>	<p>We estimate our organization and offering expenses to be approximately \$16.5 million if we sell the maximum offering amount.</p>
Acquisition Expense Reimbursement(5)— <i>The Adviser</i>	<p style="text-align: center;">Investment Activities</p> <p>We do not intend to pay the Adviser any acquisition, financing (except interest payments to the lender in cases where the lender is an affiliate of the Adviser) or other similar fees in connection with making investments. We will, however, reimburse the Adviser for out-of-pocket expenses in connection with the selection and acquisition of properties and real estate debt, whether or not such investments are acquired, and make payments to third parties or certain of the Adviser's affiliates in connection with making investments as described in "— Fees from Other Services" below.</p>	<p>Actual amounts are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.</p>

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Type of Compensation and Recipient	Determination of Amount	Estimated Amount
Management Fee— <i>The Adviser</i> (6)	<p data-bbox="703 215 887 241" style="text-align: center;"><i>Operational Activities</i></p> <p data-bbox="469 248 1098 398">We pay the Adviser a management fee equal to 1.25% of NAV per annum payable monthly. Additionally, to the extent that our Operating Partnership issues Operating Partnership units to parties other than us, our Operating Partnership will pay the Adviser a management fee equal to 1.25% of the NAV of the Operating Partnership attributable to such Operating Partnership units not held by us per annum payable monthly.</p> <p data-bbox="469 409 1098 808">The management fee may be paid, at the Adviser’s election, in cash, Class I shares or Class I units of our Operating Partnership. To the extent that the Adviser elects to receive any portion of its management fee in Class I shares or Class I units of our Operating Partnership, we may repurchase such Class I shares or Class I units of our Operating Partnership from the Adviser at a later date. Shares of our Class I common stock and Class I units of our Operating Partnership obtained by the Adviser will not be subject to the repurchase limits of our share repurchase plan or any Early Repurchase Deduction. The Operating Partnership will repurchase any such Operating Partnership units for cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the Operating Partnership’s partnership agreement, in which case such Operating Partnership units will be repurchased for shares of our common stock with an equivalent aggregate NAV. The Adviser and the Special Limited Partner will have the option of exchanging Class I shares for an equivalent aggregate NAV amount of Class T, Class S or Class D shares and will have registration rights with respect to shares of our common stock.</p> <p data-bbox="469 819 1098 1081">In addition to the organization and offering expense and acquisition expense reimbursements described above, we will reimburse the Adviser for out-of-pocket costs and expenses it incurs in connection with the services it provides to us, including, but not limited to, (1) the actual cost of goods and services used by us and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other service providers, and brokerage fees paid in connection with the purchase and sale of investments and securities, and (2) expenses of managing and operating our properties, whether payable to an affiliate or a non-affiliated person. See “Management—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursements.”</p>	<p data-bbox="1107 248 1399 562">Actual amounts of the management fee depend upon our aggregate NAV. The management fee attributed to the shares sold in this offering will equal approximately \$245.0 million per annum if we sell the maximum amount in our primary offering, assuming that the NAV per share of our Class S, Class T, Class D and Class I shares remains constant at \$10.00 and before giving effect to any shares issued under our distribution reinvestment plan.</p> <p data-bbox="1107 573 1399 712">Actual amounts of out-of-pocket expenses paid by the Adviser that we reimburse are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.</p>

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<u>Type of Compensation and Recipient</u>	<u>Determination of Amount</u>	<u>Estimated Amount</u>
Performance Participation Allocation— <i>The Special Limited Partner</i>	<p>So long as the Advisory Agreement has not been terminated (including by means of non-renewal), the Special Limited Partner will hold a performance participation interest in the Operating Partnership that entitles it to receive an allocation from our Operating Partnership equal to 12.5% of the Total Return, subject to a 5% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined below). Such allocation will be made annually and accrue monthly.</p> <p>Specifically, the Special Limited Partner will be allocated a performance participation in an amount equal to:</p> <ul style="list-style-type: none">• <i>First</i>, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, “Excess Profits”), 100% of such annual Excess Profits until the total amount allocated to the Special Limited Partner equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Special Limited Partner pursuant to this clause (this is commonly referred to as a “Catch-Up”); and• <i>Second</i>, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits. <p>“Total Return” for any period since the end of the prior calendar year shall equal the sum of:</p> <ul style="list-style-type: none">(i) all distributions accrued or paid (without duplication) on the Operating Partnership units outstanding at the end of such period since the beginning of the then-current calendar year <i>plus</i>(ii) the change in aggregate NAV of such units since the beginning of the year, before giving effect to (x) changes resulting solely from the proceeds of issuances of Operating Partnership units, (y) any allocation/accrual to the performance participation interest and (z) applicable stockholder servicing fee expenses (including any payments made to us for payment of such expenses). <p>For the avoidance of doubt, the calculation of Total Return will (i) include any appreciation or depreciation in the NAV of units issued during the then-current calendar year but (ii) exclude the proceeds from the initial issuance of such units.</p>	Actual amounts of the performance participation depend upon the Operating Partnership’s actual annual total return and, therefore, cannot be calculated at this time.

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Type of Compensation and Recipient

Determination of Amount

Estimated Amount

“Hurdle Amount” for any period during a calendar year means that amount that results in a 5% annualized internal rate of return on the NAV of the Operating Partnership units outstanding at the beginning of the then-current calendar year and all Operating Partnership units issued since the beginning of the then-current calendar year, taking into account the timing and amount of all distributions accrued or paid (without duplication) on all such units and all issuances of Operating Partnership units over the period and calculated in accordance with recognized industry practices. The ending NAV of the Operating Partnership units used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the performance participation interest and applicable stockholder servicing fee expenses. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will exclude any Operating Partnership units repurchased during such period, which units will be subject to the performance participation allocation upon repurchase as described below.

Except as described in Loss Carryforward below, any amount by which Total Return falls below the Hurdle Amount will not be carried forward to subsequent periods.

“Loss Carryforward Amount” shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Total Return and decrease by any positive annual Total Return, provided that the Loss Carryforward Amount shall at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Total Return related to any Operating Partnership units repurchased during such year, which units will be subject to the performance participation allocation upon repurchase as described below. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Special Limited Partner’s performance participation. This is referred to as a “High Water Mark.”

The Special Limited Partner will also be allocated a performance participation with respect to all Operating Partnership units that are repurchased at the end of any month (in connection with repurchases of our shares in our share repurchase plan) in an amount calculated as described above with the relevant period being the portion of the year for which such unit was outstanding, and proceeds for any such unit repurchase will be

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<u>Type of Compensation and Recipient</u>	<u>Determination of Amount</u>	<u>Estimated Amount</u>
	<p>reduced by the amount of any such performance participation.</p> <p>Distributions on the performance participation interest may be payable in cash, Class I units or Class B units at the election of the Special Limited Partner. If the Special Limited Partner elects to receive such distributions in Operating Partnership units, the Special Limited Partner may request the Operating Partnership to repurchase such Operating Partnership units from the Special Limited Partner at a later date. Any such repurchase requests will not be subject to the Early Repurchase Deduction but will be subject to similar repurchase limits that exist under our share repurchase plan.</p> <p>The Operating Partnership will repurchase any such Class I units for Class I shares of our common stock or cash (at the Special Limited Partner's election) unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the Operating Partnership's partnership agreement, in which case such Class I units will be repurchased for Class I shares of our common stock. The Operating Partnership will repurchase any such Class B units for cash subject to the applicable repurchase limits.</p> <p>See "Summary of Our Operating Partnership Agreement—Special Limited Partner Interest."</p>	
<p>Fees from Other Services —<i>Affiliates of the Adviser</i></p>	<p>We retain certain of the Adviser's affiliates, from time to time, for services relating to our investments or our operations, which may include accounting and audit services (including valuation support services), account management services, corporate secretarial services, data management services, directorship services, information technology services, finance/budget services, human resources, judicial processes, legal services, operational services, risk management services, tax services, treasury services, loan management services, construction management services, property management services, leasing services, property, title and/or other types of insurance and related services, transaction support services, transaction consulting services and other similar operational matters. Our Operating Partnership or its subsidiary may also issue equity incentive compensation to certain employees of such affiliates for services provided. Any compensation paid to the Adviser's affiliates for any such services will not reduce the management fee or performance participation allocation. Any such arrangements will be at or below market rates. For more information about such services, please see</p>	<p>Actual amounts depend on to what extent affiliates of the Adviser are actually engaged to perform such services.</p>

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Type of Compensation and Recipient	Determination of Amount	Estimated Amount
<p>(1) Upfront selling commissions and dealer manager fees for sales of Class T, Class S and Class D shares may be reduced or waived in connection with volume or other discounts, other fee arrangements or for sales to certain categories of purchasers. See “Plan of Distribution—Underwriting Compensation—Selling Commissions and Dealer Manager Fees.”</p> <p>(2) We will cease paying stockholder servicing fees at the date following the completion of the primary portion of this offering at which total underwriting compensation from any source in connection with this offering equals 10% of the gross proceeds from our primary offering (i.e., excluding proceeds from sales pursuant to our distribution reinvestment plan). This limitation is intended to ensure that we satisfy the FINRA requirement that total underwriting compensation paid in connection with this offering does not exceed 10% of the gross proceeds of our primary offering.</p> <p>(3) In calculating our stockholder servicing fee, we will use our NAV before giving effect to accruals for the stockholder servicing fee or distributions payable on our shares.</p> <p>(4) These amounts represent estimated expenses incurred in connection with our organization and this offering, including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent and certain wholesaling reimbursements. These amounts do not include wholesaling compensation and certain related expenses of persons associated with the Dealer Manager, which the Adviser currently pays without reimbursement from us. Under no circumstances may our total organization and offering expenses (including upfront selling commissions, stockholder servicing fees and due diligence expenses) exceed 15% of the gross proceeds from this offering.</p> <p>(5) We will pay all expenses incurred in connection with the acquisition of our investments, including legal and accounting fees and expenses, brokerage commissions payable to unaffiliated third parties, travel expenses, costs of appraisals (including independent appraisals), nonrefundable option payments on property not acquired, engineering, due diligence, transaction support services, title insurance and other expenses related to the selection and acquisition of investments, whether or not acquired. While most of the acquisition expenses are expected to be paid to third parties, a portion of the out-of-pocket acquisition expenses may be paid or reimbursed to the Adviser or its affiliates. Acquisition expenses, together with any acquisition fees for a particular real estate-related asset, will in no event exceed 6% of the gross purchase price of the property.</p> <p>(6) In calculating our management fee, we will use our NAV and the NAV of our Operating Partnership before giving effect to accruals for the management fee, performance participation allocation, stockholder servicing fees or distributions payable on our shares.</p>	“Risk Factors—Risks Related to Conflicts of Interest—The Adviser may face conflicts of interest in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us.”	

Our Total Operating Expenses, including any performance participation allocation made to the Special Limited Partner with respect to its performance participation interest in the Operating Partnership, will be limited during any four fiscal quarters to the greater of (a) 2.0% of our Average Invested Assets or (b) 25.0% of our Net Income. This limit may be exceeded only if our independent directors have made a finding that, based on such unusual and non-recurring factors as they deem sufficient, a higher level of expenses is justified, and such finding is recorded in the minutes of a meeting of the independent directors. For purposes of these limits:

- “Total Operating Expenses” are all costs and expenses paid or incurred by us, as determined under generally accepted accounting principles, including the management fee and the performance participation, but excluding: (i) the expenses of raising capital such as organization and offering expenses, legal, audit, accounting, underwriting, brokerage, listing, registration and other fees, printing

and other such expenses and taxes incurred in connection with the issuance, distribution, transfer, registration and listing of our capital stock, (ii) property-level expenses incurred at each property, (iii) interest payments, (iv) taxes, (v) non-cash expenditures such as depreciation, amortization and bad debt reserves, (vi) incentive fees paid in compliance with our charter, (vii) acquisition fees and acquisition expenses related to the selection and acquisition of assets, whether or not a property is actually acquired, (viii) real estate commissions on the sale of property and (ix) other fees and expenses connected with the acquisition, disposition, management and ownership of real estate interests, mortgage loans or other property (including the costs of foreclosure, insurance premiums, legal services, maintenance, repair and improvement of property).

- “Average Invested Assets” means, for any period, the average of the aggregate book value of our assets, invested, directly or indirectly, in equity interests in and loans secured by real estate, including all properties, mortgages and real estate-related securities and consolidated and unconsolidated joint ventures or other partnerships, before deducting depreciation, amortization, impairments, bad debt reserves or other non-cash reserves, computed by taking the average of such values at the end of each month during such period.
- “Net Income” means, for any period, total revenues applicable to such period, less the total expenses applicable to such period other than additions to, or allowances for, non-cash charges such as depreciation, amortization, impairments and reserves for bad debt or other similar non-cash reserves.

See “Management—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursements.”

Performance Participation Allocation Example

The following example illustrates how we would calculate our Special Limited Partner’s performance participation allocation at the end of the year based on the assumptions set forth in rows A through E of the table below. All amounts are with respect to the units outstanding at the end of the year. Actual results may differ materially from the following example.

A. Beginning NAV	\$ 15,000,000,000
B. Loss Carryforward Amount	—
C. Net proceeds from new issuances	—
D. Distributions paid (in twelve equal monthly installments)	\$ 600,000,000
E. Change in NAV required to meet 5% annualized internal rate of return(1)	\$ 134,200,000
F. Hurdle Amount(1) (D plus E)	\$ 734,200,000
G. Actual change in NAV	\$ 750,000,000
H. Annual Total Return prior to performance participation allocation (D plus G)	\$ 1,350,000,000
I. Excess Proceeds (H minus the sum of B and F)	\$ 615,800,000
J. Performance participation allocation is equal to 12.5% of annual Total Return (H) because the annual Total Return exceeds the Hurdle Rate (F) plus loss carryforward account balance (B) with enough Excess Proceeds (I) to achieve the full Catch-Up	\$ 168,800,000

- (1) Amounts rounded to the nearest \$100,000. The Hurdle Amount for any period is that amount that results in a 5% annualized internal rate of return on the NAV of the units outstanding at the end of the period. An internal rate of return reflects the timing and amount of all distributions accrued or paid (without duplication) and any issuances or repurchases of such units during the period. Internal rate of return is a metric used in business and asset management to measure the profitability of an investment, and is calculated according to a standard formula that determines the total return provided by gains on an investment over time. We believe our fee structure described herein, including the requirement that a minimum internal rate of return be achieved before the Adviser is entitled to any performance allocation, aligns the interests of our stockholders with the Adviser in a manner that is typically offered to institutional investors.

CONFLICTS OF INTEREST

We pay the Adviser a management fee regardless of the performance of our portfolio. The Adviser's entitlement to a management fee, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We will be required to pay the Adviser a management fee in a particular period despite experiencing a net loss or a decline in the value of our portfolio during that period.

In addition, the Special Limited Partner has the ability to earn distributions on its performance participation interest each year based on the total return of our Operating Partnership, which may create an incentive for the Adviser to invest in assets with higher yield potential, which are generally riskier or more speculative, or sell an asset prematurely for a gain, in an effort to increase short-term net income and thereby increase the distributions on performance participation interest to which the Special Limited Partner is entitled. If our interests and those of the Adviser are not aligned, the execution of our business plan and our results of operations could be adversely affected, which could adversely affect our results of operations and financial condition.

We are subject to conflicts of interest arising out of our relationship with Blackstone, including the Adviser and its affiliates. Three members of our board of directors (one of whom serves as executive chairman of our board of directors), and our chief executive officer, chief financial officer, and our other executive officers are also executives of Blackstone and/or one or more of its affiliates. There is no guarantee that the policies and procedures adopted by us, the terms of our charter, the terms and conditions of the Advisory Agreement or the policies and procedures adopted by the Adviser, Blackstone and their affiliates, will enable us to identify, adequately address or mitigate these conflicts of interest. Transactions between us and the Adviser or its affiliates will be subject to approval by our Affiliate Transaction Committee.

See "Risk Factors—Risks Related to Conflicts of Interest."

Some examples of conflicts of interest that may arise by virtue of our relationship with the Adviser and Blackstone include:

- ***Broad and Wide-Ranging Activities.*** The Adviser, Blackstone and their affiliates engage in a broad spectrum of activities, including a broad range of activities relating to investments in the real estate industry, and have invested or committed billions of dollars in capital through various investment funds, managed accounts and other vehicles affiliated with Blackstone. In the ordinary course of their business activities, the Adviser, Blackstone and their affiliates may engage in activities where the interests of certain divisions of Blackstone and its affiliates, including the Adviser, or the interests of their clients may conflict with the interests of our stockholders. Certain of these divisions and entities affiliated with the Adviser have or may have investment objectives or guidelines similar to our investment guidelines and therefore may compete with us. In particular, Blackstone Real Estate invests in a broad range of real estate and real estate debt investments via numerous different investment funds, managed accounts and other vehicles.
- ***Blackstone's Policies and Procedures.*** Specified policies and procedures implemented by Blackstone and its affiliates, including the Adviser, to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the advantages across Blackstone's and its affiliates' various businesses that Blackstone expects to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has multiple business lines, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., Blackstone's information wall policy) that also have the effect of reducing firm-wide synergies and collaboration that the Adviser could otherwise expect to utilize for purposes of identifying and managing attractive

investments. For example, Blackstone may come into possession of material non-public information with respect to companies that are Blackstone's and its affiliates' advisory clients in which the Adviser may be considering making an investment. As a consequence, that information, which could be of benefit to the Adviser, might become restricted to those other businesses and otherwise be unavailable to the Adviser, and could also restrict the Adviser's activities. Additionally, the terms of confidentiality or other agreements with or related to companies in which any investment vehicle of Blackstone has or has considered making an investment or which is otherwise an advisory client of Blackstone and its affiliates may restrict or otherwise limit the ability of Blackstone or its affiliates, including the Adviser, to engage in businesses or activities competitive with such companies.

- *Allocation of Investment Opportunities.* Certain inherent conflicts of interest arise from the fact that Blackstone and its affiliates, including the Adviser, will provide investment management and other services both to us and to any other person or entity, whether or not the investment objectives or guidelines of any such other person or entity are similar to ours, including, without limitation, the sponsoring, closing and/or managing of Other Blackstone Accounts. In particular, there will be overlap of real estate and real estate debt investment opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts. This overlap will from time to time create conflicts of interest. Additionally, in certain circumstances investment opportunities suitable for us will not be presented to us and there will be one or more investment opportunities where our participation is restricted.

With respect to Other Blackstone Accounts with investment objectives or guidelines that overlap with ours but that do not have priority over us (including the Private Core+ Accounts), investment opportunities are allocated among us and one or more Other Blackstone Accounts in accordance with Blackstone's prevailing policies and procedures on a basis that the Adviser and its affiliates believe to be fair and reasonable in their sole discretion, which is generally pro rata based on relative available capital, subject to the following considerations: (i) any applicable investment objectives or focus of ours and such Other Blackstone Accounts (which, for us, includes our primary objective of providing attractive current income in the form of regular, stable cash distributions), (ii) any investment limitations, parameters or contractual provisions of ours and such Other Blackstone Accounts (e.g., joint venture investments between us and an Other Blackstone Account must be on the same terms and satisfy the restrictions of all participants, such as lowest leverage targeted by any participant), (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act). Our board of directors (including our independent directors) has the duty to ensure that the allocation methodology described above is applied fairly to us.

Currently, a Private Core+ Account invests in "core+" real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). Certain Other Blackstone Accounts also invest in real estate debt with investment objectives or guidelines that overlap with ours, but do not have priority over us. To the extent an investment satisfies the investment objectives of us and such Other Blackstone Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures

described above. See “Risk Factors—Risks Related to Conflicts of Interest—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.”

Furthermore, the Select Opportunistic Blackstone Accounts invest in “opportunistic” real estate and real estate-related assets globally (which often are undermanaged assets and with higher potential for equity appreciation) and have priority over us with respect to such investment opportunities. This priority will result in fewer investment opportunities being made available to us. No Other Blackstone Accounts other than Select Opportunistic Blackstone Accounts have priority over us with respect to real estate investment opportunities.

As of September 30, 2020, Other Blackstone Accounts with investment objectives or guidelines that overlap with our primary strategy but that do not have priority over us (including the Private Core+ Accounts) that are in their investing stage had no unused capital commitments and Select Opportunistic Blackstone Accounts (which are Other Blackstone Accounts that receive priority over us and whose investment strategies are generally less similar to ours but can overlap to some extent) in their investing stage had approximately \$14.5 billion of unused capital commitments.

While the Adviser will seek to manage potential conflicts of interest in a fair and reasonable manner (subject to the priority rights of the Select Opportunistic Blackstone Accounts described above) as required pursuant to our charter and the Advisory Agreement, the portfolio strategies employed by the Adviser, Blackstone or their affiliates in managing the Other Blackstone Accounts could conflict with the strategies employed by the Adviser in managing our business and may adversely affect the marketability, exit strategy, prices and availability of the properties, securities and instruments in which we invest. The Adviser, Blackstone or their affiliates may also give advice to the Other Blackstone Accounts that may differ from advice given to us even though their investment objectives or guidelines may be the same or similar to ours.

- Corporate Opportunities. Our board of directors has adopted a resolution that provides that none of Blackstone or its affiliates, our directors or any person our directors control will be required to refrain directly or indirectly from engaging in any business opportunities, including any business opportunities in the same or similar business activities or lines of business in which we or any of our affiliates may from time to time be engaged or propose to engage, or from competing with us, and that we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any such business opportunities, unless offered to a person in his or her capacity as one of our directors or officers and intended exclusively for us or any of our subsidiaries.
- Investments in Different Levels or Classes of an Issuer's Securities. From time to time, to the extent permitted by our charter, we and the Other Blackstone Accounts may make investments at different levels of an issuer's or borrower's capital structure or otherwise in different classes of the same issuer's securities. We may make investments that are senior or junior to, or have rights and interests different from or adverse to, the investments made by the Other Blackstone Accounts. Such investments may conflict with the interests of such Other Blackstone Accounts in related investments, and the potential for any such conflicts of interests may be heightened in the event of a default or restructuring of any such investments. While Blackstone will seek to resolve any such conflicts in a fair and equitable manner in accordance with its prevailing policies and procedures with respect to conflicts resolution among the Other Blackstone Accounts, such transactions are not required to be presented to our board of directors for approval (unless otherwise required by our charter or investment guidelines), and there can be no assurance that any conflicts will be resolved in our favor.
- Minority Investments of Other Blackstone Accounts. Certain Other Blackstone Accounts may also make minority investments in third-party investment managers or their investment vehicles with which we may engage in various transactions from time to time, including purchases or sales of assets or borrowing or lending transactions. Although these third-party investees may not be deemed to be affiliates of Blackstone due to the limited voting rights or other terms of the investments made by such

Other Blackstone Accounts, such as Other Blackstone Accounts, would have an indirect economic interest in any transactions between us and such third-party investees. Our stockholders will not share in any of the economic interest of such Other Blackstone Accounts in such transactions. There can be no assurance that any conflict will be resolved in our favor and Blackstone may be required to take action where it will have conflicting loyalties between its duties to us and to Other Blackstone Accounts, which may adversely impact us.

- *Pursuit of Differing Strategies.* At times, the investment professionals employed by the Adviser or its affiliates and other investment vehicles affiliated with the Adviser and/or Blackstone may determine that an investment opportunity may be appropriate for only some of the accounts, clients, entities, funds and/or investment vehicles for which he or she exercises investment responsibility, or may decide that certain of the accounts, clients, entities, funds and/or investment vehicles should take differing positions with respect to a particular security. In these cases, the investment professionals may place separate transactions for one or more accounts, clients, entities, funds and/or investment vehicles which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other accounts, clients, entities, funds and/or investment vehicles. For example, an investment professional may determine that it would be in the interest of another account to sell a security that we hold long, potentially resulting in a decrease in the market value of the security held by us.
- *Variation in Financial and Other Benefits.* A conflict of interest arises where the financial or other benefits available to the Adviser or its affiliates differ among the accounts, clients, entities, funds and/or investment vehicles that it manages. If the amount or structure of the management fee, the Special Limited Partner's performance participation interest and/or the Adviser's or its affiliates' compensation differs among accounts, clients, entities, funds and/or investment vehicles (such as where certain funds or accounts pay higher base management fees, incentive fees, performance-based management fees or other fees), the Adviser might be motivated to help certain accounts, clients, entities, funds and/or investment vehicles over others. Similarly, the desire to maintain assets under management or to enhance the Adviser's performance record or to derive other rewards, financial or otherwise, could influence the Adviser or its affiliates in affording preferential treatment to those accounts, clients, entities, funds and/or investment vehicles that could most significantly benefit the Adviser or its affiliates. The Adviser may, for example, have an incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor such accounts, clients, entities, funds and/or investment vehicles. Additionally, the Adviser or its affiliates might be motivated to favor accounts, clients, entities, funds and/or investment vehicles in which it has an ownership interest or in which Blackstone and/or its affiliates have ownership interests. Conversely, if an investment professional at the Adviser or its affiliates does not personally hold an investment in the fund but holds investments in other Blackstone affiliated vehicles, such investment professional's conflicts of interest with respect to us may be more acute.
- *Investment Banking, Underwriting and Other Relationships.* Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to us. In connection with its investment banking and other businesses, Blackstone may come into possession of information that limits its ability to engage in potential transactions. Our activities may be constrained as a result of the inability of Blackstone personnel to use such information. For example, employees of Blackstone not serving as employees of the Adviser or its affiliates may be prohibited by law or contract from sharing information with members of Blackstone Real Estate. We may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made. Additionally, there may be circumstances in which one or more individuals associated with Blackstone will be precluded from providing services to the Adviser because of certain confidential information available to those individuals or to other parts of Blackstone. In addition, in connection with selling investments by way of a public offering, a Blackstone broker-dealer may act as the

managing underwriter or a member of the underwriting syndicate on a firm commitment basis and purchase securities on that basis. Blackstone may retain any commissions, remuneration, or other profits and receive compensation from such underwriting activities, which have the potential to create conflicts of interest. Blackstone may also participate in underwriting syndicates from time to time with respect to us or portfolio companies of Other Blackstone Accounts, or may otherwise be involved in the private placement of debt or equity securities issued by us or such portfolio companies, or otherwise in arranging financings with respect thereto. Subject to applicable law, Blackstone may receive underwriting fees, placement commissions, or other compensation with respect to such activities, which will not be shared with us or our stockholders. Where Blackstone serves as underwriter with respect to a portfolio company's securities, we or the applicable Other Blackstone Account holding such securities may be subject to a "lock-up" period following the offering under applicable regulations during which time our ability to sell any securities that we continue to hold is restricted. This may prejudice our ability to dispose of such securities at an opportune time.

Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on our behalf, the Adviser may consider those relationships (subject to its obligations under our charter and the Advisory Agreement), which may result in certain transactions that the Adviser will not undertake on our behalf in view of such relationships.

- Service Providers. Certain of our service providers (including lenders, brokers, attorneys, investment banking firms and property managers) may be sources of investment opportunities, counterparties therein or advisors with respect thereto. This may influence the Adviser in deciding whether to select such a service provider. In addition, in instances where multiple Blackstone businesses may be exploring a potential individual investment, certain of these service providers may choose to be engaged by other Blackstone affiliates rather than us.
- Material, Non-Public Information. We, directly or through Blackstone, the Adviser or certain of their respective affiliates may come into possession of material non-public information with respect to an issuer in which we have invested or may invest. Should this occur, the Adviser may be restricted from buying or selling securities, derivatives or loans of the issuer on our behalf until such time as the information becomes public or is no longer deemed material. Disclosure of such information to the personnel responsible for management of our business may be on a need-to-know basis only, and we may not be free to act upon any such information. Therefore, we and/or the Adviser may not have access to material non-public information in the possession of Blackstone which might be relevant to an investment decision to be made by the Adviser on our behalf, and the Adviser may initiate a transaction or purchase or sell an investment which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Adviser may not be able to initiate a transaction on our behalf that it otherwise might have initiated and may not be able to purchase or sell an investment that it otherwise might have purchased or sold, which could negatively affect our operations.
- Possible Future Activities. The Adviser and its affiliates may expand the range of services that they provide over time. Except as and to the extent expressly provided in the Advisory Agreement, the Adviser and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. The Adviser, Blackstone and their affiliates continue to develop relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by us. These clients may themselves represent appropriate investment opportunities for us or may compete with us for investment opportunities.
- Transactions with Other Blackstone Accounts and Other Affiliates. From time to time, we may enter into purchase and sale transactions and joint ventures with Other Blackstone Accounts. Such transactions will be conducted in accordance with, and subject to, our charter (including the

requirement that such transaction be approved by a majority of our independent directors as being fair and reasonable and on terms no less favorable than those available from unaffiliated third parties), the terms and conditions of the Advisory Agreement, and our code of business conduct and ethics and applicable laws and regulations. These requirements will also apply to transactions with Blackstone, any of our directors or any affiliates thereof.

- *Other Affiliate Transactions.* In connection with investments in which we participate alongside Other Blackstone Accounts, we may from time to time share certain rights with such Other Blackstone Accounts relating to such investments for legal, tax, regulatory or other similar reasons, including, in certain instances, certain control-related rights with respect to jointly held investments. When making any decisions related to such investments, there may be conflicting interests. There can be no assurance that the return on our investment will be equivalent to or better than the returns obtained by Blackstone or its other affiliates.

Further conflicts could arise once we and Blackstone or its affiliates have made our respective investments. For example, if we enter into a joint venture with an Other Blackstone Account, our interests and the interests of such Other Blackstone Account may conflict, for example when one joint venture partner seeks to sell the property in the joint venture but the other joint venture partner does not. In such situations, the ability of the Adviser to recommend actions in our best interests might be impaired.

NET ASSET VALUE CALCULATION AND VALUATION GUIDELINES

Our NAV for each class of shares is based on the net asset values of our investments (including real estate debt and other securities), the addition of any other assets (such as cash on hand), and the deduction of any liabilities, including the allocation/accrual of any performance participation to the Special Limited Partner, and will also include the deduction of any stockholder servicing fees specifically applicable to such class of shares, in all cases as described below.

General

Our board of directors, including a majority of our independent directors, has adopted valuation guidelines that contain a comprehensive set of methodologies to be used by the Adviser and our independent valuation advisor in connection with estimating the values of our assets and liabilities for purposes of our NAV calculation. These guidelines are designed to produce a fair and accurate estimate of the price that would be received for our investments in an arm's-length transaction between a willing buyer and a willing seller in possession of all material information about our investments. Our independent valuation advisor will review our valuation guidelines and methodologies related to investments in real property and certain real estate debt and other securities (as described below) with the Adviser and our board of directors at least annually. From time to time, our board of directors, including a majority of our independent directors, may adopt changes to the valuation guidelines if it (1) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination or (2) otherwise reasonably believes a change is appropriate for the determination of NAV.

The calculation of our NAV is intended to be a calculation of the fair value of our assets less our outstanding liabilities as described below and will likely differ from the book value of our equity reflected in our financial statements. As a public company, we are required to issue financial statements based on historical cost in accordance with GAAP. To calculate our NAV for the purpose of establishing a purchase and repurchase price for our shares, we have adopted a model, as explained below, that adjusts the value of our assets and liabilities from historical cost to fair value generally in accordance with the GAAP principles set forth in FASB Accounting Standards Codification Topic 820, Fair Value Measurements. The Adviser will calculate the fair value of our real estate properties based in part on values provided by third-party independent appraisers and reviewed by our independent valuation advisor. The Adviser may retain additional third-parties to assist with our valuations of certain investments. Because these fair value calculations will involve significant professional judgment in the application of both observable and unobservable attributes, the calculated fair value of our assets may differ from their actual realizable value or future fair value. While we believe our NAV calculation methodologies are consistent with standard industry practices, there is no rule or regulation that requires we calculate NAV in a certain way. As a result, other public REITs may use different methodologies or assumptions to determine NAV. In addition, NAV is not a measure used under GAAP and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. You should not consider NAV to be equivalent to stockholders' equity or any other GAAP measure.

Our Independent Valuation Advisor

With the approval of our board of directors, including a majority of our independent directors, we have engaged Altus Group U.S. Inc., to serve as our independent valuation advisor with respect to our real properties and certain real estate debt and other securities, which will review annual third-party appraisals of our properties and internal valuations prepared by the Adviser. The Adviser, with the approval of our board of directors, including a majority of our independent directors, may engage additional independent valuation advisors in the future as our portfolio grows. While our independent valuation advisor is responsible for reviewing our property and certain real estate debt and other securities valuations, our independent valuation advisor is not responsible for, and does not calculate, our NAV. The Adviser is ultimately responsible for the determination of our NAV.

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Our independent valuation advisor may be replaced at any time, in accordance with agreed-upon notice requirements, by a majority vote of our board of directors, including a majority of our independent directors. We will promptly disclose any changes to the identity or role of our independent valuation advisor in reports we publicly file with the SEC.

Our independent valuation advisor will discharge its responsibilities in accordance with our valuation guidelines. Our board of directors will not be involved in the monthly valuation of our assets and liabilities, but will periodically receive and review such information about the valuation of our assets and liabilities as it deems necessary to exercise its oversight responsibility. Our NAV per share for each class of shares will be calculated by State Street, and such calculation will be reviewed and confirmed by the Adviser. Pursuant to our valuation services agreement with our independent valuation advisor, the Adviser will receive appraisal reports for our property investments from third-party appraisal firms that have been reviewed by our independent valuation advisor along with the Adviser's own valuation. Based in part on these appraisals, the Adviser will render a final valuation in order for State Street to calculate our NAV. The appraisals for our property investments performed by independent third-party appraisal firms and reviewed by our independent valuation advisor will be one of several components considered by the Adviser in determining the value of our properties that will be used when State Street calculates our NAV per share for each class of shares.

We have agreed to pay fees to our independent valuation advisor upon its delivery to us of its review reports. We have also agreed to indemnify our independent valuation advisor against certain liabilities arising out of this engagement. The compensation we pay to our independent valuation advisor will not be based on the estimated values of our properties.

Our independent valuation advisor and certain of the independent third-party appraisers have provided, and are expected to continue to provide, real estate appraisal, appraisal management and real estate valuation advisory services to Blackstone and its affiliates and have received, and are expected to continue to receive, fees in connection with such services. Our independent valuation advisor and certain of the independent third-party appraisers and their respective affiliates may from time to time in the future perform other commercial real estate and financial advisory services for Blackstone and its affiliates, or in transactions related to the properties that are the subjects of the valuations being performed for us, or otherwise, so long as such other services do not adversely affect the independence of the independent valuation advisor or the applicable appraiser as certified in the applicable appraisal report.

Valuation of Investments

Consolidated Properties

For the purposes of calculating our monthly NAV, our properties will initially be valued at cost, which we expect to represent fair value at that time, subject to any variation pursuant to our valuation guidelines. In accordance with GAAP, we determine whether the acquisition of a property qualifies as an asset acquisition or business combination. We capitalize acquisition-related costs associated with asset acquisitions and expense such costs associated with business combinations.

Each property will then be valued by an independent third-party appraisal firm within the first two full months after acquisition and no less than annually thereafter. Annual appraisals may be delayed for a short period in exceptional circumstances. Properties purchased as a portfolio may be valued as a single asset. Each third-party appraisal is performed in accordance with the Uniform Standards of Professional Appraisal Practice, or the similar industry standard for the country where the property appraisal is conducted, and reviewed by our independent valuation advisor for reasonableness. Upon conclusion of the appraisal, the independent third-party appraisal firm prepares a written report with an estimated range of gross market value of the property. Concurrent with the appraisal process, the Adviser values each property and, taking into account the appraisal, among other factors, determines the appropriate valuation within the range provided by the independent third-party appraisal firm. Each appraisal must be reviewed, approved and signed by an individual with the professional designation of

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MAI (a Designated Member of the Appraisal Institute) or similar designation or, for international appraisals, a public or other certified expert for real estate valuations. We believe our policy of obtaining appraisals by independent third parties will meaningfully enhance the accuracy of our NAV calculation. Any appraisal provided by an independent third-party appraisal firm will be performed in accordance with our valuation guidelines and will not be considered in the Adviser's valuation of the applicable property until our independent valuation advisor has confirmed the reasonableness of such appraisal.

The Adviser will update the valuations of our properties monthly, based on the then most recent annual third-party appraisals and current material market data and other information deemed relevant, with review and confirmation for reasonableness by our independent valuation advisor. These updates to valuations may be outside of the range of values provided in the most recent third-party appraisal. Although monthly reviews of each of our real property valuations will be performed by our independent valuation advisor, such reviews are based on asset and portfolio level information provided by the Adviser, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned estimated capital expenditures and any other information relevant to valuing the real estate property, which information will not be independently verified by our independent valuation advisor.

The Adviser will monitor our properties for events that the Adviser believes may be expected to have a material impact on the most recent estimated values of such property, and will notify our independent valuation advisor of such events. If, in the opinion of the Adviser, an event becomes known to the Adviser (including through communication with our independent valuation advisor) that is likely to have any material impact on previously provided estimated values of the affected properties, the Adviser will adjust the valuation of such properties, subject to the review and confirmation for reasonableness of our independent valuation advisor. If deemed appropriate by the Adviser or our independent valuation advisor, any necessary adjustment will be determined as soon as practicable. Updated appraisals received during the year, if any, may also trigger an adjustment in the value of a property.

For example, a valuation adjustment may be appropriate to reflect the occurrence of an unexpected property-specific event such as a termination or renewal of a material lease, a material change in vacancies, an unanticipated structural or environmental event at a property or a significant capital market event that may cause the value of a wholly-owned property to change materially. Valuation adjustments may also be appropriate to reflect the occurrence of broader market-driven events identified by the Adviser or our independent valuation advisor which may impact more than a specific property. Any such adjustments will be estimates of the market impact of specific events as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time.

In general, we expect that any adjustments to appraised values will be calculated promptly after a determination that a material change has occurred and the financial effects of such change are quantifiable by the Adviser. However, rapidly changing market conditions or material events may not be immediately reflected in our monthly NAV. The resulting potential disparity in our NAV may be detrimental to stockholders whose shares are repurchased or new purchasers of our common stock, depending on whether our published NAV per share for such class is overstated or understated.

Real estate appraisals will be reported on a free and clear basis (for example, without taking into consideration any mortgage on the property), irrespective of any property level financing that may be in place. We expect to use the discounted cash flow methodology (income approach) as the primary methodology to value properties, whereby a property's value is calculated by discounting the estimated cash flows and the anticipated terminal value of the subject property by the assumed new buyer's normalized weighted average cost of capital for the subject property. Consistent with industry practices, the income approach also incorporates subjective judgments regarding comparable rental and operating expense data, capitalization or discount rate, and projections of future rent and expenses based on appropriate evidence as well as the residual value of the asset as components in determining value. Other methodologies that may also be used to value properties include sales comparisons and

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replacement cost approaches. Under the sales comparison approach, the independent third-party appraiser develops an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. The replacement cost approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. Because the appraisals performed by the independent third-party appraisal firms and reviewed by our independent valuation advisor, the Adviser's determination of the appropriate valuations for our properties based on the range of values provided in such reports and any subsequent updates to the valuation of our properties made by the Adviser involve subjective judgments, the estimated fair value of our assets that will be included in our NAV may not reflect the liquidation value or net realizable value of our properties.

In conducting their investigations and analyses, our independent valuation advisor and other independent third-party appraisal firms will take into account customary and accepted financial and commercial procedures and considerations as they deem relevant, which may include, without limitation, the review of documents, materials and information relevant to valuing the property that are provided by us, such as (i) historical operating revenues and expenses of the property; (ii) lease agreements on the property; (iii) the revenues and expenses of the property; (iv) information regarding recent or planned estimated capital expenditures; and (v) any other information relevant to valuing the real estate property. Although our independent valuation advisor may review information supplied or otherwise made available by us for reasonableness, it will assume and rely upon the accuracy and completeness of all such information and of all information supplied or otherwise made available to it by any other party, and will not undertake any duty or responsibility to verify independently any of such information. Our independent valuation advisor will not make or obtain an independent valuation or appraisal of any of our other assets or liabilities (contingent or otherwise) other than our real properties. With respect to operating or financial forecasts and other information and data to be provided to or otherwise reviewed by or discussed with our independent valuation advisor, our independent valuation advisor will assume that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting currently available estimates and judgments of our management and the Adviser, and will rely upon the Adviser to advise our independent valuation advisor promptly if any material information previously provided becomes inaccurate or was required to be updated during the period of review.

In performing their analyses, the Adviser, our independent valuation advisor and other independent third-party appraisal firms will make numerous other assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond its control and our control, as well as certain factual matters. For example, our independent valuation advisor and other independent third-party appraisal firms will assume that we have clear and marketable title to each real estate property valued, that no title defects exist unless specifically informed to the contrary, that improvements were made in accordance with law, that no hazardous materials are present or were present previously, that no deed restrictions exist, and that no changes to zoning ordinances or regulations governing use, density or shape are pending or being considered. Furthermore, our independent valuation advisor's review, opinions and conclusions will necessarily be based upon market, economic, financial and other circumstances and conditions existing prior to the valuation, and any material change in such circumstances and conditions may affect our independent valuation advisor's review and conclusions. Our independent valuation advisor's review reports may contain other assumptions, qualifications and limitations set forth in the respective appraisal reports that qualify the review, opinions and conclusions set forth therein. As such, the carrying values of our real properties may not reflect the price at which the properties could be sold in the market, and the difference between carrying values and the ultimate sales prices could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal.

Pursuant to our valuation services agreement with our independent valuation advisor, each individual appraisal report for our assets will be addressed solely to us to assist the Adviser in calculating our NAV. The appraisal reports relating to our properties will not be addressed to the public and may not be relied upon by any other person to establish an estimated value of our common stock and will not constitute a recommendation to any

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person to purchase or sell any shares of our common stock. In preparing appraisal reports, independent third-party appraisal firms will not, and will not be requested to, solicit third-party indications of interest for our common stock or any of our properties in connection with possible purchases thereof or the acquisition of all or any part of us.

The Adviser's valuation of each investment's liabilities, including any third-party incentive fee payments or investment level debt, deal terms and structure will not be reviewed by our independent valuation advisor or appraised. State Street will then incorporate such adjusted valuations into our NAV, which will then be reviewed and confirmed by the Adviser.

Unconsolidated Properties Held Through Joint Ventures

Unconsolidated properties held through joint ventures generally will be valued in a manner that is consistent with the guidelines described above for consolidated properties. Once the value of a property held by the joint venture is determined by an independent appraisal and we determine the fair value of any other assets and liabilities of the joint venture, the value of our interest in the joint venture would then be determined by the Adviser using a hypothetical liquidation calculation to value our interest in the joint venture, which would be a percentage of the joint venture's NAV. Unconsolidated properties held in a joint venture that acquires multiple properties over time may be valued as a single investment.

Valuation of Real Estate Debt and Other Securities

In general, real estate debt and other securities will be valued by the Adviser based on market quotations or at fair value determined in accordance with GAAP. GAAP defines fair value as the price that would be received to sell an asset or be paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

Readily available market quotations

Market quotations may be obtained from third-party pricing service providers or, if not available from third-party pricing service providers, broker-dealers for certain of our real estate debt and other securities. When reliable market quotations for real estate debt and other securities are available from multiple sources, the Adviser will use commercially reasonable efforts to use two or more quotations and will value such investments based on the average of the quotations obtained. However, to the extent that one or more of the quotations received is determined in good faith by the Adviser to not be reliable, the Adviser may disregard such quotation if the average of the remaining quotations is determined in good faith to be reliable by the Adviser. Securities that are traded publicly on an exchange or other public market (stocks, exchange traded derivatives and securities convertible into publicly-traded securities, such as warrants) will be valued at the closing price of such securities in the principal market in which the security trades.

No readily available market quotations

If market quotations are not readily available (or are otherwise not reliable for a particular investment), the fair value will be determined in good faith by the Adviser. Due to the inherent uncertainty of these estimates, estimates of fair value may differ from the values that would have been used had a ready market for these investments existed and the differences could be material. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, or broker-dealer quotations).

Certain investments, such as mortgages and mezzanine loans or preferred equity, are unlikely to have market quotations. The initial value of preferred equity investments will generally be the acquisition price of such investment until such time as the Adviser subsequently revalues the investment. The Adviser may utilize generally accepted valuation methodologies to value such preferred equity investments, with such methodologies generally including inputs such as the stock price of the investment, volatility, strike price, risk-free interest rate,

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dividend yield and expected term, as applicable. In the case of loans acquired by us, such initial value will generally be the acquisition price of such loan. In the case of loans originated by us, such initial value will generally be the par value of such loan. Each such investment will then be valued by the Adviser within the first three full months after we make such investment and no less than quarterly thereafter in accordance with the procedures set forth in the immediately following paragraph.

To conduct its initial quarterly valuation and subsequent quarterly revaluations of such loan investments, the Adviser will initially determine if there is adequate collateral real estate value supporting such investments and whether the investment's yield approximates market yield. If the market yield is estimated to approximate the investment's yield, then such investment is valued at its par value. If the market yield is not estimated to approximate the investment's yield, the Adviser will project the expected cash flows of the investment based on its contractual terms and discount such cash flows back to the valuation date based on an estimated market yield. Market yield is estimated as of each quarterly valuation date based on a variety of inputs regarding the collateral asset(s) performance, local/macro real estate performance, and capital market conditions, in each case as determined in good faith by the Adviser. These factors may include, but are not limited to: purchase price/par value of such real estate debt or other difficult to value securities; debt yield, capitalization rates, loan-to-value ratio, and replacement cost of the collateral asset(s); borrower financial condition, reputation, and indications of intent (e.g., pending repayments, extensions, defaults, etc.); and known transactions or other price discovery for comparable debt investments. In the absence of collateral real estate value supporting such securities, the Adviser will consider the residual value to its securities, following repayment of any senior debt or other obligations of the collateral asset(s). For each month that the Adviser does not perform a valuation of such investments, it will review such investment to confirm that there have been no significant events that would cause a material change in value of such investment. Our independent valuation advisor will generally review and confirm the reasonableness of the valuation of our real estate debt investments without readily available market quotations upon the Adviser's initial quarterly valuation of such investment and each month thereafter.

Our board of directors has delegated to the Adviser the responsibility for monitoring significant events that may materially affect the values of our real estate debt and other securities investments and for determining whether the value of the applicable investments should be re-evaluated in light of such significant events. Except as otherwise provided in our valuation guidelines, the valuation of our real estate debt and other securities will not be reviewed by our independent valuation advisor or appraised.

Liabilities

We will include the fair value of our liabilities as part of our NAV calculation. We expect that these liabilities will include the fees payable to the Adviser and the Dealer Manager, any accrued performance participation allocation to the Special Limited Partner, accounts payable, accrued operating expenses, property-level mortgages, any portfolio-level credit facilities and other liabilities. All liabilities will be valued using widely accepted methodologies specific to each type of liability. Liabilities related to stockholder servicing fees will be allocable to a specific class of shares and will only be included in the NAV calculation for that class as described below. Our debt will be valued at fair value in accordance with GAAP. The Adviser advanced all of our organization and offering expenses on our behalf (other than upfront selling commissions, dealer manager fees and stockholder servicing fees) through December 31, 2017. We will reimburse the Adviser for such advanced expenses ratably over the 60 months following December 31, 2017. For purposes of calculating our NAV, the organization and offering expenses paid by the Adviser through December 31, 2017 are not recognized as expenses or as a component of equity and reflected in our NAV until we reimburse the Adviser for these costs. For purposes of calculating a monthly NAV, the stockholder servicing fee for each applicable class of shares will be calculated by multiplying the accrued monthly stockholder servicing fee rate (1/12th of the total annual stockholder servicing fee rate for each applicable class of shares) by the aggregate NAV of such class of shares for that month, after adjustment for any net portfolio income or loss, unrealized/realized gains or losses on assets and liabilities, management fee expense and performance participation allocation accrual. The Adviser's valuation of each investment's liabilities, including any third-party incentive fee payments or investment level debt, deal terms and structure will not be reviewed by our independent valuation advisor or appraised.

NAV and NAV Per Share Calculation

Our NAV will be calculated for each of these classes by State Street. Our board of directors, including a majority of our independent directors, may replace State Street with another party, including our Adviser, if it is deemed appropriate to do so. The Adviser is responsible for reviewing and confirming our NAV, and overseeing the process around the calculation of our NAV, in each case, as performed by State Street.

Each class will have an undivided interest in our assets and liabilities, other than class-specific stockholder servicing fees. In accordance with the valuation guidelines, State Street calculates our NAV per share for each class as of the last calendar day of each month, using a process that reflects several components (each as described above), including the estimated fair value of (1) each of our properties based in part upon individual appraisal reports provided periodically by third-party independent valuation firms and reviewed by our independent valuation advisor, as finally determined and updated monthly by the Adviser, with review and confirmation for reasonableness by our independent valuation advisor, (2) our real estate debt and other securities for which third-party market quotes are available, (3) our other real estate debt and other securities, if any, and (4) our other assets and liabilities. Because stockholder servicing fees allocable to a specific class of shares will only be included in the NAV calculation for that class, the NAV per share for our share classes may differ. Operating Partnership units will be valued in the same fashion. Our valuation procedures include the following methodology to determine the monthly NAV of our Operating Partnership and the units. Our Operating Partnership has classes of units that are each economically equivalent to our corresponding classes of shares. Accordingly, on the last day of each month, the NAV per Operating Partnership unit of such units equals the NAV per share of the corresponding class. To the extent our Operating Partnership has classes of units that do not correspond to a class of our shares, such units will be valued in a manner consistent with these guidelines. The NAV of our Operating Partnership on the last day of each month equals the sum of the NAVs of each outstanding Operating Partnership unit on such day.

Our NAV for each class of shares will be based on the net asset values of our investments (including real estate debt and other securities), the addition of any other assets (such as cash on hand), and the deduction of any liabilities (including the allocation/accrual of any performance participation to the Special Limited Partner and the deduction of any stockholder servicing fees specifically applicable to such class of shares). At the end of each month, before taking into consideration repurchases or class-specific expense accruals for that month, any change in our aggregate NAV (whether an increase or decrease) is allocated among each class of shares based on each class's relative percentage of the previous aggregate NAV plus issuances of shares that were effective on the first calendar day of such month. The NAV calculation is available generally within 15 calendar days after the end of the applicable month. Changes in our monthly NAV include, without limitation, accruals of our net portfolio income, interest expense, the management fee, any accrued performance participation, distributions, unrealized/realized gains and losses on assets, any applicable organization and offering costs and any expense reimbursements. Changes in our monthly NAV also include material non-recurring events, such as capital expenditures and material property acquisitions and dispositions occurring during the month. Notwithstanding anything herein to the contrary, the Adviser may in its discretion consider material market data and other information that becomes available after the end of the applicable month in valuing our assets and liabilities and calculating our NAV for a particular month. On an ongoing basis, the Adviser will adjust the accruals to reflect actual operating results and the outstanding receivable, payable and other account balances resulting from the accumulation of monthly accruals for which financial information is available.

Following the aggregation of the net asset values of our investments, the addition of any other assets (such as cash on hand), and the deduction of any other liabilities, State Street incorporates any class-specific adjustments to our NAV, including additional issuances and repurchases of our common stock and accruals of class-specific stockholder servicing fees. For each applicable class of shares, the stockholder servicing fee is calculated as a percentage of the aggregate NAV for such class of shares. At the close of business on the date that is one business day after each record date for any declared distribution, our NAV for each class will be reduced to reflect the accrual of our liability to pay any distribution to our stockholders of record of each class as of the record date. NAV per share for each class is calculated by dividing such class's NAV at the end of each month by the number of shares outstanding for that class at the end of such month.

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The combination of the Class T NAV, Class S NAV, Class D NAV and Class I NAV equals the aggregate net asset value of our assets, which will consist almost entirely of the value of our interest in the Operating Partnership, less our liabilities, including liabilities related to class-specific stockholder servicing fees. The value of our interest in the Operating Partnership is equal to the excess of the aggregate NAV of the Operating Partnership over the portion thereof that would be distributed to any limited partners other than us if the Operating Partnership were liquidated. The aggregate NAV of the Operating Partnership is the excess of the value of the Operating Partnership's assets (including the fair value of its properties, real estate debt and other securities, cash and other investments) over its liabilities (including the fair value of its debt, any declared and accrued unpaid distributions, any accrued performance participation allocation and the expenses attributable to its operations). The Adviser calculates the fair value of the assets and liabilities of the Operating Partnership as directed by our valuation guidelines based upon values received from various sources, as described in more detail above.

Net portfolio income and unrealized/realized gains on assets and liabilities for any month is allocated proportionately among the share classes according to the NAV of the classes at the beginning of the month.

Relationship between NAV and Our Transaction Price

Purchases and repurchases of shares of our common stock are not made based on the current NAV per share of our common stock at the time of purchase or repurchase. Generally, our transaction price will equal our prior month's NAV. The transaction price will be the price at which we repurchase shares and the price, together with applicable upfront selling commissions and dealer manager fees, at which we offer shares. Although the transaction price will generally be based on our prior month's NAV per share, such prior month's NAV may be significantly different from the current NAV per share of the applicable class of stock as of the date on which your purchase or repurchase occurs.

In addition, 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 (including by updating a previously disclosed offering price) or suspend our offering and/or our share repurchase plan 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. In cases where our transaction price is not based on the prior month's NAV per share, the offering price and repurchase price will not equal our NAV per share as of any time. The Adviser may determine whether a material change has occurred to our NAV per share since the end of the prior month and whether to set a transaction price that differs from the previous month's NAV per share, and in such cases, has discretion over what such transaction price will be.

Our transaction price will be made publicly available by posting it on our website at www.breit.com and filing a prospectus supplement with the SEC and in certain cases delivered directly to subscribers. Please see the "How to Subscribe" section of this prospectus for additional information on how we communicate a change in our transaction price and the timing of when we accept subscription requests.

As our upfront selling commissions and dealer manager fees are a percentage of the transaction price, any increase or decrease in our transaction price will have a corresponding impact on the absolute amount of fees paid in connection with your purchase and thus the number of shares you would be able to purchase for the same aggregate amount. For example, an increase in the transaction price after your subscription was submitted would result in fewer shares purchased for the same aggregate amount (inclusive of upfront costs).

Limits on the Calculation of Our NAV Per Share

The overarching principle of our valuation guidelines is to produce reasonable estimated values for each of our investments (and other assets and liabilities), or the price that would be received for that investment in orderly transactions between market participants. However, the majority of our assets will consist of real estate properties and, as with any real estate valuation protocol and as described above, the valuation of our properties (and other assets and liabilities) is based on a number of judgments, assumptions and opinions about future events that may or may not prove to be correct. The use of different judgments, assumptions or opinions would

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likely result in a different estimate of the value of our real estate properties (and other assets and liabilities). Any resulting potential disparity in our NAV per share may be in favor of stockholders whose shares are repurchased, existing stockholders or new purchasers of our common stock, as the case may be, depending on the circumstances at the time (for cases in which our transaction price is based on NAV). See “Risk Factors—Valuations and appraisals of our real estate and real estate debt are estimates of fair value and may not necessarily correspond to realizable value,” “—Our NAV per share amounts may change materially if the appraised values of our properties materially change from prior appraisals or the actual operating results for a particular month differ from what we originally budgeted for that month” and “—It may be difficult to reflect, fully and accurately, material events that may impact our monthly NAV.”

Additionally, while the methodologies contained in our valuation guidelines are designed to operate reliably within a wide variety of circumstances, it is possible that in certain unanticipated situations or after the occurrence of certain extraordinary events (such as a significant disruption in relevant markets, a terrorist attack or an act of nature), our ability to calculate NAV may be impaired or delayed, including, without limitation, circumstances where there is a delay in accessing or receiving information from vendors or other reporting agents upon which we may rely upon in determining the monthly value of our NAV. In these circumstances, a more accurate valuation of our NAV could be obtained by using different assumptions or methodologies. Accordingly, in special situations when, in the Adviser’s reasonable judgment, the administration of the valuation guidelines would result in a valuation that does not represent a fair and accurate estimate of the value of our investment, alternative methodologies may be applied, provided that the Adviser must notify our board of directors at the next scheduled board meeting of any alternative methodologies utilized and their impact on the overall valuation of our investment. Notwithstanding the foregoing, our board of directors may suspend the offering and/or our share repurchase plan if it determines that the calculation of our NAV is materially incorrect or unreliable or there is a condition that restricts the valuation of a material portion of our assets.

We include no discounts to our NAV for the illiquid nature of our shares, including the limitations on your ability to sell shares under our share repurchase plan and our ability to suspend or terminate our share repurchase plan at any time. Our NAV generally does not consider exit costs (e.g., selling costs and commissions and debt prepayment penalties related to the sale of a property) that would likely be incurred if our assets and liabilities were liquidated or sold. While we may use market pricing concepts to value individual components of our NAV, our per share NAV is not derived from the market pricing information of open-end real estate funds listed on stock exchanges.

Our NAV per share does not represent the amount of our assets less our liabilities in accordance with GAAP. We do not represent, warrant or guarantee that:

- a stockholder would be able to realize the NAV per share for the class of shares a stockholder owns if the stockholder attempts to sell its shares;
- a stockholder would ultimately realize distributions per share equal to the NAV per share for the class of shares it owns upon liquidation of our assets and settlement of our liabilities or a sale of our company;
- shares of our common stock would trade at their NAV per share on a national securities exchange;
- a third party would offer the NAV per share for each class of shares in an arm’s-length transaction to purchase all or substantially all of our shares; or
- the NAV per share would equate to a market price of an open-ended real estate fund.

November 30, 2020 NAV Per Share

Our total NAV presented in the following tables includes the NAV of our Class S, Class I, Class T, and Class D common stockholders, as well as partnership interests of Operating Partnership held by parties other than us. The

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following table provides a breakdown of the major components of our total NAV as of November 30, 2020 (\$ and shares in thousands):

Components of NAV	November 30, 2020
Investments in real estate	\$ 34,792,253
Investments in real estate debt	4,685,245
Investments in unconsolidated entities	855,593
Cash and cash equivalents	686,374
Restricted cash	614,681
Other assets	910,191
Mortgage notes, term loans, and revolving credit facilities, net	(18,592,752)
Secured financings on investments in real estate debt	(2,156,922)
Subscriptions received in advance	(405,734)
Other liabilities	(670,564)
Accrued performance participation allocation	(148,812)
Management fee payable	(21,405)
Accrued stockholder servicing fees(1)	(6,172)
Non-controlling interests in joint ventures	(257,879)
Net asset value	\$ 20,284,097
Number of outstanding shares/units	1,772,789

- (1) Stockholder servicing fees only apply to Class S, Class T and Class D shares. For purposes of NAV we recognize the stockholder servicing fee as a reduction of NAV on a monthly basis as such fee is paid. Under GAAP, we accrue the full cost of the stockholder servicing fee as an offering cost at the time we sell Class S, Class T and Class D shares. As of November 30, 2020, we accrued under GAAP \$592.6 million of stockholder servicing fees payable to the Dealer Manager related to the Class S, Class T and Class D shares sold. The Dealer Manager does not retain any of these fees, all of which are retained by, or reallocated (paid) to, participating broker-dealers.

The following table provides a breakdown of our total NAV and NAV per share/unit by class as of November 30, 2020 (\$ and shares/units in thousands, except per share/unit data):

NAV Per Share/Unit	Class S Shares	Class I Shares	Class T Shares	Class D Shares	Third-party Operating Partnership Units(1)	Total
Net asset value	\$ 7,879,873	\$ 10,285,738	\$ 516,711	\$ 1,352,053	\$ 249,722	\$ 20,284,097
Number of outstanding shares/units	686,693	898,917	45,835	119,520	21,824	1,772,789
NAV Per Share/Unit as of November 30, 2020	\$ 11.4751	\$ 11.4424	\$ 11.2733	\$ 11.3124	\$ 11.4424	

- (1) Includes the partnership interests of the Operating Partnership held by the Special Limited Partner, Class B unitholders, and other Operating Partnership interests held by parties other than us.

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Set forth below are the weighted averages of the key assumptions in the discounted cash flow methodology used in the November 30, 2020 valuations, based on property types.

<u>Property Type</u>	<u>Discount Rate</u>	<u>Exit Capitalization Rate</u>
Multifamily(1)	7.5%	5.2%
Industrial	6.8%	5.4%
Net lease	7.4%	6.8%
Hotel	9.2%	9.5%
Retail	7.7%	6.5%
Office	7.6%	6.2%
Other(2)	7.3%	6.3%

- (1) Multifamily includes student housing and manufactured housing
(2) Other includes self-storage.

These assumptions are determined by the Adviser, and reviewed by our independent valuation advisor. A change in these assumptions would impact the calculation of the value of our property investments. For example, assuming all other factors remain unchanged, the changes listed below would result in the following effects on our investment values:

<u>Input</u>	<u>Hypothetical Change</u>	<u>Multifamily Investment Values</u>	<u>Industrial Investment Values</u>	<u>Net Lease Investment Values</u>	<u>Hotel Investment Values</u>	<u>Retail Investment Values</u>	<u>Office Investment Values</u>	<u>Other Investment Values</u>
Discount Rate	0.25% decrease	+1.9%	+1.7%	+1.8%	+1.8%	+1.8%	+1.9%	+1.8%
(weighted average)	0.25% increase	(1.9%)	(2.1%)	(1.7%)	(1.8%)	(1.8%)	(1.8%)	(1.8%)
Exit Capitalization Rate	0.25% decrease	+3.2%	+3.0%	+2.1%	+1.5%	+2.3%	+2.7%	+2.4%
(weighted average)	0.25% increase	(2.9%)	(3.2%)	(1.9%)	(1.4%)	(2.1%)	(2.5%)	(2.2%)

October 31, 2020 NAV Per Share

Our total NAV presented in the following tables includes the NAV of our Class S, Class I, Class T, and Class D common stockholders, as well as partnership interests of the Operating Partnership held by parties other than us. The following table provides a breakdown of the major components of our total NAV as of October 31, 2020 (\$ and shares in thousands):

Components of NAV	October 31, 2020
Investments in real estate	\$ 33,874,244
Investments in real estate debt	4,715,131
Investments in unconsolidated entities	850,953
Cash and cash equivalents	335,797
Restricted cash	557,955
Other assets	840,471
Mortgage notes, term loans, and revolving credit facilities, net	(18,004,650)
Secured financings on investments in real estate debt	(2,154,026)
Subscriptions received in advance	(336,924)
Other liabilities	(760,150)
Accrued performance participation allocation	(24,168)
Management fee payable	(20,575)
Accrued stockholder servicing fees(1)	(6,185)
Non-controlling interests in joint ventures	(252,538)
Net asset value	\$ 19,615,335
Number of outstanding shares/units	1,731,578

- (1) Stockholder servicing fees only apply to Class S, Class T and Class D shares. For purposes of NAV we recognize the stockholder servicing fee as a reduction of NAV on a monthly basis as such fee is paid. Under GAAP, we accrue the full cost of the stockholder servicing fee as an offering cost at the time we sell Class S, Class T and Class D shares. As of October 31, 2020, we accrued under GAAP \$581.0 million of stockholder servicing fees payable to the Dealer Manager related to the Class S, Class T and Class D shares sold. The Dealer Manager does not retain any of these fees, all of which are retained by, or reallocated (paid) to, participating broker-dealers.

The following table provides a breakdown of our total NAV and NAV per share/unit by class as of October 31, 2020 (\$ and shares/units in thousands, except per share/unit data):

NAV Per Share/Unit	Class S Shares	Class I Shares	Class T Shares	Class D Shares	Third-party Operating Partnership Units(1)	Total
Net asset value	\$ 7,644,183	\$ 9,934,000	\$ 506,008	\$ 1,284,091	\$ 247,053	\$ 19,615,335
Number of outstanding shares/units	672,863	876,948	45,336	114,622	21,809	1,731,578
NAV Per Share/Unit as of October 31, 2020	\$ 11.3607	\$ 11.3279	\$ 11.1613	\$ 11.2028	\$ 11.3279	

- (1) Includes the partnership interests of the Operating Partnership held by the Special Limited Partner, Class B unitholders, and other Operating Partnership interests held by parties other than us.

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Set forth below are the weighted averages of the key assumptions in the discounted cash flow methodology used in the October 31, 2020 valuations, based on property types. Once we own more than one office property we will include the key assumptions for such property type.

<u>Property Type</u>	<u>Discount Rate</u>	<u>Exit Capitalization Rate</u>
Multifamily(1)	7.5%	5.3%
Industrial	6.9%	5.5%
Net lease	7.4%	6.8%
Hotel	9.2%	9.5%
Retail	7.7%	6.5%
Other(2)	7.3%	6.3%

(1) Multifamily includes student housing and manufactured housing

(2) Other includes self-storage.

These assumptions are determined by the Adviser, and reviewed by our independent valuation advisor. A change in these assumptions would impact the calculation of the value of our property investments. For example, assuming all other factors remain unchanged, the changes listed below would result in the following effects on our investment values:

<u>Input</u>	<u>Hypothetical Change</u>	<u>Multifamily Investment Values</u>	<u>Industrial Investment Values</u>	<u>Net Lease Investment Values</u>	<u>Hotel Investment Values</u>	<u>Retail Investment Values</u>	<u>Other Investment Values</u>
Discount Rate	0.25% decrease	+1.9%	+1.7%	+1.8%	+1.8%	+1.8%	+1.8%
(weighted average)	0.25% increase	(1.9%)	(2.1%)	(1.7%)	(1.8%)	(1.8%)	(1.8%)
Exit Capitalization Rate	0.25% decrease	+3.1%	+2.9%	+2.1%	+1.5%	+2.3%	+2.4%
(weighted average)	0.25% increase	(2.8%)	(3.2%)	(1.9%)	(1.4%)	(2.1%)	(2.2%)

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The following table presents our monthly NAV per share for each of the four classes of shares:

Date	Class S	Class I(1)	Class T	Class D
January 31, 2017	\$ 10.0000	\$ 10.0100	—	—
February 28, 2017	\$ 10.0200	\$ 10.0300	—	—
March 31, 2017	\$ 10.0200	\$ 10.0200	—	—
April 30, 2017	\$ 10.0455	\$ 10.0495	—	—
May 31, 2017	\$ 10.1828	\$ 10.1868	—	\$ 10.1604
June 30, 2017	\$ 10.2904	\$ 10.2791	\$ 10.1721	\$ 10.2648
July 31, 2017	\$ 10.3173	\$ 10.3092	\$ 10.2256	\$ 10.2603
August 31, 2017	\$ 10.4074	\$ 10.3997	\$ 10.2883	\$ 10.3536
September 30, 2017	\$ 10.4662	\$ 10.4579	\$ 10.3239	\$ 10.3763
October 31, 2017	\$ 10.5060	\$ 10.4973	\$ 10.3549	\$ 10.4114
November 30, 2017	\$ 10.5174	\$ 10.5094	\$ 10.3622	\$ 10.4141
December 31, 2017	\$ 10.5750	\$ 10.5671	\$ 10.4175	\$ 10.4712
January 31, 2018	\$ 10.6339	\$ 10.6236	\$ 10.4684	\$ 10.5217
February 28, 2018	\$ 10.6714	\$ 10.6602	\$ 10.4985	\$ 10.5539
March 31, 2018	\$ 10.6795	\$ 10.6646	\$ 10.5050	\$ 10.5602
April 30, 2018	\$ 10.7134	\$ 10.6985	\$ 10.5372	\$ 10.5928
May 31, 2018	\$ 10.7321	\$ 10.7158	\$ 10.5525	\$ 10.6087
June 30, 2018	\$ 10.7620	\$ 10.7446	\$ 10.5802	\$ 10.6315
July 31, 2018	\$ 10.7959	\$ 10.7773	\$ 10.6120	\$ 10.6633
August 31, 2018	\$ 10.8268	\$ 10.8064	\$ 10.6411	\$ 10.6907
September 30, 2018	\$ 10.8508	\$ 10.8290	\$ 10.6629	\$ 10.7133
October 31, 2018	\$ 10.8806	\$ 10.8579	\$ 10.6909	\$ 10.7417
November 30, 2018	\$ 10.8862	\$ 10.8625	\$ 10.6957	\$ 10.7459
December 31, 2018	\$ 10.8222	\$ 10.7984	\$ 10.6318	\$ 10.6820
January 31, 2019	\$ 10.8756	\$ 10.8524	\$ 10.6835	\$ 10.7359
February 28, 2019	\$ 10.9142	\$ 10.8906	\$ 10.7202	\$ 10.7724
March 31, 2019	\$ 10.9458	\$ 10.9218	\$ 10.7502	\$ 10.8019
April 30, 2019	\$ 10.9756	\$ 10.9480	\$ 10.7769	\$ 10.8304
May 31, 2019	\$ 11.0625	\$ 11.0350	\$ 10.8612	\$ 10.9146
June 30, 2019	\$ 11.1022	\$ 11.0755	\$ 10.9007	\$ 10.9481
July 31, 2019	\$ 11.2241	\$ 11.1969	\$ 11.0191	\$ 11.0660
August 31, 2019	\$ 11.3286	\$ 11.3030	\$ 11.1221	\$ 11.1661
September 30, 2019	\$ 11.4074	\$ 11.3816	\$ 11.2000	\$ 11.2407
October 31, 2019	\$ 11.4263	\$ 11.4008	\$ 11.2193	\$ 11.2588
November 30, 2019	\$ 11.4634	\$ 11.4379	\$ 11.2553	\$ 11.2945
December 31, 2019	\$ 11.4725	\$ 11.4473	\$ 11.2642	\$ 11.3022
January 31, 2020	\$ 11.5029	\$ 11.4776	\$ 11.2933	\$ 11.3311
February 29, 2020	\$ 11.4430	\$ 11.4183	\$ 11.2339	\$ 11.2715
March 31, 2020	\$ 10.4637	\$ 10.4391	\$ 10.2709	\$ 10.3054
April 30, 2020	\$ 10.4825	\$ 10.4493	\$ 10.2997	\$ 10.3487
May 31, 2020	\$ 10.5798	\$ 10.5464	\$ 10.3947	\$ 10.4438
June 30, 2020	\$ 10.7439	\$ 10.7100	\$ 10.5557	\$ 10.6047
July 31, 2020	\$ 10.7800	\$ 10.7471	\$ 10.5914	\$ 10.6392
August 31, 2020	\$ 10.9604	\$ 10.9271	\$ 10.7676	\$ 10.8166
September 30, 2020	\$ 11.2015	\$ 11.1686	\$ 11.0048	\$ 11.0532
October 31, 2020	\$ 11.3607	\$ 11.3279	\$ 11.1613	\$ 11.2028
November 30, 2020	\$ 11.4751	\$ 11.4424	\$ 11.2733	\$ 11.3124

(1) The NAV per unit of the Class I units issued to the Special Limited Partner and the Class B units generally correspond to the NAV per share of our Class I shares.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of January 7, 2021, information regarding the number and percentage of shares of our common stock owned by each director, our named executive officers, all directors and executive officers as a group, and any person known to us to be the beneficial owner of more than 5% of outstanding shares of our common stock. Beneficial ownership is determined in accordance with the rules of the SEC and includes securities that a person has the right to acquire within 60 days. The address for each of the persons named below is in care of our principal executive offices at 345 Park Avenue, New York, NY 10154.

<u>Name of Beneficial Owner</u>	<u>Number of Shares</u> <u>Beneficially Owned</u>	<u>Percent of Shares</u> <u>Beneficially Owned</u>
Directors and Named Executive Officers:		
Frank Cohen	569,299	*
A.J. Agarwal	538,424	*
Wesley LePatner	24,606	*
Paul D. Quinlan	19,940	*
Raymond J. Beier	34,686	*
Richard I. Gilchrist	34,686	*
Field Griffith	34,686	*
Edward Lewis	34,686	*
All current executive officers and directors as a group (13 persons)	1,374,696	*

All shares listed in the table above are Class I shares.

* Represents less than 1%.

Blackstone and its employees, including our executive officers, owned approximately \$215.1 million of interests in us as of January 7, 2021.

SELECTED INFORMATION REGARDING OUR OPERATIONS

Selected Financial Information

The following selected financial data should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the period ended September 30, 2020, each as attached to this prospectus as Annex A and Annex B, respectively. Our historical results are not necessarily indicative of results for any future period.

	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Period March 2, 2016 (date of initial capitalization) through December 31, 2016
Operating Data (in thousands)					
Total revenues	\$ 1,903,000	\$ 1,686,272	\$ 723,258	\$ 157,932	\$ —
Total expenses	1,953,565	1,866,396	837,761	226,858	115
Total other income (expense)	(725,784)	(234,119)	(176,962)	(18,624)	—
Net loss	(776,349)	(414,243)	(291,465)	(87,550)	(115)
Net loss attributable to BREIT stockholders	\$ (764,376)	\$ (401,771)	\$ (281,056)	\$ (86,258)	\$ (115)
Per Share Data					
Net loss per share of common stock—basic and diluted	(0.49)	\$ (0.54)	\$ (0.91)	\$ (0.90)	\$ (5.74)
Gross distributions declared per share of common stock	\$ 0.48	\$ 0.64	\$ 0.63	\$ 0.48(1)	\$ —

(1) Represents the gross distributions declared for Class S and Class I shares for the year ended December 31, 2017. We did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were declared for Class D or Class T shares prior to such date.

	As of September 30, 2020	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017	As of December 31, 2016
Balance Sheet Data (in thousands)					
Total assets	\$ 37,032,808	\$ 33,039,823	\$ 13,237,158	\$ 4,625,308	\$ 200
Investments in real estate, net	28,869,214	26,326,868	10,259,687	3,406,555	—
Investments in real estate debt	4,965,677	4,523,260	2,259,913	915,742	—
Mortgage notes, term loans, and secured revolving credit facilities, net	17,579,032	16,929,659	6,833,269	2,111,291	—
Secured financings on investments in real estate debt	2,392,945	3,092,137	1,713,723	682,848	—
Total equity	15,204,028	10,614,648	3,914,954	1,509,639	85

Funds from Operations and Adjusted Funds from Operations and Funds Available for Distribution

We believe funds from operations (“FFO”) is a meaningful supplemental non-GAAP operating metric. Our condensed consolidated financial statements are presented under historical cost accounting which, among other things, requires depreciation of real estate investments to be calculated on a straight-line basis. As a result, our operating results imply that the value of our real estate investments will decrease evenly over a set time period. However, we believe that the value of real estate investments will fluctuate over time based on market conditions and as such, depreciation under historical cost accounting may be less informative. FFO is a standard REIT

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industry metric defined by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO, as defined by NAREIT and presented below, is calculated as net income or loss (computed in accordance with GAAP, excluding (i) gains or losses from sales of depreciable real property, (ii) impairment write-downs on depreciable real property, plus (iii) real estate-related depreciation and amortization, and (iv) similar adjustments for non-controlling interests.

We also believe that adjusted FFO (“AFFO”) is a meaningful non-GAAP supplemental disclosure of our operating results. AFFO further adjusts FFO in order for our operating results to reflect the specific characteristics of our business by adjusting for items we believe are not related to our core operations. Our adjustments to FFO to arrive at AFFO include removing the impact of (i) straight-line rental income and expense, (ii) amortization of above- and below-market lease intangibles, (iii) amortization of mortgage premium/discount, (iv) unrealized (gains) losses on financial instruments, (v) forfeited investment deposits (vi) amortization of restricted stock awards, (vii) non-cash performance participation allocation or other non-cash incentive compensation even if repurchased by us, (viii) gain or loss on involuntary conversion, (ix) realized (gains) losses on extinguishment of debt, and (x) similar adjustments for non-controlling interests and unconsolidated entities.

We also believe funds available for distribution (“FAD”) is an additional meaningful non-GAAP supplemental disclosure that provides useful information for considering our operating results and certain other items relative to the amount of our distributions by removing the impact of certain non-cash items from our operating results. FAD is calculated as AFFO excluding (i) realized gains (losses) on Real Estate Debt and (ii) management fee paid in shares or operating partnership units even if repurchased by us, and including deductions for (iii) recurring tenant improvements, leasing commissions, and other capital projects, (iv) stockholder servicing fees paid during the period, and (v) similar adjustments for non-controlling interests and unconsolidated entities. FAD is not indicative of cash available to fund our cash needs and does not represent cash flows from operating activities in accordance with GAAP, as it excludes adjustments for working capital items and actual cash receipts from interest income recognized on Real Estate Related Securities. Cash flows from operating activities in accordance with GAAP would generally be adjusted for such items. Furthermore, FAD is adjusted for stockholder servicing fees and recurring tenant improvements, leasing commissions, and other capital expenditures, which are not considered when determining cash flows from operating activities in accordance with GAAP.

FFO, AFFO, and FAD should not be considered to be more relevant or accurate than the GAAP methodology in calculating net income (loss) or in evaluating our operating performance. In addition, FFO, AFFO, and FAD should not be considered as alternatives to net income (loss) as indications of our performance or as alternatives to cash flows from operating activities as indications of our liquidity, but rather should be reviewed in conjunction with these and other GAAP measurements. Further, FFO, AFFO, and FAD are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders.

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The following table presents a reconciliation of FFO, AFFO and FAD to net loss attributable to BREIT stockholders (\$ in thousands):

	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
Net loss attributable to BREIT stockholders	\$ (764,376)	\$ (401,771)
Adjustments to arrive at FFO:		
Real estate depreciation and amortization	1,035,104	824,039
Impairment of investments in real estate	12,343	—
Net gains on dispositions of real estate	(100,441)	(35,035)
Amount attributable to non-controlling interests for above adjustment	(29,664)	(28,668)
FFO attributable to BREIT stockholders	152,966	358,565
Adjustments to arrive at AFFO:		
Straight-line rental income and expense	(114,273)	(22,590)
Amortization of above- and below-market lease intangibles	(13,237)	(9,612)
Amortization of mortgage premium/discount	(871)	(285)
Unrealized losses (gains) from changes on financial instruments(1)	484,332	(47,651)
Net forfeited investment deposits	12,750	—
Amortization of restricted stock awards	300	400
Non-cash performance participation allocation	—	141,396
Non-cash incentive compensation awards to affiliated service providers	969	2,000
Gain on involuntary conversion	(270)	(1,389)
Loss on extinguishment of debt	6,495	—
Amount attributable to non-controlling interests for above adjustments	(1,464)	(550)
AFFO attributable to BREIT stockholders	527,697	420,284
Adjustments to arrive at FAD:		
Management fee paid in shares	160,544	108,115
Recurring tenant improvements, leasing commissions and other capital expenditures(2)	(85,901)	(69,834)
Stockholder servicing fees	(48,111)	(42,501)
Realized losses (gains) on financial instruments	8,410	(6,035)
Amount attributable to non-controlling interests for above adjustments	(1,114)	(644)
FAD attributable to BREIT stockholders	\$ 561,525	\$ 409,385

(1) Unrealized losses (gains) from changes on financial instruments primarily relates to mark-to-market changes on both our investments in real estate debt and our investments in equity securities.

(2) Recurring tenant improvements and leasing commissions are generally related to second-generation leases and other capital expenditures required to maintain our investments. Other capital expenditures exclude underwritten tenant improvements, leasing commissions and capital expenditures in conjunction with acquisitions and projects that we believe will enhance the value of our investments.

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Our Indebtedness

The following table is a summary of our indebtedness as of September 30, 2020 and December 31, 2019 (\$ in thousands):

Indebtedness	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)(3)	Maximum Facility Size	Principal Balance as of	
				September 30, 2020	December 31, 2019
<i>Fixed rate loans:</i>					
Fixed rate mortgages	3.8%	7/15/2027	N/A	\$ 12,713,738	\$ 12,424,717
Mezzanine loan	—	—	—	—	195,878
Total fixed rate loans	3.8%	7/15/2027	—	12,713,738	12,620,595
<i>Variable rate loans:</i>					
Floating rate mortgages	L+1.8%	2/8/2026	N/A	3,209,340	1,826,435
Variable rate term loans	L+1.7%	2/11/2024	N/A	1,639,495	1,533,561
Variable rate secured revolving credit facilities	—	—	\$ 2,339,495	—	1,063,837
Variable rate mezzanine loans	L+4.3%	4/9/2025	N/A	142,200	—
Total variable rate loans	L+1.8%	6/5/2025	—	4,991,035	4,423,833
Total loans secured by our properties	3.3%	2/18/2027	—	17,704,773	17,044,428
<i>Secured financings on investments in real estate debt:</i>					
Barclays MRA	—	9/29/2021	750,000	750,000	750,000
Other MRAs(4)	—	3/21/2021	N/A	1,343,007	2,342,137
DB Secured Financing	—	4/2/2022	N/A	263,866	—
Citi Term Loan TRS	—	7/9/2021	—	36,072	—
Total secured financings on investments real estate debt(5)	1.6%	—	—	2,392,945	3,092,137
<i>Unsecured loans:</i>					
Unsecured variable rate revolving credit facility	L+2.5%	2/22/2023	1,275,000	—	—
Affiliate line of credit	L+2.5%	1/22/2021	150,000	—	—
Total unsecured loans	—	—	1,425,000	—	—
Total indebtedness	—	—	—	\$ 20,097,718	\$ 20,136,565

(1) The term "L" refers to the one-month LIBOR with respect to loans secured by our properties and unsecured loans.

(2) For loans where we, at our sole discretion, have extension options, the maximum maturity date has been assumed.

(3) Subsequent to quarter end, we rolled our repurchase agreement contracts expiring in October 2020 into new contracts.

(4) Includes RBC MRA and Citi MRA.

(5) Weighted average interest rate based on L+1.6%, whereby "L" refers to the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR and EURIBOR, as applicable to each secured financing.

Our Distributions

The following table summarizes the net distributions per share for each class and each record date declared by us since our inception through December 2020.

Record Date	Class S Shares	Class I Shares	Class T Shares(1)	Class D Shares(1)
March 31, 2017	\$0.0250	\$0.0412	\$ —	\$ —
April 30, 2017	0.0292	0.0362	—	—
May 31, 2017	0.0368	0.0441	—	0.0420
June 30, 2017	0.0445	0.0517	0.0446	0.0496
July 31, 2017	0.0428	0.0501	0.0429	0.0479
August 31, 2017	0.0430	0.0505	0.0431	0.0483
September 30, 2017	0.0434	0.0507	0.0435	0.0485
October 31, 2017	0.0436	0.0512	0.0437	0.0490
November 30, 2017	0.0438	0.0511	0.0439	0.0490
December 31, 2017	0.0438	0.0514	0.0439	0.0492
January 31, 2018	0.0441	0.0517	0.0442	0.0495
February 28, 2018	0.0443	0.0513	0.0444	0.0492
March 31, 2018	0.0445	0.0522	0.0446	0.0500
April 30, 2018	0.0445	0.0520	0.0446	0.0498
May 31, 2018	0.0446	0.0524	0.0448	0.0501
June 30, 2018	0.0447	0.0522	0.0448	0.0500
July 31, 2018	0.0448	0.0526	0.0450	0.0504
August 31, 2018	0.0450	0.0528	0.0451	0.0505
September 30, 2018	0.0451	0.0527	0.0452	0.0505
October 31, 2018	0.0451	0.0530	0.0453	0.0507
November 30, 2018	0.0451	0.0527	0.0452	0.0505
December 31, 2018	0.0451	0.0530	0.0452	0.0507
January 31, 2019	0.0451	0.0530	0.0452	0.0507
February 28, 2019	0.0451	0.0522	0.0452	0.0501
March 31, 2019	0.0451	0.0530	0.0452	0.0507
April 30, 2019	0.0451	0.0528	0.0453	0.0506
May 31, 2019	0.0451	0.0531	0.0453	0.0508
June 30, 2019	0.0451	0.0529	0.0453	0.0506
July 31, 2019	0.0451	0.0531	0.0452	0.0508
August 31, 2019	0.0451	0.0532	0.0452	0.0508
September 30, 2019	0.0451	0.0531	0.0453	0.0508
October 31, 2019	0.0451	0.0534	0.0452	0.0510
November 30, 2019	0.0451	0.0531	0.0452	0.0508
December 31, 2019	0.0451	0.0534	0.0452	0.0510
January 31, 2020	0.0451	0.0534	0.0452	0.0510
February 29, 2020	0.0451	0.0529	0.0452	0.0506
March 31, 2020	0.0451	0.0529	0.0452	0.0506
April 30, 2020	0.0451	0.0524	0.0452	0.0503
May 31, 2020	0.0451	0.0527	0.0452	0.0505
June 30, 2020	0.0451	0.0526	0.0452	0.0504
July 31, 2020	0.0451	0.0529	0.0452	0.0506
August 31, 2020	0.0451	0.0529	0.0452	0.0506
September 30, 2020	0.0451	0.0528	0.0452	0.0506
October 31, 2020	0.0451	0.0533	0.0452	0.0509
November 30, 2020	0.0451	0.0531	0.0452	0.0508
December 31, 2020	0.0451	0.0535	0.0453	0.0511
Total	2.0152	2.3785	1.9293	2.2021

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- (1) We did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were made for such classes of shares prior to such dates.

The following tables summarize our distributions declared during the nine months ended September 30, 2020 and the year ended December 31, 2019 (\$ in thousands):

	Nine Months Ended September 30, 2020		Year Ended December 31, 2019	
	Amount	Percentage	Amount	Percentage
Distributions				
Payable in cash	\$317,527	46%	\$169,669	39%
Reinvested in shares	368,968	54%	263,897	61%
Total distributions	<u>\$686,495</u>	<u>100%</u>	<u>\$433,566</u>	<u>100%</u>
Sources of Distributions				
Cash flows from operating activities	\$686,495	100%	\$433,566	100%
Offering proceeds	—	—%	—	—%
Total sources of distributions	<u>\$686,495</u>	<u>100%</u>	<u>\$433,566</u>	<u>100%</u>
Cash flows from operating activities	\$729,451		\$600,927	
Funds from Operations(1)	\$152,966		\$358,565	
Adjusted Funds from Operations(1)	\$527,697		\$420,284	
Funds Available for Distribution(1)	\$561,525		\$409,385	

- (1) Please see “—Funds from Operations and Adjusted Funds from Operations and Funds Available for Distribution” above for descriptions of Funds from Operations (FFO), Adjusted Funds from Operations (AFFO), and Funds Available for Distribution (FAD), for reconciliations of them to GAAP net loss attributable to BREIT stockholders, and for considerations on how to review these metrics.

Related Party Transactions

Due to Affiliates

The following table details the components of due to affiliates (\$ in thousands):

	September 30, 2020	December 31, 2019
Accrued stockholder servicing fee(1)	\$ 572,784	\$ 478,539
Accrued management fee	19,869	13,873
Accrued affiliate service provider expenses	4,606	6,037
Advanced organization and offering costs	4,602	6,136
Performance participation allocation	—	141,396
Other	21,175	44,162
Total	<u>\$ 623,036</u>	<u>\$ 690,143</u>

- (1) The Company accrues the full amount of the future stockholder servicing fees payable to the Dealer Manager for Class S, Class T, and Class D shares up to the 8.75% of gross proceeds limit at the time such shares are sold. The Dealer Manager has entered into agreements with the selected dealers distributing the Company’s shares in its ongoing public offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and dealer manager fee and all or a portion of the stockholder servicing fees received by the Dealer Manager to such selected dealers.

Management Fee

During the nine months ended September 30, 2020 and the year ended December 31, 2019, the Company incurred management fees of \$160.5 million and \$108.1 million, respectively.

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The Company issued 13,006,077 and 8,424,263 unregistered Class I shares to the Adviser as payment for the management fees for the nine months ended September 30, 2020 and the year ended December 31, 2019, respectively, and also had \$19.9 million and \$13.9 million of management fees payable as of September 30, 2020 and December 31, 2019, respectively. During October 2020, the Adviser was issued 1,778,962 unregistered Class I shares as payment for the \$19.9 million management fees accrued as of September 30, 2020. The shares issued to the Adviser for payment of the management fee were issued at the applicable NAV per share at the end of each month for which the fee was earned.

Accrued affiliate service provider expenses and incentive compensation awards

During the nine months ended September 30, 2020 and the year ended December 31, 2019, we incurred expenses to affiliated service providers for services incurred in connection with our investments, certain restricted Class I units in the Operating Partnership issued in satisfaction with past incentive compensation awards vested and amounts for transaction support services provided were capitalized.

The following table details the expenses incurred, the incentive compensation awards vested and any capitalized transaction costs (\$ in thousands):

	Affiliate Service Provider Expenses		Affiliate Service Provider Incentive Compensation Awards		Capitalized Transaction Support Fees	
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
Link Industrial Properties, L.L.C.	\$ 39,334	\$ 19,332	\$ 505	\$ 1,042	\$ 2,926	\$ 3,460
LivCor, L.L.C.	19,474	18,464	149	308	2,533	2,990
BRE Hotels and Resorts LLC	11,661	7,250	303	624	—	—
ShopCore Properties TRS Management LLC	3,532	1,715	12	26	422	610
Revantage Corporate Services, L.L.C.	1,397	1,295	—	—	—	—
Equity Office Management, L.L.C.	465	104	—	—	—	30
Gateway Industrial Properties L.L.C.	—	2,524	—	—	—	27
Total	\$ 75,863	\$ 50,684	\$ 969	\$ 2,000	\$ 5,881	\$ 7,117

In addition, the Company issued incentive compensation awards to certain employees of the portfolio company service providers described above that entitles them to receive an allocation of total return over a certain hurdle amount, as determined by the Company. None of Blackstone, the Adviser or the affiliate portfolio company service providers receive any incentive compensation from the aforementioned arrangements. The portfolio company incentive compensation awards of \$14.7 million crystallized on December 31, 2019 and, in January 2020, the Company issued approximately 1.3 million restricted Class I units in the Operating Partnership to certain employees of such companies in satisfaction of such awards.

Performance Participation Allocation

During the nine months ended September 30, 2020, the Company recognized no performance participation allocation expense as the performance hurdle of 5% was not achieved as of September 30, 2020. During the year ended December 31, 2019, the Company recognized performance participation allocation expenses of \$141.4 million. The 2019 performance participation allocation crystallized on December 31, 2019 and, in January 2020, the Company issued approximately 11.7 million Class I units and 0.7 million Class B units in our Operating Partnership to the Special Limited Partner as payment for the 2019 performance participation allocation. Such units were issued at the NAV per unit as of December 31, 2019. Subsequent to the Class I units and Class B units being issued, 7.3 million of such units were redeemed for \$83.6 million and 0.8 million of such units were exchanged for unregistered Class I shares in the Company.

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Other

As of September 30, 2020 and December 31, 2019, the Company had \$18.9 million and \$42.1 million of accrued repurchases of Class I shares due to the Adviser. Additionally, as of September 30, 2020 and December 31, 2019, the Adviser had advanced \$2.2 million and \$2.0 million of expenses, respectively, on the Company's behalf for general corporate expenses provided by unaffiliated third parties.

Affiliate Title Service Provider

During the nine months ended September 30, 2020 and the year ended December 31, 2019, the Company paid Lexington National Land Services \$2.6 million and 14.8 million, respectively, for title services related to 20 and 43 investments, respectively, and such costs were capitalized to Investments in Real Estate or recorded as deferred financing costs, which is a reduction to mortgage notes, term loans and secured revolving credit facilities on the Company's Condensed Consolidated Balance Sheets.

Captive Insurance Company

On July 28, 2020, the Company became a member of a captive insurance company owned by the Company and other funds and accounts managed by Blackstone. A Blackstone affiliate provides oversight and management services to the captive and receives fees based on a percentage of premiums retained by it. The fees and expenses of the captive, including insurance premiums and fees paid to the Blackstone affiliate to manage it, are borne by the Company and the other Blackstone-managed funds and accounts pro rata based on estimates of insurance premiums that would have been payable for each party's respective properties, as benchmarked by third parties.

During the nine months ended September 30, 2020, the Company contributed capital to the captive in amount equal to \$28.4 million for insurance premiums and its pro rata share of other expenses. Of this amount, \$0.5 million was attributable to the fee paid to a Blackstone affiliate to provide oversight and management services. The capital contributed and fees paid to the captive are in place of insurance premiums and fees previously paid to third parties. The Company did not contribute any capital to the captive for the year ended December 31, 2019.

Other

As of September 30, 2020 and December 31, 2019, the Company had a receivable of \$3.9 million and \$3.6 million, respectively, from Livcor, L.L.C. and such amounts are included in Other Assets on the Company's Condensed Consolidated Balance Sheets.

As of December 31, 2019, the Company had a receivable of \$7.8 million from funds affiliated with the Company's Adviser for post-closing settlements related to the Jupiter 12 Industrial Portfolio acquisition.

Share Repurchases

During the nine months ended September 30, 2020 and the year ended December 31, 2019, we redeemed approximately \$1.1 billion and \$236.4 million of common stock, respectively, which represented all redemption requests received in good order and eligible for redemption during such periods.

	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
Number of shares requested for repurchase	105,593,735	21,275,413
Number of shares repurchased	105,593,735	21,275,413
% of shares requested that were repurchased	100%	100%
Average repurchase price per share	\$ 10.86	\$ 11.11

DESCRIPTION OF CAPITAL STOCK

We were formed under the laws of the State of Maryland. The rights of our stockholders are governed by Maryland law as well as our charter, bylaws and the policy adopted by our board of directors with respect to certain charter provisions. The following summary of the terms of our stock is a summary of all material provisions concerning our stock and you should refer to the MGCL and our charter, bylaws and the policy adopted by our board of directors with respect to certain charter provisions for a full description. The following summary is qualified in its entirety by the more detailed information contained in our charter, bylaws and the policy adopted by our board of directors with respect to certain charter provisions. Copies of our charter, bylaws and the policy adopted by our board of directors with respect to certain charter provisions are filed as exhibits to the registration statement of which this prospectus is a part. You can obtain copies of our charter, bylaws and the policy adopted by our board of directors with respect to certain charter provisions and every other exhibit to our registration statement. See the “Where You Can Find More Information” section below.

Under our charter, we have authority to issue a total of 10,100,000,000 shares of capital stock. Of the total shares of stock authorized, 10,000,000,000 shares are classified as common stock with a par value of \$0.01 per share, 500,000,000 of which are classified as Class T shares, 3,000,000,000 of which are classified as Class S shares, 500,000,000 of which are classified as Class D shares and 6,000,000,000 of which are classified as Class I shares, and 100,000,000 shares are classified as preferred stock with a par value \$0.01 per share. In addition, our board of directors may amend our charter from time to time, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

Common Stock

Subject to the restrictions on ownership and transfer of stock set forth in our charter and except as may otherwise be specified in our charter, the holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including election of our directors. Our charter does not provide for cumulative voting in the election of our directors. Therefore, the holders of a majority of the outstanding shares of our common stock can elect our entire board of directors. Subject to any preferential rights of any outstanding class or series of shares of stock and to the provisions in our charter regarding the restriction on ownership and transfer of stock, the holders of common stock are entitled to such distributions as may be authorized from time to time by our board of directors (or a committee of the board of directors) and declared by us out of legally available funds and, upon liquidation, are entitled to receive all assets available for distribution to our stockholders. Upon issuance for full payment in accordance with the terms of this offering, all shares of our common stock issued in the offering will be fully paid and non-assessable. Holders of common stock will not have preemptive rights, which means that you will not have an automatic option to purchase any new shares of stock that we issue.

Our charter also contains a provision permitting our board of directors, without any action by our stockholders, to classify or reclassify any unissued common stock into one or more classes or series by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of repurchase of any new class or series of shares of stock.

We will generally not issue certificates for shares of our common stock. Shares of our common stock will be held in “uncertificated” form, which will eliminate the physical handling and safekeeping responsibilities inherent in owning transferable stock certificates and eliminate the need to return a duly executed stock certificate to effect a transfer. DST Systems, Inc. acts as our registrar and as the transfer agent for our shares. Transfers can be effected simply by mailing to our transfer agent a transfer and assignment form, which we will provide to you at no charge upon written request.

Class T Shares

Each Class T share issued in the primary offering is subject to an upfront selling commission of up to 3.0%, and an upfront dealer manager fee of 0.5%, of the transaction price of each Class T share sold in the offering on the date of the purchase, however such amounts may vary at certain participating broker-dealers provided that the sum will not exceed 3.5% of the transaction price. The Dealer Manager anticipates that all or a portion of the upfront selling commissions and dealer manager fees will be retained by, or reallocated (paid) to, participating broker-dealers.

We pay the Dealer Manager selling commissions over time as a stockholder servicing fee with respect to our outstanding Class T shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class T shares. For each Class T share, this stockholder servicing fee consists of an advisor stockholder servicing fee and a dealer stockholder servicing fee. We expect that generally the advisor stockholder servicing fee will equal 0.65% per annum and the dealer stockholder servicing fee will equal 0.20% per annum, of the aggregate NAV for each Class T share. However, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares. The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services.

The upfront selling commission and dealer manager fee are each not payable in respect of any Class T shares sold pursuant to our distribution reinvestment plan, but such shares will be charged the stockholder servicing fee payable with respect to all our outstanding Class T shares.

We will cease paying the stockholder servicing fee with respect to any Class T share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or a lower limit as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class T share will convert into a number of Class I shares (including any fractional shares) with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class T share (in the case of a limit of 8.75% of gross proceeds) over approximately 7 years from the date of purchase, assuming payment of the full upfront selling commissions and dealer manager fees, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for this time period, this fee with respect to a Class T share would total approximately \$0.91.

Class S Shares

Each Class S share issued in the primary offering is subject to an upfront selling commission of up to 3.5% of the transaction price of each Class S share sold in the offering on the date of the purchase. The Dealer Manager anticipates that all or a portion of the upfront selling commissions will be retained by, or reallocated (paid) to, participating broker-dealers.

We pay the Dealer Manager selling commissions over time as a stockholder servicing fee with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares. The stockholder servicing fees are paid monthly in arrears. The Dealer Manager realloves (pays) all or a portion

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of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services.

The upfront selling commission is not payable in respect of any Class S shares sold pursuant to our distribution reinvestment plan, but such shares will be charged the stockholder servicing fee payable with respect to all our outstanding Class S shares.

We will cease paying the stockholder servicing fee with respect to any Class S share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class S share will convert into a number of Class I shares (including any fractional shares) with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class S share over approximately 7 years from the date of purchase, assuming payment of the full upfront selling commissions, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for this time period, this fee with respect to a Class S share would total approximately \$0.91.

Class D Shares

Each Class D share issued in the primary offering is subject to an upfront selling commission of up to 1.5% of the transaction price of each Class D share sold in the offering on the date of the purchase. The Dealer Manager anticipates that all or a portion of the upfront selling commissions will be retained by, or reallocated (paid) to, participating broker-dealers.

We pay the Dealer Manager selling commissions over time as a stockholder servicing fee with respect to our outstanding Class D shares equal to 0.25% per annum of the aggregate NAV of all our outstanding Class D shares, including any Class D shares sold pursuant to our distribution reinvestment plan. The stockholder servicing fees are paid monthly in arrears. The Dealer Manager reallocate (pays) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services.

Class D shares are generally available for purchase in this offering only (1) through fee-based programs, also known as wrap accounts, that provide access to Class D shares, (2) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class D shares, (3) through transaction/brokerage platforms at participating broker-dealers, (4) through certain registered investment advisers, (5) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers or (6) by other categories of investors that we name in an amendment or supplement to this prospectus.

We will cease paying the stockholder servicing fee with respect to any Class D share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class D share will convert into a number of Class I shares (including any fractional shares) with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of

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our shares, this fee would be paid with respect to a Class D share over approximately 30 years from the date of purchase, assuming opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for this time period, this fee with respect to a Class D share would total approximately \$0.89.

Class I Shares

No upfront selling commissions or stockholder servicing fees are paid for sales of any Class I shares.

Class I shares are generally available for purchase in this offering only (1) through fee-based programs, also known as wrap accounts, that provide access to Class I shares, (2) by endowments, foundations, pension funds and other institutional investors, (3) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class I shares, (4) through certain registered investment advisers, (5) by our executive officers and directors and their immediate family members, as well as officers and employees of the Adviser, Blackstone or other affiliates and their immediate family members, and joint venture partners, consultants and other service providers or (6) other categories of investors that we name in an amendment or supplement to this prospectus. In certain cases, where a holder of Class S, Class T or Class D shares exits a relationship with a participating broker-dealer for this offering and does not enter into a new relationship with a participating broker-dealer for this offering, such holder's shares may be exchanged into an equivalent NAV amount of Class I shares.

Other Terms of Common Stock

If not already converted into Class I shares upon a determination that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to such shares would exceed the applicable limit as described in the "—Class T Shares," "—Class S Shares" and "—Class D Shares" sections above, each Class T share, Class S share and Class D share held in a stockholder's account will automatically and without any action on the part of the holder thereof convert into a number of Class I shares (including any fractional shares) with an equivalent NAV as such share on the earliest of (i) a listing of Class I shares, (ii) our merger or consolidation with or into another entity or the sale or other disposition of all or substantially all of our assets or (iii) after termination of the primary portion of the offering in which such Class T shares, Class S shares and Class D shares were sold, the end of the month in which we, with the assistance of the dealer manager, determine that all underwriting compensation from all sources in connection with the offering, including upfront selling commissions, the stockholder servicing fee and other underwriting compensation, is equal to 10% of the gross proceeds of the primary portion of the offering. In addition, immediately before any liquidation, dissolution or winding up, each Class T share, Class S share and Class D share will automatically convert into a number of Class I shares (including any fractional shares) with an equivalent NAV as such share.

Preferred Stock

Our charter authorizes our board of directors to designate and issue one or more classes or series of preferred stock without stockholder approval, and to establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of repurchase of each class or series of preferred stock so issued. Because our board of directors has the power to establish the preferences and rights of each class or series of preferred stock, it may afford the holders of any series or class of preferred stock preferences, powers and rights senior to the rights of holders of common stock.

However, the voting rights per share of any series or class of preferred stock sold in a private offering may not exceed voting rights which bear the same relationship to the voting rights of a publicly held share as the consideration paid to us for each privately-held preferred share bears to the book value of each outstanding publicly held share. If we ever created and issued preferred stock with a distribution preference over common stock, payment of any distribution preferences of outstanding preferred stock would reduce the amount of funds

available for the payment of distributions on the common stock. Further, holders of preferred stock are normally entitled to receive a liquidation preference in the event we liquidate, dissolve or wind up before any payment is made to the common stockholders, likely reducing the amount common stockholders would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of preferred stock may render more difficult or tend to discourage a merger, offer or proxy contest, the assumption of control by a holder of a large block of our securities, or the removal of incumbent management. Our board of directors has no present plans to issue any preferred stock, but may do so at any time in the future without stockholder approval.

Meetings and Special Voting Requirements

An annual meeting of the stockholders will be held each year, upon reasonable notice to our stockholders, but no sooner than 30 days after delivery of our annual report to stockholders. Special meetings of stockholders may be called only upon the request of a majority of our directors, a majority of our independent directors or our chief executive officer, president or chairman of the board of directors and must be called by our secretary to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast at least 10% of the votes entitled to be cast on such matter at the meeting. Upon receipt of a written request stating the purpose of any such special meeting, our secretary shall provide a written notice to our stockholders within 10 days of receipt of such written request, stating the purpose of the meeting and setting a meeting date not less than 15 nor more than 60 days after the delivery of such notice. The presence either in person or by proxy of stockholders entitled to cast at least 50% of all the votes entitled to be cast on such matter at the meeting on any matter will constitute a quorum. Generally, the affirmative vote of a majority of all votes cast is necessary to take stockholder action, except as described in the next paragraph and except that the affirmative vote of a majority of the shares represented in person or by proxy at a meeting at which a quorum is present is required to elect a director.

Under the MGCL and our charter, stockholders generally are entitled to vote at a duly held meeting at which a quorum is present on (1) amendments to our charter, (2) our liquidation and dissolution, (3) a merger, consolidation, conversion, statutory share exchange or sale or other disposition of all or substantially all of our assets, (4) election or removal of our directors, and (5) such other matters that our board of directors have declared advisable and directed that the matter be submitted to our stockholders for approval or ratification. Except with respect to the election of directors or as otherwise provided in the MGCL or our charter, the vote of stockholders holding a majority of the outstanding shares of our stock entitled to vote is required to approve any such action, and no such action can be taken by our board of directors without such majority vote of our stockholders. In addition, although the NASAA REIT Guidelines indicate that stockholders are permitted to amend our charter or dissolve us without the necessity for concurrence by our board of directors, we are required to comply with the MGCL, which provides that any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, except with respect to the election or removal of our directors, prior to a stockholder vote, our board of directors must first adopt a resolution that the proposed action is advisable and directing the matter to be submitted to the stockholders. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors. Stockholders are not entitled to exercise any of the rights of an objecting stockholder provided for in Title 3, Subtitle 2 of the MGCL unless our board of directors determines that such rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of the determination in connection with which stockholders would otherwise be entitled to exercise such rights. Stockholders have the power, without the concurrence of the directors, to remove a director from our board of directors with or without cause, by the affirmative vote of a majority of the shares of stock entitled to vote generally in the election of directors.

Stockholders are entitled to receive a copy of our stockholder list upon request. The list provided by us will include each stockholder's name, address and telephone number and number of shares of stock owned by each stockholder and will be sent within 10 days of our receipt of the request. The stockholder list shall be maintained as part of our books and records and shall be available for inspection by any stockholder or the stockholder's

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designated agent at our corporate offices upon the request of a stockholder. The stockholder list will be updated at least quarterly to reflect changes in the information contained therein. The copy of the stockholder list will be printed in alphabetical order, on white paper, and in a readily readable type size (in no event smaller than ten-point type). A stockholder requesting a list will be required to pay reasonable costs of postage and duplication. The purposes for which a stockholder may request a copy of the stockholder list include, but are not limited to, matters relating to stockholders' voting rights, the exercise of stockholder rights under federal proxy laws and any other proper purpose. If the Adviser or our board of directors neglects or refuses to exhibit, produce or mail a copy of our stockholder list as requested, the Adviser and/or our board of directors, as the case may be, shall be liable to any stockholder requesting our stockholder list for the costs, including reasonable attorneys' fees, incurred by that stockholder for compelling the production of our stockholder list, and for actual damages suffered by any such stockholder by reason of such refusal or neglect. It shall be a defense that the actual purpose and reason for the requests for inspection or for a copy of our stockholder list is to secure such list or other information for the purpose of selling our stockholder list or copies thereof, or of using the same for a commercial purpose other than in the interest of the applicant as a stockholder relative to our affairs. We have the right to request that a requesting stockholder represent to us that the list will not be used to pursue commercial interests unrelated to such stockholder's interest in us. The remedies provided by our charter to stockholders requesting copies of our stockholder list are in addition to, and shall not in any way limit, other remedies available to stockholders under federal law, or the laws of any state.

In addition to the foregoing, stockholders have rights under Rule 14a-7 under the Exchange Act, which provides that, upon the request of a stockholder and the payment of the expenses of the distribution, we are required to distribute specific materials to stockholders in the context of the solicitation of proxies by a stockholder for voting on matters presented to stockholders or, at our option, provide requesting stockholders with a copy of the list of stockholders so that the requesting stockholder may make the distribution of such materials.

Furthermore, pursuant to our charter, any stockholder and any designated representative thereof shall be permitted access to our corporate records to which such stockholder is entitled under applicable law at all reasonable times, and may inspect and copy any of them for a reasonable charge. Under Maryland law, stockholders are entitled to inspect and copy only our bylaws, minutes of stockholder proceedings, annual statements of affairs, voting trust agreements and statements of stock and securities issued by us during the period specified by the requesting stockholder, which period may not be longer than 12 months prior to the date of the stockholder's request. Because our stockholders are entitled to inspect only those corporate records that stockholders are entitled to inspect and copy under Maryland law, our stockholders will not be entitled to inspect and copy the minutes of the meetings of our board of directors, which are records that certain states other than Maryland allow corporate stockholders to inspect and copy. Requests to inspect and/or copy our corporate records must be made in writing to: Blackstone Real Estate Income Trust, Inc., 345 Park Avenue, New York, NY 10154. It is the policy of our board of directors to comply with all proper requests for access to our corporate records in conformity with our charter and Maryland law.

Restrictions on Ownership and Transfer

Our charter contains restrictions on the number of shares of our stock that a person or group may own. No person or group may acquire or hold, directly or indirectly through application of constructive ownership rules, in excess of 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or 9.9% in value or number of shares, whichever is more restrictive, of our outstanding stock of all classes or series unless they receive an exemption (prospectively or retroactively) from our board of directors.

Subject to certain limitations, our board of directors, in its sole discretion, may exempt a person prospectively or retroactively from, or modify, these limits, subject to such terms, conditions, representations and undertakings as required by our charter and as our board of directors may determine. Our board of directors has granted limited exemptions to certain persons who directly or indirectly own our stock, including directors, officers and stockholders controlled by them or trusts for the benefit of their families.

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Our charter further prohibits any person from beneficially or constructively owning shares of our stock that would result in our being “closely held” under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT and any person from transferring shares of our stock if the transfer would result in our stock being beneficially owned by fewer than 100 persons. Any person who acquires or intends to acquire shares of our stock that may violate any of these restrictions, or who is the intended transferee of shares of our stock which are transferred to the trust, as described below, is required to give us immediate written notice, or in the case of a proposed or attempted transaction, give at least 15 days prior written notice, and provide us with such information as we may request in order to determine the effect of the transfer on our status as a REIT. The above restrictions will not apply if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT or that compliance with such restrictions is no longer required for us to qualify as a REIT.

Any attempted transfer of our stock which, if effective, would result in violation of the above limitations, except for a transfer which results in shares being beneficially owned by fewer than 100 persons, in which case such transfer will be void and of no force and effect and the intended transferee shall acquire no rights in such shares, will cause the number of shares causing the violation, rounded to the nearest whole share, to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries designated by us and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be deemed to be effective as of the close of business on the business day, as defined in our charter, prior to the date of the transfer. Shares of our stock held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of stock held in the trust, will have no rights to dividends and no rights to vote or other rights attributable to the shares of stock held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiaries. Any dividend or other distribution paid prior to our discovery that shares of stock have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution paid to the trustee will be held in trust for the charitable beneficiaries. Subject to Maryland law, the trustee will have the authority to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiaries. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that shares of our stock have been transferred to the trust, the trustee will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above ownership limitations. Upon the sale, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiaries as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust, such as a gift, devise or other similar transaction, the market price, as defined in our charter, of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferee and are owed by the proposed transferor to the transferee. Any net sale proceeds in excess of the amount payable per share to the proposed transferee will be paid immediately to the charitable beneficiaries. If, prior to our discovery that shares of our stock have been transferred to the trust, the shares are sold by the proposed transferee, then the shares shall be deemed to have been sold on behalf of the trust and, to the extent that the proposed transferee received an amount for the shares that exceeds the amount he was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of our stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust, or, in the case of a devise or gift, the market price at the time of the devise or gift and (ii) the

market price on the date we, or our designee, accept the offer. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee. We may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferor and are owed to the proposed transferor to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiaries.

If the transfer to the trust as described above is not automatically effective for any reason to prevent violation of the above limitations or our failing to qualify as a REIT, then the transfer of the number of shares that otherwise cause any person to violate the above limitations will be void and the intended transferee shall acquire no rights in such shares.

All certificates, if any, representing shares of our stock issued in the future will bear a legend referring to the restrictions described above.

Every owner of more than 5% of the outstanding shares of our stock during any taxable year, or such lower percentage as required by the Code or the regulations promulgated thereunder or as otherwise required by our board of directors, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of our stock which he or she beneficially owns and a description of the manner in which the shares are held. Each such owner shall provide us with such additional information as we may request in order to determine the effect, if any, of its beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each stockholder shall, upon demand, be required to provide us with such information as we may request in good faith in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Any subsequent transferee to whom you transfer any of your shares of our stock must also comply with the suitability standards we have established for our stockholders. See the "Suitability Standards" section of this prospectus.

Distribution Policy

We have declared, and intend to continue to declare, monthly distributions as authorized by our board of directors (or a committee of the board of directors) and have paid, and intend to continue to pay, such distributions on a monthly basis. We commenced paying distributions in April 2017 and have paid distributions each month since such date. Our distribution policy is set by our board of directors and is subject to change based on available cash flows. We cannot guarantee the amount of distributions paid, if any. You will not be entitled to receive a distribution if your shares are repurchased prior to the applicable time of the record date. In connection with a distribution to our stockholders, our board of directors approves a monthly distribution for a certain dollar amount per share for each class of our common stock.

Distributions are made on all classes of our common stock at the same time. The per share amount of distributions on Class T, Class S, Class D and Class I shares will likely differ because of different class-specific stockholder servicing fees that are deducted from the gross distributions for each share class. We expect to use the "record share" method of determining the per share amount of distributions on Class T shares, Class S shares, Class D shares and Class I shares, although our board of directors may choose any other method. The "record share" method is one of several distribution calculation methods for multiple-class funds recommended, but not required, by the American Institute of Certified Public Accountants. Under this method, the amount to be distributed on our common stock will be increased by the sum of all class-specific stockholder servicing fees for such period. Such amount will be divided by the number of our common shares outstanding on the record date. Such per share amount will be reduced for each class of common stock by the per share amount of any class-specific stockholder servicing fees allocable to such class.

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To qualify as a REIT, we are required to pay distributions sufficient to satisfy the requirements for qualification as a REIT for tax purposes. We intend to distribute sufficient income so that we satisfy the requirements for qualification as a REIT. In order to qualify as a REIT, we are required to distribute 90% of our annual REIT taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains, to our stockholders. See the “Material U.S. Federal Income Tax Considerations—Taxation of REITs in General—Requirements for Qualification as a REIT” and “Material U.S. Federal Income Tax Considerations—Annual Distribution Requirements Applicable to REITs” sections of this prospectus. Generally, income distributed to stockholders will not be taxable to us under the Code if we distribute at least 90% of our REIT taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains.

Distributions are authorized at the discretion of our board of directors, in accordance with our earnings, cash flows and general financial condition. Our board of directors’ discretion is directed, in substantial part, by its obligation to cause us to comply with the REIT requirements. Because we may receive income from interest or rents at various times during our fiscal year, distributions may not reflect our income earned in that particular distribution period but may be made in anticipation of cash flows which we expect to receive during a later quarter and may be made in advance of actual receipt of funds in an attempt to make distributions relatively uniform. Due to these timing differences, we may be required to borrow money, use proceeds from the issuance of securities or sell assets in order to distribute amounts sufficient to satisfy the requirement that we distribute at least 90% of our REIT taxable income in order to qualify as a REIT. See the “Material U.S. Federal Income Tax Considerations” section of this prospectus for information concerning the U.S. federal income tax consequences of distributions paid by us.

There is no assurance we will pay distributions in any particular amount, if at all. We may fund any distributions from sources other than cash flow from operations, including, without limitation, from borrowings or the sale of or repayment under our assets, and we have no limits on the amounts we may pay from such sources. We will not fund our distributions with proceeds from this offering. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, the extent to which the Adviser elects to receive its management fee in Class I shares or Class I units and the Special Limited Partner elects to receive distributions on its performance participation interest in Class I units or Class B units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from borrowings or the sale of or repayment under our assets will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares.

Under the MGCL, our board of directors may delegate to a committee of directors the power to fix the amount and other terms of a distribution. In addition, if our board of directors gives general authorization for a distribution and provides for or establishes a method or procedure for determining the maximum amount of the distribution, our board of directors may delegate to one of our officers the power, in accordance with the general authorization, to fix the amount and other terms of the distribution.

Distributions in kind shall not be permitted, except for distributions of readily marketable securities, distributions of beneficial interests in a liquidating trust established for our dissolution and the liquidation of our assets in accordance with the terms of our charter or distributions in which (a) our board of directors advises each stockholder of the risks associated with direct ownership of the property, (b) our board of directors offers each stockholder the election of receiving such in-kind distributions, and (c) in-kind distributions are made only to those stockholders that accept such offer. Our stockholders who receive distributions in kind of marketable securities may incur transaction expenses in liquidating the securities.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan whereby stockholders (other than Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont and Washington investors and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will have their cash distributions automatically reinvested in additional shares of our common stock unless they elect to receive their distributions in cash. Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont and Washington investors and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan will automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares of our common stock. Any cash distributions attributable to the class or classes of shares owned by participants in the distribution reinvestment plan will be immediately reinvested in our shares on behalf of the participants on the business day such distribution would have been paid to such stockholder. See the “Material U.S. Federal Income Tax Considerations” section of this prospectus for information concerning the U.S. federal income tax consequences of participating in the distribution reinvestment plan.

The per share purchase price for shares purchased pursuant to the distribution reinvestment plan will be equal to the transaction price at the time the distribution is payable. Stockholders will not pay upfront selling commissions when purchasing shares pursuant to the distribution reinvestment plan. The stockholder servicing fees with respect to shares of our Class T shares, Class S shares and Class D shares are calculated based on our NAV for those shares and may reduce the NAV or, alternatively, the distributions payable with respect to shares of each such class, including shares issued in respect of distributions on such shares under the distribution reinvestment plan. Shares acquired under the distribution reinvestment plan will entitle the participant to the same rights and be treated in the same manner as shares of that class purchased in this offering.

We reserve the right to amend any aspect of our distribution reinvestment plan without the consent of our stockholders, provided that notice of any material amendment is sent to participants at least ten business days prior to the effective date of that amendment. In addition, we may suspend or terminate the distribution reinvestment plan for any reason at any time upon ten business days’ prior written notice to participants. A stockholder’s participation in the plan will be terminated to the extent that a reinvestment of such stockholder’s distributions in our shares would cause the percentage ownership or other limitations contained in our charter to be violated. Participants may terminate their participation in the distribution reinvestment plan with ten business days’ prior written notice to us.

Account Statements

Our transfer agent will provide on a quarterly basis to each participant in the distribution reinvestment plan a statement of account describing, as to such participant, (1) the distributions reinvested during the quarter, (2) the number of shares purchased during the quarter, (3) the per share purchase price for such shares and (4) the total number of shares purchased on behalf of the participant under the plan. On an annual basis, tax information with respect to income earned on shares under the plan for the calendar year will be provided to each applicable participant.

Restrictions on Roll-Up Transactions

In connection with any proposed transaction considered a “Roll-up Transaction” involving us and the issuance of securities of an entity that would be created or would survive after the successful completion of the Roll-up Transaction, an appraisal of all of our assets must be obtained from a competent independent appraiser. If the appraisal will be included in a prospectus used to offer the securities of the roll-up entity, the appraisal shall be filed with the SEC and the states. The assets will be appraised on a consistent basis, and the appraisal will be based on the evaluation of all relevant information and shall indicate the value of the assets as of a date

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immediately prior to the announcement of the proposed Roll-up Transaction. The appraisal will assume an orderly liquidation of assets over a 12-month period. The terms of the engagement of the independent appraiser shall clearly state that the engagement is for our benefit and the benefit of our stockholders. A summary of the appraisal, indicating all material assumptions underlying the appraisal, will be included in a report to stockholders in connection with any proposed Roll-up Transaction.

A “Roll-up Transaction” is a transaction involving the acquisition, merger, conversion or consolidation, directly or indirectly, of us and the issuance of securities of another entity, or a “Roll-up Entity,” that would be created or would survive after the successful completion of such transaction. The term Roll-up Transaction does not include:

- a transaction involving our securities that have been for at least 12 months listed on a national securities exchange; or
- a transaction involving our conversion to a corporate, trust, or association form if, as a consequence of the transaction, there will be no significant adverse change in any of the following: stockholder voting rights; the term of our existence; compensation to the Adviser; or our investment objectives.

In connection with a proposed Roll-up Transaction, the person sponsoring the Roll-up Transaction must offer to common stockholders who vote “against” the Roll-up Transaction the choice of:

- accepting the securities of a Roll-up Entity offered in the proposed Roll-up Transaction; or
- one of the following:
 - remaining as holders of our stock and preserving their interests therein on the same terms and conditions as existed previously; or
 - receiving cash in an amount equal to the stockholder’s pro rata share of the appraised value of our net assets.

We are prohibited from participating in any proposed Roll-up Transaction:

- that would result in the common stockholders having democracy rights in a Roll-up Entity that are less than those provided in our charter and bylaws and described elsewhere in this prospectus, including rights with respect to the election of directors, the removal of the Adviser, the directors or any of their affiliates, any transaction between the Company and the Adviser, the directors or any of their affiliates, annual reports, annual and special meetings, amendment of our charter, and our dissolution;
- that includes provisions that would operate to materially impede or frustrate the accumulation of shares of stock by any purchaser of the securities of the Roll-up Entity, except to the minimum extent necessary to preserve the tax status of the Roll-up Entity, or which would limit the ability of an investor to exercise the voting rights of its securities of the Roll-up Entity on the basis of the number of shares of stock held by that investor;
- in which investor’s rights to access of records of the Roll-up Entity will be less than those provided in the “—Meetings and Special Voting Requirements” section above; or
- in which any of the costs of the Roll-up Transaction would be borne by us if the Roll-up Transaction is rejected by our common stockholders.

Registration Rights Agreements

We entered into a registration rights agreement with the Adviser and the Special Limited Partner, pursuant to which the Adviser or the Special Limited Partner may require us to prepare and file, at our expense, a shelf registration statement relating to the resale of all shares of our common stock currently held or later acquired by them or their permitted transferees and under certain circumstances they may require us to file resale registration statements on demand and provide unlimited “piggyback” rights with respect to the resale of such shares (subject to certain cutback and other provisions).

CERTAIN PROVISIONS OF MARYLAND LAW AND OUR CHARTER AND BYLAWS

The following description of the terms of certain provisions of Maryland law and our charter and bylaws is only a summary. For a complete description, we refer you to the MGCL, our charter and our bylaws. We have filed our charter and bylaws as exhibits to the registration statement of which this prospectus forms a part.

Business Combinations

Under the MGCL, business combinations between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10.0% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10.0% or more of the voting power of the then outstanding stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80.0% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares of stock held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under the MGCL, for their shares of our common stock in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares of our common stock.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution providing that any business combination between us and any other person is exempted from this statute, provided that such business combination is first approved by our board of directors. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed or our board of directors fails to first approve the business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Control Share Acquisitions

The MGCL provides that a holder of control shares of a Maryland corporation acquired in a control share acquisition has no voting rights except to the extent approved by a vote of stockholders entitled to cast two-thirds

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of the votes entitled to be cast on the matter. Shares of stock owned by the acquiror, by officers or by employees who are directors of the corporation are excluded from shares of stock entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares of stock the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A control share acquisition means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares of stock. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders' meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of any meeting of stockholders at which the voting rights of the shares of stock are considered and not approved or, if no such meeting is held, as of the date of the last control share acquisition by the acquiror. If voting rights for control shares are approved at a stockholders' meeting and the acquiror becomes entitled to vote a majority of the shares of stock entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares of stock as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (1) to shares of stock acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (2) to acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act, and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board of directors;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;

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- a requirement that a vacancy on the board of directors be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

In our charter, we have elected that vacancies on our board of directors be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred. Through provisions in our charter and bylaws unrelated to Subtitle 8, we vest in our board of directors the exclusive power to fix the number of directorships, provided that the number is not less than three. We have not elected to be subject to any of the other provisions of Subtitle 8.

Vacancies on Board of Directors; Removal of Directors

Any vacancy on our board of directors may be filled only by a vote of a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is duly elected and qualifies. Our independent directors will choose the nominees to fill vacancies in our independent director positions.

Any director may resign at any time and may be removed with or without cause by our stockholders upon the affirmative vote of stockholders entitled to cast at least a majority of all the votes entitled to be cast generally in the election of directors. The notice of any special meeting called for the purpose of the proposed removal shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed.

Advance Notice of Director Nominations and New Business

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by our stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of directors or (3) by a stockholder who is a stockholder of record at the record date set by our board of directors for the purpose of determining stockholders entitled to vote at the annual meeting, at the time of giving the advance notice required by the bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual nominated or on such other business and who has complied with the advance notice procedures of the bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of individuals for election to our board of directors at a special meeting may be made only (1) by or at the direction of our board of directors or (2) provided that the meeting has been called for the purpose of electing directors, by a stockholder who is a stockholder of record at the record date set by our board of directors for the purpose of determining stockholders entitled to vote at the special meeting, at the time of giving the advance notice required by the bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual nominated and who has complied with the advance notice provisions of the bylaws.

Tender Offers

Our charter provides that any tender offer made by any person, including any “mini-tender” offer, must comply with the provisions of Regulation 14D of the Exchange Act, including the notice and disclosure requirements. Among other things, the offeror must provide us notice of such tender offer at least ten business days before initiating the tender offer. If a person makes a tender offer that does not comply with such provisions, we may elect to grant tendering stockholders a rescission right with respect to their tendered shares. In addition, the non-complying offeror will be responsible for all of our expenses in connection with that offeror’s noncompliance.

Effect of Certain Provisions of Maryland Law and of our Charter and Bylaws

The business combination provisions and the control share acquisition provisions of Maryland law, the provision of our charter electing to be subject to a provision of Subtitle 8, and the advance notice provisions of our bylaws could delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for stockholders or otherwise be in their best interest.

SUMMARY OF OUR OPERATING PARTNERSHIP AGREEMENT

We have summarized the material terms and provisions of the Limited Partnership Agreement of BREIT Operating Partnership L.P., which we refer to as the “partnership agreement.”

Management of Our Operating Partnership

BREIT Operating Partnership L.P. was formed on August 5, 2016 to acquire and hold assets on our behalf.

We intend to hold substantially all of our assets in the Operating Partnership or in subsidiary entities in which the Operating Partnership owns an interest. For purposes of satisfying the asset and gross income tests for qualification as a REIT for U.S. federal income tax purposes, our proportionate share of the assets and income of the Operating Partnership will be deemed to be our assets and income.

We are and expect to continue to be the sole general partner of the Operating Partnership. As of the date of this prospectus, the only limited partners of the Operating Partnership are us, BREIT Special Limited Partner L.P., the special limited partner of the Operating Partnership and an affiliate of Blackstone, certain Senior Managing Directors of Blackstone Real Estate and certain investors who have exchanged property for limited partnership units.

As the sole general partner of the Operating Partnership, we have the exclusive power to manage and conduct the business of the Operating Partnership. A general partner is accountable to a limited partnership as a fiduciary and consequently must exercise good faith and integrity in handling partnership affairs. No limited partner of the Operating Partnership may transact business for the Operating Partnership, or participate in management activities or decisions, except as provided in the partnership agreement and as required by applicable law. We may not be removed as general partner by the limited partners. Our board of directors will at all times have oversight and policy-making authority, including responsibility for governance, financial controls, compliance and disclosure with respect to the Operating Partnership. However, pursuant to the Advisory Agreement, we have delegated to the Adviser authority to make decisions related to the management of our and the Operating Partnership’s assets, including sourcing, evaluating and monitoring our investment opportunities and making decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our board of directors.

The Special Limited Partner has expressly acknowledged and any future limited partners of the Operating Partnership will expressly acknowledge that we, as general partner, are acting on behalf of the Operating Partnership, ourselves and our stockholders collectively. Neither we nor our board of directors is under any obligation to give priority to the separate interests of the limited partners of the Operating Partnership or our stockholders in deciding whether to cause the Operating Partnership to take or decline to take any actions. If there is a conflict between the interests of our stockholders on the one hand and the Operating Partnership’s limited partners on the other, we will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or the Operating Partnership’s limited partners, provided, however, that for so long as we own a controlling interest in the Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the Operating Partnership’s limited partners may be resolved in favor of our stockholders. We are not liable under the partnership agreement to the Operating Partnership or to any of its limited partners for monetary damages for losses sustained, liabilities incurred or benefits not derived by such limited partners in connection with such decisions, provided that we have acted in good faith.

The partnership agreement requires that the Operating Partnership be operated in a manner that will enable us to (1) satisfy the requirements for qualification as a REIT for U.S. federal income tax purposes, unless we otherwise cease to qualify as a REIT, (2) avoid any U.S. federal income or excise tax liability and (3) ensure that the Operating Partnership will not be classified as a “publicly traded partnership” that is taxable as a corporation. See “Material U.S. Federal Income Tax Considerations.”

Capital Contributions

We intend to contribute the net proceeds from this offering, after payment of fees and expenses attributable to our offering and operations, to the Operating Partnership as capital contributions. However, we will be deemed to have made capital contributions in the amount of the gross offering proceeds received from investors, and the Operating Partnership will be deemed to have simultaneously paid the fees, commissions and other costs associated with this offering and our operations.

If the Operating Partnership requires additional funds at any time in excess of capital contributions made by us, the Operating Partnership may borrow funds from a financial institution or other lenders or we or any of our affiliates may provide such additional funds through loans, purchase of additional partnership interests or otherwise (which we or such affiliates will have the option, but not the obligation, of providing). In addition, the Operating Partnership may admit additional limited partners whose investments may be subject to a different management fee and repurchase limitations if our board of directors concludes in good faith that such admittance is in our best interest.

Limited Partnership Units Generally

Limited partnership units represent an interest as a limited partner in the Operating Partnership. The Operating Partnership may issue additional partnership units and classes of partnership units with rights different from, and superior to, those of limited partnership units of any class, without the consent of the limited partners or our stockholders. Holders of limited partnership units do not have any preemptive rights with respect to the issuance of additional units.

Limited partners of any class do not have the right to participate in the management of the Operating Partnership. Limited partners of any class who do not participate in the management of the Operating Partnership, by virtue of their status as limited partners, generally are not liable for the debts and liabilities of the Operating Partnership beyond the amount of their capital contributions. The voting rights of the limited partners of any class are generally limited to approval of specific types of amendments to the Operating Partnership agreement.

Partnership interests in the Operating Partnership, other than the special limited partner interest and general partner interest, are currently divided into five classes of units: (a) Class T units; (b) Class S units; (c) Class D units; (d) Class I units; and (e) Class B units.

Class T Units, Class S Units, Class D Units and Class I Units

In general, the Class T units, Class S units, Class D units and Class I units are intended to correspond on a one-for-one basis with our Class T shares, Class S shares, Class D shares and Class I shares. When we receive proceeds from the sale of shares of our common stock, we will contribute such proceeds to the Operating Partnership and receive Operating Partnership units that correspond to the classes of our shares sold.

In general, each Class T unit, Class S unit, Class D unit and Class I unit will share in distributions from the Operating Partnership when such distributions are declared by us, the general partner, which decision will be made in our sole discretion. Upon the Operating Partnership's liquidation, Class T units, Class S units and Class D units will automatically convert to Class I units, in each case in proportion to the NAV per unit of each class, and the resulting Class I units will share on a unit-by-unit basis in the assets of the operating partnership that are available for distribution, after payment of all liabilities, establishment of reserves and after payment of any preferred return owed to holders of any limited partnership preferred units and payment of the portion distributable to the holder of the special limited partner interest. In addition, a portion of the items of income, gain, loss and deduction of the operating partnership for U.S. federal income tax purposes will be allocated to each limited partnership unit, regardless of whether any distributions are made by the Operating Partnership.

For each Class T unit, Class S unit, Class D unit or Class I unit, investors generally will be required to contribute money or property, with a net equity value determined by the general partner. Holders of Operating Partnership

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units will not be obligated to make additional capital contributions to the Operating Partnership. Further, these holders will not have the right to make additional capital contributions to the Operating Partnership or to purchase additional Operating Partnership units without our consent as general partner.

The Adviser may elect to receive its management fee in cash, Class I shares or Class I units, and distributions on the Special Limited Partner's performance participation allocation may be payable in cash, Class I units or Class B units at the election of the Special Limited Partner. See "Compensation—Management Fee" and "—Special Limited Partner Interest" below.

For holders other than us, the Adviser or the Special Limited Partner, after owning an Operating Partnership unit for one year, Operating Partnership unitholders generally may, subject to certain restrictions, exchange Operating Partnership units for a corresponding number of shares of our common stock. The Adviser and the Special Limited Partner may exchange Class I units for a corresponding number of Class I shares at any time. The Adviser and the Special Limited Partner will have the option of exchanging Class I shares for an equivalent aggregate NAV amount of Class T, Class S or Class D shares and will have registration rights with respect to shares of our common stock. See "Description of Capital Stock—Registration Rights."

Class B Units

Class B units are available to certain suitable investors in private placements generally utilizing a "draw-down" structure. Class B units are sold at their NAV per unit, which is equal to the NAV per Class I unit and generally corresponds to the NAV per share of our Class I shares of common stock. Each investor that subscribes with a commitment to purchase Class B units will purchase such units pursuant to capital call notices delivered by the Operating Partnership up to the maximum amount of the investor's capital commitment and, upon the purchase of any Class B units, will become a limited partner of the Operating Partnership.

Class B units are subject to the same fees and expenses of Class I units and do not have any preferential rights relative to our interest in the Operating Partnership, nor will they be exchangeable for any shares of our common stock. Holders of the Class B units have a right to redeem their units for cash in a manner similar to the ability of our stockholders to have their shares repurchased under the share repurchase plan. Class B unit redemptions are subject to the same limitations as share repurchases under the share repurchase plan, namely the early repurchase deduction and caps on monthly and quarterly repurchases (calculated on an aggregate basis with shares of our common stock submitted for repurchase for the applicable period). The redemption rights of the Class B unitholders do not affect the terms of the Company's share repurchase plan. Class B units have the same limited voting rights as the other Operating Partnership units and such rights do not affect the Company's exclusive power, as general partner of the Operating Partnership, to manage and conduct the business of the Operating Partnership.

Distributions on the Special Limited Partner's performance participation allocation may be payable in cash, Class I units or Class B units at the election of the Special Limited Partner. See "Compensation—Special Limited Partner Interest."

Class B units are not being offered to the public as part of this offering.

Special Limited Partner Interest

So long as the Advisory Agreement has not been terminated (including by means of non-renewal), the Special Limited Partner will hold a performance participation interest in the Operating Partnership that entitles it to receive an allocation from our Operating Partnership equal to 12.5% of the Total Return, subject to a 5% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined below). Such allocation will be made annually and accrue monthly.

Specifically, the Special Limited Partner will be allocated a performance participation in an amount equal to:

- *First*, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, "Excess Profits"), 100% of such

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Excess Profits until the total amount allocated to the Special Limited Partner equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Special Limited Partner pursuant to this clause (this is commonly referred to as a “Catch-Up”); and

- *Second*, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits.

“Total Return” for any period since the end of the prior calendar year shall equal the sum of:

- (i) all distributions accrued or paid (without duplication) on the Operating Partnership units outstanding at the end of such period since the beginning of the then-current calendar year *plus*
- (ii) the change in aggregate NAV of such units since the beginning of the year, before giving effect to (x) changes resulting solely from the proceeds of issuances of Operating Partnership units, (y) any allocation/accrual to the performance participation interest and (z) applicable stockholder servicing fee expenses (including any payments made to us for payment of such expenses).

For the avoidance of doubt, the calculation of Total Return will (i) include any appreciation or depreciation in the NAV of units issued during the then-current calendar year but (ii) exclude the proceeds from the initial issuance of such units.

“Hurdle Amount” for any period during a calendar year means that amount that results in a 5% annualized internal rate of return on the NAV of the Operating Partnership units outstanding at the beginning of the then-current calendar year and all Operating Partnership units issued since the beginning of the then-current calendar year, taking into account the timing and amount of all distributions accrued or paid (without duplication) on all such units and all issuances of Operating Partnership units over the period and calculated in accordance with recognized industry practices. The ending NAV of the Operating Partnership units used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the performance participation interest and applicable stockholder servicing fee expenses, provided that the calculation of the Hurdle Amount for any period will exclude any Operating Partnership units repurchased during such period, which units will be subject to the performance participation allocation upon repurchase as described below.

Except as described in Loss Carryforward below, any amount by which Total Return falls below the Hurdle Amount will not be carried forward to subsequent periods.

“Loss Carryforward Amount” shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Total Return and decrease by any positive annual Total Return, provided that the Loss Carryforward Amount shall at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Total Return related to any Operating Partnership units repurchased during such year, which units will be subject to the performance participation allocation upon repurchase as described below. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Special Limited Partner’s performance participation. This is referred to as a “High Water Mark.”

The Special Limited Partner will also be allocated a performance participation with respect to all Operating Partnership units that are repurchased at the end of any month (in connection with repurchases of our shares in our share repurchase plan) in an amount calculated as described above with the relevant period being the portion of the year for which such unit was outstanding, and proceeds for any such unit repurchase will be reduced by the amount of any such performance participation.

Distributions on the performance participation interest may be payable in cash, Class I units or Class B units at the election of the Special Limited Partner. If the Special Limited Partner elects to receive such distributions in Operating Partnership units, the Special Limited Partner may request the Operating Partnership to repurchase such Operating Partnership units from the Special Limited Partner at a later date. Any such repurchase requests

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will not be subject to the Early Repurchase Deduction but will be subject to similar repurchase limits that exist under our share repurchase plan. The Operating Partnership will repurchase any such Class I units for Class I shares of our common stock or cash (at the Special Limited Partner's election) unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the Operating Partnership's partnership agreement, in which case such Class I units will be repurchased for Class I shares of our common stock. The Operating Partnership will repurchase any such Class B units for cash subject to the applicable repurchase limits.

The NAV of the Operating Partnership calculated on the last trading day of a calendar year shall be the amount against which changes in NAV is measured during the subsequent calendar year. In our first calendar year of operations, the performance participation will be prorated for the portion of the calendar year.

The measurement of the foregoing net assets change is also subject to adjustment by our board of directors to account for any unit dividend, unit split, recapitalization or any other similar change in the Operating Partnership's capital structure or any distributions made after the commencement of this offering that the board of directors deems to be a return of capital (if such changes are not already reflected in the Operating Partnership's net assets).

The Special Limited Partner will not be obligated to return any portion of performance participation paid based on our subsequent performance.

Changes in our Operating Partnership's NAV per unit of each class will generally correspond to changes in our NAV per share of the corresponding class of our common stock. Distributions with respect to the performance participation interest are calculated from the Operating Partnership's Total Return over a calendar year. As a result, the Special Limited Partner may be entitled to receive compensation under the performance participation for a given year even if some of our stockholders who purchased shares during such year experienced a decline in NAV per share. Similarly, stockholders whose shares are repurchased during a given year may have their shares repurchased at a lower NAV per share as a result of an accrual for the estimated performance participation at such time, even if no performance participation allocation for such year are ultimately payable to the Special Limited Partner at the end of such calendar year.

In the event the Advisory Agreement is terminated, the Special Limited Partner will be allocated any accrued performance participation with respect to all Operating Partnership units as of the date of such termination.

Issuance of Additional Limited Partnership Interests

As sole general partner of the Operating Partnership, we will have the ability to cause the Operating Partnership to issue additional limited partnership interests (including Operating Partnership units), preferred partnership interests or convertible securities. We have issued Operating Partnership units, and may issue more in the future.

Our Operating Partnership allows us to be organized as an UPREIT. A sale of property directly to a REIT is generally a taxable transaction to the selling property owner. In an UPREIT structure, a seller of appreciated property who desires to defer taxable gain on the transfer of such property may, subject to meeting applicable tax requirements, transfer the property to the Operating Partnership in exchange for limited partnership interests (including Operating Partnership units) on a tax-free basis. Being able to offer a seller the opportunity to defer taxation of gain until the seller disposes of its interest in the Operating Partnership may give us a competitive advantage in acquiring desired properties relative to buyers who cannot offer this opportunity.

In addition, investing in the Operating Partnership, rather than in shares of our common stock, may be more attractive to certain institutional or other investors due to their business or tax structure.

Transferability of Interests

Without the consent of a majority in interest of the limited partners of the Operating Partnership, other than interests held by us, we may not voluntarily withdraw as the general partner of the Operating Partnership, engage

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in any merger, consolidation or other business combination or transfer our general partnership interest in the Operating Partnership (except to a wholly owned subsidiary), unless: (1) the transaction in which such withdrawal, business combination or transfer occurs results in the limited partners of the Operating Partnership receiving or having the right to receive an amount of cash, securities or other property equal in value to the amount they would have received if they had exercised their exchange rights immediately prior to such transaction or (2) in the case of a merger or other business combination, the successor entity contributes substantially all of its assets to the Operating Partnership in return for an interest in the Operating Partnership and agrees to assume all obligations of the general partner of the Operating Partnership.

With certain exceptions, the limited partners may not transfer their interests in the Operating Partnership, in whole or in part, without our written consent, as general partner.

Exculpation

We, as general partner, will not be liable to the Operating Partnership or limited partners for errors in judgment or other acts or omissions not amounting to willful misconduct or gross negligence since provision has been made in the partnership agreement for exculpation of the general partner. Therefore, purchasers of interests in the Operating Partnership have a more limited right of action than they would have absent the limitation in the partnership agreement.

Indemnification

The partnership agreement provides for the indemnification of us, as general partner, by the Operating Partnership for liabilities we incur in dealings with third parties on behalf of the Operating Partnership. To the extent that the indemnification provisions purport to include indemnification of liabilities arising under the Securities Act, in the opinion of the SEC, such indemnification is contrary to public policy and therefore unenforceable.

Tax Matters

We are the Operating Partnership's tax matters partner (and partnership representative, as applicable) and have the authority to make tax elections under the Code on the Operating Partnership's behalf.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the material U.S. federal income tax considerations relating to the ownership of our common stock as of the date hereof by U.S. holders and non-U.S. holders, each as defined below. Except where noted, this summary deals only with common stock held as a capital asset and does not deal with special situations, such as those of dealers in securities or currencies, financial institutions, regulated investment companies, tax-exempt entities (except as described in “—Taxation of Tax-Exempt Holders of Our Common Stock” below), insurance companies, persons holding common stock as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons liable for alternative minimum tax, persons who are “foreign governments” within the meaning of Section 892 of the Internal Revenue Code, investors in pass-through entities or U.S. holders of common stock whose “functional currency” is not the U.S. dollar. Furthermore, the discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. No ruling on the U.S. federal, state, or local tax considerations relevant to our operation or to the purchase, ownership or disposition of our common stock has been requested from the IRS or other tax authority. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. The summary is also based upon the assumption that we and our subsidiaries and affiliated entities will operate in accordance with our and their applicable organizational documents.

The U.S. federal income tax treatment of holders of our common stock depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular stockholder of holding our common stock will depend on the stockholder’s particular tax circumstances. You are urged to consult your own tax advisors concerning the U.S. federal income tax consequences in light of your particular situation as well as consequences arising under the laws of any other taxing jurisdiction.

Our Taxation as a REIT

We elected to be taxed as a REIT under the Code commencing with our taxable year ended December 31, 2017. We believe that we have been organized and have operated and will continue to operate in such a manner as to qualify for taxation as a REIT under the applicable provisions of the Code so long as our board of directors determines that REIT qualification remains in our best interest.

In connection with this offering, Simpson Thacher & Bartlett LLP is expected to render an opinion that, commencing with our initial taxable year ended December 31, 2017, we have been organized in conformity with the requirements for qualification as a REIT under the Code, and our actual and proposed method of operation has enabled and will enable us to meet the requirements for qualification and taxation as a REIT under the Code. Investors should be aware that the opinion of Simpson Thacher & Bartlett LLP will be based upon customary assumptions, will be conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our assets, income, organizational documents, stockholder ownership, and the present and future conduct of our business and will not be binding upon the IRS or any court. We have not received, and do not intend to seek, any rulings from the IRS regarding our status as a REIT or our satisfaction of the REIT requirements. The IRS may challenge our status as a REIT, and a court could sustain any such challenge. In addition, the opinion of Simpson Thacher & Bartlett LLP will be based on U.S. federal income tax law governing qualification as a REIT in effect as of the date thereof, which is subject to change either prospectively or retroactively. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the U.S. federal tax laws. Those qualification tests involve the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of the ownership of our shares,

and the percentage of our taxable income that we distribute. Simpson Thacher & Bartlett LLP will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements. For a discussion of the tax consequences of our failure to qualify as a REIT, see “—Failure to Qualify.”

The sections of the Code and the corresponding regulations that govern the U.S. federal income tax treatment of a REIT and its stockholders are highly technical and complex. The following discussion is qualified in its entirety by the applicable Code provisions, rules and regulations promulgated thereunder, and administrative interpretations thereof.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under “—Requirements for Qualification as a REIT.” While we intend to operate so that we qualify as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See “—Failure to Qualify.”

Provided that we qualify as a REIT, generally we will be entitled to a deduction for dividends that we pay and therefore will not be subject to U.S. federal corporate income tax on our net taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the “double taxation” at the corporate and stockholder levels that generally results from an investment in a C corporation (i.e., a corporation generally subject to U.S. federal corporate income tax). Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. In general, the income that we generate, to the extent declared as a dividend and subsequently paid to our stockholders, is taxed only at the stockholder level.

If we qualify as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

- We will pay U.S. federal income tax on our taxable income, including net capital gain, that we do not distribute to stockholders during, or within a specified time after, the calendar year in which the income is earned.
- For taxable years beginning prior to January 1, 2018, under some circumstances, we may be subject to the “alternative minimum tax” due to our undistributed items of tax preference and alternative minimum tax adjustments.
- If we have net income from “prohibited transactions,” which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax.
- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or from certain leasehold terminations as “foreclosure property,” we may thereby avoid (a) the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction) and (b) the inclusion of any income from such property not qualifying for purposes of the REIT gross income tests discussed below, but the income from the sale or operation of the property may be subject to U.S. corporate income tax at the highest applicable rate.
- If due to reasonable cause and not willful neglect we fail to satisfy either the 75% gross income test or the 95% gross income test discussed below, but nonetheless maintain our qualification as a REIT because other requirements are met, we will be subject to a 100% tax on the greater of the amount by which we fail the 75% gross income test or the 95% gross income test, multiplied in either case by a fraction intended to reflect our profitability.

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- If (i) we fail to satisfy the asset tests (other than a de minimis failure of the 5% asset test or the 10% vote or value test, as described below under “—Asset Tests”) due to reasonable cause and not to willful neglect, (ii) we dispose of the assets or otherwise comply with such asset tests within six months after the last day of the quarter in which we identify such failure and (iii) we file a schedule with the IRS describing the assets that caused such failure, we will pay a tax equal to the greater of \$50,000 or the net income from the nonqualifying assets during the period in which we failed to satisfy such asset tests multiplied by the highest corporate tax rate.
- If we fail to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, and the failure was due to reasonable cause and not to willful neglect, we will be required to pay a penalty of \$50,000 for each such failure.
- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet recordkeeping requirements intended to monitor our compliance with rules relating to the composition of a REIT’s stockholders, as described below in “—Requirements for Qualification as a REIT.”
- If we fail to distribute during each calendar year at least the sum of:
 - 85% of our ordinary income for such calendar year;
 - 95% of our capital gain net income for such calendar year; and
 - any undistributed taxable income from prior taxable years,

we will pay a 4% nondeductible excise tax on the excess of the required distribution over the amount we actually distributed, plus any retained amounts on which income tax has been paid at the corporate level.

- We may elect to retain and pay income tax on our net long-term capital gain. In that case, a U.S. holder would include its proportionate share of our undistributed long-term capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income, and would receive a credit or a refund for its proportionate share of the tax we paid.
- We will be subject to a 100% excise tax on amounts received by us from a taxable REIT subsidiary (or on certain expenses deducted by a taxable REIT subsidiary) if certain arrangements between us and a taxable REIT subsidiary of ours, as further described below, are not comparable to similar arrangements among unrelated parties.
- If we acquire any assets from a non-REIT C corporation in a carry-over basis transaction, we could be liable for specified tax liabilities inherited from that non-REIT C corporation with respect to that corporation’s “built-in gain” in its assets. Built-in gain is the amount by which an asset’s fair market value exceeds its adjusted tax basis at the time we acquire the asset. Applicable Treasury regulations, however, allow us to avoid the recognition of gain and the imposition of corporate-level tax with respect to a built-in gain asset acquired in a carry-over basis transaction from a non-REIT C corporation unless and until we dispose of that built-in gain asset during the 5-year period following its acquisition, at which time we would recognize, and would be subject to tax at the highest regular corporate rate on, the built-in gain.

In addition, notwithstanding our status as a REIT, we may also have to pay certain state and local income taxes, because not all states and localities treat REITs in the same manner that they are treated for U.S. federal income tax purposes. Moreover, as further described below, any domestic taxable REIT subsidiary in which we own an interest will be subject to U.S. federal corporate income tax on its net income.

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association:

- (1) that is managed by one or more trustees or directors;

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- (2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
- (3) that would be taxable as a domestic corporation, but for its election to be subject to tax as a REIT;
- (4) that is neither a financial institution nor an insurance company subject to certain provisions of the Code;
- (5) the beneficial ownership of which is held by 100 or more persons;
- (6) of which not more than 50% in value of the outstanding shares are owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) after applying certain attribution rules;
- (7) that makes an election to be a REIT for the current taxable year or has made such an election for a previous taxable year, which has not been terminated or revoked; and
- (8) that meets other tests described below regarding the nature of its income and assets.

Conditions (1) through (4), inclusive, must be met during the entire taxable year. Condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months other than the first taxable year for which an election to become a REIT is made. Condition (6) must be met during the last half of each taxable year, but neither conditions (5) nor (6) apply to the first taxable year for which an election to become a REIT is made. We believe that we will maintain sufficient diversity of ownership to allow us to satisfy conditions (5) and (6) above. In addition, our charter contains restrictions regarding the ownership and transfer of our stock that are intended to assist us in continuing to satisfy the share ownership requirements described in (5) and (6) above. The provisions of our charter restricting the ownership and transfer of our stock are described in “Description of Capital Stock—Restrictions on Ownership and Transfer.” These restrictions, however, may not ensure that we will be able to satisfy these share ownership requirements. If we fail to satisfy these share ownership requirements, we will fail to qualify as a REIT.

If we comply with regulatory rules pursuant to which we are required to send annual letters to holders of our stock requesting information regarding the actual ownership of our stock (as discussed below), and we do not know, or exercising reasonable diligence would not have known, whether we failed to meet requirement (6) above, we will be treated as having met the requirement.

To monitor compliance with the share ownership requirements, we generally are required to maintain records regarding the actual ownership of our shares. To do so, we must demand written statements each year from the record holders of significant percentages of our stock pursuant to which the record holders must disclose the actual owners of the shares (i.e., the persons required to include our dividends in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by Treasury regulations to submit a statement with your tax return disclosing your actual ownership of our shares and other information. In addition, we must satisfy all relevant filing and other administrative requirements established by the IRS to elect and maintain REIT status, use a calendar year for U.S. federal income tax purposes, and comply with the record keeping requirements of the Code and regulations promulgated thereunder.

Ownership of Partnership Interests. In the case of a REIT that is a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, Treasury regulations provide that the REIT is deemed to own its proportionate share of the partnership’s assets and to earn its proportionate share of the partnership’s gross income based on its pro rata share of capital interests in the partnership for purposes of the asset and gross income tests applicable to REITs, as described below. However, solely for purposes of the 10% value test described below (see “—Asset Tests”), the determination of a REIT’s interest in a partnership’s assets will be based on the REIT’s proportionate interest in any securities issued by the partnership, excluding for these purposes, certain excluded securities as described in the Code. In addition, the assets and gross income of the

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partnership generally are deemed to retain the same character in the hands of the REIT. Thus, our proportionate share of the assets and items of income of partnerships in which we own an equity interest is treated as assets and items of income of our company for purposes of applying the REIT requirements described below. Consequently, to the extent that we directly or indirectly hold a preferred or other equity interest in a partnership, the partnership's assets and operations may affect our ability to qualify as a REIT, even though we may have no control or only limited influence over the partnership.

Disregarded Subsidiaries. If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," the separate existence of that subsidiary is disregarded for U.S. federal income tax purposes. Generally, a qualified REIT subsidiary is a corporation, other than a taxable REIT subsidiary, all of the stock of which is owned directly or indirectly by the REIT. Other entities that are wholly-owned by us, including single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT income and asset tests. All assets, liabilities and items of income, deduction and credit of qualified REIT subsidiaries and disregarded subsidiaries will be treated as assets, liabilities and items of income, deduction and credit of the REIT itself. A qualified REIT subsidiary of ours is not subject to U.S. federal corporate income taxation, although it may be subject to state and local taxation in some states.

In the event that a qualified REIT subsidiary or a disregarded subsidiary ceases to be wholly owned by us (for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of us), the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, it would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income tests applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the value or voting power of the outstanding securities of another corporation. See "—Asset Tests" and "—Income Tests."

Taxable REIT Subsidiaries. A "taxable REIT subsidiary" is an entity that is taxable as a corporation in which we directly or indirectly own stock and that elects with us to be treated as a taxable REIT subsidiary. The separate existence of a taxable REIT subsidiary is not ignored for U.S. federal income tax purposes. Accordingly, a domestic taxable REIT subsidiary generally is subject to U.S. federal corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate, and may reduce our ability to make distributions to our stockholders. In addition, if a taxable REIT subsidiary owns, directly or indirectly, securities representing 35% or more of the vote or value of a subsidiary corporation, that subsidiary will also be treated as a taxable REIT subsidiary. However, an entity will not qualify as a taxable REIT subsidiary if it directly or indirectly operates or manages a lodging or health care facility or, generally, provides to another person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated. We generally may not own more than 10%, as measured by voting power or value, of the securities of a corporation that is not a qualified REIT subsidiary unless we and such corporation elect to treat such corporation as a taxable REIT subsidiary. Overall, no more than 20% of the value of a REIT's assets (25% for taxable years beginning before January 1, 2018) may consist of stock or securities of one or more taxable REIT subsidiaries.

Income earned by a taxable REIT subsidiary is not attributable to the REIT. Rather, the stock issued by a taxable REIT subsidiary to us is an asset in our hands, and we treat dividends paid to us from such taxable REIT subsidiary, if any, as income. This income can affect our income and asset tests calculations, as described below. As a result, income that might not be qualifying income for purposes of the income tests applicable to REITs could be earned by a taxable REIT subsidiary without affecting our status as a REIT. For example, we may use taxable REIT subsidiaries to perform services or conduct activities that give rise to certain categories of income such as management fees, or to conduct activities that, if conducted by us directly, would be treated in our hands as prohibited transactions.

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Several provisions of the Code regarding the arrangements between a REIT and its taxable REIT subsidiaries ensure that a taxable REIT subsidiary will be subject to an appropriate level of U.S. federal income taxation. For example, a taxable REIT subsidiary is limited in its ability to deduct interest payments made to affiliated REITs. In addition, we would be obligated to pay a 100% penalty tax on some payments that we receive from, or on certain expenses deducted by, a taxable REIT subsidiary if the IRS were to assert successfully that the economic arrangements between us and a taxable REIT subsidiary are not comparable to similar arrangements among unrelated parties.

Deductions are disallowed for business interest expense (even if paid to third parties) in excess of the sum of a taxpayer's business interest income and 30% of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass-through income deduction (and for taxable years before 2022, excludes depreciation and amortization). Under recently enacted legislation, the limitation for taxable years 2019 and 2020 is increased to the sum of a taxpayer's business interest and 50% of the adjusted taxable income of the business. Such limitations may also impact the amount of U.S. federal income tax paid by any of our taxable REIT subsidiaries.

Income Tests

To qualify as a REIT, we must satisfy two gross income requirements, each of which is applied on an annual basis. First, at least 75% of our gross income, excluding gross income from prohibited transactions and certain hedging and foreign currency transactions, for each taxable year generally must be derived directly or indirectly from:

- rents from real property;
- interest on debt secured by mortgages on real property or on interests in real property;
- dividends or other distributions on, and gain from the sale of, stock in other REITs;
- gain from the sale of real property or mortgage loans;
- abatements and refunds of taxes on real property;
- income and gain derived from foreclosure property (as described below);
- amounts (other than amounts the determination of which depends in whole or in part on the income or profits of any person) received or accrued as consideration for entering into agreements (i) to make loans secured by mortgages on real property or on interests in real property or (ii) to purchase or lease real property (including interests in real property and interests in mortgages on real property); and
- interest or dividend income from investments in stock or debt instruments attributable to the temporary investment of new capital during the one-year period following our receipt of new capital that we raise through equity offerings or public offerings of debt obligations with at least a five-year term.

Second, at least 95% of our gross income, excluding gross income from prohibited transactions and certain hedging transactions, for each taxable year must be derived from sources that qualify for purposes of the 75% test, and from (i) dividends, (ii) interest and (iii) gain from the sale or disposition of stock or securities, which need not have any relation to real property.

If we fail to satisfy one or both of the 75% and 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for that year if we are entitled to relief under the Code. These relief provisions generally will be available if our failure to meet the tests is due to reasonable cause and not due to willful neglect, and we attach a schedule of the sources of our income to our U.S. federal income tax return. It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally recognize exceeds the limits on nonqualifying income, the IRS could conclude that the failure to satisfy the tests was not due to reasonable

cause. If these relief provisions are inapplicable to a particular set of circumstances, we will fail to qualify as a REIT. Even if these relief provisions apply, a penalty tax would be imposed based on the amount of nonqualifying income. See “—Taxation of REITs in General.”

Gross income from our sale of property that we hold primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both gross income tests. In addition, certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. We will monitor the amount of our nonqualifying income, and we will manage our portfolio to comply at all times with the gross income tests. The following paragraphs discuss some of the specific applications of the gross income tests to us.

Dividends. We may directly or indirectly receive distributions from taxable REIT subsidiaries or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of earnings and profits of the distributing corporation. Our dividend income from stock in any corporation (other than any REIT), including any taxable REIT subsidiary, will be qualifying income for purposes of the 95% gross income test, but not the 75% gross income test. Dividends that we receive from any REITs in which we own stock and our gain on the sale of the stock in those REITs will be qualifying income for purposes of both gross income tests. However, if a REIT in which we own stock fails to qualify as a REIT in any year, our income from such REIT would be qualifying income for purposes of the 95% gross income test, but not the 75% gross income test.

Interest. The term “interest,” as defined for purposes of both gross income tests, generally excludes any amount that is based in whole or in part on the income or profits of any person; however, it generally includes the following: (i) an amount that is received or accrued based on a fixed percentage or percentages of receipts or sales, and (ii) an amount that is based on the income or profits of a debtor, as long as the debtor derives substantially all of its income from the real property securing the debt by leasing substantially all of its interest in the property, and only to the extent that the amounts received by the debtor would be qualifying “rents from real property” if received directly by a REIT.

Interest on debt secured by mortgages on real property or on interests in real property (including, for this purpose, prepayment penalties, loan assumption fees and late payment charges that are not compensation for services) generally is qualifying income for purposes of the 75% gross income test. However, if the highest principal amount of a loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan as of the date we agreed to originate or acquire the loan, a portion of the interest income from such loan will not be qualifying income for purposes of the 75% gross income test but will be qualifying income for purposes of the 95% gross income test. The portion of the interest income that will not be qualifying income for purposes of the 75% gross income test will be equal to the portion of the principal amount of the loan that is not secured by real property—that is, the amount by which the loan exceeds the value of the real estate that is security for the loan.

We expect that the CMBS and RMBS in which we invest generally will be treated either as interests in a grantor trust or as interests in a real estate mortgage investment conduit (“REMIC”) for U.S. federal income tax purposes and that all interest income from such CMBS and RMBS will be qualifying income for the 95% gross income test. In the case of CMBS and RMBS treated as interests in grantor trusts, we would be treated as owning an undivided beneficial ownership interest in the mortgage loans held by the grantor trust. The interest on such mortgage loans would be qualifying income for purposes of the 75% gross income test to the extent that the obligation is secured by real property, as discussed above. In the case of CMBS and RMBS treated as interests in a REMIC, income derived from REMIC interests will generally be treated as qualifying income for purposes of the 75% and 95% gross income tests. If less than 95% of the assets of the REMIC are real estate assets, however, then only a proportionate part of our interest in the REMIC and income derived from the interest will qualify for purposes of the 75% gross income test. In addition, some REMIC securitizations include imbedded interest swap or cap contracts or other derivative instruments that potentially could produce nonqualifying income for the holder of the related REMIC securities.

Interest, original issue discount and market discount income that we receive or accrue from mortgage-related assets generally will be qualifying income for purposes of both gross income tests.

Hedging Transactions. We and our subsidiaries may enter into hedging transactions with respect to one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swap agreements, interest rate cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent provided by Treasury regulations, any income from a hedging transaction we enter into (i) in the normal course of our business primarily to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, which is clearly identified as a hedge along with the risk that it hedges within prescribed time periods specified in Treasury regulations, (ii) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests which is clearly identified as a hedge along with the risk that it hedges within prescribed time periods, or (iii) in connection with the effective termination of certain hedging transactions described above will be excluded from gross income for purposes of both the 75% or 95% gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of both of the 75% and 95% gross income tests. Moreover, to the extent that a position in a hedging transaction has positive value at any particular point in time, it may be treated as an asset that does not qualify for purposes of the asset tests described below. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. No assurance can be given, however, that our hedging activities will not give rise to income or assets that do not qualify for purposes of the REIT tests, or that our hedging will not adversely affect our ability to satisfy the REIT qualification requirements.

We may conduct some or all of our hedging activities through a taxable REIT subsidiary or other corporate entity, the income of which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries.

Fee Income. Any fee income that we earn will generally not be qualifying income for purposes of either gross income test. Any fees earned by a taxable REIT subsidiary will not be included for purposes of the gross income tests.

Rents from Real Property. Rents we receive will qualify as “rents from real property” in satisfying the gross income requirements for a REIT described above only if several conditions described below are met. These conditions relate to the identity of the tenant, the computation of the rent payable, and the nature of the property leased and any services provided in connection with the property. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from rents from real property solely by reason of being based on a fixed percentage or percentages of receipts or sales. Second, rents we receive from a “related party tenant” will not qualify as rents from real property in satisfying the gross income tests unless the tenant is a taxable REIT subsidiary, at least 90% of the property is leased to unrelated tenants, the rent paid by the taxable REIT subsidiary is substantially comparable to the rent paid by the unrelated tenants for comparable space and the rent is not attributable to an increase in rent due to a modification of a lease with a “controlled taxable REIT subsidiary” (i.e., a taxable REIT subsidiary in which we own directly or indirectly more than 50% of the voting power or value of the stock). A tenant is a related party tenant if the REIT, or an actual or constructive owner of 10% or more of the REIT, actually or constructively owns 10% or more of the tenant. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into, extended, or modified, if such modification increases the rents due under such lease. Third, if rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to the personal property will not qualify as rents from real property. Finally, for rents to qualify as “rents from real property” for purposes of the gross income tests, we are only allowed to provide services that are both usually or “customarily rendered” in

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connection with the rental of real property and not otherwise considered “rendered to the occupant” of the property. Examples of these permitted services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. We may, however, render services to our tenants through an “independent contractor” who is adequately compensated and from whom we do not derive revenue if certain requirements are satisfied. We may also own an interest in a taxable REIT subsidiary which provides non-customary services to tenants without tainting our rental income from the related properties.

Even if a REIT furnishes or renders services that are non-customary with respect to a property, if the greater of (i) the amounts received or accrued, directly or indirectly, or deemed received by the REIT with respect to such services, or (ii) 150% of our direct cost in furnishing or rendering the services during a taxable year is not more than 1% of all amounts received or accrued, directly or indirectly, by the REIT with respect to the property during the same taxable year, then only the amounts with respect to such non-customary services are not treated as rent for purposes of the REIT gross income tests.

We intend to cause any services that are not usually or “customarily rendered,” or that are for the benefit of a particular tenant in connection with the rental of real property, to be provided through a taxable REIT subsidiary or through an “independent contractor” who is adequately compensated and from which we do not derive revenue, and which meets certain other requirements. However, no assurance can be given that the IRS will concur with our determination as to whether a particular service is usual or customary, or otherwise in this regard.

Prohibited Transactions Tax. A REIT will incur a 100% tax on the net income derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. Whether a REIT holds an asset primarily for sale to customers in the ordinary course of a trade or business depends, however, on the facts and circumstances in effect from time to time, including those related to a particular asset. Nevertheless, we intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or as having been, held for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. We cannot assure you that we will comply with certain safe harbor provisions or that we will avoid owning property that may be characterized as property that we hold primarily for sale to customers in the ordinary course of a trade or business. The 100% tax will not apply to gains from the sale of property that is held through a taxable REIT subsidiary or other taxable corporation, although such income will be subject to tax in the hands of such corporation at regular corporate income tax rates. We intend to structure our activities to avoid prohibited transaction characterization.

Foreclosure Property. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property:

- that is acquired by a REIT as the result of the REIT having bid in such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or default was imminent on a lease of such property or on indebtedness that such property secured;
- for which the related loan was acquired by the REIT at a time when the default was not imminent or anticipated; and
- for which the REIT makes a proper election to treat the property as foreclosure property.

However, a REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor.

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Property generally ceases to be foreclosure property at the end of the third taxable year following the taxable year in which the REIT acquired the property, or longer if an extension is granted by the Secretary of the Treasury. This grace period terminates and foreclosure property ceases to be foreclosure property on the first day:

- on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test, or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify for purposes of the 75% gross income test;
- on which any construction takes place on the property, other than completion of a building or any other improvement, if more than 10% of the construction was completed before default became imminent; or
- which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business that is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income.

We will be subject to tax at the maximum corporate rate on any income from foreclosure property, including gain from the disposition of the foreclosure property, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, net income from foreclosure property, including gain from the sale of foreclosure property held for sale in the ordinary course of a trade or business, will qualify for purposes of the 75% and 95% gross income tests. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property.

Phantom Income. Due to the nature of the assets in which we will invest, we may be required to recognize taxable income from certain assets in advance of our receipt of cash flow from or proceeds from disposition of such assets, and may be required to report taxable income that exceeds the economic income ultimately realized on such assets.

We may acquire debt instruments in the secondary market for less than their face amount. The amount of such discount generally will be treated as "market discount" for U.S. federal income tax purposes. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made, unless we elect to include accrued market discount in income as it accrues. Principal payments on certain debt instruments may be made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

The terms of the debt instruments that we hold may be modified under certain circumstances. These modifications may be considered "significant modifications" for U.S. federal income tax purposes that give rise to a deemed debt-for-debt exchange upon which we may recognize taxable income or gain without a corresponding receipt of cash.

Some of the debt securities that we acquire may have been issued with original issue discount. In general, we will be required to accrue non-de minimis original issue discount based on the constant yield to maturity of such debt securities, and to treat it as taxable income in accordance with applicable U.S. federal income tax rules even though such yield may exceed cash payments, if any, received on such debt instrument.

In addition, in the event that any debt instruments or debt securities acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income. Similarly, we may be required to accrue interest income with respect to subordinated mortgage-backed securities at the stated rate regardless of whether corresponding cash payments are received.

Finally, we may be required under the terms of indebtedness that we incur to use cash received from interest payments to make principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to our stockholders.

As a result of each of these potential timing differences between income recognition or expense deduction and cash receipts or disbursements, there is a risk that we may have taxable income in excess of cash available for distribution. In that event, we may need to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which this “phantom income” is recognized. See “—Annual Distribution Requirements Applicable to REITs.”

Asset Tests

At the close of each quarter of our taxable year, we must satisfy the following tests relating to the nature of our assets:

- At least 75% of the value of our total assets must be represented by the following:
 - interests in real property, including leaseholds and options to acquire real property and leaseholds;
 - interests in mortgages on real property;
 - stock in other REITs and debt instruments issued by publicly offered REITs;
 - cash and cash items (including certain receivables);
 - government securities;
 - investments in stock or debt instruments attributable to the temporary investment of new capital during the one-year period following our receipt of new capital that we raise through equity offerings or public offerings of debt obligations with at least a five-year term, and
 - regular or residual interests in a REMIC. However, if less than 95% of the assets of a REMIC consists of assets that are qualifying real estate-related assets under U.S. federal income tax laws, determined as if we held such assets directly, we will be treated as holding directly our proportionate share of the assets of such REMIC.
- Not more than 25% of our total assets may be represented by securities, other than those in the 75% asset class described above.
- Except for securities in taxable REIT subsidiaries and the securities in the 75% asset class described in the first bullet point above, the value of any one issuer’s securities owned by us may not exceed 5% of the value of our total assets.
- Except for securities in taxable REIT subsidiaries and the securities in the 75% asset class described in the first bullet point above, we may not own more than 10% of any one issuer’s outstanding voting securities.
- Except for securities of taxable REIT subsidiaries and the securities in the 75% asset class described in the first bullet point above, we may not own more than 10% of the total value of the outstanding securities of any one issuer, other than securities that qualify for the “straight debt” exception or other exceptions discussed below.
- Not more than 20% of the value of our total assets (25% for any taxable year beginning before January 1, 2018) may be represented by the securities of one or more taxable REIT subsidiaries.
- Not more than 25% of the value of our total assets may be represented by nonqualified publicly offered REIT debt instruments.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold

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indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (although such debt will not be treated as “securities” for purposes of the 10% value test, as explained below).

Securities, for purposes of the asset tests, may include debt we hold from other issuers. However, debt we hold in an issuer that does not qualify for purposes of the 75% asset test will not be taken into account for purposes of the 10% value test if the debt securities meet the straight debt safe harbor. Subject to certain exceptions, debt will meet the “straight debt” safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a sum certain in money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits of any person, the borrower’s discretion or similar factors. In the case of an issuer that is a corporation or a partnership, securities that otherwise would be considered straight debt will not be so considered if we, and any of our “controlled taxable REIT subsidiaries” as defined in the Code, hold any securities of the corporate or partnership issuer that (a) are not straight debt or other excluded securities (prior to the application of this rule), and (b) have an aggregate value greater than 1% of the issuer’s outstanding securities (including, in the case of a partnership issuer, our interest as a partner in the partnership).

In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT and (vi) any debt instrument issued by a partnership if the partnership’s income is of such a nature that the partnership would satisfy the 75% gross income test described above under “Income Tests.” In applying the 10% asset test, a debt security issued by a partnership (other than straight debt or any other excluded security) is not taken into account to the extent, if any, of the REIT’s proportionate interest as a partner in that partnership.

Any stock that we hold or acquire in other REITs will be a qualifying asset for purposes of the 75% asset test. However, if a REIT in which we own stock fails to qualify as a REIT in any year, the stock in such REIT will not be a qualifying asset for purposes of the 75% asset test. Instead, we would be subject to the second, third, fourth, and fifth asset tests described above with respect to our investment in such a disqualified REIT. We will also be subject to those asset tests with respect to our investments in any non-REIT C corporations for which we do not make a taxable REIT subsidiary election.

We will monitor the status of our assets for purposes of the various asset tests and will seek to manage our portfolio to comply at all times with such tests. There can be no assurances, however, that we will be successful in this effort. Independent appraisals may not have been obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

However, certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. For example, if we failed to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause us to lose our REIT qualification if (i) we satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of our assets and the asset requirements was not wholly or partly caused by an

acquisition of nonqualifying assets, but instead arose from changes in the relative market values of our assets. If the condition described in (ii) were not satisfied, we could nevertheless avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described above.

In the case of de minimis violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and \$10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Even if we did not qualify for the foregoing relief provisions, one additional provision allows a REIT which fails one or more of the asset requirements for a particular tax quarter to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) \$50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

Annual Distribution Requirements Applicable to REITs

To qualify for taxation as a REIT, we generally must distribute dividends (other than capital gain dividends) to our stockholders in an amount at least equal to:

- the sum of (i) 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gain and (ii) 90% of our net income after tax, if any, from foreclosure property; minus
- the excess of the sum of specified items of non-cash income (including original issue discount on our mortgage loans) over 5% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gain.

Distributions generally must be made during the taxable year to which they relate. Distributions may be made in the following year in two circumstances. First, if we declare a dividend in October, November or December of any year with a record date in one of these months and pay the dividend on or before January 31 of the following year, we will be treated as having paid the dividend on December 31 of the year in which the dividend was declared. Second, distributions may be made in the following year if the dividends are declared before we timely file our tax return for the year and if made before the first regular dividend payment made after such declaration. These distributions are taxable to our stockholders in the year in which paid, even though the distributions relate to our prior taxable year for purposes of the 90% distribution requirement. To the extent that we do not distribute all of our net capital gain or we distribute at least 90%, but less than 100% of our REIT taxable income, as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates.

To the extent that in the future we may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the tax treatment to our stockholders of any distributions that are actually made.

If we fail to distribute during a calendar year (or, in the case of distributions with declaration and record dates falling in the last three months of the calendar year, by the end of January following such calendar year) at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed taxable income from prior years, we will be subject to a 4% excise tax on the excess of

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such required distribution over the sum of (x) the amounts actually distributed (taking into account excess distributions from prior years) and (y) the amounts of income retained on which we have paid corporate income tax.

Although several types of non-cash income are excluded in determining the annual distribution requirement, we will incur corporate income tax and the 4% nondeductible excise tax with respect to those non-cash income items if we do not distribute those items on a current basis. As a result of the foregoing, we may not have sufficient cash to distribute all of our taxable income and thereby avoid corporate income tax and the excise tax imposed on certain undistributed income. In such a situation, we may need to borrow funds or issue additional stock.

We may elect to retain rather than distribute all or a portion of our net capital gains and pay the tax on the gains. In that case, we may elect to have our stockholders include their proportionate share of the undistributed net capital gains in income as long-term capital gains and receive a credit for their share of the tax paid by us. Our stockholders would then increase the adjusted basis of their stock by the difference between (i) the amounts of capital gain dividends that we designated and that they include in their taxable income, minus (ii) the tax that we paid on their behalf with respect to that income. For purposes of the 4% excise tax described above, any retained amounts for which we elect this treatment would be treated as having been distributed.

We intend to make timely distributions sufficient to satisfy the distribution requirements. However, it is possible that, from time to time, we may not have sufficient cash or other liquid assets to meet the distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of items of income and deduction of expenses by us for U.S. federal income tax purposes. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt, acquire assets or for other reasons. In the event that such timing differences occur, and in other circumstances, it may be necessary in order to satisfy the distribution requirements to arrange for short-term, or possibly long-term, borrowings, or to pay the dividends in the form of other property (including, for example, shares of our own stock).

If our taxable income for a particular year is subsequently determined to have been understated, under some circumstances we may be able to rectify a failure to meet the distribution requirement for a year by paying deficiency dividends to stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. Thus, we may be able to avoid being taxed on amounts distributed as deficiency dividends. However, we will be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

Like-Kind Exchanges

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transaction.

Penalty Tax

Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary, and redetermined deductions and excess interest represent any amounts that are deducted by a taxable REIT subsidiary for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's-length negotiations. Rents that we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code. Redetermined TRS service income is income earned by a taxable

REIT subsidiary that is attributable to services provided to us, or on our behalf to any of our tenants, that is less than the amounts that would have been charged based upon arms' length negotiations.

Record Keeping Requirements

We are required to comply with applicable record keeping requirements. Failure to comply could result in monetary fines. For example, we must request on an annual basis information from our stockholders designed to disclose the actual ownership of our outstanding common stock.

Failure to Qualify

If we fail to satisfy one or more requirements of REIT qualification, other than the income tests or asset requirements, then we may still retain REIT qualification if the failure is due to reasonable cause and not willful neglect, and we pay a penalty of \$50,000 for each failure.

If we fail to qualify for taxation as a REIT in any taxable year and the relief provisions do not apply, we will be subject to tax, including, for taxable years beginning before January 1, 2018, any applicable alternative minimum tax, on our taxable income as a corporation. This would significantly reduce both our cash available for distribution to our stockholders and our earnings. If we fail to qualify as a REIT, we will not be required to make any distributions to stockholders and any distributions that are made will not be deductible by us. Moreover, all distributions to stockholders would be taxable as dividends to the extent of our current and accumulated earnings and profits, whether or not attributable to capital gains of ours. Furthermore, subject to certain limitations in the Code, corporate distributees may be eligible for the dividends received deduction with respect to those distributions, and individual, trust and estate distributees may be eligible for reduced U.S. federal income tax rates on such dividends. Unless we are entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost.

Tax Aspects of Our Operating Partnership and any Subsidiary Partnerships

General. Substantially all of our assets will be held through our Operating Partnership. In addition, our Operating Partnership may hold certain investments indirectly through subsidiary partnerships and limited liability companies which are treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities which are not required to pay U.S. federal income tax. Rather, partners or members of such entities are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership or limited liability company, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership or limited liability company. A partner in such entities that is a REIT will include in its income its share of these partnership and limited liability company items for purposes of the various gross income tests, the computation of its REIT taxable income, and the REIT distribution requirements. Pursuant to these rules, for purposes of the asset tests, we will include our pro rata share of assets held by our Operating Partnership, including our share of its subsidiary partnerships and limited liability companies, based on its capital interest in each such entity.

Entity Classification. Our interests in the Operating Partnership and the subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships (or disregarded entities), as opposed to associations taxable as corporations for U.S. federal income tax purposes. For example, an entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership or limited liability company would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury

regulations. If our Operating Partnership or a subsidiary partnership or limited liability company were treated as an association rather than as a partnership, it would be taxable as a corporation and would be required to pay an entity-level tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from qualifying as a REIT. See “—Failure to Qualify” for a discussion of the effects of our failure to meet the REIT asset and income tests. In addition, a change in the tax status of our Operating Partnership, a subsidiary partnership or limited liability company might be treated as a taxable event. If so, we might incur a tax liability without any related cash distributions. We do not anticipate that our Operating Partnership or any subsidiary partnership or limited liability company will be treated as a publicly traded partnership which is taxable as a corporation.

Legislation was enacted that significantly changes the rules for U.S. federal income tax audits of partnerships, such as our Operating Partnership or any subsidiary partnerships or limited liability companies treated as partnerships for U.S. federal income tax purposes. Such audits will continue to be conducted at the entity level, but unless such entity qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the entity itself. Under an alternative procedure, if elected, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take such adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If any of the Operating Partnership or our subsidiary partnerships or limited liability companies is able to and in fact elects the alternative procedure for a given adjustment, the amount of taxes for which such persons will be liable will be increased by any applicable penalties and a special interest charge. There can be no assurance that any such entities will make such an election for any given adjustment. Many issues and the overall effect of this new legislation on us are uncertain.

Allocations of Income, Gain, Loss and Deduction. A partnership agreement (or, in the case of a limited liability company treated as a partnership for U.S. federal income tax purposes, the limited liability company agreement) will generally determine the allocation of partnership income and loss among partners. Generally, Section 704(b) of the Code and the Treasury regulations thereunder require that partnership allocations respect the economic arrangement of the partners. If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners’ interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Our Operating Partnership’s allocations of taxable income and loss are intended to comply with the requirements of Section 704(b) of the Code and the Treasury regulations thereunder.

Tax Allocations with Respect to the Properties. Under Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership (including a limited liability company treated as a partnership for U.S. federal income tax purposes) in exchange for an interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain, or benefits from the unrealized loss, associated with the property at the time of the contribution, as adjusted from time to time. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution (this difference is referred to as a book-tax difference), as adjusted from time to time. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Appreciated property may be contributed to our Operating Partnership in exchange for Operating Partnership units in connection with future acquisitions. The partnership agreement requires that allocations be made in a manner consistent with Section 704(c) of the Code. Treasury regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Any book-tax differences will be accounted for using any method approved under Section 704(c) of the Code and the applicable Treasury regulations as chosen by the general partner under the partnership agreement. Any property acquired by our Operating Partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code will not apply.

Taxation of U.S. Holders of Our Common Stock

U.S. Holder. As used in the remainder of this discussion, the term “U.S. holder” means a beneficial owner of our common stock that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding common stock, you should consult your advisors. A “non-U.S. holder” is a beneficial owner of our common stock that is neither a U.S. holder nor a partnership (or an entity treated as a partnership for U.S. federal income tax purposes).

Distributions Generally. As long as we qualify as a REIT, distributions made by us to our taxable U.S. holders out of our current or accumulated earnings and profits that are not designated as capital gain dividends or “qualified dividend income” will be taken into account by them as ordinary income taxable at ordinary income tax rates and will not qualify for the reduced capital gains rates that currently generally apply to distributions by non-REIT C corporations to certain non-corporate U.S. holders. In determining the extent to which a distribution constitutes a dividend for tax purposes, our earnings and profits will be allocated first to distributions with respect to our preferred stock, if any, and then to our common stock. Corporate stockholders will not be eligible for the dividends received deduction with respect to these distributions. Under the Tax Reform Bill, U.S. holders that are individuals, trusts and estates generally may deduct 20% of “qualified REIT dividends” (i.e., REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income eligible for capital gain tax rates). The overall deduction is limited to 20% of the sum of the taxpayer’s taxable income (less net capital gain) and certain cooperative dividends, subject to further limitations based on taxable income. The deduction, if allowed in full, equates to a maximum effective U.S. federal income tax rate on ordinary REIT dividends of 29.6%. Without further legislation, the deduction would sunset after 2025.

Distributions in excess of both current and accumulated earnings and profits will not be taxable to a U.S. holder to the extent that the distributions do not exceed the adjusted basis of the holder’s stock. Rather, such distributions will reduce the adjusted basis of the stock. To the extent that distributions exceed the adjusted basis of a U.S. holder’s stock, the U.S. holder generally must include such distributions in income as long-term capital gain if the shares have been held for more than one year, or short-term capital gain if the shares have been held for one year or less.

Distributions will generally be taxable, if at all, in the year of the distribution. However, if we declare a dividend in October, November or December of any year with a record date in one of these months and pay the dividend on or before January 31 of the following year, we will be treated as having paid the dividend, and the stockholder will be treated as having received the dividend, on December 31 of the year in which the dividend was declared.

We will be treated as having sufficient earnings and profits to treat as a dividend any distribution we pay up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed above. Moreover, any “deficiency dividend” will be treated as an ordinary or capital gain dividend, as the case may be, regardless of our earnings and profits. As a result, U.S. holders may be required to treat certain distributions that would otherwise result in a tax-free return of capital as taxable dividends.

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Capital Gain Dividends. We may elect to designate distributions of our net capital gain as “capital gain dividends” to the extent that such distributions do not exceed our actual net capital gain for the taxable year. Capital gain dividends are taxed to U.S. holders of our stock as gain from the sale or exchange of a capital asset held for more than one year. This tax treatment applies regardless of the period during which the stockholders have held their stock. If we designate any portion of a dividend as a capital gain dividend, the amount that will be taxable to the stockholder as capital gain will be indicated to U.S. holders on IRS Form 1099-DIV. Corporate stockholders, however, may be required to treat up to 20% of capital gain dividends as ordinary income. Capital gain dividends are not eligible for the dividends received deduction for corporations.

Instead of paying capital gain dividends, we may elect to require stockholders to include our undistributed net capital gains in their income. If we make such an election, U.S. holders (i) will include in their income as long-term capital gains their proportionate share of such undistributed capital gains and (ii) will be deemed to have paid their proportionate share of the tax paid by us on such undistributed capital gains and thereby receive a credit or refund to the extent that the tax paid by us exceeds the U.S. holder’s tax liability on the undistributed capital gain. A U.S. holder of our stock will increase the basis in its stock by the difference between the amount of capital gain included in its income and the amount of tax it is deemed to have paid. A U.S. holder that is a corporation will appropriately adjust its earnings and profits for the retained capital gain in accordance with Treasury regulations to be prescribed by the IRS. Our earnings and profits will be adjusted appropriately.

We must classify portions of our designated capital gain dividend into the following categories:

- a 20% gain distribution, which would be taxable to non-corporate U.S. holders of our stock at a federal rate of up to 20%; or
- an unrecaptured Section 1250 gain distribution, which would be taxable to non-corporate U.S. holders of our stock at a maximum rate of 25%.

We must determine the maximum amounts that we may designate as 20% and 25% capital gain dividends by performing the computation required by the Code as if the REIT were an individual whose ordinary income were subject to a marginal tax rate of at least 28%. The IRS currently requires that distributions made to different classes of stock be comprised proportionately of dividends of a particular type.

Passive Activity Loss and Investment Interest Limitation. Distributions that we make and gains arising from the disposition of our common stock by a U.S. holder will not be treated as passive activity income, and therefore U.S. holders will not be able to apply any “passive activity losses” against such income. Dividends paid by us, to the extent they do not constitute a return of capital, will generally be treated as investment income for purposes of the investment income limitation on the deduction of the investment interest.

Qualified Dividend Income. Distributions that are treated as dividends may be taxed at capital gains rates, rather than ordinary income rates, if they are distributed to an individual, trust or estate, are properly designated by us as qualified dividend income and certain other requirements are satisfied. Dividends are eligible to be designated by us as qualified dividend income up to an amount equal to the sum of the qualified dividend income received by us during the year of the distribution from other C corporations such as taxable REIT subsidiaries, our “undistributed” REIT taxable income from the immediately preceding year, and any income attributable to the sale of a built-in gain asset from the immediately preceding year (reduced by any U.S. federal income taxes that we paid with respect to such REIT taxable income and built-in gain).

Dividends that we receive will be treated as qualified dividend income to us if certain criteria are met. The dividends must be received from a domestic corporation (other than a REIT or a regulated investment company) or a qualifying foreign corporation. A foreign corporation generally will be a qualifying foreign corporation if it is incorporated in a possession of the United States, the corporation is eligible for benefits of an income tax treaty with the United States which the Secretary of Treasury determines is satisfactory, or the stock on which the dividend is paid is readily tradable on an established securities market in the United States. However, if a foreign

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corporation is a foreign personal holding company, a foreign investment company or a passive foreign investment company, then it will not be treated as a qualifying foreign corporation, and the dividends we receive from such an entity would not constitute qualified dividend income.

Furthermore, certain exceptions and special rules apply to determine whether dividends may be treated as qualified dividend income to us. These rules include certain holding requirements that we would have to satisfy with respect to the stock on which the dividend is paid, and special rules with regard to dividends received from regulated investment companies and other REITs.

In addition, even if we designate certain dividends as qualified dividend income to our stockholders, the stockholder will have to meet certain other requirements for the dividend to qualify for taxation at capital gains rates. For example, the stockholder will only be eligible to treat the dividend as qualifying dividend income if the stockholder is taxed at individual rates and meets certain holding requirements. In general, in order to treat a particular dividend as qualified dividend income, a stockholder will be required to hold our stock for more than 60 days during the 121-day period beginning on the date which is 60 days before the date on which the stock becomes ex-dividend.

Other Tax Considerations. To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, are not passed through to stockholders and do not offset income of stockholders from other sources, nor would such losses affect the character of any distributions that we make, which are generally subject to tax in the hands of stockholders to the extent that we have current or accumulated earnings and profits.

Sales of Our Common Stock. Upon any taxable sale or other disposition of our common stock (except pursuant to a repurchase by us, as described below), a U.S. holder of our common stock will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between:

- the amount of cash and the fair market value of any property received on such disposition; and
- the U.S. holder's adjusted basis in such common stock for tax purposes.

Gain or loss will be capital gain or loss if the common stock has been held by the U.S. holder as a capital asset. The applicable tax rate will depend on the holder's holding period in the asset (generally, if an asset has been held for more than one year, it will produce long-term capital gain) and the holder's tax bracket.

In general, any loss upon a sale or exchange of our common stock by a U.S. holder who has held such stock for six months or less (after applying certain holding period rules) will be treated as a long-term capital loss, but only to the extent of distributions from us received by such U.S. holder that are required to be treated by such U.S. holder as long-term capital gains.

Repurchases of Our Common Stock. A repurchase of our common stock will be treated as a distribution in exchange for the repurchased shares and taxed in the same manner as any other taxable sale or other disposition of our common stock discussed above, provided that the repurchase satisfies one of the tests enabling the repurchase to be treated as a sale or exchange. A repurchase will generally be treated as a sale or exchange if it (i) results in a complete termination of the holder's interest in our common stock, (ii) results in a substantially disproportionate redemption with respect to the holder, or (iii) is not essentially equivalent to a dividend with respect to the holder. In determining whether any of these tests has been met, common stock actually owned, as well as common stock considered to be owned by the holder by reason of certain constructive ownership rules set forth in Section 318 of the Code, generally must be taken into account. The sale of common stock pursuant to a repurchase generally will result in a "substantially disproportionate" redemption with respect to a holder if the percentage of our then outstanding voting stock owned by the holder immediately after the sale is less than 80% of the percentage of our voting stock owned by the holder determined immediately before the sale. The sale of

common stock pursuant to a repurchase generally will be treated as not “essentially equivalent to a dividend” with respect to a holder if the reduction in the holder’s proportionate interest in our stock as a result of our repurchase constitutes a “meaningful reduction” of such holder’s interest.

A repurchase that does not qualify as an exchange under such tests will constitute a dividend equivalent repurchase that is treated as a taxable distribution and taxed in the same manner as regular distributions, as described above under “—Distributions Generally.” In addition, although guidance is sparse, the IRS could take the position that a holder who does not participate in any repurchase treated as a dividend should be treated as receiving a constructive distribution of our common stock taxable as a dividend in the amount of their increased percentage ownership of our common stock as a result of the repurchase, even though the holder did not actually receive cash or other property as a result of the repurchase.

Medicare Tax. Certain U.S. holders, including individuals and estates and trusts, are subject to an additional 3.8% Medicare tax on all or a portion of their “net investment income,” which includes net gain from a sale or exchange of common stock and income from dividends paid on common stock. U.S. holders are urged to consult their own tax advisors regarding the Medicare tax.

Taxation of Non-U.S. Holders of Our Common Stock

The rules governing the U.S. federal income taxation of non-U.S. holders are complex. This section is only a summary of such rules. **We urge non-U.S. holders to consult their own tax advisors to determine the impact of federal, state and local income tax laws on ownership of the common stock, including any reporting requirements.**

Distributions. Distributions by us to a non-U.S. holder on our common stock that are neither attributable to gain from sales or exchanges by us of “U.S. real property interests” nor designated by us as capital gains dividends will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. These distributions generally will be subject to U.S. federal income tax on a gross basis at a rate of 30%, or a lower rate as may be specified under an applicable income tax treaty, unless the dividends are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States. Under some treaties, however, lower rates generally applicable to dividends do not apply to dividends from REITs. Further, reduced treaty rates are not available to the extent the income allocated to the non-U.S. holder is excess inclusion income. Dividends that are effectively connected with the non-U.S. holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment) will be subject to tax on a net basis, that is, after allowance for deductions, at graduated rates, in the same manner as U.S. holders are taxed with respect to these dividends, and are generally not subject to withholding. Applicable certification and disclosure requirements must be satisfied to be exempt from withholding under the effectively connected income exception. Any dividends received by a corporate non-U.S. holder that is engaged in a trade or business within the United States may also be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

A non-U.S. holder of our common stock who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for our ordinary dividends will be required (i) to complete the applicable IRS Form W-8 and certify under penalty of perjury that such holder is not a U.S. person as defined under the Code and is eligible for treaty benefits or (ii) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder of our common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

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Distributions that are neither attributable to gain from sales or exchanges of “U.S. real property interests” nor designated as capital gains dividends and that are in excess of our current or accumulated earnings and profits that do not exceed the adjusted basis of the non-U.S. holder in its common stock will reduce the non-U.S. holder’s adjusted basis in its common stock and will not be subject to U.S. federal income tax. Distributions that are neither attributable to gain from sales or exchanges of “U.S. real property interests” nor designated as capital gains dividends and that are in excess of current and accumulated earnings and profits that do exceed the adjusted basis of the non-U.S. holder in its common stock will be treated as gain from the sale of its stock, the tax treatment of which is described below under “—Sales of Our Common Stock.” Because we generally cannot determine at the time we make a distribution whether or not the distribution will exceed our current and accumulated earnings and profits, we normally will withhold tax on the entire amount of any distribution at the same rate as we would withhold on a dividend.

We would be required to withhold at least 15% of any distribution to a non-U.S. holder in excess of our current and accumulated earnings and profits if our common stock constitutes a U.S. real property interest with respect to such non-U.S. holder, as described below under “—Sales of Our Common Stock.” This withholding would apply even if a lower treaty rate otherwise applies or the non-U.S. holder is not liable for tax on the receipt of that distribution. However, a non-U.S. holder may seek a refund of these amounts from the IRS if the non-U.S. holder’s U.S. tax liability with respect to the distribution is less than the amount withheld.

Distributions to a non-U.S. holder that are designated by us at the time of the distribution as capital gain dividends, other than those arising from the disposition of a U.S. real property interest, generally should not be subject to U.S. federal income taxation unless:

- The investment in the common stock is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder), in which case the non-U.S. holder will generally be subject to the same treatment as U.S. holders with respect to any gain, except that a holder that is a foreign corporation also may be subject to the 30% branch profits tax, as discussed above; or
- The non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year of the distribution and has a “tax home” in the United States, in which case the individual will be subject to a 30% tax on the individual’s capital gains.

Under the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”), distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of U.S. real property interests, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing gain that is income effectively connected with the conduct of a trade or business in the United States. Non-U.S. holders will be taxed on this gain at the same rates applicable to U.S. holders, subject to a special alternative minimum tax in the case of nonresident alien individuals. Also, this gain may be subject to a 30% (or lower applicable treaty rate) branch profits tax in the hands of a non-U.S. holder that is a corporation. A distribution is not attributable to a U.S. real property interest if we held an interest in the underlying asset solely as a creditor.

We will be required to withhold and remit to the IRS the highest rate of U.S. federal income tax applicable to each non-U.S. holder, based on the status of such holder, of any distributions to non-U.S. holders that are designated as capital gain dividends, or, if greater, the highest rate of U.S. federal income tax applicable to each non-U.S. holder, based on the status of such holder, of a distribution that could have been designated as a capital gain dividend, whether or not attributable to sales of U.S. real property interests. Distributions can be designated as capital gain dividends to the extent of our net capital gain for the taxable year of the distribution. The amount withheld, which for individual non-U.S. holders may exceed the actual tax liability, is creditable against the non-U.S. holder’s U.S. federal income tax liability.

However, the above withholding tax will not apply to any capital gain dividend with respect to (i) any class of our stock which is “regularly traded” on an established securities market located in the United States if the

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non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of such dividend or (ii) a “qualified shareholder” or a “qualified foreign pension fund”. Instead, any capital gain dividend will be treated as a distribution subject to the rules discussed above under “—Distributions.” Also, the branch profits tax would not apply to such a distribution. However, it is not anticipated that our common stock will be “regularly traded” on an established securities market.

Although the law is not clear on the matter, it appears that amounts we designate as undistributed capital gains in respect of the stock held by U.S. holders generally should be treated with respect to non-U.S. holders in the same manner as actual distributions by us of capital gain dividends. Under that approach, the non-U.S. holders would be able to offset as a credit against their U.S. federal income tax liability resulting therefrom their proportionate share of the tax paid by us on the undistributed capital gains, and to receive from the IRS a refund to the extent that their proportionate share of this tax paid by us were to exceed their actual U.S. federal income tax liability. If we were to designate a portion of our net capital gain as undistributed capital gain, a non-U.S. holder is urged to consult its tax advisor regarding the taxation of such undistributed capital gain.

Sales of Our Common Stock. Subject to the discussion below under “—Repurchases of Our Common Stock,” gain recognized by a non-U.S. holder upon the sale or exchange of our stock generally would not be subject to U.S. taxation unless:

- the investment in our common stock is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder), in which case the non-U.S. holder will be subject to the same treatment as domestic holders with respect to any gain;
- the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and has a tax home in the United States, in which case the nonresident alien individual will be subject to a 30% tax on the individual’s net capital gains for the taxable year; or
- the non-U.S. holder is not a qualified shareholder or a qualified foreign pension fund (each as defined below) and our common stock constitutes a U.S. real property interest within the meaning of FIRPTA, as described below.

We anticipate that our common stock will constitute a U.S. real property interest within the meaning of FIRPTA unless we are a domestically-controlled REIT. We will be a domestically-controlled REIT if, at all times during a specified testing period, less than 50% in value of our stock is held directly or indirectly by non-U.S. holders. No assurance can be given, however, that we are or will be a domestically-controlled REIT.

Even if we were not a domestically-controlled REIT, a sale of common stock by a non-U.S. holder would nevertheless not be subject to taxation under FIRPTA as a sale of a U.S. real property interest if:

- our common stock were “regularly traded” on an established securities market within the meaning of applicable Treasury regulations; and
- the non-U.S. holder did not actually, or constructively under specified attribution rules under the Code, own more than 10% of our common stock at any time during the shorter of the five-year period preceding the disposition or the holder’s holding period.

However, it is not anticipated that our common stock will be “regularly traded” on an established securities market. If gain on the sale or exchange of our common stock were subject to taxation under FIRPTA, the non-U.S. holder would be subject to regular U.S. income tax with respect to any gain in the same manner as a taxable U.S. holder, subject to any applicable alternative minimum tax and special alternative minimum tax in the case of nonresident alien individuals. In such a case, under FIRPTA the purchaser of common stock may be required to withhold 15% of the purchase price and remit this amount to the IRS.

Qualified Shareholders. Subject to the exception discussed below, a qualified shareholder who holds our common stock directly or indirectly (through one or more partnerships) will not be subject to FIRPTA

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withholding on distributions by us or dispositions of our common stock. While a qualified shareholder will not be subject to FIRPTA withholding on distributions by us or dispositions of our common stock, certain investors of a qualified shareholder (i.e., non-U.S. persons who hold interests in the qualified shareholder (other than interests solely as a creditor), and hold more than 10% of our common stock (whether or not by reason of the investor's ownership in the qualified shareholder)) may be subject to FIRPTA withholding.

A qualified shareholder is a non-U.S. person that (i) either is eligible for the benefits of a comprehensive income tax treaty which includes an exchange of information program and whose principal class of interests is listed and regularly traded on one or more recognized stock exchanges (as defined in such comprehensive income tax treaty), or is a foreign partnership that is created or organized under foreign law as a limited partnership in a jurisdiction that has an agreement for the exchange of information with respect to taxes with the United States and has a class of limited partnership units representing greater than 50% of the value of all the partnership units that is regularly traded on the NYSE or NASDAQ markets, (ii) is a "qualified collective investment vehicle" (within the meaning of Section 897(k)(3)(B) of the Code), and (iii) maintains records on the identity of each person who, at any time during the foreign person's taxable year, is the direct owner of 5% or more of the class of interests or units (as applicable) described in (i), above.

Qualified Foreign Pension Funds. Any distribution to a qualified foreign pension fund (or an entity all of the interests of which are held by a qualified foreign pension fund) who holds our common stock directly or indirectly (through one or more partnerships) will not be subject to FIRPTA withholding on distributions by us or dispositions of our common stock.

A qualified foreign pension fund is any trust, corporation, or other organization or arrangement (i) which is created or organized under the law of a country other than the United States, (ii) which is established (a) by such country (or one or more political subdivisions thereof) to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (including self-employed individuals) or persons designated by such employees, as a result of services rendered by such employees to their employers or (b) by one or more employers to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (including self-employed individuals) or persons designated by such employees in consideration for services rendered by such employees to such employers, (iii) which does not have a single participant or beneficiary with a right to more than 5% of its assets or income, (iv) which is subject to government regulation and with respect to which annual information reporting about its beneficiaries is provided, or is otherwise available, to the relevant tax authorities in the country in which it is established or operates, and (v) with respect to which, under the laws of the country in which it is established or operates, (a) contributions to such organization or arrangement that would otherwise be subject to tax under such laws are deductible or excluded from the gross income of such entity or arrangement or taxed at a reduced rate, or (b) taxation of any investment income of such organization or arrangement is deferred or such income is excluded from the gross income of such entity or arrangement or is taxed at a reduced rate.

We urge non-U.S. holders to consult their own tax advisers to determine their eligibility for exemption from FIRPTA withholding and their qualification as a qualified shareholder or a qualified foreign pension fund.

Repurchases of Our Common Stock. A repurchase of our common stock that is not treated as a sale or exchange will be taxed in the same manner as regular distributions under the rules described above. See "—Taxation of U.S. Holders of Our Common Stock—Repurchases of Our Common Stock" for a discussion of when a redemption will be treated as a sale or exchange and related matters.

A repurchase of our common stock generally will be subject to tax under FIRPTA to the extent the distribution in the repurchase is attributable to gains from our dispositions of U.S. real property interests. To the extent the distribution is not attributable to gains from our dispositions of U.S. real property interests, the excess of the amount of money received in the repurchase over the non-U.S. holder's basis in the repurchased shares will be

treated in the manner described above under “—Sales of Our Common Stock.” The IRS has released an official notice stating that repurchase payments may be attributable to gains from dispositions of U.S. real property interests (except when the 10% publicly traded exception would apply), but has not provided any guidance to determine when and what portion of a repurchase payment is a distribution that is attributable to gains from our dispositions of U.S. real property interests. Due to the uncertainty, we may withhold at the highest rate of U.S. federal income tax applicable to each non-U.S. holder, based on the status of such holder, from all or a portion of repurchase payments to non-U.S. holders other than qualified shareholders or qualified foreign pension funds. To the extent the amount of tax we withhold exceeds the amount of a non-U.S. holder’s U.S. federal income tax liability, the non-U.S. holder may file a U.S. federal income tax return and claim a refund.

U.S. Federal Income Tax Returns. If a non-U.S. holder is subject to taxation under FIRPTA on proceeds from the sale of our common stock or on distributions we make, the non-U.S. holder will be required to file a U.S. federal income tax return. Prospective non-U.S. holders are urged to consult their tax advisors to determine the impact of U.S. federal, state, local and foreign income tax laws on their ownership of our common stock, including any reporting requirements.

Taxation of Tax-Exempt Holders of Our Common Stock

Provided that a tax-exempt holder has not held its common stock as “debt-financed property” within the meaning of the Code and our shares of stock are not being used in an unrelated trade or business, dividend income from us generally will not be unrelated business taxable income (“UBTI”) to a tax-exempt holder. Similarly, income from the sale of our common stock will not constitute UBTI unless the tax-exempt holder has held its common stock as debt-financed property within the meaning of the Code or has used the common stock in a trade or business.

Further, for a tax-exempt holder that is a social club, voluntary employee benefit association, supplemental unemployment benefit trust or qualified group legal services plan exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code, respectively, or a single parent title-holding corporation exempt under Section 501(c)(2) the income of which is payable to any of the aforementioned tax-exempt organizations, income from an investment in our common stock will constitute UBTI unless the organization properly sets aside or reserves such amounts for purposes specified in the Code. These tax-exempt holders should consult their own tax advisors concerning these “set aside” and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a “pension-held REIT” are treated as UBTI as to any trust which is described in Section 401(a) of the Code, is tax-exempt under Section 501(a) of the Code, and holds more than 10%, by value, of the interests in the REIT. Tax-exempt pension funds that are described in Section 401(a) of the Code are referred to below as “pension trusts.”

A REIT is a “pension-held REIT” if it meets the following two tests:

- it would not have qualified as a REIT but for Section 856(h)(3) of the Code, which provides that stock owned by pension trusts will be treated, for purposes of determining whether the REIT is closely held, as owned by the beneficiaries of the trust rather than by the trust itself; and
- either (i) at least one pension trust holds more than 25% of the value of the interests in the REIT, or (ii) a group of pension trusts each individually holding more than 10% of the value of the REIT’s stock, collectively owns more than 50% of the value of the REIT’s stock.

The percentage of any REIT dividend from a “pension-held REIT” that is treated as UBTI is equal to the ratio of the UBTI earned by the REIT, treating the REIT as if it were a pension trust and therefore subject to tax on UBTI, to the total gross income of the REIT. An exception applies where the percentage is less than 5% for any year, in which case none of the dividends would be treated as UBTI. The provisions requiring pension trusts to treat a portion of REIT distributions as UBTI will not apply if the REIT is not a “pension-held REIT” (for example, if the REIT is able to satisfy the “not closely held requirement” without relying on the “look through” exception with respect to pension trusts).

Distribution Reinvestment Plan

Holders who participate in the distribution reinvestment plan will recognize taxable income in the amount they would have received had they elected not to participate, even though they receive no cash. These deemed distributions will be treated as actual distributions from us to the participating holders and will retain the character and U.S. federal income tax effects applicable to all distributions. Stock received under the plan will have a holding period beginning with the day after purchase, and a U.S. federal income tax basis equal to its cost, which is the gross amount of the deemed distribution. Because of our charter's restrictions on the number of shares of our stock that a person may own, we do not anticipate that we will become a "pension-held REIT."

Backup Withholding Tax and Information Reporting

U.S. Holders of Common Stock. In general, information-reporting requirements will apply to payments of dividends and proceeds of the sale of our common stock held by U.S. holders, unless such U.S. holder is an exempt recipient. A backup withholding tax may apply to such payments if such U.S. holder fails to provide a taxpayer identification number or certification of other exempt status or fails to report in full dividend or interest income. In addition, we may be required to withhold a portion of capital gain distributions to any U.S. holders who fail to certify their U.S. status to us. Any amounts withheld under the backup withholding rules will be allowed as a credit against your U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Brokers that are required to report the gross proceeds from a sale of our common stock on IRS Form 1099-B will also be required to report the customer's adjusted basis in the common stock sold and whether any gain or loss with respect to such stock is long-term or short-term. In some cases, there may be alternative methods of determining the basis in the common stock sold, in which case your broker will apply a default method of its choosing if you do not indicate which method you choose to have applied. U.S. holders should consult their own tax advisors regarding these reporting requirements and their election options.

Non-U.S. Holders of Our Common Stock. We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a "United States person" as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our common stock within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a "United States person" as defined under the Code), or such owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Legislative or Other Actions Affecting REITs

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons

involved in the legislative process and by the IRS and the Treasury, which may result in statutory changes as well as revisions to regulations and interpretations. Changes to the U.S. federal tax laws and interpretations thereof could adversely affect an investment in our common stock.

State and Local Taxes

We and our stockholders may be subject to state or local taxation in various state or local jurisdictions, including those in which we or they transact business or reside. Our state and local tax treatment and that of our stockholders may not conform to the U.S. federal income tax treatment discussed above. Consequently, prospective stockholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in our common stock.

Tax Shelter Reporting

If a stockholder recognizes a loss with respect to stock of \$2 million or more for an individual stockholder or \$10 million or more for a corporate stockholder, the stockholder must file a disclosure statement with the IRS on Form 8886. Direct stockholders of portfolio securities are in many cases exempt from this reporting requirement, but stockholders of a REIT currently are not excepted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Stockholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), a 30% U.S. federal withholding tax may apply to any ordinary dividends and other distributions that we pay to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner that avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to withholding tax discussed above, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Non-U.S. holders should consult their tax advisors to determine the applicability of this legislation in light of their individual circumstances.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of any class of our shares of common stock by (i) Covered Plans (including “Keogh” plans and “individual retirement accounts”), (ii) plans and other arrangements that are subject to provisions under any U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the provisions of Title I of ERISA or Section 4975 of the Code (collectively, “Similar Laws”), and (iii) entities whose underlying assets are considered to include “plan assets” of any such plan or arrangement described in clause (ii) (each of the foregoing described in clauses (i), (ii) and (iii) being referred to as a “Plan”).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Covered Plan and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in any class of our shares of common stock of a portion of the assets of any Plan, a fiduciary should consider whether an investment in the shares is appropriate for the Plan, taking into account the provisions of the Plan documents, the overall investment policy of the Plan and the composition of the Plan’s investment portfolio, as there are imposed on Plan fiduciaries certain fiduciary requirements, including those of investment prudence and diversification and the requirement that a Plan’s investments be made in accordance with the documents governing the Plan. Further, a fiduciary should consider that in the future there may be no market in which such Plan would be able to sell or otherwise dispose of the shares.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The fiduciary of a Covered Plan that proposes to purchase or hold any shares should consider, among other things, whether such purchase and holding may involve the sale or exchange of any property between a Covered Plan and a party in interest or disqualified person, or the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any plan assets. Depending on the satisfaction of certain conditions which may include the identity of the Covered Plan fiduciary making the decision to acquire or hold the shares on behalf of a Covered Plan, Prohibited Transaction Class Exemption (“PTCE”) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a “qualified professional asset manager”), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house asset manager) or PTCE 90-1 (relating to investments by insurance company pooled separate accounts) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of the foregoing exemptions or any other class, administrative or statutory exemption will be available with respect to any particular transaction involving the shares. It is also possible that one of these exemptions could apply to some aspect of the acquisition or holding of such shares, but not apply to some other aspect of such acquisition or holding. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Covered Plans considering acquiring and/or holding our shares in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Plan Assets Issues

An additional issue concerns the extent to which we or all or a portion of our assets could themselves be treated as subject to ERISA. ERISA and the United States Department of Labor regulations, as modified by Section 3(42) of ERISA (the “Plan Assets Regulation”) concerns the definition of what constitutes the assets of a Covered Plan for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and the prohibited transaction provisions of Section 4975 of the Code.

Under ERISA and the Plan Assets Regulation, generally when a Covered Plan acquires an “equity interest” in an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act, the Covered Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established either that less than 25% of the total value of each class of equity interest in the entity is held by “benefit plan investors” as defined in Section 3(42) of ERISA (the “25% Test”) or that the entity is an “operating company” as defined in the Plan Assets Regulation. For purposes of the 25% Test, the assets of an entity will not be treated as “plan assets” if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “benefit plan investors,” excluding equity interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term “benefit plan investors” is generally defined to include employee benefit plans subject to Title I of ERISA or Section 4975 of the Code (including “Keogh” plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan’s investment in such entity (e.g., an entity of which 25% or more of the value of any class of equity interests is held by benefit plan investors and which does not satisfy another exception under ERISA).

We will not be an investment company under the Investment Company Act and there can be no assurance that benefit plan investors will hold less than 25% of the total value of each class of our common stock at the completion of this offering or thereafter, and no monitoring or other measures will be undertaken with respect to the level of such ownership with respect to any class of our shares of common stock.

Publicly Offered Securities

For purposes of the Plan Assets Regulation, a “publicly offered security” is a security that is (a) “freely transferable,” (b) part of a class of securities that is “widely held,” and (c) (i) sold to the plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and is part of a class of securities that is registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the offering of such securities to the public has occurred, or (ii) is part of a class of securities that is registered under Section 12 of the Exchange Act.

We believe that our shares of common stock should qualify for the exception for a “publicly offered security.” If our assets are deemed to constitute ERISA “plan assets” (i.e., if one or more of our classes of common stock fail to qualify as a “publicly offered security”), certain transactions that we might enter into, or may have entered into, in the ordinary course of our business may constitute non-exempt “prohibited transactions” under Section 406 of ERISA or Section 4975 of the Code, may have to be rescinded and may give rise to prohibited transaction excise taxes and fiduciary liability, as described above. In addition, if our assets are deemed to be “plan assets” of a Covered Plan, our management, as well as various providers of fiduciary or other services to us, and any other parties with authority or control with respect to us or our assets, may be considered fiduciaries under ERISA and Section 4975 of the Code, or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

In addition, ERISA generally provides that discretionary authority with respect to the management and disposition of the assets of a Covered Plan may be delegated to certain “investment managers” who acknowledge

that they are fiduciaries of the Covered Plan. In such case, a Covered Plan fiduciary who has appointed an investment manager will generally not be liable for the acts of such investment manager. We do not expect to be an “investment manager” within the meaning of ERISA. Consequently, if our assets are deemed to constitute “plan assets” of any stockholder which is a Covered Plan, the fiduciary of any such Covered Plan would not be protected from liability resulting from our decisions. Moreover, if our underlying assets were deemed to be assets constituting “plan assets,” there are several other provisions of ERISA that could be implicated for a Covered Plan if it were to acquire or hold shares either directly or by investing in an entity whose underlying assets are deemed to be assets of the Covered Plan.

Representation

By acceptance of any class of shares of our common stock, each purchaser and subsequent transferee of a share will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the shares constitutes assets of any Plan or (ii) the purchase and holding of the shares by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The sale of shares of our common stock to a Covered Plan is in no respect a representation by us or any other person associated with the offering of our common stock that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Each Plan investor is advised to contact its own financial advisor or other fiduciary unrelated to the Adviser, the Special Limited Partner, the Dealer Manager, Blackstone Real Estate, Blackstone, or any of our or their respective affiliates about whether an investment in our shares of common stock, or any decision to continue to hold, transfer, vote or provide any consent with respect to any such shares, may be appropriate for the Plan’s circumstances.

The preceding discussion is only a summary of certain ERISA implications of an investment in the securities and does not purport to be complete. Prospective investors should consult with their own legal, tax, financial and other advisors prior to investing to review these implications in light of such investor’s particular circumstances.

Each purchaser or transferee that is or is acting on behalf of a Plan should consult with its legal advisor concerning the potential consequences to the Plan under ERISA, Section 4975 of the Code or applicable Similar Law of an investment in any class of our shares.

PLAN OF DISTRIBUTION

We are offering up to \$24,000,000,000 in shares of our common stock pursuant to this prospectus on a “best efforts” basis through Blackstone Securities Partners L.P., the Dealer Manager, a registered broker-dealer affiliated with the Adviser. Because this is a “best efforts” offering, the Dealer Manager must only use its best efforts to sell the shares, which means that no underwriter, broker-dealer or other person will be obligated to purchase any shares. Our offering consists of up to \$20,000,000,000 in shares in our primary offering and up to \$4,000,000,000 in shares pursuant to our distribution reinvestment plan. We reserve the right to reallocate shares of common stock between our primary offering and our distribution reinvestment plan.

We are offering to the public four classes of shares of our common stock: Class T shares, Class S shares, Class D shares and Class I shares. We are offering to sell any combination of share classes with a dollar value up to the maximum offering amount. All investors must meet the suitability standards discussed in the section of this prospectus entitled “Suitability Standards.” The share classes have different upfront selling commissions and different ongoing stockholder servicing fees.

Class T and Class S shares are available through brokerage and transactional-based accounts. Class D shares are generally available for purchase in this offering only (1) through fee-based programs, also known as wrap accounts, that provide access to Class D shares, (2) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class D shares, (3) through transaction/brokerage platforms at participating broker-dealers, (4) through certain registered investment advisers, (5) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers or (6) other categories of investors that we name in an amendment or supplement to this prospectus. Class I shares are generally available for purchase in this offering only (1) through fee-based programs, also known as wrap accounts, that provide access to Class I shares, (2) by endowments, foundations, pension funds and other institutional investors, (3) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class I shares, (4) through certain registered investment advisers, (5) by our executive officers and directors and their immediate family members, as well as officers and employees of the Adviser, Blackstone or other affiliates and their immediate family members, and joint venture partners, consultants and other service providers or (6) other categories of investors that we name in an amendment or supplement to this prospectus. In certain cases, where a holder of Class S, Class T or Class D shares exits a relationship with a participating broker-dealer for this offering and does not enter into a new relationship with a participating broker-dealer for this offering, such holder’s shares may be exchanged into an equivalent NAV amount of Class I shares. We also offer Class I shares to certain feeder vehicles primarily created to hold our Class I shares, which in turn offer interests in themselves to investors; we conduct such offerings pursuant to exemptions to registration under the Securities Act and not as a part of this offering. We may also offer Class I shares to other investment vehicles. Such feeder vehicles may have additional costs and expenses, which would be disclosed in connection with the offering of their interests. The minimum initial investment for Class I shares is \$1,000,000, unless waived by the Dealer Manager. If you are eligible to purchase all four classes of shares, you should consider, among other things, the amount of your investment, the length of time you intend to hold the shares and the upfront selling commissions, dealer manager fees and stockholder servicing fees attributable to the Class T, Class S or Class D shares. Before making your investment decision, please consult with your investment adviser regarding your account type and the classes of common stock you may be eligible to purchase. Neither the Dealer Manager nor its affiliates will directly or indirectly compensate any person engaged as an investment advisor or bank trust department by a potential investor as an inducement for such investment advisor or bank trust department to advise favorably for an investment in us.

The number of shares we have registered pursuant to the registration statement of which this prospectus forms a part is the number that we reasonably expect to be offered and sold within two years from the initial effective date of the registration statement. Under applicable SEC rules, we may extend this offering one additional year if all of the shares we have registered are not yet sold within two years. With the filing of a registration statement for a subsequent offering, we may also be able to extend this offering beyond three years until the follow-on registration statement is declared effective. Pursuant to this prospectus, we are offering to the public all of the

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shares that we have registered. Although we have registered a fixed dollar amount of our shares, we intend effectively to conduct a continuous offering of an unlimited number of shares of our common stock over an unlimited time period by filing a new registration statement prior to the end of the three-year period described in Rule 415. In certain states, the registration of our offering may continue for only one year following the initial clearance by applicable state authorities, after which we will renew the offering period for additional one-year periods (or longer, if permitted by the laws of each particular state).

We reserve the right to terminate this offering at any time and to extend our offering term to the extent permissible under applicable law.

Purchase Price

Shares will generally be sold at the prior month’s NAV per share of the class of share being purchased, plus applicable upfront selling commissions and dealer manager fees. Although the price you pay for shares of our common stock will generally be based on the prior month’s NAV per share, the NAV per share of such stock as of the date on which your purchase is settled may be significantly different. 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 (including by updating a previously disclosed offering price) or suspend our offering and/or our share repurchase plan 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. Each class of shares may have a different NAV per share because stockholder servicing fees differ with respect to each class. See “Net Asset Value Calculation and Valuation Guidelines” for more information about the calculation of NAV per share.

If you participate in our distribution reinvestment plan, the cash distributions attributable to the class of shares that you purchase in our primary offering will be automatically invested in additional shares of the same class. The per share purchase price for shares purchased pursuant to the distribution reinvestment plan will be equal to the transaction price at the time the distribution is payable, which will generally be equal to our prior month’s NAV per share for that share class.

Underwriting Compensation

We entered into a Dealer Manager Agreement with the Dealer Manager, pursuant to which the Dealer Manager agreed to, among other things, manage our relationships with third-party broker-dealers engaged by the Dealer Manager to participate in the distribution of shares of our common stock, which we refer to as “participating broker-dealers,” and financial advisors. The Dealer Manager also coordinates our marketing and distribution efforts with participating broker-dealers and their registered representatives with respect to communications related to the terms of the offering, our investment strategies, material aspects of our operations and subscription procedures. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of our shares.

Summary

The following table shows the upfront selling commissions and dealer manager fees payable at the time you subscribe for shares for Class T, Class S, Class D or Class I shares.

	Maximum Upfront Selling Commissions as a % of Transaction Price	Maximum Upfront Dealer Manager Fees as a % of Transaction Price
Class T shares(1)	up to 3.0%	0.5%
Class S shares	up to 3.5%	None
Class D shares	up to 1.5%	None
Class I shares	None	None

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(1) Such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price

The following table shows the stockholder servicing fees we pay the Dealer Manager with respect to the Class T, Class S, Class D and Class I on an annualized basis as a percentage of our NAV for such class. The stockholder servicing fees will be paid monthly in arrears.

	Stockholder Servicing Fee as a % of NAV
Class T shares	0.85%(1)
Class S shares	0.85%
Class D shares	0.25%
Class I shares	None

(1) Consists of an advisor stockholder servicing fee and a dealer stockholder servicing fee.

Upfront Selling Commissions and Dealer Manager Fees

Class T, Class S and Class D Shares. Subject to any discounts described below, the Dealer Manager is entitled to receive upfront selling commissions of up to 3.0%, and upfront dealer manager fees of 0.5%, of the transaction price of each Class T share sold in the primary offering, however such amounts may vary at certain participating broker-dealers provided that the sum will not exceed 3.5% of the transaction price. Subject to any discounts described below, the Dealer Manager is entitled to receive upfront selling commissions of up to 3.5% of the transaction price of each Class S share sold in the primary offering. Subject to any discounts described below, the Dealer Manager may be entitled to receive upfront selling commissions of up to 1.5% of the transaction price of each Class D share sold in the primary offering. The Dealer Manager anticipates that all or a portion of the upfront selling commissions and dealer manager fees will be retained by, or reallocated (paid) to, participating broker-dealers.

Investors who purchase \$150,000 or more in Class T or Class S shares from the same broker-dealer, whether in a single purchase or as the result of multiple purchases, may be eligible, depending on the policies of their participating broker-dealer, for volume discounts on the upfront selling commissions. The Dealer Manager and any participating broker-dealers that offer volume discounts to their clients and their registered representatives will be responsible for implementing the volume discounts. The net offering proceeds we receive will not be affected by any reduction of upfront selling commissions. Certain participating broker-dealers may elect not to offer volume discounts to their clients.

The following table illustrates the various discount levels that may be offered for Class T and Class S shares purchased in the primary offering:

Your Investment	Upfront Selling Commissions as a % of Transaction Price of Class S Share	Upfront Selling Commissions as a % of Transaction Price of Class T Share
	Up to \$149,999.99	3.50%
\$150,000 to \$499,999.99	3.00%	2.50%
\$500,000 to \$999,999.99	2.50%	2.00%
\$1,000,000 and up	2.00%	1.50%

If you qualify for a volume discount as the result of multiple purchases of our Class T or Class S shares, you will receive the benefit of the applicable volume discount for the individual purchase which qualified you for the volume discount, but you will not be entitled to the benefit for prior purchases. Additionally, once you qualify for a volume discount, you will receive the benefit for subsequent purchases through the same participating broker-dealer. For this purpose, if you purchase Class T or Class S shares issued and sold in this offering you will

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receive the benefit of such Class T or Class S share purchases in connection with qualifying for volume discounts in our subsequent offerings through the same participating broker-dealer.

For purposes of qualifying for a volume discount as the result of multiple purchases of shares, only an individual or entity with the same social security number or taxpayer identification number, as applicable may combine their purchases as a “single purchaser”; provided that, certain participating broker-dealers may also combine purchases by an individual investor and his or her spouse living in the same household as a “single purchaser” for purposes of determining the applicable volume discount.

Requests to combine purchase orders of Class T or Class S shares as a part of a combined order for the purpose of qualifying for discounts or fee waivers must be made in writing by the broker-dealer, and any resulting reduction in upfront selling commissions will be prorated among the separate subscribers. As with discounts provided to other purchasers, the net proceeds we receive from the sale of shares will not be affected by discounts provided as a result of a combined order.

Your ability to receive a discount or fee waiver based on combining orders or otherwise may depend on the financial advisor or broker-dealer through which you purchase your Class T or Class S shares. An investor qualifying for a discount will receive a higher percentage return on his or her investment than investors who do not qualify for such discount. Accordingly, you should consult with your financial advisor about the ability to receive such discounts or fee waivers before purchasing Class T or Class S shares.

Class I Shares. No upfront selling commissions will be paid with respect Class I shares sold in this offering.

Stockholder Servicing Fees—Class T, Class S and Class D Shares

Subject to FINRA limitations on underwriting compensation and certain other limitations described below, we will pay the Dealer Manager selling commissions over time as a stockholder servicing fee (i) with respect to our outstanding Class T shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class T shares, consisting of an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares, (ii) with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares and (iii) with respect to our outstanding Class D shares equal to 0.25% per annum of the aggregate NAV of our outstanding Class D shares. We will not pay a stockholder servicing fee with respect to our outstanding Class I shares. The stockholder servicing fees are selling commissions paid over time. The stockholder servicing expenses borne by the participating brokers may be different from and substantially less than the amount of stockholder servicing fees charged.

The stockholder servicing fees will be paid monthly in arrears. The Dealer Manager will reallocate (pay) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services. Because the stockholder servicing fees with respect to Class T shares, Class S shares and Class D shares are calculated based on the aggregate NAV for all of the outstanding shares of each such class, it reduces the NAV with respect to all shares of each such class, including shares issued under our distribution reinvestment plan.

We will cease paying the stockholder servicing fee with respect to any Class T share, Class S share or Class D share held in a stockholder’s account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or, in the case of Class T shares sold through certain participating broker-dealers, a lower limit as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued) of the gross proceeds from the sale of such shares (including the gross proceeds

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of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class T share, Class S share or Class D share will convert into a number of Class I shares (including any fractional shares), each with an equivalent aggregate NAV as such share. Although we cannot predict the length of time over which the stockholder servicing fee will be paid due to potential changes in the NAV of our shares, this fee would be paid with respect to a Class T share (in the case of a limit of 8.75% of gross proceeds) or Class S share over approximately 7 years from the date of purchase and with respect to a Class D share over approximately 30 years from the date of purchase, assuming payment of the full upfront selling commissions and dealer manager fees, opting out of the distribution reinvestment plan and a constant NAV of \$10.00 per share. Under these assumptions, if a stockholder holds his or her shares for these time periods, this fee with respect to a Class T share or Class S share would total approximately \$0.91 and with respect to a Class D share would total approximately \$0.75.

Eligibility to receive the stockholder servicing fee is conditioned on a broker-dealer providing the following ongoing services with respect to the Class T, Class S or Class D shares: assistance with recordkeeping, answering investor inquiries regarding us, including regarding distribution payments and reinvestments, helping investors understand their investments upon their request, and assistance with share repurchase requests. Holders of our Class T, Class S and Class D shares will receive the same services as described above regardless of the level of the stockholder servicing fee paid. For Class T shares, advisor stockholder services are answering investor inquiries regarding us, including regarding distribution payments and reinvestments, helping investors understand their investments upon their request, and assistance with share repurchase requests and dealer stockholder services are assistance with recordkeeping. If the applicable broker-dealer is not eligible to receive the stockholder servicing fee due to failure to provide these services, the Dealer Manager will waive the stockholder servicing fee that broker-dealer would have otherwise been eligible to receive. The stockholder servicing fees are ongoing fees that are not paid at the time of purchase.

The stockholder services described above do not include account monitoring. Broker-dealers separately may offer account monitoring services to their clients but are not required to do so. Your broker-dealer's Client Relationship Summary discloses whether it offers account monitoring services, and if so, you may contact your broker-dealer for more information.

Other Compensation

We or the Adviser may also pay directly, or reimburse the Dealer Manager if the Dealer Manager pays on our behalf, any organization and offering expenses (other than upfront selling commissions and stockholder servicing fees).

Limitations on Underwriting Compensation

In addition to the conversion feature described above in “—Stockholder Servicing Fees—Class T, Class S and Class D Shares,” we will cease paying the stockholder servicing fee on the Class T shares, Class S shares and Class D shares on the earlier to occur of the following: (i) a listing of Class I shares, (ii) our merger or consolidation with or into another entity, or the sale or other disposition of all or substantially all of our assets or (iii) the date following the completion of the primary portion of this offering on which, in the aggregate, underwriting compensation from all sources in connection with this offering, including upfront selling commissions, the stockholder servicing fee and other underwriting compensation, is equal to 10% of the gross proceeds from our primary offering. The Dealer Manager will monitor the aggregate amount of underwriting compensation that we and the Adviser pay in connection with this offering in order to ensure we comply with the underwriting compensation limits of applicable FINRA rules. FINRA rules and the NASAA REIT Guidelines also limit our total organization and offering expenses (including upfront selling commissions, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices and other underwriting compensation) to 15% of our gross offering proceeds from this offering. After the termination of the primary offering and again after termination of the offering under our distribution reinvestment plan, the Adviser has agreed to reimburse us to the extent that organization and offering expenses that we incur exceed 15% of our gross proceeds from the applicable offering.

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In order to show the maximum amount of compensation that may be paid in connection with this offering, the following table assumes that (1) we sell all of the shares offered by this prospectus, (2) all shares sold in the offering are Class S shares, (3) no shares are reallocated between the primary offering and the distribution reinvestment plan, (4) all Class S shares are sold with the highest possible upfront selling commissions and (5) NAV per share remains \$10.00. The table does not give effect to any shares issued pursuant to our distribution reinvestment plan. The following table also assumes that we will cease paying stockholder servicing fees with respect to any Class S stockholder after the time the total upfront selling commissions and stockholder servicing fees paid with respect to the shares in such Class S stockholder's account reach 8.75% of the gross proceeds from the offering of such Class S shares in the aggregate (assuming such stockholder purchased all of his/her class S shares at the same time).

**Maximum Estimated Underwriting Fees and Expenses
At Maximum Primary Offering of \$20,000,000,000**

Upfront selling commissions	\$ 676,628,502	3.38%
Stockholder servicing fees(1)	1,073,671,498	5.37%
Reimbursement of wholesaling activities(2)	13,915,000	0.07%
Total(2)	<u>\$ 1,763,915,000</u>	<u>8.82%</u>

- (1) We will pay the Dealer Manager a stockholder servicing fee with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares. The numbers presented reflect that stockholder servicing fees are paid over a number of years, and as a result, will cumulatively increase above 0.85% over time. The Dealer Manager will reallocate (pay) all or a portion of the stockholder servicing fee to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services.
- (2) Wholesale reimbursements consist primarily of (a) actual costs incurred for fees to attend retail seminars sponsored by participating broker-dealers, (b) amounts used to reimburse participating broker-dealers for the actual costs incurred by registered representatives for travel, meals and lodging in connection with attending *bona fide* training and education meetings, (c) non-transaction based compensation, including bonuses, paid to registered persons associated with the Dealer Manager in connection with the wholesaling of our offering, and (d) expense reimbursements for actual costs incurred by employees of the Dealer Manager in the performance of wholesaling activities. The Adviser currently pays wholesaling compensation expenses and certain related expenses of persons associated with the Dealer Manager described above without reimbursement from us.

Term of the Dealer Manager Agreement

Either party may terminate the Dealer Manager Agreement upon 60 days' written notice to the other party or immediately upon notice to the other party in the event such other party failed to comply with a material provision of the Dealer Manager Agreement. Our obligations under the Dealer Manager Agreement to pay the stockholder servicing fees with respect to the Class T, Class S and Class D shares distributed in this offering as described therein shall survive termination of the agreement until such shares are no longer outstanding (including such shares that have been converted into Class I shares, as described above in "—Stockholder Servicing Fees—Class T, Class S and Class D Shares").

Indemnification

To the extent permitted by law and our charter, we will indemnify the participating broker-dealers and the Dealer Manager against some civil liabilities, including certain liabilities under the Securities Act, and liabilities arising from an untrue statement of material fact contained in, or omission to state a material fact in, this prospectus or the registration statement of which this prospectus is a part, blue sky applications or approved sales literature.

Role of the Dealer Manager

The Dealer Manager is a broker-dealer whose purpose is to distribute Blackstone managed or affiliated products. The Dealer Manager provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. The Dealer Manager has not and will not make any recommendation regarding, and will not monitor, any investment. As such, when the Dealer Manager presents an investment strategy or product to an investor or a prospective investor, the Dealer Manager does not collect the information necessary to determine and the Dealer Manager does not engage in a determination regarding whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with your own professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that the Dealer Manager will not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.

Offering Restrictions

NOTICE TO NON-U.S. INVESTORS

The shares described in this prospectus have not been registered and are not expected to be registered under the laws of any country or jurisdiction outside of the United States except as otherwise described in this prospectus. To the extent you are a citizen of, or domiciled in, a country or jurisdiction outside of the United States, please consult with your advisors before purchasing or disposing of shares.

COUNTRY-SPECIFIC LEGENDS

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State no offer of shares which are the subject of the offering contemplated by this prospectus may be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive; or
- (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall result in a requirement for the Company or the Dealer Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Dealer Manager and the Company that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each financial intermediary will also be deemed to have represented, warranted and agreed that the shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to offering those shares to the public, other than their offer or resale in a Relevant Member State to “qualified investors” as so defined or in circumstances in which the prior consent of the Dealer Manager has been obtained to each such proposed offer or resale.

The Company, the Dealer Manager and their affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and agreements.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information

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on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this prospectus and any other material in relation to the shares described herein are being distributed only to, and are directed only at, persons who are “qualified investors” (as defined in the Prospectus Directive) who are (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (for purposes of this section, the “Order”), (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute them, all such persons together being referred to as “Relevant Persons.” The shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, Relevant Persons. This prospectus and its contents should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus or its contents. The shares are not being offered to the public in the United Kingdom.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the shares have been filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue in Hong Kong, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Israel

The shares described in this prospectus have not been registered and are not expected to be registered under the Israeli Securities Law 1968 (the “Israeli Securities Law”) or under the Israeli Joint Investment Trust Law 1994. Accordingly, the shares described herein will only be offered and sold in Israel pursuant to applicable private placement exemptions to “qualified investors” described in the first addendum to the Israeli Securities Law. None of the Adviser, the Dealer Manager or any participating broker-dealer is a licensed investment marketer or advisor under the provisions of the Regulation of Investment Advice, Marketing Investments and Portfolio Management 1995.

Notice to Prospective Investors in Mexico

The offering of shares made pursuant to this prospectus does not constitute a public offering of securities under Mexican law and therefore is not subject to obtaining the prior authorization of the Mexican National Banking and Securities Commission or the registration of shares of the Company with the Mexican National Registry of Securities. The shares described herein will only be offered and sold in Mexico pursuant to applicable private placement exemptions to “Institutional Investors” or “Qualified Investors” under the Mexican Securities Market Law.

Notice to Prospective Investors in Chile

This offer is subject to Norma de Caracter General N° 336 issued by the Superintendence of Securities and Insurance of Chile (“SVS”) and commenced on August 31, 2016. This offer is on shares not registered in the

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Registry of Securities or in the Registry of Foreign Securities of the SVS, and therefore, it is not subject to the SVS oversight. The issuer is under no obligation to release information on the shares in Chile. These shares cannot be subject of a public offering if not previously registered in the pertinent registry of securities.

Esta oferta se realiza conforme a la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros (“SVS”) y ha comenzado en la fecha de este 31 agosto 2016. Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores extranjeros que lleva la SVS y en consecuencia, estos valores no están sujetos a su fiscalización. No existe de parte del emisor obligación de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.

Notice to Prospective Investors in the People’s Republic of China

This prospectus and the related subscription agreement documents do not and are not intended to constitute a sale, an offer to sell or a solicitation of an offer to buy, directly or indirectly, any securities in the People’s Republic of China (excluding Taiwan, the Special Administrative Region of Hong Kong and the Special Administrative Region of Macao, the “PRC”).

No marketing activities, advertisements or public inducements have been or will be carried out by the Company or the Dealer Manager to the general public within the PRC in relation to an investment in the Company.

This prospectus is intended solely for the use of those qualified investors for the purpose of evaluating a possible investment by them in the Company and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective managing directors, employees and consultants receiving this prospectus).

This prospectus has not been and will not be filed with or approved by the China Securities Regulatory Commission or any other regulatory authorities or agencies of the PRC pursuant to relevant securities-related or other laws and regulations and may not be offered or sold within the PRC through a public offering or in circumstances which require an examination or approval of or registration with any securities or other regulatory authorities or agencies in the PRC unless otherwise in accordance with the laws and regulations of the PRC.

Notice to Prospective Investors in Taiwan

The interests may be made available outside Taiwan to Taiwan resident investors for purchase outside Taiwan by such investors but are not permitted to be marketed, offered or sold in Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the interests in Taiwan.

Notice to Prospective Investors in Argentina

This prospectus does not constitute an invitation to buy or a solicitation of an offer to sell securities or any other products or services in Argentina and shares in the Company are not and will not be offered or sold in Argentina, in compliance with Section No. 310 of the Argentine Criminal Code, except in circumstances that do not constitute a public offering or distribution under Argentinean laws and regulations. No application has been or will be made the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to publicly offer the Company or the shares thereof in Argentina. This prospectus is being supplied or made available only to those investors who have expressly requested them in Argentina or used in connection with an offer to sell or a solicitation of an offer to buy in Argentina except in circumstances that do not constitute a public offering or distribution under Argentinean laws and regulations. This prospectus is strictly confidential and may not be distributed to any legal or natural person or entity other than the intended recipients thereof.

HOW TO SUBSCRIBE

You may buy or request that we repurchase shares of our common stock through your financial advisor, a participating broker-dealer or other financial intermediary that has a selling agreement with the Dealer Manager. Because an investment in our common stock involves many considerations, your financial advisor or other financial intermediary may help you with this decision. Due to the illiquid nature of investments in real estate, our shares of common stock are only suitable as a long-term investment. Because there is no public market for our shares, stockholders may have difficulty selling their shares if we 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, or if our board of directors modifies, suspends or terminates the share repurchase plan.

Investors who meet the suitability standards described herein may purchase shares of our common stock. See “Suitability Standards” in this prospectus. Before investing, investors should carefully read this entire prospectus and any appendices and supplements accompanying this prospectus. Investors seeking to purchase shares of our common stock must proceed as follows:

- Complete the execution copy of the subscription agreement. A specimen copy of the subscription agreement, including instructions for completing it, is included in this prospectus as Appendix B. Subscription agreements may be executed manually or by electronic signature except where the use of such electronic signature has not been approved by the Dealer Manager. Should you execute the subscription agreement electronically, your electronic signature, whether digital or encrypted, included in the subscription agreement is intended to authenticate the subscription agreement and to have the same force and effect as a manual signature.
- Deliver a check, submit a wire transfer, instruct your broker-dealer to make payment from your brokerage account or otherwise deliver funds for the full purchase price of the shares of our common stock being subscribed for along with the completed subscription agreement to the participating broker-dealer. Checks should be made payable, or wire transfers directed, to “Blackstone Real Estate Income Trust, Inc.” or “BREIT.” For Class T, Class S and Class D shares, after you have satisfied the applicable minimum purchase requirement of \$2,500, additional purchases must be in increments of \$500. For Class I shares, after you have satisfied the applicable minimum purchase requirement of \$1,000,000, additional purchases must be in increments of \$500, unless such minimums are waived by the Dealer Manager. The minimum subsequent investment does not apply to purchases made under our distribution reinvestment plan.
- By executing the subscription agreement and paying the total purchase price for the shares of our common stock subscribed for, each investor attests that he or she meets the suitability standards as stated in the subscription agreement and agrees to be bound by all of its terms. Certain participating broker-dealers may require additional documentation.

A sale of the shares to a subscriber may not be completed until at least five business days after the subscriber receives our final prospectus. Subscriptions to purchase our common stock may be made on an ongoing basis, but investors may only purchase our common stock pursuant to accepted subscription orders as of the first calendar day of each month (based on the prior month’s transaction price), and to be accepted, a subscription request must be made with a completed and executed subscription agreement in good order, including satisfying any additional requirements imposed by the subscriber’s broker-dealer, and payment of the full purchase price of our common stock being subscribed at least five business days prior to the first calendar day of the month (unless waived by the Dealer Manager or otherwise agreed to between the Dealer Manager and the applicable participating broker-dealer).

For example, if you wish to subscribe for shares of our common stock in October, your subscription request must be received in good order at least five business days before November 1. Generally, the offering price will equal the NAV per share of the applicable class as of the last calendar day of September, plus applicable upfront selling commissions and dealer manager fees. If accepted, your subscription will be effective on the first calendar day of November.

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Completed subscription requests will not be accepted by us before the later of (i) two business days before the first calendar day of each month and (ii) three business days after we make the transaction price (including any subsequent revised transaction price in the circumstances described below) publicly available by posting it on our website at www.breit.com and filing a prospectus supplement with the SEC (or in certain cases after we have delivered notice of such price directly to subscribers as discussed below). Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be canceled at any time before the time it has been accepted as described in the previous sentence. As a result, you will have a minimum of three business days after the transaction price for that month has been disclosed to withdraw your request before you are committed to purchase the shares. Generally, you will not be provided with direct notice of the transaction price when it becomes available. Therefore, if you wish to know the transaction price prior to your subscription being accepted you must check our website or our filings with the SEC prior to the time your subscription is accepted.

However, if the transaction price is not made available on or before the eighth business day before the first calendar day of the month (which is six business days before the earliest date we may accept subscriptions), or a previously disclosed transaction price for that month is changed, then we will provide notice of such transaction price (and the first day on which we may accept subscriptions) directly to subscribing investors when such transaction price is made available. In such cases, you will have at least three business days from delivery of such notice before your subscription is accepted.

If for any reason we reject the subscription, or if the subscription request is canceled before it is accepted or withdrawn as described below, we will return the subscription agreement and the related funds, without interest or deduction, within ten business days after such rejection, cancellation or withdrawal.

Shares of our common stock purchased by a fiduciary or custodial account will be registered in the name of the fiduciary account and not in the name of the beneficiary. If you place an order to buy shares and your payment is not received and collected, your purchase may be canceled and you could be liable for any losses or fees we have incurred.

You have the option of placing a transfer on death (TOD), designation on your shares purchased in this offering. A TOD designation transfers the ownership of the shares to your designated beneficiary upon your death. This designation may only be made by individuals, not entities, who are the sole or joint owners with right to survivorship of the shares. If you would like to place a TOD designation on your shares, you must check the TOD box on the subscription agreement and you must complete and return a TOD form, which you may obtain from your financial advisor, in order to effect the designation.

Purchase Price

Shares will generally be sold at the prior month's NAV per share of the class of share being purchased, plus applicable upfront selling commissions and dealer manager fees. Although the price you pay for shares of our common stock will generally be based on the prior month's NAV per share, the NAV per share of such stock for the month in which you make your purchase may be significantly different. 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 (including by updating a previously disclosed offering price) or suspend our offering 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. Each class of shares may have a different NAV per share because stockholder servicing fees are charged differently with respect to each class. See "Net Asset Value Calculation and Valuation Guidelines" for more information about the calculation of NAV per share.

If you participate in our distribution reinvestment plan, the cash distributions attributable to the class of shares that you purchase in our primary offering will be automatically invested in additional shares of the same class. Shares are offered pursuant to our distribution reinvestment plan at the transaction price at the time the distribution is payable, which will generally be equal to our prior month's NAV per share for that share class.

We will generally adhere to the following procedures relating to purchases of shares of our common stock in this continuous offering:

- On each business day, our transfer agent will collect purchase orders. Notwithstanding the submission of an initial purchase order, we can reject purchase orders for any reason, even if a prospective investor meets the minimum suitability requirements outlined in our prospectus. Investors may only purchase our common stock pursuant to accepted subscription orders as of the first calendar day of each month (based on the prior month's transaction price), and to be accepted, a subscription request must be made with a completed and executed subscription agreement in good order and payment of the full purchase price of our common stock being subscribed at least five business days prior to the first calendar day of the month. If a purchase order is received less than five business days prior to the first calendar day of the month, unless waived by the Dealer Manager, the purchase order will be executed in the next month's closing at the transaction price applicable to that month, plus applicable upfront selling commissions and dealer manager fees. As a result of this process, the price per share at which your order is executed may be different than the price per share for the month in which you submitted your purchase order.
- Generally, within 15 calendar days after the last calendar day of each month, we will determine our NAV per share for each share class as of the last calendar day of the prior month, which will generally be the transaction price for the then-current month for such share class.
- Completed subscription requests will not be accepted by us before the later of (i) two business days before the first calendar day of each month and (ii) three business days after we make the transaction price (including any subsequent revised transaction price in the circumstances described below) publicly available by posting it on our website and filing a prospectus supplement with the SEC.
- Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be canceled at any time before the time it has been accepted as described in the previous sentence. You may withdraw your purchase request by notifying the transfer agent, through your financial intermediary or directly on our toll-free, automated telephone line, 844-702-1299.
- You will receive a confirmation statement of each new transaction in your account as soon as practicable but generally not later than seven business days after the stockholder transactions are settled. The confirmation statement will include information on how to obtain information we have filed with the SEC and made publicly available on our website, www.breit.com, including supplements to the prospectus.

Our transaction price will generally be based on our prior month's NAV. Our NAV may vary significantly from one month to the next. Through our website at www.breit.com and prospectus supplement filings, you will have information about the transaction price and NAV per share. We may set a transaction price that we believe reflects the NAV per share of our stock more appropriately than the prior month's NAV per share (including by updating a previously disclosed offering price) or suspend our offering 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. If the transaction price is not made available on or before the eighth business day before the first calendar day of the month (which is six business days before the earliest date we may accept subscriptions), or a previously disclosed transaction price for that month is changed, then we will provide notice of such transaction price (and the first day on which we may accept subscriptions) directly to subscribing investors when such transaction price is made available.

In contrast to securities traded on an exchange or over-the-counter, where the price often fluctuates as a result of, among other things, the supply and demand of securities in the trading market, our NAV will be calculated once monthly using our valuation methodology, and the price at which we sell new shares and repurchase outstanding shares will not change depending on the level of demand by investors or the volume of requests for repurchases.

SHARE REPURCHASES

General

While you should view your investment as long term with limited liquidity, we have adopted a share repurchase plan, whereby on a monthly basis, stockholders may request that we repurchase all or any portion of their shares. Due to the illiquid nature of investments in real estate, we may not have sufficient liquid resources to fund repurchase requests. In addition, we have established limitations on the amount of funds we may use for repurchases during any calendar month and quarter. See “—Repurchase Limitations” below.

You may request that we repurchase shares of our common stock through your financial advisor or directly with our transfer agent. The procedures relating to the repurchase of shares of our common stock are as follows:

- Certain broker-dealers require that their clients process repurchases through their broker-dealer, which may impact the time necessary to process such repurchase request, impose more restrictive deadlines than described under our share repurchase plan, impact the timing of a stockholder receiving repurchase proceeds and require different paperwork or process than described in our share repurchase plan. Please contact your broker-dealer first if you want to request the repurchase of your shares.
- Under our share repurchase plan, to the extent we choose to repurchase shares in any particular month we will only repurchase shares as of the opening of the last calendar day of that month (a “Repurchase Date”). To have your shares repurchased, your repurchase request and required documentation must be received in good order by 4:00 p.m. (Eastern time) on the second to last business day of the applicable month. Settlements of share repurchases will generally be made within three business days of the Repurchase Date. Repurchase requests received and processed by our transfer agent will be effected at a repurchase price equal to the transaction price on the applicable Repurchase Date (which will generally be equal to our prior month’s NAV per share), subject to any Early Repurchase Deduction.
- A stockholder may withdraw his or her repurchase request by notifying the transfer agent, directly or through the stockholder’s financial intermediary, on our toll-free, automated telephone line, 844-702-1299. The line is open on each business day between the hours of 9:00 a.m. and 6:00 p.m. (Eastern time). Repurchase requests must be cancelled before 4:00 p.m. (Eastern time) on the last business day of the applicable month.
- If a repurchase request is received after 4:00 p.m. (Eastern time) on the second to last business day of the applicable month, the repurchase request will be executed, if at all, on the next month’s Repurchase Date at the transaction price applicable to that month (subject to any Early Repurchase Deduction), unless such request is withdrawn prior to the repurchase. Repurchase requests received and processed by our transfer agent on a business day, but after the close of business on that day or on a day that is not a business day, will be deemed received on the next business day. All questions as to the form and validity (including time of receipt) of repurchase requests and notices of withdrawal will be determined by us, in our sole discretion, and such determination shall be final and binding.
- Repurchase requests may be made by mail or by contacting your financial intermediary, both subject to certain conditions described in this prospectus. If making a repurchase request by contacting your financial intermediary, your financial intermediary may require you to provide certain documentation or information. If making a repurchase request by mail to the transfer agent, you must complete and sign a repurchase authorization form, which can be found in our share repurchase plan filed as an

exhibit to this registration of which this prospectus forms a part and which is available on our website, www.breit.com. Written requests should be sent to the transfer agent at the following address:

DST Systems, Inc.
PO Box 219349
Kansas City, MO 64121-9349

Overnight Address:
DST Systems, Inc.
430 W 7th St. Suite 219349
Kansas City, MO 64105

Toll Free Number: 844-702-1299

Corporate investors and other non-individual entities must have an appropriate certification on file authorizing repurchases. A signature guarantee may be required.

- For processed repurchases, stockholders may request that repurchase proceeds are to be paid by mailed check provided that the check is mailed to an address on file with the transfer agent for at least 30 days. Please check with your broker-dealer that such payment may be made via check or wire transfer, as further described below.
- Stockholders may also receive repurchase proceeds via wire transfer, provided that wiring instructions for their brokerage account or designated U.S. bank account are provided. For all repurchases paid via wire transfer, the funds will be wired to the account on file with the transfer agent or, upon instruction, to another financial institution provided that the stockholder has made the necessary funds transfer arrangements. The customer service representative can provide detailed instructions on establishing funding arrangements and designating a bank or brokerage account on file. Funds will be wired only to U.S. financial institutions (ACH network members).
- A medallion signature guarantee will be required in certain circumstances. The medallion signature process protects stockholders by verifying the authenticity of a signature and limiting unauthorized fraudulent transactions. A medallion signature guarantee may be obtained from a domestic bank or trust company, broker-dealer, clearing agency, savings association or other financial institution which participates in a medallion program recognized by the Securities Transfer Association. The three recognized medallion programs are the Securities Transfer Agents Medallion Program, the Stock Exchanges Medallion Program and the New York Stock Exchange, Inc. Medallion Signature Program. Signature guarantees from financial institutions that are not participating in any of these medallion programs will not be accepted. A notary public cannot provide signature guarantees. We reserve the right to amend, waive or discontinue this policy at any time and establish other criteria for verifying the authenticity of any repurchase or transaction request. We may require a medallion signature guarantee if, among other reasons: (1) the amount of the repurchase request is over \$500,000; (2) you wish to have repurchase proceeds transferred by wire to an account other than the designated bank or brokerage account on file for at least 30 days or sent to an address other than your address of record for the past 30 days; or (3) our transfer agent cannot confirm your identity or suspects fraudulent activity.
- If a stockholder has made multiple purchases of shares of our common stock, any repurchase request will be processed on a first in/first out basis unless otherwise requested in the repurchase request.

Minimum Account Repurchases

In the event that any stockholder fails to maintain the minimum balance of \$500 of shares of our common stock, we may repurchase all of the shares held by that stockholder at the repurchase price in effect on the date we determine that the stockholder has failed to meet the minimum balance, less any Early Repurchase Deduction.

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Minimum account repurchases will apply even in the event that the failure to meet the minimum balance is caused solely by a decline in our NAV. Minimum account repurchases are subject to Early Repurchase Deduction.

Sources of Funds for Repurchases

We may fund repurchase requests from sources other than cash flow from operations, including, without limitation, the sale of or repayment under our assets, borrowings or offering proceeds (including from sales of our common stock or Operating Partnership units to the Special Limited Partner), and we have no limits on the amounts we may pay from such sources. We do not intend to use proceeds from this offering to fund repurchase requests from our prior offering.

In an effort to have adequate cash available to support our share repurchase plan, we may reserve borrowing capacity under a line of credit. We could then elect to borrow against this line of credit in part to repurchase shares presented for repurchase during periods when we do not have sufficient proceeds from operating cash flows or the sale of shares in this continuous offering to fund all repurchase requests. If we determine to obtain a line of credit, we would expect that it would afford us borrowing availability to fund repurchases.

Repurchase Limitations

We may repurchase fewer shares than have been requested in any particular month to be repurchased under our share repurchase plan, or none at all, in our discretion at any time. In addition, the aggregate NAV of total repurchases of Class T, Class S, Class D and Class I shares (including repurchases at certain non-U.S. investor access funds primarily created to hold shares of our common stock but excluding any Early Repurchase Deduction applicable to the repurchased shares) will be limited to no more than 2% of our aggregate NAV per month (measured using the aggregate NAV attributable to stockholders as of the end of the immediately preceding month) and no more than 5% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV attributable to stockholders as of the end of the immediately preceding three months).

In the event that we determine to repurchase some but not all of the shares submitted for repurchase during any month, shares submitted for repurchase during such month will be repurchased on a pro rata basis. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase plan, as applicable.

If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests. The transaction price for each month will be available on our website at www.breit.com and in prospectus supplements filed with the SEC.

Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other investments rather than repurchasing our shares is in the best interests of the Company as a whole, we may choose to repurchase fewer shares in any particular month than have been requested to be repurchased, or none at all. Further, our board of directors may make exceptions to, 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. Material modifications, including any amendment to the 2% monthly or 5% quarterly limitations on repurchases, to and suspensions of the share repurchase plan will be promptly disclosed to stockholders in a prospectus supplement (or post-effective amendment if required by the Securities Act) or special or periodic report filed by us. Material modifications will also be disclosed on our website. In addition, we may determine to suspend the share repurchase plan due to regulatory changes, changes in law or if we become aware of undisclosed material information that we believe should be publicly disclosed before shares are

repurchased. Once the share repurchase plan is suspended, our board of directors must affirmatively authorize the recommencement of the plan before stockholder requests will be considered again.

Shares held by the Adviser acquired as payment of the Adviser's management fee will not be subject to our share repurchase plan, including with respect to any repurchase limits, the Early Repurchase Deduction or the calculation of NAV. Stockholders who are exchanging a class of our shares for an equivalent aggregate NAV of another class of our shares will not be subject to, and will not be treated as repurchases for the calculation of, the 2% monthly or 5% quarterly limitations on repurchases and will not be subject to the Early Repurchase Deduction.

Early Repurchase Deduction

There is no minimum holding period for shares of our common stock and stockholders can request that we repurchase their shares at any time. However, subject to limited exceptions, shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price. The one-year holding period is measured as of first calendar day immediately following the prospective repurchase date. Additionally, stockholders who have received shares of our common stock in exchange for their Operating Partnership units may include the period of time such stockholder held such Operating Partnership units for purposes of calculating the holding period for such shares of our common stock. This Early Repurchase Deduction will also generally apply to minimum account repurchases. The Early Repurchase Deduction will not apply to shares acquired through our distribution reinvestment plan.

The Early Repurchase Deduction will inure indirectly to the benefit of our remaining stockholders and is intended to offset the trading costs, market impact and other costs associated with short-term trading in our common stock. We may, from time to time, waive the Early Repurchase Deduction in the following circumstances (subject to the conditions described below):

- repurchases resulting from death, qualifying disability or divorce; or
- in the event that a stockholder's shares are repurchased because the stockholder has failed to maintain the \$500 minimum account balance.

As set forth above, we may waive the Early Repurchase Deduction in respect of repurchase of shares resulting from the death, qualifying disability (as such term is defined in Section 72(m)(7) of the Code) or divorce of a stockholder who is a natural person, including shares held by such stockholder through a trust or an IRA or other retirement or profit-sharing plan, after (i) in the case of death, receiving written notice from the estate of the stockholder, the recipient of the shares through bequest or inheritance, or, in the case of a trust, the trustee of such trust, who shall have the sole ability to request repurchase on behalf of the trust, (ii) in the case of qualified disability, receiving written notice from such stockholder, provided that the condition causing the qualifying disability was not pre-existing on the date that the stockholder became a stockholder or (iii) in the case of divorce, receiving written notice from the stockholder of the divorce and the stockholder's instructions to effect a transfer of the shares (through the repurchase of the shares by us and the subsequent purchase by the stockholder) to a different account held by the stockholder (including trust or an individual retirement account or other retirement or profit-sharing plan). We must receive the written repurchase request within 12 months after the death of the stockholder, the initial determination of the stockholder's disability or divorce in order for the requesting party to rely on any of the special treatment described above that may be afforded in the event of the death, disability or divorce of a stockholder. In the case of death, such a written request must be accompanied by a certified copy of the official death certificate of the stockholder. If spouses are joint registered holders of shares, the request to have the shares repurchased may be made if either of the registered holders dies or acquires a qualified disability. If the stockholder is not a natural person, such as certain trusts or a partnership, corporation or other similar entity, the right to waiver of the Early Repurchase Deduction upon death, disability or divorce does not apply.

Items of Note

When you make a request to have shares repurchased, you should note the following:

- if you are requesting that some but not all of your shares be repurchased, keep your balance above \$500 to avoid minimum account repurchase, if applicable;
- you will not receive interest on amounts represented by uncashed repurchase checks;
- under applicable anti-money laundering regulations and other federal regulations, repurchase requests may be suspended, restricted or canceled and the proceeds may be withheld; and
- all shares of our common stock requested to be repurchased must be beneficially owned by the stockholder of record making the request or his or her estate, heir or beneficiary, or the party requesting the repurchase must be authorized to do so by the stockholder of record of the shares or his or her estate, heir or beneficiary, and such shares of common stock must be fully transferable and not subject to any liens or encumbrances. In certain cases, we may ask the requesting party to provide evidence satisfactory to us that the shares requested for repurchase are not subject to any liens or encumbrances. If we determine that a lien exists against the shares, we will not be obligated to repurchase any shares subject to the lien.

IRS regulations require us to determine and disclose on Form 1099-B the adjusted cost basis for shares of our stock sold or repurchased. Although there are several available methods for determining the adjusted cost basis, unless you elect otherwise, which you may do by checking the appropriate box on the repurchase authorization form or calling our customer service number at 844-702-1299, we will utilize the first-in-first-out method.

Frequent Trading and Other Policies

We may reject for any reason, or cancel as permitted or required by law, any purchase orders for shares of our common stock. For example, we may reject any purchase orders from market timers or investors that, in our opinion, may be disruptive to our operations. Frequent purchases and sales of our shares can harm stockholders in various ways, including reducing the returns to long-term stockholders by increasing our costs, disrupting portfolio management strategies and diluting the value of the shares of long-term stockholders.

In general, stockholders may request that we repurchase their shares of our common stock once every 30 days. However, we prohibit frequent trading. We define frequent trading as follows:

- any stockholder who requests that we repurchase its shares of our common stock within 30 calendar days of the purchase of such shares;
- transactions deemed harmful or excessive by us (including, but not limited to, patterns of purchases and repurchases), in our sole discretion; and
- transactions initiated by financial advisors, among multiple stockholder accounts, that in the aggregate are deemed harmful or excessive.

The following are excluded when determining whether transactions are excessive:

- purchases and requests for repurchase of our shares in the amount of \$2,500 or less;
- purchases or repurchases initiated by us; and
- transactions subject to the trading policy of an intermediary that we deem materially similar to our policy.

At the Dealer Manager's discretion, upon the first violation of the policy in a calendar year, purchase and repurchase privileges may be suspended for 90 days. Upon a second violation in a calendar year, purchase and repurchase privileges may be suspended for 180 days. On the next business day following the end of the 90 or 180 day suspension, any transaction restrictions placed on a stockholder may be removed.

Mail and Telephone Instructions

We and our transfer agent will not be responsible for the authenticity of mail or phone instructions or losses, if any, resulting from unauthorized stockholder transactions if they reasonably believe that such instructions were genuine. Our transfer agent has established reasonable procedures to confirm that instructions are genuine including requiring the stockholder to provide certain specific identifying information on file and sending written confirmation to stockholders of record. Stockholders, or their designated custodian or fiduciary, should carefully review such correspondence to ensure that the instructions were properly acted upon. If any discrepancies are noted, the stockholder, or its agent, should contact his, her or its financial advisor as well as our transfer agent in a timely manner, but in no event more than 60 days from receipt of such correspondence. Failure to notify such entities in a timely manner will relieve us, our transfer agent and the financial advisor of any liability with respect to the discrepancy.

Status of our Share Repurchases

During the nine months ended September 30, 2020, we repurchased shares of our common stock in the following amounts at the then-applicable transaction price (reduced as applicable by the Early Repurchase Deduction):

Month of:	Total Number of Shares Repurchased	Repurchases as a Percentage of BRET's NAV(1)	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares Pending Repurchase Pursuant to Publicly Announced Plans or Programs(2)
January 2020	1,633,284	0.1%	\$ 11.40	1,633,284	—
February 2020	1,482,983	0.1%	11.46	1,482,983	—
March 2020	42,604,572	3.0%	11.27	42,604,572	—
April 2020	10,155,068	0.7%	10.35	10,155,068	—
May 2020	11,803,139	0.8%	10.40	8,501,557	—
June 2020	6,633,476	0.4%	10.53	4,949,304	—
July 2020	5,834,909	0.4%	10.67	5,834,909	—
August 2020	17,220,791	1.0%	10.49	15,520,764	—
September 2020	8,225,513	0.5%	10.91	6,492,460	—
Total	105,593,735	N/M	\$ 10.86	97,174,901	—

- (1) Represents aggregate NAV of the shares repurchased under our share repurchase plan over aggregate NAV of all shares of our common stock outstanding, in each case, based on the Company's NAV as of the last calendar day of the prior month. Pursuant to the share repurchase plan, we may repurchase up to 2% of the Company's aggregate NAV per month based on the aggregate NAV of the prior month and 5% of the Company's aggregate NAV per calendar quarter based on the average of the aggregate NAV per month over the prior three months.
- (2) All repurchase requests under our share repurchase plan were satisfied.

SUPPLEMENTAL SALES MATERIAL

In addition to this prospectus, we will use sales material in connection with the offering of shares, although only when accompanied by or preceded by the delivery of this prospectus. Some or all of the sales material may not be available in certain jurisdictions. This sales material may include information relating to this offering, the past performance of the Adviser and its affiliates, property brochures and articles and publications concerning real estate. In addition, the sales material may contain quotes from various publications without obtaining the consent of the author or the publication for use of the quoted material in the sales material.

We are offering shares only by means of this prospectus. Although the information contained in the sales material will not conflict with any of the information contained in this prospectus, the sales material does not purport to be complete and should not be considered as a part of this prospectus or the registration statement of which this prospectus is a part, or as incorporated by reference in this prospectus or the registration statement, or as forming the basis of the offering of the shares of our common stock.

REPORTS TO STOCKHOLDERS

We will cause to be prepared and mailed or delivered to each stockholder, as of a record date after the end of the fiscal year, and to each holder of our other publicly held securities, within 120 days after the end of the fiscal year to which it relates, an annual report for each fiscal year. The annual reports will contain the following:

- financial statements that are prepared in accordance with GAAP and are audited by our independent registered public accounting firm;
- the ratio of the costs of raising capital during the year to the capital raised;
- the aggregate amount of the management fee and the aggregate amount of any other fees paid to the Adviser and any affiliate of the Adviser by us or third parties doing business with us during the year;
- our Total Operating Expenses for the year, stated as a percentage of our Average Invested Assets and as a percentage of our Net Income;
- a report from the independent directors that our policies are in the best interest of our stockholders and the basis for such determination; and
- a separate report containing full disclosure of all material terms, factors and circumstances surrounding any and all transactions involving us and the Adviser, a director or any affiliate thereof during the year, which report the independent directors are specifically charged with a duty to examine and to comment on regarding the fairness of the transactions.

Alternatively, such information may be provided in a proxy statement delivered with the annual report. We will make available to you on our website, www.breit.com, or, at our discretion, via email, our quarterly and annual reports, proxy statements and other reports and documents concerning your investment. To the extent required by law or regulation, or, in our discretion, we may also make certain of this information available to you via U.S. mail or other courier. You may always receive a paper copy upon request.

Our tax accountants will prepare our federal tax return (and any applicable state income tax returns). Generally we will provide appropriate tax information to our stockholders within 31 days following the end of each fiscal year. Our fiscal year is the calendar year.

LEGAL MATTERS

The validity of the shares of our common stock being offered hereby will be passed upon for us by Venable LLP, Baltimore, Maryland. Simpson Thacher & Bartlett LLP has reviewed the statements relating to certain U.S. federal income tax matters that are likely to be material to U.S. holders and non-U.S. holders of our common stock under the caption “Material U.S. Federal Income Tax Considerations” and will pass upon the accuracy of those statements as well as our qualification as a REIT for U.S. federal income tax purposes. Certain legal matters relating to this offering have been reviewed for the Dealer Manager by DLA Piper LLP (US).

EXPERTS

The financial statements of Blackstone Real Estate Income Trust, Inc. as of December 31, 2019 and 2018, and for each of the three years ended December 31, 2019, included in this registration statement have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The Combined Statement of Revenues and Certain Operating Expenses of the Jupiter 12 Industrial Portfolio for the year ended December 31, 2018, and the related notes, included in this registration statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein (which report expresses an unmodified opinion and includes an emphasis-of-matter paragraph referring to the purpose of the combined statement), and is included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The statements included in our prospectus under the captions “Net Asset Value Calculation and Valuation Guidelines—Our Independent Valuation Advisor” and “Net Asset Value Calculation and Valuation Guidelines—Valuation of Investments,” relating to the role of our independent valuation advisor, have been reviewed by Altus Group U.S. Inc., an independent valuation firm, and are included in our prospectus given the authority of such firm as experts in property valuations and appraisals.

PRIVACY POLICY NOTICE

To help you understand how we protect your personal information, we have included our Privacy Policy as Appendix C to this prospectus. This appendix describes our current privacy policy and practices. Should you decide to establish or continue a stockholder relationship with us, we will advise you of our policy and practices as required by law.

The EU General Data Protection Regulation (Regulation 2016/679) (the “GDPR”) establishes rules relating to the protection of natural persons with regard to the processing of personal data and to the free movement of personal data. Prospective stockholders should note that it is expected that they will provide Personal Data (as defined in the GDPR and which may include special categories of Personal Data pursuant to Articles 8 and 9 thereof), as part of their subscription for shares of our common stock and in their interactions with us, our affiliates, and/or delegates. We may obtain Personal Data concerning stockholders and prospective stockholders from internal and external sources.

We have prepared a non-U.S. person privacy statement for you (the “Non-U.S. Person Privacy Statement”), which is attached to this prospectus as Appendix D. BEFORE SUBSCRIBING FOR SHARES OF OUR COMMON STOCK, STOCKHOLDERS AND PROSPECTIVE STOCKHOLDERS ARE ENCOURAGED TO CAREFULLY REVIEW THE NON-U.S. PERSON PRIVACY STATEMENT, WHICH INCLUDES DETAILED INFORMATION CONCERNING THE CONTROL AND PROCESSING OF THEIR PERSONAL DATA.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-11 with the SEC with respect to the shares of our common stock to be issued in this offering. This prospectus is a part of that registration statement and, as permitted by SEC rules, does not include all of the information you can find in the registration statement or the exhibits to the registration statement. For additional information relating to us, we refer you to the registration statement and the exhibits to the registration statement. Statements contained in this prospectus as to the contents of any contract or document are necessarily summaries of such contract or document and in each instance, if we have filed the contract or document as an exhibit to the registration statement, we refer you to the copy of the contract or document filed as an exhibit to the registration statement.

We will file annual, quarterly and special reports, proxy statements and other information with the SEC. The registration statement is, and any of these future filings with the SEC will be, available to the public over the internet at the SEC's website at www.sec.gov.

Website Disclosure

Our website at www.breit.com will contain additional information about our business, but the contents of the website are not a part of this prospectus. From time to time, we may use our website as a distribution channel for material company information. Financial and other important information regarding us will be routinely accessible through and posted on our website at www.breit.com.

APPENDIX A: DISTRIBUTION REINVESTMENT PLAN

This Distribution Reinvestment Plan (the “Plan”) has been adopted by Blackstone Real Estate Income Trust, Inc. (the “Company”) pursuant to its Articles of Amendment and Restatement (as amended, restated or otherwise modified from time to time, the “Charter”). Unless otherwise defined herein, capitalized terms shall have the same meaning as set forth in the Charter.

1. ***Distribution Reinvestment.*** As agent for the stockholders (the “Stockholders”) of the Company who (i) purchase Class T shares, Class S shares, Class D shares or Class I shares of the Company’s common stock (collectively the “Shares”) pursuant to the Company’s continuous public offering (the “Offering”), or (ii) purchase Shares pursuant to any future offering of the Company (a “Future Offering”), and who do not opt out of participating in the Plan (or, in the case of Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont and Washington investors and clients of participating broker-dealers that do not permit automatic enrollment in the Plan, who opt to participate in the Plan) (the “Participants”), the Company will apply all dividends and other distributions declared and paid in respect of the Shares held by each Participant and attributable to the class of Shares purchased by such Participant (the “Distributions”), including Distributions paid with respect to any full or fractional Shares acquired under the Plan, to the purchase of additional Shares of the same class for such Participant.

2. ***Effective Date.*** The effective date of this Plan shall be the date that the minimum offering requirements are met in connection with the Offering and the escrowed subscription proceeds are released to the Company.

3. ***Procedure for Participation.*** Any Stockholder (unless such Stockholder is a resident of Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont or Washington or is a client of a participating broker-dealer that does not permit automatic enrollment in the Plan) who has received a Prospectus, as contained in the Company’s registration statement filed with the Securities and Exchange Commission (the “SEC”), will automatically become a Participant unless they elect not to become a Participant by noting such election on their subscription agreement. Any Stockholder who is a resident of Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont or Washington or is a client of a participating broker-dealer that does not permit automatic enrollment in the Plan who has received a Prospectus, as contained in the Company’s registration statement filed with the SEC, will become a Participant if they elect to become a Participant by noting such election on their subscription agreement. If any Stockholder initially elects not to be a Participant, they may later become a Participant by subsequently completing and executing an enrollment form or any appropriate authorization form as may be available from the Company, the Company’s transfer agent, the dealer manager for the Offering or any soliciting dealer participating in the distribution of Shares for the Offering. Participation in the Plan will begin with the next Distribution payable after acceptance of a Participant’s subscription, enrollment or authorization. Shares will be purchased under the Plan on the date that Distributions are paid by the Company.

4. ***Suitability.*** Each Participant is requested to promptly notify the Company in writing if the Participant experiences a material change in his or her financial condition, including the failure to meet the income, net worth and investment concentration standards imposed by such Participant’s state of residence and set forth in the Company’s most recent prospectus. For the avoidance of doubt, this request in no way shifts to the Participant the responsibility of the Company’s sponsor, or any other person selling shares on behalf of the Company to the Participant to make every reasonable effort to determine that the purchase of Shares is a suitable and appropriate investment based on information provided by such Participant.

5. ***Purchase of Shares.***

A. Participants will acquire Shares from the Company (including Shares purchased by the Company for the Plan in a secondary market (if available) or on a stock exchange (if listed)) under the Plan (the “Plan Shares”)

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at a price equal to the most recently disclosed transaction price per Share applicable to the class of Shares purchased by the Participant on the date that the distribution is payable (calculated as of the most recent month end). No upfront selling commissions will be payable with respect to shares purchased pursuant to the Plan, but such shares will be subject to ongoing stockholder servicing fees. Participants in the Plan may purchase fractional Shares so that 100% of the Distributions will be used to acquire Shares. However, a Participant will not be able to acquire Plan Shares and such Participant's participation in the Plan will be terminated to the extent that a reinvestment of such Participant's distributions in Shares would cause the percentage ownership or other limitations contained in the Charter to be violated.

B. Shares to be distributed by the Company in connection with the Plan may (but are not required to) be supplied from (i) the Plan Shares which will be registered with the SEC in connection with the Offering or (ii) Shares to be registered with the SEC in a Future Offering for use in the Plan (a "Future Registration").

6. **Taxes.** THE REINVESTMENT OF DISTRIBUTIONS DOES NOT RELIEVE A PARTICIPANT OF ANY INCOME TAX LIABILITY THAT MAY BE PAYABLE ON THE DISTRIBUTIONS. INFORMATION REGARDING POTENTIAL TAX INCOME LIABILITY OF PARTICIPANTS MAY BE FOUND IN THE PUBLIC FILINGS MADE BY THE COMPANY WITH THE SEC.

7. **Share Certificates.** The ownership of the Shares purchased through the Plan will be in book-entry form unless and until the Company issues certificates for its outstanding Shares.

8. **Reports.** On a quarterly basis, the Company shall provide each Participant a statement of account describing, as to such Participant: (i) the Distributions reinvested during the quarter; (ii) the number and class of Shares purchased pursuant to the Plan during the quarter; (iii) the per share purchase price for such Shares; and (iv) the total number of Shares purchased on behalf of the Participant under the Plan. On an annual basis, tax information with respect to income earned on Shares under the Plan for the calendar year will be provided to each applicable participant.

9. **Termination by Participant.** A Participant may terminate participation in the Plan at any time, without penalty, by delivering 10 business days' prior written notice to the Company. This notice must be received by the Company prior to the last day of a quarter in order for a Participant's termination to be effective for such quarter (i.e., a timely termination notice will be effective as of the last day of a quarter in which it is timely received and will not affect participation in the Plan for any prior quarter). Any transfer of Shares by a Participant to a non-Participant will terminate participation in the Plan with respect to the transferred Shares. If a Participant requests that the Company repurchase all or any portion of the Participant's Shares, the Participant's participation in the Plan with respect to the Participant's Shares for which repurchase was requested but that were not repurchased will be terminated. If a Participant terminates Plan participation, the Company may, at its option, ensure that the terminating Participant's account will reflect the whole number of shares in such Participant's account and provide a check for the cash value of any fractional share in such account. Upon termination of Plan participation for any reason, future Distributions will be distributed to the Stockholder in cash.

10. **Amendment, Suspension or Termination by the Company.** The Board of Directors may by majority vote amend any aspect of the Plan; provided that the Plan cannot be amended to eliminate a Participant's right to terminate participation in the Plan and that notice of any material amendment must be provided to Participants at least 10 business days prior to the effective date of that amendment. The Board of Directors may by majority vote suspend or terminate the Plan for any reason upon 10 business days' written notice to the Participants.

11. **Liability of the Company.** The Company shall not be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims or liability (i) arising out of failure to terminate a Participant's account upon such Participant's death prior to timely receipt of notice in writing of such death or (ii) with respect to the time and the prices at which Shares are purchased or sold for a Participant's account. To the extent that indemnification may apply to liabilities arising under the Securities Act, or the securities laws of a particular state, the Company has been advised that, in the opinion of the SEC and certain state securities commissioners, such indemnification is contrary to public policy and, therefore, unenforceable.

Sample

APPENDIX B: FORM OF SUBSCRIPTION AGREEMENT



**Subscription Agreement for Shares of
Blackstone Real Estate Income Trust, Inc.**

1. Your Investment

Investment Amount \$ _____

- Initial Purchase
- Subsequent Purchase

Investment Method

- By mail Attach a check to this agreement. Make all checks payable to: **BLACKSTONE REAL ESTATE INCOME TRUST**
- By wire Name: DST ASAGENT FOR BLACKSTONE REAL ESTATE INCOME TRUST
Bank Name: UMB BANK
ABA: 101000695
DDA: 9872232925

Broker-dealer/Financial advisor will make payment on your behalf

** Cash, cashier's checks/official bank checks, temporary checks, foreign checks, money orders, third-party checks, or travelers checks are not accepted.*

SHARE CLASS SELECTION (required)

- SHARE CLASS T** (minimum investment \$2,500)
- SHARE CLASS S** (minimum investment \$2,500)
- SHARE CLASS D** (Minimum investment \$2,500; available for certain fee-based wrap accounts and other eligible investors as disclosed in the prospectus)
- SHARE CLASS I** (Minimum investment \$1,000,000 (unless waived); available for certain fee-based wrap accounts and other eligible investors as disclosed in the prospectus)

Are you a Blackstone Employee or Affiliate, a BREIT Officer or Director or an Immediate Family Member ² of a BREIT Officer or Director (required)?

- Blackstone Employee
- Blackstone Affiliate
- BREIT Officer or Director
- Immediate Family Member of BREIT Officer or Director
- Not Applicable

2. Ownership Type (Select only one)

<i>Taxable Account Type</i>	<i>Non-Taxable Account Type</i>
<p>BROKERAGE ACCOUNT NUMBER _____</p> <p><input type="checkbox"/> INDIVIDUAL OR JOINT TENANT WITH RIGHTS OF SURVIVORSHIP</p> <p style="padding-left: 20px;"><input type="checkbox"/> TRANSFER ON DEATH (Optional Designation. Not Available for Louisiana Residents. See Section 3C.)</p> <p><input type="checkbox"/> TENANTS IN COMMON</p> <p><input type="checkbox"/> COMMUNITY PROPERTY</p> <p><input type="checkbox"/> UNIFORM GIFT/TRANSFER TO MINORS STATE OF _____</p> <p><input type="checkbox"/> TRUST (Include Certification of Investment Powers Form)</p> <p><input type="checkbox"/> CORPORATION / PARTNERSHIP / OTHER</p> <p style="text-align: center;"><i>(Corporate Resolution or Partnership Agreement Required)</i></p>	<p>CUSTODIAN ACCOUNT NUMBER _____</p> <p><input type="checkbox"/> IRA</p> <p><input type="checkbox"/> ROTH IRA</p> <p><input type="checkbox"/> SEP IRA</p> <p><input type="checkbox"/> SIMPLE IRA</p> <p><input type="checkbox"/> PENSION PLAN (Include Certification of Investment Powers Form)</p> <p><input type="checkbox"/> OTHER _____</p>

Custodian Information (to be completed by custodian): Name _____ Tax ID # _____ Phone # _____
² "Immediate Family Member" means the child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, or mother-, father-, son-, daughter-, brother-, or sister-in-law of an officer or director, and includes adoptive relationships.

Sample

Entity Name - Retirement Plan/Trust/Corporation/Partnership/Other
(Trustee(s) and/or authorized signatory(s) information **MUST** be provided in Sections 3A and 3B)

Entity Name	Tax ID Number	Date of Trust:	Exemptions (See Form W-9 instructions at www.irs.gov)			
Entity Type (Select one. Required)						
<input type="checkbox"/> Retirement Plan	<input type="checkbox"/> Trust	<input type="checkbox"/> S-Corp	<input type="checkbox"/> C-Corp	<input type="checkbox"/> LLC	<input type="checkbox"/> Partnership	Exempt payee code (if any) _____
<input type="checkbox"/> Other _____		Jurisdiction (if Non-U.S.) _____ (Attach a completed applicable Form W-8)				Exemption from FATCA reporting code (if any) _____

3. Investor Information

A. Investor Name (Investor/Trustee/Executor/Authorized Signatory Information)
(Residential street address **MUST** be provided. See Section 4 if mailing address is different than residential street address.)

First Name	(MI) Last Name	Gender
Social Security Number/Tax ID	Date of Birth (MM/DD/YYYY)	Daytime Phone Number
Residential Street Address	City	State Zip Code
Email Address		

If Non-U.S. Citizen, Specify Country of Citizenship and Select One below (**required**)

Resident Alien Non-Resident Alien (Attach a completed Form W-8BEN, Rev. Feb 2014) Country of Citizenship _____

If you are a Blackstone Employee, Officer, Director or Affiliate, please Select One below (**required**)

Blackstone Employee Blackstone Officer or Director Blackstone Affiliate

B. Co-Investor Name (Co-Investor/Co-Trustee/Co-Authorized Signatory Information, if applicable)

First Name	(MI) Last Name	Gender
Social Security Number/Tax ID	Date of Birth (MM/DD/YYYY)	Daytime Phone Number
Residential Street Address	City	State Zip Code
Email Address		

If Non-U.S. Citizen, Specify Country of Citizenship and Select One below (**required**)

Resident Alien Non-Resident Alien (Attach a completed Form W-8BEN, Rev. Feb 2014) Country of Citizenship _____

If you are a Blackstone Employee, Officer, Director or Affiliate, please Select One below (**required**)

Blackstone Employee Blackstone Officer or Director Blackstone Affiliate

Sample

C. Transfer on Death Beneficiary Information (Individual or Joint Account with rights of survivorship only.) (Not available for Louisiana residents.) (Beneficiary Date of Birth required. Whole percentages only; must equal 100%)

First Name	(MI)	Last Name	SSN	Date of Birth (MM/DD/YYYY)	<input type="checkbox"/> Primary <input type="checkbox"/> Secondary ___%
First Name	(MI)	Last Name	SSN	Date of Birth (MM/DD/YYYY)	<input type="checkbox"/> Primary <input type="checkbox"/> Secondary ___%
First Name	(MI)	Last Name	SSN	Date of Birth (MM/DD/YYYY)	<input type="checkbox"/> Primary <input type="checkbox"/> Secondary ___%
First Name	(MI)	Last Name	SSN	Date of Birth (MM/DD/YYYY)	<input type="checkbox"/> Primary <input type="checkbox"/> Secondary ___%

4. Contact Information (If different than provided in Section 3A)

Email Address _____

Mailing Address _____ City _____ State _____ Zip Code _____

5. Select How You Want to Receive Your Distributions (Select only one)

Please read the following section carefully.

YOU ARE AUTOMATICALLY ENROLLED IN THE DISTRIBUTION REINVESTMENT PLAN UNLESS YOU ARE A RESIDENT OF ALABAMA, ARKANSAS, IDAHO, KANSAS, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, NEBRASKA, NEW JERSEY, OHIO, OREGON, VERMONT OR WASHINGTON.

If you are a resident of Alabama, Arkansas, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Nebraska, New Jersey, Ohio, Oregon, Vermont or Washington, you are not automatically enrolled in the Distribution Reinvestment Plan; please check here if you wish to enroll in the Distribution Reinvestment Plan.

If you are not a resident of the states listed above, you are automatically enrolled in the Distribution Reinvestment Plan; please check here if you do not wish to be enrolled in the Distribution Reinvestment Plan and complete the Cash Distribution Information section below.

IMPORTANT: If you are not enrolled in the Distribution Reinvestment Plan, please complete the Cash Distribution Information section below.

Cash Distribution Information

For Custodial held accounts, if you are not enrolled in the Distribution Reinvestment Plan, the funds must be sent to the Custodian

A. Cash/Check Mailed to the address set forth above (Available for Non-Custodial Investors only.)

B. Cash/Check Mailed to Third Party/Custodian

Name/Entity Name/Financial Institution _____ Mailing Address _____

City _____ State _____ Zip Code _____ Account Number (Required) _____

C. Cash/Direct Deposit Attach a **pre-printed voided check**. (Non-Custodial Investors Only)

I authorize Blackstone Real Estate Income Trust, Inc. or its agent to deposit my distribution into my checking or savings account. This authority will remain in force until I notify Blackstone Real Estate Income Trust, Inc. in writing to cancel it. In the event that Blackstone Real Estate Income Trust, Inc. deposits funds erroneously into my account, they are authorized to debit my account for an amount not to exceed the amount of the erroneous deposit.

Financial Institution Name _____ Mailing Address _____ City _____ State _____

Your Bank's ABA Routing Number _____ Your Bank Account Number _____

PLEASE ATTACH A PRE-PRINTED VOIDED CHECK

Sample

6. Broker-Dealer/Financial Advisor Information *(Required Information. All fields must be completed.)*

The Financial Advisor must sign below to complete the order. The Financial Advisor hereby warrants that he/she is duly licensed and may lawfully sell Shares in the state designated as the investor's legal residence.

Broker-Dealer		Financial Advisor Name	
Advisor Mailing Address			
City	State	Zip Code	
Financial Advisor Number	Branch Number	Telephone Number	
E-mail Address		Fax Number	

Please note that unless previously agreed to in writing by Blackstone Real Estate Income Trust, Inc., all sales of securities must be made through a Broker-Dealer, including when an RIA has introduced the sale. In all cases, Section 6 must be completed.

The undersigned confirm(s), which confirmation is made on behalf of the Broker-Dealer with respect to sales of securities made through a Broker-Dealer, that they (i) have reasonable grounds to believe that the information and representations concerning the investor identified herein are true, correct and complete in all respects; (ii) have discussed such investor's prospective purchase of Shares with such investor; (iii) have advised such investor of all pertinent facts with regard to the lack of liquidity and marketability of the Shares; (iv) have delivered or made available a current Prospectus and related supplements, if any, to such investor; (v) have reasonable grounds to believe that the investor is purchasing these Shares for his or her own account; (vi) have reasonable grounds to believe that the purchase of Shares is a suitable investment for such investor, that such investor meets the suitability standards applicable to such investor set forth in the Prospectus and related supplements, if any, and that such investor is in a financial position to enable such investor to realize the benefits of such an investment and to suffer any loss that may occur with respect thereto; and (vii) have advised such investor that the shares have not been registered and are not expected to be registered under the laws of any country or jurisdiction outside of the United States except as otherwise described in the Prospectus. The undersigned Financial Advisor represents and certifies that, if the investor is a "retail customer" as defined in Regulation Best Interest, (i) the undersigned has a reasonable basis to believe that (a) a purchase of Shares would be in the best interest of the investor based upon the investor's investment profile and the potential risks, rewards, and costs associated with such an investment and (b) the undersigned has not placed its interests or those of the Financial Advisor ahead of the interest of the investor in recommending such investment and (ii) the undersigned and the Financial Advisor have complied with any applicable enhanced standard of conduct, including, but not limited to, the other requirements of Regulation Best Interest in relation to the proposed purchase of Shares. The undersigned Financial Advisor further represents and certifies that, in connection with this subscription for Shares, he or she has complied with and has followed all applicable policies and procedures under his or her firm's existing Anti-Money Laundering Program and Customer Identification Program.

If you do not have another broker-dealer or other financial intermediary introducing you to Blackstone Real Estate Income Trust, Inc., then Blackstone Securities Partners L.P. (BSP) may be deemed to act as your broker of record in connection with any investment in Blackstone Real Estate Income Trust, Inc. BSP is not a full-service broker-dealer and may not provide the kinds of financial services that you might expect from another financial intermediary, such as holding securities in an account. If BSP is your broker-dealer of record, then your Shares will be held in your name on the books of Blackstone Real Estate Income Trust, Inc. BSP will not monitor your investments, and has not and will not make any recommendation regarding your investments. If you want to receive financial advice regarding a prospective investment in the Shares, contact your broker-dealer or other financial intermediary.

X	<input type="text"/>	<input type="text"/>	X	<input type="text"/>	<input type="text"/>
	<i>Financial Advisor Signature</i>	<i>Date</i>		<i>Branch Manager Signature (If required by Broker-Dealer)</i>	<i>Date</i>

7. Electronic Delivery Form (Optional)

Instead of receiving paper copies of the prospectus, prospectus supplements, annual reports, proxy statements, and other stockholder communications and reports, you may elect to receive electronic delivery of stockholder communications from Blackstone Real Estate Income Trust, Inc. If you would like to consent to electronic delivery, including pursuant to email, please check the box below for this election.

We encourage you to reduce printing and mailing costs and to conserve natural resources by electing to receive electronic delivery of stockholder communications and statement notifications. By consenting below to electronically receive stockholder communications, including your account-specific information, you authorize said offering(s) to either (i) email stockholder communications to you directly or (ii) make them available on our website and notify you by email when and where such documents are available.

You will not receive paper copies of these electronic materials unless specifically requested, the delivery of electronic materials is prohibited or we, in our sole discretion, elect to send paper copies of the materials.

By consenting to electronic access, you will be responsible for your customary internet service provider charges and may be required to download software in connection with access to these materials.

I consent to electronic delivery

Email

If blank, the email provided in Section 4 or Section 3A will be used.

Sample

8. Subscriber Signatures

Blackstone Real Estate Income Trust, Inc. is required by law to obtain, verify and record certain personal information from you or persons on your behalf in order to establish the account. Required information includes name, date of birth, permanent residential address and social security/taxpayer identification number. We may also ask to see other identifying documents. If you do not provide the information, Blackstone Real Estate Income Trust, Inc. may not be able to open your account. By signing the Subscription Agreement, you agree to provide this information and confirm that this information is true and correct. If we are unable to verify your identity, or that of another person(s) authorized to act on your behalf, or if we believe we have identified potentially criminal activity, we reserve the right to take action as we deem appropriate which may include closing your account.

Please separately initial each of the representations below. Except in the case of fiduciary accounts, you may not grant any person a power of attorney to make the representations on your behalf. In order to induce Blackstone Real Estate Income Trust, Inc. to accept this subscription, I hereby represent and warrant to you as follows:

8.a. Please Note: All Items in this Section Must Be Read and Initialed

I have received a copy of the Final Prospectus.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

I/We have (i) a minimum net worth (not including home, home furnishings and personal automobiles) of at least \$250,000, or (ii) a minimum net worth (as previously described) of at least \$70,000 and a minimum annual gross income of at least \$70,000.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

In addition to the general suitability requirements described above, I/we meet the higher suitability requirements, if any, imposed by my state of primary residence as set forth in the Prospectus under "SUITABILITY STANDARDS."

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am an entity that was formed for the purpose of purchasing Shares, each individual that owns an interest in such entity meets the general suitability requirements described above.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

I acknowledge that there is no public market for the Shares and, thus, my investment in Shares is not liquid.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

I acknowledge that the Shares have not been registered and are not expected to be registered under the laws of any country or jurisdiction outside of the United States except as otherwise described in the Prospectus.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

I am purchasing the Shares for my own account.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

I understand that the transaction price per share at which my investment will be executed will be made available at www.breit.com and in a prospectus supplement filed with the SEC, available at www.sec.gov.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

I understand that my subscription request will not be accepted before the later of (i) two business days before the first calendar day of the month and (ii) three business days after the transaction price is made available. I understand that I am not committed to purchase shares at the time my subscription order is submitted and I may cancel my subscription at any time before the time it has been accepted as described in the previous sentence. I understand that I may withdraw my purchase request by notifying the transfer agent, through my financial intermediary or directly on Blackstone Real Estate Income Trust, Inc.'s toll-free, automated telephone line, 844-702-1299.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

8.b. If you live in any of the following states, please read the following carefully: Alabama, California, Idaho, Iowa, Kansas, Kentucky, Maine, Massachusetts, Missouri, Nebraska, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Tennessee, and Vermont

For purposes of determining whether you satisfy the standards below, your net worth is calculated excluding the value of your home, home furnishings and automobiles, and, unless otherwise indicated, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

If I am an **Alabama** resident, my investment in Blackstone Real Estate Income Trust, Inc. and its affiliates may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **California** resident, I may not invest more than 10% of my net worth in this offering.

Initials

Initials

If I am an **Idaho** resident, I have either (a) a net worth of \$85,000 and annual income of \$85,000 or (b) a liquid net worth of \$300,000. In addition, my total investment in Blackstone Real Estate Income Trust, Inc. may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

Initials

Initials

Sample

If I am an **Iowa** resident, I have either (a) an annual gross income of at least \$100,000 and a net worth of at least \$100,000, or (b) a net worth of at least \$350,000. In addition, if I am not an accredited investor as defined in Regulation D under the Securities Act of 1933, as amended, my aggregate investment in this offering and in the securities of other non-publicly traded real estate investment trusts (REITs) does not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Kansas** resident, I understand that it is recommended by the Office of the Kansas Securities Commissioner that Kansas investors limit their total investment in this offering and other non-traded real estate investment trusts to not more than 10% of such investor's liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Kentucky** resident, my investment in Blackstone Real Estate Income Trust, Inc. and its affiliated non-publicly traded real estate investment trusts may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Maine** resident, I acknowledge that it is recommended by the Maine Office of Securities that my aggregate investment in this offering and other similar direct participation investments not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Massachusetts** resident, my investment in Blackstone Real Estate Income Trust, Inc. and in other illiquid direct participation programs may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Missouri** resident, my investment in Blackstone Real Estate Income Trust, Inc. may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Nebraska** resident, and I do not meet the definition of "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, my aggregate investment in this offering and in the securities of other non-publicly traded direct participation programs may not exceed 10% of my net worth.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **New Jersey** resident, I have either (a) a minimum liquid net worth of at least \$100,000 and a minimum annual gross income of not less than \$85,000, or (b) a minimum liquid net worth of \$350,000. In addition, my total investment in Blackstone Real Estate Income Trust, Inc., its affiliates and other non-publicly traded direct investment programs (including REITs, business development companies, oil and gas programs, equipment leasing programs and commodity pools, but excluding unregistered, federally and state exempt private offerings) may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth (total assets exclusive of home, home furnishings, and automobiles, minus total liabilities) that consists of cash, cash equivalents and readily marketable securities.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **New Mexico** resident I must limit my investment in Blackstone Real Estate Income Trust, Inc., its affiliates and other non-traded real estate investment trusts to 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable investments.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **North Dakota** resident, I have a net worth of at least 10 times my investment in Blackstone Real Estate Income Trust, Inc.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am an **Ohio** resident, my investment in Blackstone Real Estate Income Trust, Inc., its affiliates and other non-traded real estate investment programs may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth (total assets exclusive of home, home furnishings, and automobiles minus total liabilities) that is comprised of cash, cash equivalents, and readily marketable securities.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am an **Oregon** resident, my investment in Blackstone Real Estate Income Trust, Inc. may not exceed 10% of my net worth.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Pennsylvania** resident, my investment in Blackstone Real Estate Income Trust, Inc. may not exceed 10% of my net worth (exclusive of home, home furnishings, and automobiles).

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

If I am a **Puerto Rico** resident, my investment in Blackstone Real Estate Income Trust, Inc., its affiliates and other non-traded real estate investment programs may not exceed 10% of my liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles minus total liabilities) that is comprised of cash, cash equivalents, and readily marketable securities.

<input type="text"/>	<input type="text"/>
<i>Initials</i>	<i>Initials</i>

Sample

If I am a **Tennessee** resident who is not an “accredited investor” as defined in 17 C.F.R. § 230.501, my investment in Blackstone Real Estate Investment Trust, Inc. may not be more than 10% of my net worth.

<i>Initials</i>	<i>Initials</i>

If I am a **Vermont** resident and I am not an “accredited investor” as defined in 17 C.F.R. § 230.501, my investment in this offering may not exceed 10% of my liquid net worth. For these purposes, “liquid net worth” is defined as an investor’s total assets (not including home, home furnishings, or automobiles) minus total liabilities.

<i>Initials</i>	<i>Initials</i>

In the case of sales to fiduciary accounts, the minimum standards above shall be met by the beneficiary, the fiduciary, account, or, by the donor or grantor, who directly or indirectly supplies the funds to purchase the shares if the donor or grantor is the fiduciary.

If you do not have another broker-dealer or other financial intermediary introducing you to Blackstone Real Estate Income Trust, Inc., then Blackstone Securities Partners L.P. (BSP) may be deemed to be acting as your broker-dealer of record in connection with any investment in Blackstone Real Estate Income Trust, Inc. For important information in this respect, see Section 6 above. **I declare that the information supplied above is true and correct and may be relied upon by Blackstone Real Estate Income Trust, Inc. I acknowledge that the Broker-Dealer/Financial Advisor (Broker-Dealer/Financial Advisor of record) indicated in Section 6 of this Subscription Agreement and its designated clearing agent, if any, will have full access to my account information, including the number of shares I own, tax information (including the Form 1099) and redemption information. Investors may change the Broker-Dealer/Financial Advisor of record at any time by contacting Blackstone Real Estate Income Trust, Inc. at the number indicated below.**

SUBSTITUTE IRS FORM W-9 CERTIFICATIONS (required for U.S. investors):

Under penalties of perjury, I certify that:

- (1) The number shown on this Subscription Agreement is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- (3) I am a U.S. citizen or other U.S. person (including a resident alien) (defined in IRS Form W-9); and
- (4) The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

X		<i>Signature of Investor</i>		<i>Date</i>	X		<i>Signature of Co-Investor or Custodian (If applicable)</i>		<i>Date</i>
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(MUST BE SIGNED BY CUSTODIAN OR TRUSTEE IF PLAN IS ADMINISTERED BY A THIRD PARTY)

9. Miscellaneous

If investors participating in the Distribution Reinvestment Plan or making subsequent purchases of Shares of Blackstone Real Estate Income Trust, Inc. experience a material adverse change in their financial condition or can no longer make the representations or warranties set forth in Section 8 above, they are asked to promptly notify Blackstone Real Estate Income Trust, Inc. and the Broker-Dealer in writing. The Broker-Dealer may notify Blackstone Real Estate Income Trust, Inc. if an investor participating in the Distribution Reinvestment Plan can no longer make the representations or warranties set forth in Section 8 above, and Blackstone Real Estate Income Trust, Inc. may rely on such notification to terminate such investor’s participation in the Distribution Reinvestment Plan.

No sale of Shares may be completed until at least five business days after you receive the final Prospectus. To be accepted, a subscription request must be made with a completed and executed subscription agreement in good order and payment of the full purchase price at least five business days prior to the first calendar day of the month (unless waived). You will receive a written confirmation of your purchase.

All items on the Subscription Agreement must be completed in order for your subscription to be processed. Subscribers are encouraged to read the Prospectus in its entirety for a complete explanation of an investment in the Shares of Blackstone Real Estate Income Trust, Inc.

Blackstone Real Estate Income Trust, Inc. Investor Relations: 844-702-1299

APPENDIX C: PRIVACY POLICY NOTICE



FACTS	WHAT DOES BLACKSTONE DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ■ Social Security number and income ■ Assets and investment experience ■ Risk tolerance and transaction history 	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Blackstone Real Estate Income Trust, Inc. chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Blackstone share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	No	We don't share

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<p>To limit our sharing</p>	<p> <ul style="list-style-type: none"> <input type="checkbox"/> Email a copy of the Mail-in Form below identifying any/all you want to limit at PrivacyQueries@Blackstone.com, and/or mail to the address indicated below. <p>Please note:</p> <p>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p> </p>
<p>Questions?</p>	<p>Email us at PrivacyQueries@Blackstone.com or go to www.blackstone.com/privacy.</p>
<p>Mail-in Form</p>	
	<p>Mark any/all you want to limit:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Do not share information about my creditworthiness with your affiliates for their everyday business purposes. <input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me. <p>Name _____</p> <p>Address _____</p> <p>City, State, _____</p> <p>Zip _____</p>
<p>Mail to:</p>	<p>Attention: Data Policy and Strategy Officer, Legal & Compliance The Blackstone Group 345 Park Avenue New York NY 10154</p>

<p>Who we are</p>	
<p>Who is providing this notice?</p>	<p>Blackstone Real Estate Income Trust, Inc.</p>
<p>What we do</p>	
<p>How does Blackstone protect my personal information?</p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p>
<p>How does Blackstone collect my personal information?</p>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> open an account or give us your income information <input type="checkbox"/> provide employment information or give us your contact information <input type="checkbox"/> tell us about your investment or retirement portfolio <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>

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Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none">■ sharing for affiliates' everyday business purposes—information about your creditworthiness■ affiliates from using your information to market to you■ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. Your choices will apply to everyone on your account—unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">■ Our affiliates include companies with a Blackstone name, financial companies such as GSO Capital Partners LP, Strategic Partners Fund Solutions, and our affiliates listed in Appendix A to our Online Privacy Notice at www.blackstone.com/privacy.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">■ Blackstone does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none">■ Our joint marketing partners include financial services companies.
Other Important Information	

APPENDIX D: PRIVACY POLICY FOR NON-U.S. INVESTORS

Blackstone Real Estate Income Trust, Inc.

Investor Data Privacy Notice

1. Why are you seeing this notice?

- You may need to provide Personal Data to us as part of your investment into Blackstone Real Estate Income Trust, Inc. (the **Company**), a fund or other investment vehicle (as applicable, the **Fund**) managed or advised by investment advisers that are subsidiaries of The Blackstone Group Inc. or its affiliates (and, where applicable, the general partner of the relevant Fund) (collectively, **Blackstone**).
- We want you to understand how and why we use, store and otherwise process your Personal Data when you deal with us or our relevant affiliates (including under applicable data protection laws). If this notice (the **Data Privacy Notice**) has been made available to you, you may have certain rights with respect to your Personal Data under applicable data protection laws (including as described in this Data Privacy Notice).
- “**Personal Data**” has the meaning given to it under data protection laws that apply to our processing of your personal information, and includes any information that relates to, describes, identifies or can be used, directly or indirectly, to identify an individual (such as name, address, date of birth, personal identification numbers, sensitive personal information, and economic information).
- We ask that investors promptly provide the information contained in this Data Privacy Notice to any individuals whose Personal Data they provide to the Company, the Fund or its affiliates in connection with ‘know your client’/anti-money laundering requests or otherwise.

Please read the information below carefully. It explains how and why Personal Data is processed by us.

2. Who is providing this notice?

Blackstone is committed to protecting and respecting your privacy. Blackstone is a global financial services firm with offices, operations and entities globally, including as described at this link: <https://www.blackstone.com/privacy#appendixA>.

- For transparency, the Blackstone entities on whose behalf this privacy statement is made are: (i) the Company; and (ii) where applicable, the Blackstone general partner and/or investment adviser of the relevant Company or Fund, in each case, with which you contract, transact or otherwise share Personal Data (together, the **Company Parties**).
- Where we use the terms “**we**”, “**us**” and “**our**” in this Data Privacy Notice, we are referring to the Company and the Company Parties.
- Please consult your subscription documents, private placement memorandum or other offering documentation provided to you by or on behalf of the Company Parties which will further specify the entities and contact details of the Company Parties relevant to our relationship with you.
- We welcome investors and their representatives to contact us if they have any queries with respect to the Company Parties (in particular, which Company Parties are relevant to their relationship with Blackstone). If you have any queries, our contact details are below.

When you provide us with your Personal Data, each Company Party that decides how and why Personal Data is processed acts as a “**data controller**”. In simple terms, this means that the Company Party makes certain decisions on how to use and protect your Personal Data—but only to the extent that we have informed you about the use or are otherwise permitted by law.

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Where your Personal Data is processed by an entity controlled by, or under common control with, the Blackstone entity/ies managing a Fund for its own purposes, this entity will also be a data controller.

3. What Personal Data do we collect about you?

The types of Personal Data that we collect and share depends on the product or service you have with us and the nature of your investment.

The Personal Data collected about you will help us to provide you with a better service and facilitate our business relationship.

We may combine Personal Data that you provide to us with Personal Data that we collect from you, or about you from other sources, in some circumstances. This will include Personal Data collected in an online or offline context.

As a result of our relationship with you as an investor, in the past 12 months we may have collected Personal Data concerning you in the following categories:

- a) Identifiers (*e.g.*, real name, alias, postal address, email address, social security or driver's licence number, government ID, signature, telephone number, education, employment, employment history, financial information, including tax-related information/codes and bank account details, information used for monitoring and background checks to comply with laws and regulations, including 'know your client', anti-money laundering, and sanctions checks, online registration details, and other contact information);
- b) Sensitive/protected characteristic information (*e.g.*, age/date of birth, nationality, citizenship, country of residence, gender, and other information used to comply with laws and regulations);
- c) Commercial information (*e.g.*, assets, income, transaction and investment history, accounts at other institutions, financial positions/returns, information concerning source of funds and any applicable restrictions on your investment such as political exposure or sanctions);
- d) Internet or other network activity (*e.g.*, browsing or search history, information regarding interaction with an internet website, application, or advertisement, online identifiers such as cookies);
- e) Sensory and surveillance data (*e.g.*, recordings of telephone calls where permitted or required by law, video (surveillance) recordings, closed-circuit television (CCTV) images and recordings, and other records of your interactions with us or our service providers, including electronic communications);
- f) Professional or employment-related information (*e.g.*, current or past job history); and
- g) Inferences drawn from other personal information (*e.g.*, profiles reflecting preferences and trends, based on information such as assets, investment experience, risk tolerance, investment activity, and transaction history).

4. **Where do we obtain your Personal Data?**

We collect, and have collected, Personal Data about you from a number of sources, including from you directly:

	WHAT	HOW
1	<i>Personal Data that you give us</i>	<ul style="list-style-type: none">• from the forms and any associated documentation that you complete when subscribing for an investment, shares, interests, and/or opening an account with us. This can include information about your name, address, date of birth, passport details or other national identifier, driving licence, your national insurance or social security number and income, employment information and details about your investment or retirement portfolio(s), and financial-related data (such as returns and financial positions)• when you provide it to us in correspondence and conversations, including electronic communications such as email and telephone calls• when you make transactions with respect to the Company• when you interact with our online platforms and websites (such as bxaccess.com)• when you purchase securities from us and/or tell us where to send money• from cookies, web beacons, and similar interactions when you or your devices access our sites• when we need to identify you and/or complete necessary security checks, where you visit one of our buildings or attend meetings. This can include form of ID, and your image for CCTV purposes.
2	<i>Personal Data that we obtain from others</i>	<p>We obtain Personal Data from:</p> <ul style="list-style-type: none">• publicly available and accessible directories and sources• bankruptcy registers• tax authorities, including those that are based outside the territory in which you are located or domiciled, including the Cayman Islands, the United Kingdom (UK) and the European Economic Area (EEA), if you are subject to tax in another jurisdiction• governmental and competent regulatory authorities to whom we have regulatory obligations• credit agencies• fraud prevention and detection agencies/organisations• transaction counterparties

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5. **Why do we process your Personal Data?**

We may process or disclose your Personal Data for the following reasons:

<u>WHY</u>	<u>HOW</u>
1 <i>Contract</i>	<p>It is <u>necessary to perform our contract</u> with you to:</p> <ul style="list-style-type: none">• administer, manage and set up your investor account(s) to allow you to purchase your holding (of shares or interests) in our Company or Funds• meet the resulting contractual obligations we have to you• facilitate the continuation or termination of the contractual relationship between you and the Company• facilitate the transfer of funds, and administering and facilitating any other transaction, between you and the Company
2 <i>Compliance with law</i>	<p>It is <u>necessary for compliance with an applicable legal or regulatory obligation</u> to which we are subject, in order to:</p> <ul style="list-style-type: none">• undertake our client and investor due diligence, and on-boarding checks• carry out verification, 'know your client', terrorist financing, sanctions, and anti-money laundering checks• verify the identity and addresses of our investors (and, if applicable, their beneficial owners)• comply with requests from regulatory, governmental, tax and law enforcement authorities• carry out surveillance and investigations• carry out audit checks• maintain statutory registers• prevent and detect fraud• comply with sanctions requirements <p>For our <u>legitimate interests</u> or those of a third party (such as a transaction counterparty or lender) to:</p> <ul style="list-style-type: none">• manage and administer your holding in any Funds in which you are invested, and any related accounts on an ongoing basis• assess and process any applications or requests made by you• open, maintain or close accounts in connection with your investment in, or withdrawal from, the Company or Fund scheme• send updates, information and notices or otherwise correspond with you in connection with your investment in the Company or Fund scheme
3 <i>Legitimate interests</i>	<ul style="list-style-type: none">• address or investigate any complaints, claims, proceedings or disputes

WHY

HOW

- provide you with, and inform you about, our investment products and services
- monitor and improve our relationships with investors
- comply with applicable regulatory obligations, including anti-money laundering, sanctions and 'know your client' checks
- assist our transaction counterparties to comply with their regulatory and legal obligations (including anti-money laundering, 'know your client' and sanctions checks)
- manage our risk and operations
- comply with our accounting and tax reporting requirements
- comply with our audit requirements
- assist with internal compliance with our policies and processes
- ensure appropriate group management and governance
- keep our internal records
- prepare reports on incidents/accidents
- protect our business against fraud, breach of confidence, theft of proprietary materials, and other financial or business crimes (to the extent that this is not required of us by law)
- analyse and manage commercial risks
- seek professional advice, including legal advice
- enable any actual or proposed assignee or transferee, participant or sub-participant of the Company's or a partnership's or Fund vehicles' rights or obligations to evaluate proposed transactions
- facilitate business asset transactions involving the Company, the Fund partnership or Fund-related vehicles
- monitor communications to/from us using our systems
- protect the security and integrity of our information technology systems
- protect the security and safety of our buildings and locations where we operate
- operate, run and schedule online meetings, webinars and conferences (for example, using Zoom and other online meeting platforms)
- manage our financing arrangements with our financiers and financing transaction counterparties, including payment providers, intermediaries, and correspondent/agent banks

We only rely on these interests where we have considered that, on balance, the legitimate interests are not overridden by your interests, fundamental rights or freedoms.

Monitoring as described at (3) above

We monitor communications where the law requires us to do so. We will also monitor where we are required to do so to comply with our regulatory rules and practices and, where we are permitted to do so, to protect our business and the security of our systems.

6. Who we share your Personal Data with

Your Personal Data will be shared with:

<u>WHO</u>	<u>WHY</u>
<i>Company Associates</i>	We share your Personal Data with our associates, related parties and members of our group. This is: <ul style="list-style-type: none">• to manage our relationship with you• for the legitimate interests of a third party in carrying out anti-money laundering and compliance checks required of them under applicable laws and regulations• for the purposes set out in this Data Privacy Notice• delivering the services you require
<i>Company Managers, Depositories, Administrators, Custodians, Investment Advisers</i>	<ul style="list-style-type: none">• managing your investment• supporting and administering investment-related activities• complying with applicable investment, anti-money laundering and other laws and regulations• to comply with applicable laws and regulations
<i>Tax Authorities</i>	<ul style="list-style-type: none">• where required or requested by tax authorities in the territory in which you are located or domiciled (in particular, Cayman Island or UK/EEA tax authorities) who, in turn, may share your Personal Data with foreign tax authorities• where required or requested by foreign tax authorities, including outside of the territory in which you are located or domiciled (including outside the Cayman Islands or UK/EEA)
<i>Service Providers</i>	<ul style="list-style-type: none">• delivering and facilitating the services needed to support our business relationship with you• supporting and administering investment-related activities• where disclosure to the service provider is considered necessary to support Blackstone with the purposes described in section 0 of this Data Privacy Notice
<i>Financing Counterparties, Lenders, Correspondent and Agent Banks</i>	<ul style="list-style-type: none">• assisting these transaction counterparties with regulatory checks, such as 'know your client', and anti-money laundering procedures• sourcing credit for Company or Fund-related entities in the course of our transactions and fund life cycles
<i>Our Lawyers, Auditors and other Professional Advisers</i>	<ul style="list-style-type: none">• providing you with investment-related services• to comply with applicable legal and regulatory requirements

In exceptional circumstances, we will share your Personal Data with:

- competent regulatory, prosecuting and other governmental agencies or litigation counterparties, in any country or territory; and
- other organisations and agencies—where we are required to do so by law.

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For California residents, in the preceding 12 months, we may have disclosed Personal Data listed in any of the categories in section 0 above for a business purpose (in particular, as described in this section).

We have not sold Personal Data in the 12 months preceding the date of this Data Privacy Notice.

7. Do you have to provide us with this Personal Data?

Where we collect Personal Data from you, we will indicate if:

- provision of the Personal Data is necessary for our compliance with a legal obligation; or
- it is purely voluntary and there are no implications for you if you do not wish to provide us with it.

Unless otherwise indicated, you should assume that we require the Personal Data for business and/or compliance purposes.

Some of the Personal Data that we request is necessary for us to perform our contract with you and if you do not wish to provide us with this Personal Data, it will affect our ability to provide our services to you and manage your investment.

8. Sending your Personal Data internationally

We will transfer your Personal Data between different countries to our affiliates and group members, members of the Company's management or the Fund's partnership, transaction counterparties, and third party service providers. These countries may not have similarly strict data protection and privacy laws, and will include those countries in which our affiliates and service providers operate (and may include, for example, transfers from the UK/EEA, Cayman Islands, Australia, Hong Kong, Japan or Singapore to a jurisdiction outside of such territory).

Where we transfer Personal Data to other members of our group, our service providers or another third party recipient from one country to another, we will ensure that our arrangements with them are governed by data transfer agreements or appropriate safeguards, designed to ensure that your Personal Data is protected as required under applicable data protection law (including, where appropriate, under an agreement on terms approved for this purpose by the European Commission or by obtaining your consent).

Please [contact us](#) if you would like to know more about these agreements or receive a copy of them. Please see below for our contact details.

9. Consent—and your right to withdraw it

Except as may otherwise be required by local law, we do not generally rely on obtaining your consent to process your Personal Data. In particular, we do not generally rely on obtaining your consent where our processing of your personal data is subject only to the data protection laws of the UK/EEA (in these circumstances we will usually rely on another legal basis more appropriate in the circumstances, including those set out in section 5 above). If we do rely on consent for processing of your Personal Data, you have the right to withdraw this consent at any time. Please [contact us](#) or send us an email at PrivacyQueries@Blackstone.com at any time if you wish to do so.

Where required by applicable law, we will obtain your consent for the processing of your Personal Data for direct marketing purposes. If you do receive direct marketing communications from us (for example, by post, email, fax or telephone), you may opt-out by clicking the link in the relevant communication, completing the forms provided to you (where relevant), or by contacting us (see paragraph 0 below).

10. Retention and deletion of your Personal Data

We keep your Personal Data for as long as it is required by us for our legitimate business purposes, to perform our contractual obligations or, where longer, such longer period as is required or permitted by law or regulatory obligations which apply to us. We will generally:

- retain Personal Data about you throughout the life cycle of any investment you are involved in; and
- retain some Personal Data after your relationship with us ends.

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As a general principle, we do not retain your Personal Data for longer than we need it.

We will usually delete your Personal Data (at the latest) after you cease to be an investor in any fund and there is no longer any legal/regulatory requirement, or business purpose, for retaining your Personal Data.

11. Your rights

You may, subject to certain limitations, have data protection rights depending on the data protection laws that apply to our processing of your Personal Data, including the right to:

- access your Personal Data, and some related information, including the purpose for processing the Personal Data, the categories of recipients of that Personal Data to the extent that it has been transferred internationally, and, where the Personal Data has not been collected directly from you, the source (the **category information**)
- restrict the use of your Personal Data in certain circumstances
- have incomplete or inaccurate Personal Data corrected
- ask us to stop processing your Personal Data
- require us to delete your Personal Data in some limited circumstances

You also have the right in some circumstances to request us to “port” your Personal Data in a portable, re-usable format to other organisations (where this is possible).

California residents may also request certain information about our disclosure of Personal Data during the prior year, including category information (as defined above).

We review and verify requests to protect your Personal Data, and will action data protection requests fairly and in accordance with applicable data protection laws and principles.

If you wish to exercise any of these rights, please [contact us](#) (details below).

12. Concerns or queries

We take your concerns very seriously. We encourage you to bring it to our attention if you have any concerns about our processing of your Personal Data. This Data Privacy Notice was drafted with simplicity and clarity in mind. We are, of course, happy to provide any further information or explanation needed. Our contact details are below.

Please also contact us via any of the below contact methods if you have a disability and require an alternative format of this Data Privacy Notice.

If you want to make a complaint, you can also contact the body regulating data protection in your country, where you live or work, or the location where the data protection issue arose. In particular:

<u>Country</u>	<u>Supervisory Authority</u>
<i>Cayman Islands</i>	Cayman Islands Ombudsman (available at: https://ombudsman.ky)
<i>European Union</i>	A list of the EU data protection authorities and contact details is available by clicking this link: http://ec.europa.eu/newsroom/article29/item-detail.cfm?item_id=612080
<i>United Kingdom</i>	Information Commissioner’s Office (available at: https://ico.org.uk/global/contact-us/)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number: 000-55931



Blackstone Real Estate Income Trust, Inc.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

81-0696966
(I.R.S. Employer
Identification No.)

345 Park Avenue
New York, New York 10154
(Address of principal executive offices) (Zip Code)

(212) 583-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
----------------------------	--------------------------	--

Securities registered pursuant to Section 12(g) of the Act:
Title of Each Class

Class S Common Stock, \$0.01 par value per share
Class I Common Stock, \$0.01 par value per share
Class T Common Stock, \$0.01 par value per share
Class D Common Stock, \$0.01 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes No

As of March 24, 2020, the issuer had the following shares outstanding: 631,993,567 shares of Class S common stock, 801,713,070 shares of Class I common stock, 44,797,961 shares of Class T common stock, and 99,322,077 shares of Class D common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this annual report on Form 10-K incorporates information by reference from the registrant's definitive proxy statement with respect to its 2020 annual meeting of stockholders to be filed with the Securities and Exchange Commission within 120 days after the close of the registrant's fiscal year.

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PART I

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains 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 “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue” or other similar words or the negatives thereof. These may include our financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements with respect to acquisitions 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. We believe these factors also include but are not limited to those described under the section entitled “Risk Factors” in our prospectus and any such updated factors included in our 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 our 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. You should carefully review Item 1A—“Risk Factors” section of this Annual Report on Form 10-K 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.

ITEM 1. BUSINESS

References herein to “Blackstone Real Estate Income Trust,” the “Company,” “BREIT,” “we,” “us,” or “our” refer to Blackstone Real Estate Income Trust, Inc., a Maryland corporation, and its subsidiaries unless the context specifically requires otherwise.

General Description of Business and Operations

BREIT invests primarily in stabilized income-generating commercial real estate in the United States and, to a lesser extent, real estate debt. Our objective is to bring Blackstone’s leading institutional quality real estate investment platform to income focused investors. We are externally managed by BX REIT Advisors L.L.C. (the “Adviser”), a subsidiary of The Blackstone Group Inc. (“Blackstone”). We were incorporated in Maryland in 2015. We are the sole general partner of BREIT Operating Partnership L.P. (“BREIT OP”), a Delaware limited partnership, and we own substantially all of our assets through BREIT OP. We currently operate our business in eight reportable segments: Industrial, Multifamily, Net Lease, Hotel, Retail, Office and Other Properties, and real estate debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other Properties includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas (“Bellagio”).

BREIT is a non-exchange traded, perpetual life real estate investment trust (“REIT”). We qualified as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”) for U.S. federal income tax purposes and generally will not be subject to U.S. federal income taxes on our taxable income to the extent we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

We had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted aggregate gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. We subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock (in any combination of purchases of Class S, Class I, Class T, and Class D shares of our common stock), consisting of up to \$10.0 billion in shares in our primary offering and up to \$2.0 billion in shares pursuant to our distribution reinvestment plan, which we began using to offer shares of our common stock in January 2019 (the “Current Offering” and with the Initial Offering, the

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“Offering”). The share classes have different upfront selling commissions and ongoing stockholder servicing fees.

As of March 24, 2020, we had received net proceeds of \$17.5 billion from selling an aggregate of 1,588,293,255 shares of our common stock (consisting of 643,054,511 Class S shares, 798,498,578 Class I shares, 46,710,253 Class T shares, and 100,029,913 Class D shares) in the Offering and otherwise. We have primarily used the net proceeds to make investments in real estate and real estate debt.

Our Adviser

We are externally managed by our Adviser, and pursuant to the advisory agreement between us and the Adviser (the “Advisory Agreement”), we have delegated to the Adviser the authority to source, evaluate and monitor our investment opportunities and to make decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, as well as provide us with our executive management team. Our board of directors will at all times have oversight and policy-making authority over us, including responsibility for governance, financial controls, compliance and disclosure.

Our Adviser is a part of Blackstone, an alternative asset management business that includes the management of investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets, and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of \$571.1 billion as of December 31, 2019.

In connection with the performance of its duties, our Adviser benefits from the resources, relationships, and expertise of the 575 professionals in Blackstone’s global real estate group, which is one of the largest real estate investment managers in the world with \$163.2 billion of investor capital under management as of December 31, 2019. Blackstone’s real estate group (“Blackstone Real Estate”) has one centralized investment committee (the “Investment Committee”) that meets weekly to review large new investments around the world. The Investment Committee includes all Senior Managing Directors in Blackstone Real Estate, as well as select senior executives of Blackstone.

Our chief executive officer, chief financial officer, and other executive officers are senior Blackstone real estate professionals. Our Adviser, our executive officers, and other personnel supplied to us by our Adviser are each not obligated to dedicate any specific amount of time to our business. Our Adviser is subject to the supervision and oversight of our board of directors and has only such functions and authority as our board of directors delegates to it. Pursuant to the Advisory Agreement, our Adviser is entitled to receive a base management fee, and expense reimbursements. In addition, BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a wholly-owned subsidiary of Blackstone, is entitled to receive a performance participation allocation. See Note 11 to our consolidated financial statements and Item 13 “Certain Relationships and Related Transactions, and Director Independence” in this Annual Report on Form 10-K for more detail on the terms of the Advisory Agreement.

Investment Objectives

Our investment objectives are to invest in assets that will enable us to:

- provide attractive current income in the form of regular, stable cash distributions;
- preserve and protect invested capital;
- realize appreciation in net asset value (“NAV”) from proactive investment management and asset management; and
- provide an investment alternative for stockholders seeking to allocate a portion of their long-term investment portfolios to commercial real estate with lower volatility than listed public real estate companies.

Investment Strategy

Our investment strategy is to acquire primarily stabilized, income-generating commercial real estate in the United States. To a lesser extent, we also invest in real estate debt to provide current income and, together with our lines of credit, a source of liquidity for our share repurchase plan, cash management and other purposes.

Our investment strategy capitalizes on Blackstone's scale and the real-time information provided by its real estate holdings to identify and acquire our target investments at attractive pricing. We also benefit from Blackstone's reputation and ability to transact in scale with speed and certainty, and its long-standing and extensive relationships in the real estate industry. After acquisition, we leverage Blackstone Real Estate's established asset management team, which focuses on value creation through the oversight and improvement of the operating performance of Blackstone Real Estate's portfolio holdings.

Our investments in primarily stabilized, income-generating U.S. commercial real estate focus on a range of asset types. These may include multifamily, industrial, net lease, hotel, retail, and office assets, as well as others, including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties. For a breakdown of our portfolio by asset type see the "Investments in Properties" section below.

Our real estate debt strategy is designed to generate current income. We also believe that our real estate debt will, in conjunction with our lines of credit, help maintain sufficient liquidity to satisfy monthly repurchase requests under our share repurchase plan and manage cash before investing subscription proceeds into real estate. We utilize the Blackstone Real Estate Debt Strategies ("BREDS") team to assist with this portion of the portfolio. The BREDS team leverages the competitive advantages of the broader Blackstone Real Estate platform and its own proprietary investment models to seek attractive real estate debt investment opportunities throughout the capital structure.

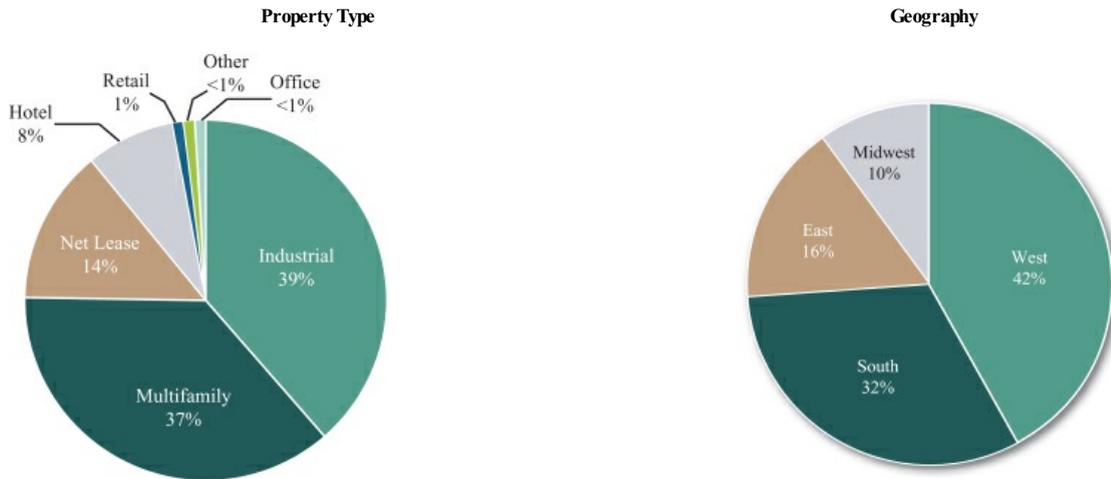
We believe that our structure as a perpetual-life REIT will allow us to acquire and manage our investment portfolio in a more flexible manner. We do not have a pre-determined operational period or the need to provide a "liquidity" event at the end of that period.

Investments in Real Estate

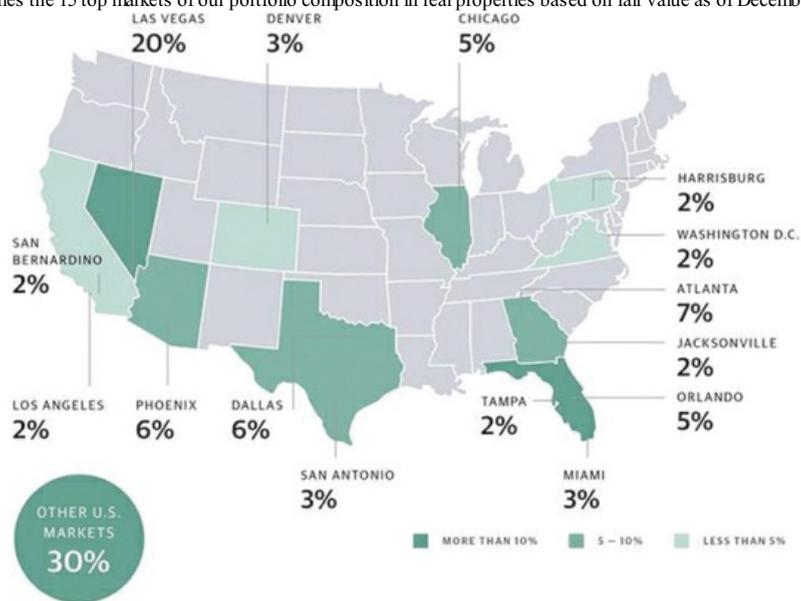
We invest primarily in stabilized, income-generating U.S. commercial real estate. We may invest to a lesser extent in Canadian and European cities and potentially elsewhere and opportunistically in equity of public and private real estate-related companies. As of December 31, 2019, our entire property portfolio is located in the United States. We may also acquire assets that require some amount of capital investment in order to be renovated or repositioned. We generally will limit investment in new developments on a standalone basis, but may consider development that is ancillary to an overall investment. As of December 31, 2019, our property portfolio did not contain any active development projects.

We do not designate specific geography or sector allocations for the portfolio; rather we invest in regions or asset classes where we see the best opportunities that support our investment objectives.

The following charts describe our portfolio composition in real properties based on fair value as of December 31, 2019:



The following map identifies the 15 top markets of our portfolio composition in real properties based on fair value as of December 31, 2019:



Investments in Real Estate Debt

Our real estate debt investments focus on non-distressed public and private real estate debt, including, but not limited to, commercial mortgage-backed securities (“CMBS”), real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including residential mortgage-backed securities (“RMBS”) and other residential credit), interests of collateralized debt obligation and collateralized loan obligation vehicles and equity interests in public and private entities that invest in real estate debt as one of their core businesses, and may also include preferred equity and derivatives. Our investments in real estate debt are focused in the United States, but may also include securities issued or backed by real estate in Europe and certain other countries.

Borrowing Policies

We use financial leverage to provide additional funds to support our investment activities. This allows us to make more investments than would otherwise be possible, resulting in a broader portfolio. Subject to the limitation on indebtedness for money borrowed in our charter described below, our target leverage ratio is in the range of 60%. 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 the cost) plus the equity in our settled real estate debt portfolio. 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 excludes our pro rata share of indebtedness within our unconsolidated investments. Real estate investments include our direct property investments, unconsolidated investments, and equity in public and private real estate-related companies. Our real estate debt portfolio may have embedded leverage, including through the use of reverse repurchase agreements and derivatives, including, but not limited to, total return swaps, securities lending arrangements and credit default swaps. During times of increased investment and capital market activity, but subject to the limitation on indebtedness for money borrowed in our charter described below, we may employ greater leverage in order to build a broader portfolio of assets. We may leverage our portfolio by assuming or incurring secured or unsecured property-level or entity-level debt.

Under our charter, we have a limitation that precludes us from borrowing in excess of 300% of the cost of our net assets, which approximates borrowing 75% of the cost of our investments (unless a majority of our independent directors approves any borrowing in excess of the limit and we disclose the justification for doing so to our stockholders), but such restriction does not restrict the amount of indebtedness we may incur with respect to any single investment.

For an overview of our borrowings, see Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Taxation of the Company

We elected to be taxed as a REIT, under the Code commencing with our taxable year ended December 31, 2017, the year in which the proceeds from the Initial Offering were released from escrow. We generally must distribute annually at least 90% of our taxable net income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings that we distribute. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain

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our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years.

Furthermore, we have one or more taxable REIT subsidiaries (“TRSs”) which pay federal, state, and local income tax on their net taxable income. See Item 1A—“Risk Factors—Risks Related to our REIT Status and Certain Other Tax Items” for additional tax status information.

The Tax Cuts and Jobs Act

Enactment of the Tax Act

On December 22, 2017, the federal tax legislation commonly known as the Tax Cuts and Jobs Act (the “Tax Act”), was signed into law. Since enactment, the IRS has issued several proposed regulations (the “Proposed Regs”), which interpret and clarify many salient changes contained in the Tax Act. The Tax Act and Proposed Regs have made fundamental changes to the taxation of REITs and their security holders. The most significant of these provisions are described below. The individual and collective impact of these changes on REITs such as the Company and their security holders is uncertain, and may not become evident for some period. Prospective investors should consult their tax advisors regarding the implications of the Tax Act on the Company and their investment.

Pass-Through Business Income Tax Rate Lowered through Deduction

Under the Tax Act, United States holders that are individuals, trusts or estates generally may deduct 20% of “qualified REIT dividends” (i.e., REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income eligible for capital gain tax rates). The overall deduction is limited to 20% of the sum of the taxpayer’s taxable income (less net capital gain) and certain cooperative dividends, subject to further limitations based on taxable income. The deduction, if allowed in full, equates to a reduction in the maximum effective United States federal income tax rate on ordinary REIT dividends from 37.0% to 29.6%. As with the other individual income tax changes, the deduction provisions are effective beginning in 2018. Without further legislation, the deduction will sunset and no longer apply after 2025.

Maximum Corporate Tax Rate Lowered to 21%; Elimination of Corporate Alternative Minimum Tax

The Tax Act reduces the 35% maximum federal corporate income tax rate to a maximum 21% corporate rate. The Tax Act also permanently eliminates the corporate alternative minimum tax. These provisions are effective beginning in 2018. As disclosed above, we have one or more TRSs which would be subject to a maximum tax rate of 21% under the Tax Act, before giving effect to any applicable state and local taxes.

Net Operating Loss Modifications

Net operating loss (“NOL”) provisions are modified by the Tax Act. The Tax Act limits the NOL deduction to 80% of taxable income (before the deduction). It also generally eliminates NOL carrybacks for individuals and non-REIT corporations (NOL carrybacks did not apply to REITs under prior law), but allows indefinite NOL carryforwards. The new NOL rules apply to losses arising in taxable years beginning in 2018. As disclosed above, we have one or more TRSs which would be subject to the NOL provisions under the Tax Act.

Environmental Matters

As an owner of real estate, we are subject to various environmental laws of federal, state and local governments. Compliance with federal, state and local environmental laws has not had a material, adverse effect on our business, assets, results of operations, financial condition and ability to pay distributions, and we do not believe that our existing portfolio will require us to incur material expenditures to comply with these laws and regulations.

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Competition

We face competition from various entities for investment opportunities in properties, including other REITs, pension funds, insurance companies, investment funds and companies, partnerships and developers. In addition to third-party competitors, other programs sponsored by the Adviser and its affiliates, particularly those with investment strategies that overlap with ours, will seek investment opportunities under Blackstone's prevailing policies and procedures. Many of these entities may have greater access to capital to make investments than we have.

In the face of this competition, we have access to our Adviser's and Blackstone's professionals and their industry expertise and relationships, which we believe provide us with a competitive advantage and help us source, evaluate and compete for potential investments. We believe these relationships will enable us to compete more effectively for attractive investment opportunities. However, we may not be able to achieve our business goals or expectations due to the competitive risks that we face. For additional information concerning these competitive risks, see Item 1A—"Risk Factors—Risks Related to Our Investment Activities."

Employees

We have no employees. Our operations are conducted by the Adviser.

Conflicts of Interest

We are subject to conflicts of interest arising out of our relationship with Blackstone, including the Adviser and its affiliates. See Item 1A—"Risk Factors—Risks Related to Conflicts of Interest."

Available Information

Stockholders may obtain copies of our filings with the SEC, free of charge from the website maintained by the SEC at www.sec.gov or from our website at www.breit.com.

We are providing the address to our website solely for the information of investors. The information on our website is not a part of, nor is it incorporated by reference into, this report.

ITEM 1A. RISK FACTORS

You should specifically consider the following material risks in addition to the other information contained in this Annual Report on Form 10-K. The occurrence of any of the following risks might have a material adverse effect on our business and financial condition. The risks and uncertainties discussed below are not the only ones we face, but do represent those risks and uncertainties that we believe are most significant to our business, operating results, financial condition, prospects and forward-looking statements. As used herein, the term "you" refers to our current stockholders or potential investors in our common stock, as applicable.

Risks Related to Our Organizational Structure

We have held most of our current investments for only a limited period of time and you will not have the opportunity to evaluate our future investments before we make them, which makes your investment more speculative.

We have held most of our current investments for a limited period of time and are not able to provide you with information to assist you in evaluating the merits of any specific properties or real estate debt that we may acquire, except for investments that may be described in one or more supplements to the prospectus for the Offering (the "Prospectus"). Because we have not held our current investments for a long period of time, it may be difficult for you to evaluate our success in achieving our investment objectives. We will continue to seek to invest substantially all of the future net offering proceeds from the Offering and certain private offerings, after the payment of fees and expenses, in the acquisition of or investment in interests in properties and real estate debt. However, because you will be unable to evaluate the economic merit of our future investments before we make them, you will have to rely entirely on the ability of the Adviser to select suitable and successful investment opportunities. Furthermore, the Adviser has broad discretion in selecting the types of properties we will invest in and the tenants of those properties, and you will not have the opportunity to evaluate potential investments. These factors increase the risk that your investment may not generate returns comparable to other real estate investment alternatives.

The Adviser manages our portfolio pursuant to very broad investment guidelines and generally is not required to seek the approval of our board of directors for each investment, financing or asset allocation decision made by it, which may result in our making riskier investments and which could adversely affect our results of operations and financial condition.

Our board of directors approved very broad investment guidelines that delegate to the Adviser the authority to execute acquisitions and dispositions of real estate and real estate debt on our behalf, in each case so long as such investments are consistent with the investment guidelines and our charter. The Adviser will implement on our behalf the strategies and discretionary approaches it believes from time to time may be best suited to prevailing market conditions in furtherance of that purpose, subject to the limitations under our investment guidelines and our charter. There can be no assurance that the Adviser will be successful in implementing any particular strategy or discretionary approach to our investment activities. Furthermore, the diversification and type of investments may differ substantially from our prior investments. For example, future investments may focus on different sectors of real estate or different geographic areas than is the case for our current investment portfolio. Our board of directors reviews our investment guidelines on an annual basis (or more often as it deems appropriate) and reviews our investment portfolio periodically. The prior approval of our board of directors or a committee of independent directors will be required only as set forth in our charter (including for transactions with affiliates of the Adviser) or for the acquisition or disposition of assets that are not in accordance with our investment guidelines. In addition, in conducting periodic reviews, our directors rely primarily on information provided to them by the Adviser. Furthermore, transactions entered into on our behalf by the Adviser may be costly, difficult or impossible to unwind when they are subsequently reviewed by our board of directors.

There is no public trading market for shares of our common stock; therefore, your ability to dispose of your shares will likely be limited to repurchase by us. If you do sell your shares to us, you may receive less than the price you paid.

There is no current public trading market for shares of our common stock, and we do not expect that such a market will ever develop. Therefore, repurchase of shares by us will likely be the only way for you to dispose of your shares. We expect to continue to repurchase shares at a price equal to the transaction price of the class of shares being repurchased on the date of repurchase (which will generally be equal to our prior month's NAV per share) and not based on the price at which you initially purchased your shares. Subject to limited exceptions, shares repurchased within one year of the date of issuance will be repurchased at 95% of the transaction price. As a result, you may receive less than the price you paid for your shares when you sell them to us pursuant to our share repurchase plan. See Item 5—"Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Share Repurchases."

Your ability to have your shares repurchased through our share repurchase plan is limited. We may choose to repurchase fewer shares than have been requested to be repurchased, in our discretion at any time, and the amount of shares we may repurchase is subject to caps. 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.

We may choose to repurchase fewer shares than have been requested in any particular month to be repurchased under our share repurchase plan, or none at all, in our discretion at any time. We may repurchase fewer shares than have been requested to be repurchased due to lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than repurchasing our shares. In addition, the total amount of shares that we will repurchase is limited, in any calendar month, to shares whose aggregate value (based on the repurchase price per share on the date of the repurchase) is no more than 2% of our aggregate NAV as of the last day of the previous calendar month and, in any calendar quarter, to shares whose aggregate value is no more than 5% of our aggregate NAV as of the last day of the previous calendar quarter. 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. If the full amount of all shares of our common stock requested to be repurchased in any given month are not repurchased, funds will be allocated pro rata based on the total number of shares of common stock being repurchased without regard to class and subject to the volume limitation. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase plan, as applicable.

The vast majority of our assets consist of properties that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy repurchase requests. Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Because we are not required to authorize the recommencement of the share repurchase plan within any specified period of time, we may effectively terminate the plan by suspending it indefinitely. As a result, your ability to have your shares repurchased by us may be limited and at times you may not be able to liquidate your investment. See Item 5—"Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Share Repurchases."

Economic events that may cause our stockholders to request that we repurchase their shares may materially adversely affect our cash flow and our results of operations and financial condition.

Economic events affecting the U.S. economy, such as the general negative performance of the real estate sector, could cause our stockholders to seek to sell their shares to us pursuant to our share repurchase plan at a time when such events are adversely affecting the performance of our assets. Even if we decide to satisfy all resulting repurchase requests, our cash flow could be materially adversely affected. In addition, if we determine to sell assets to satisfy repurchase requests, we may not be able to realize the return on such assets that we may have been able to achieve had we sold at a more favorable time, and our results of operations and financial condition, including, without limitation, breadth of our portfolio by property type and location, could be materially adversely affected.

We face risks associated with the deployment of our capital.

In light of the nature of our continuous public offering as well as ongoing and periodic private offerings in relation to our investment strategy and the need to be able to deploy potentially large amounts of capital quickly to capitalize on potential investment opportunities, if we have difficulty identifying and purchasing suitable properties on attractive terms, there could be a delay between the time we receive net proceeds from the sale of shares of our common stock in the Offering or any private offering and the time we invest the net proceeds. We may also from time to time hold cash pending deployment into investments or have less than our targeted leverage, which cash or shortfall in target leverage may at times be significant, particularly at times when we are receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account for the benefit of our stockholders that may be invested in money market accounts or other similar temporary investments, each of which are subject to the management fees.

In the event we are unable to find suitable investments such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash flow from operations to you. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments pending deployment into investments will generate significant interest, and investors should understand that such low interest payments on the temporarily invested cash may adversely affect overall returns. In the event we fail to timely invest the net proceeds of sales of our common stock or do not deploy sufficient capital to meet our targeted leverage, our results of operations and financial condition may be adversely affected.

If we are unable to successfully integrate new investments and manage our growth, our results of operations and financial condition may suffer.

We have in the past and may in the future significantly increase the size and/or change the types of investments in our portfolio. We may be unable to successfully and efficiently integrate newly acquired investments into our existing portfolio or otherwise effectively manage our assets or growth. In addition, increases in the size of our investment portfolio and/or changes in our investment focus may place significant demands on our Adviser's administrative, operational, asset management, financial and other resources which could lead to decreased efficiency. Any failure to effectively manage such growth or increase in scale could adversely affect our results of operations and financial condition.

The amount and source of distributions we may make to our stockholders is uncertain, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.

We have not established a minimum distribution payment level, and our ability to make distributions to our stockholders may be adversely affected by a number of factors, including the risk factors described in the

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Prospectus. We have a limited track record and may not generate sufficient income to make distributions to our stockholders. Our board of directors (or a committee of our board of directors) will make determinations regarding distributions based upon, among other factors, our financial performance, debt service obligations, debt covenants, REIT qualification and tax requirements and capital expenditure requirements. Among the factors that could impair our ability to make distributions to our stockholders are:

- our inability to invest the proceeds from sales of our shares on a timely basis in income-producing properties;
- our inability to realize attractive risk-adjusted returns on our investments;
- high levels of expenses or reduced revenues that reduce our cash flow or non-cash earnings; and
- defaults in our investment portfolio or decreases in the value of our investments.

As a result, we may not be able to make distributions to our stockholders at any time in the future, and the level of any distributions we do make to our stockholders may not increase or even be maintained over time, any of which could materially and adversely affect the value of your investment.

We may pay distributions from sources other than our cash flow from operations, including, without limitation, the sale of assets, borrowings or offering proceeds, and we have no limits on the amounts we may pay from such sources.

We may not generate sufficient cash flow from operations to fully fund distributions to stockholders, particularly during the early stages of our operations. Therefore, we may fund distributions to our stockholders from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales from our common stock or Operating Partnership units). The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, the extent to which the Adviser elects to receive its management fee in Class I shares or Class I units and the Special Limited Partner elects to receive distributions on its performance participation interest in Class I units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of the Offering will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares. We may be required to continue to fund our regular distributions from a combination of some of these sources if our investments fail to perform, if expenses are greater than our revenues or due to numerous other factors. We have not established a limit on the amount of our distributions that may be paid from any of these sources.

To the extent we borrow funds to pay distributions, we would incur borrowing costs and these borrowings would require a future repayment. The use of these sources for distributions and the ultimate repayment of any liabilities incurred could adversely impact our ability to pay distributions in future periods, decrease our NAV, decrease the amount of cash we have available for operations and new investments and adversely impact the value of your investment.

We may also defer operating expenses or pay expenses (including the fees of the Adviser or distributions to the Special Limited Partner) with shares of our common stock or Operating Partnership units in order to preserve cash flow for the payment of distributions. The ultimate repayment of these deferred expenses could adversely affect our operations and reduce the future return on your investment. We may repurchase shares or redeem Operating Partnership units from the Adviser or the Special Limited Partner shortly after issuing such units or shares as compensation. The payment of expenses in shares of our common stock or with Operating Partnership

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units will dilute your ownership interest in our portfolio of assets. There is no guarantee any of our operating expenses will be deferred and the Adviser and Special Limited Partner are under no obligation to receive future fees or distributions in shares of our common stock or Operating Partnership units and may elect to receive such amounts in cash.

Payments to the Adviser or the Special Limited Partner in the form of common stock or Operating Partnership units they elect to receive in lieu of fees or distributions will dilute future cash available for distribution to our stockholders.

The Adviser or the Special Limited Partner may choose to receive, and have in the past received, our common stock or Operating Partnership units in lieu of certain fees or distributions. The holders of all Operating Partnership units are entitled to receive cash from operations pro rata with the distributions being paid to us and such distributions to the holder of the Operating Partnership units will reduce the cash available for distribution to us and to our stockholders. Furthermore, under certain circumstances the Operating Partnership units held by the Adviser or the Special Limited Partner are required to be repurchased, in cash at the holder's election, and there may not be sufficient cash to make such a repurchase payment; therefore, we may need to use cash from operations, borrowings, offering proceeds or other sources to make the payment, which will reduce cash available for distribution to you or for investment in our operations. Repurchases of our shares or Operating Partnership units from the Adviser paid to the Adviser as a management fee are not subject to the monthly and quarterly volume limitations or the Early Purchase Deduction, and such sales receive priority over other shares being put for repurchase during such period. Repurchases of our shares or Operating Partnership units from the Special Limited Partner distributed to the Special Limited Partner with respect to its performance participation interest are not subject to the Early Purchase Deduction, but, in the case of shares, such repurchases are subject to the monthly and quarterly volume limitations and do not receive priority over other shares being put for repurchase during such period.

Purchases and repurchases of shares of our common stock are not made based on the current NAV per share of our common stock.

Generally, our offering price per share and the price at which we make repurchases of our shares will equal the NAV per share of the applicable class as of the last calendar day of the prior month, plus, in the case of our offering price, applicable upfront selling commissions and dealer manager fees. The NAV per share, if calculated, as of the date on which you make your subscription request or repurchase request may be significantly different than the transaction price you pay or the repurchase price you receive. Certain of our investments or liabilities are subject to high levels of volatility from time to time and could change in value significantly between the end of the prior month as of which our NAV is determined and the date that you acquire or repurchase our shares, however the prior month's NAV per share will generally continue to be used as the transaction price per share and repurchase price per shares. In exceptional circumstances, we may in our sole discretion, but are not obligated to, offer and repurchase shares at a different price that we believe reflects the NAV per share of such stock more appropriately than the prior month's NAV per share, including by updating a previously disclosed transaction price, 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 and we believe an updated price is appropriate. In such exceptional cases, the transaction price and the repurchase price will not equal our NAV per share as of any time.

Valuations and appraisals of our properties and real estate debt are estimates of fair value and may not necessarily correspond to realizable value.

For the purposes of calculating our monthly NAV, our properties will generally initially be valued at cost, which we expect to represent fair value at that time. Thereafter, valuations of properties will be determined by the Adviser based in part on appraisals of each of our properties by independent third-party appraisal firms reviewed by our independent valuation advisor at least once per year in accordance with valuation guidelines approved by

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our board of directors. The Adviser will also conduct a monthly valuation of our properties that will be reviewed and confirmed for reasonableness by our independent valuation advisor. Investments in real estate debt with readily available market quotations will be valued monthly at fair market value. Certain real estate debt investments, such as mortgages and mezzanine loans, are unlikely to have market quotations. In the case of loans acquired by us, such initial value will generally be the acquisition price of such loan. In the case of loans originated by us, such initial value will generally be the par value of such loan. Each such investment will then be valued by the Adviser within the first three full months after we invest in such investment and no less than quarterly thereafter. Additionally, the Adviser may in its discretion consider material market data and other information that becomes available after the end of the applicable month in valuing our assets and liabilities and calculation our NAV for a particular month. For more information regarding our valuation process, see “Net Asset Value Calculation and Valuation Guidelines” in the Prospectus.

Although monthly valuations of each of our real properties will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on asset- and portfolio-level information provided by the Adviser, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned capital expenditures and any other information relevant to valuing the real estate property, which information will not be independently verified by our independent valuation advisor. Similarly, although our monthly valuations of our real estate debt and other securities for which market quotations are not readily available will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on information provided by the Adviser, which information will not be verified by our independent valuation advisor.

Within the parameters of our valuation guidelines, the valuation methodologies used to value our properties and certain of our real estate debt will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations and appraisals of our properties and other investments will be only estimates of fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond our control and the control of the Adviser and our independent valuation advisor. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal. There will be no retroactive adjustment in the valuation of such assets, the offering price of our shares of common stock, the price we paid to repurchase shares of our common stock or NAV-based fees we paid to the Adviser and Blackstone Advisory Partners L.P. (the “Dealer Manager”), an affiliate of the Adviser, to the extent such valuations prove to not accurately reflect the realizable value of our assets. Because the price you will pay for shares of our common stock in the Offering, and the price at which your shares may be repurchased by us pursuant to our share repurchase plan are generally based on our prior month’s NAV per share, you may pay more than realizable value or receive less than realizable value for your investment.

Our NAV per share amounts may change materially if the appraised values of our properties materially change from prior appraisals or the actual operating results for a particular month differ from what we originally budgeted for that month.

We anticipate that the annual appraisals of our properties will be conducted on a rolling basis, such that properties may be appraised at different times but each property would be appraised at least once per year. When these appraisals are considered by the Adviser for purposes of valuing the relevant property, there may be a material change in our NAV per share amounts for each class of our common stock from those previously reported. In addition, actual operating results for a given month may differ from what we originally budgeted for that month, which may cause a material increase or decrease in the NAV per share amounts. We will not retroactively adjust the NAV per share of each class reported for the previous month. Therefore, because a new

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annual appraisal may differ materially from the prior appraisal or the actual results from operations may be better or worse than what we previously budgeted for a particular month, the adjustment to take into consideration the new appraisal or actual operating results may cause the NAV per share for each class of our common stock to increase or decrease, and such increase or decrease will occur in the month the adjustment is made.

It may be difficult to reflect, fully and accurately, material events that may impact our monthly NAV.

The Adviser's determination of our monthly NAV per share will be based in part on appraisals of each of our properties provided annually by independent third-party appraisal firms in individual appraisal reports reviewed by our independent valuation advisor and quarterly valuations of our real estate debt and other securities for which market quotations are not readily available provided by the Adviser and reviewed by our independent valuation advisor, each in accordance with valuation guidelines approved by our board of directors. As a result, our published NAV per share in any given month may not fully reflect any or all changes in value that may have occurred since the most recent appraisal or valuation. The Adviser will review appraisal reports and monitor our properties and real estate debt, and is responsible for notifying the independent valuation advisor of the occurrence of any property-specific or market-driven event it believes may cause a material valuation change in the real estate valuation, but it may be difficult to reflect fully and accurately rapidly changing market conditions or material events that may impact the value of our properties and real estate debt or liabilities between valuations, or to obtain complete information regarding any such events in a timely manner. For example, an unexpected termination or renewal of a material lease, a material increase or decrease in vacancies or an unanticipated structural or environmental event at a property may cause the value of a property to change materially, yet obtaining sufficient relevant information after the occurrence has come to light and/or analyzing fully the financial impact of such an event may be difficult to do and may require some time. As a result, the NAV per share may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that our NAV may be appropriately adjusted in accordance with our valuation guidelines. Depending on the circumstance, the resulting potential disparity in our NAV may be in favor or to the detriment of either stockholders who repurchase their shares, or stockholders who buy new shares, or existing stockholders.

NAV calculations are not governed by governmental or independent securities, financial or accounting rules or standards.

The methods used by our Adviser and State Street to calculate our NAV, including the components used in calculating our NAV, is not prescribed by rules of the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and our NAV is not audited by our independent registered public accounting firm. We calculate and publish NAV solely for purposes of establishing the price at which we sell and repurchase shares of our common stock, and you should not view our NAV as a measure of our historical or future financial condition or performance. The components and methodology used in calculating our NAV may differ from those used by other companies now or in the future.

In addition, calculations of our NAV, to the extent that they incorporate valuations of our assets and liabilities, are not prepared in accordance with generally accepted accounting principles. These valuations may differ from liquidation values that could be realized in the event that we were forced to sell assets.

Additionally, errors may occur in calculating our NAV, which could impact the price at which we sell and repurchase shares of our common stock and the amount of the Adviser's management fee and the Special Limited Partner's performance participation interest. The Adviser has implemented certain policies and procedures to address such errors in NAV calculations. If such errors were to occur, the Adviser, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which shares of our common stock were sold or repurchased or on the amount of the Adviser's management fee or the Special Limited Partner's performance participation interest, may determine in its sole discretion to take certain

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corrective actions in response to such errors, including, subject to Blackstone's policies and procedures, making adjustments to prior NAV calculations. You should carefully review the disclosure of our valuation policies and how NAV will be calculated under "Net Asset Value Calculation and Valuation Guidelines" in the Prospectus.

Our board of directors may, in the future, adopt certain measures under Maryland law without stockholder approval that may have the effect of making it less likely that a stockholder would receive a "control premium" for his or her shares.

Corporations organized under Maryland law with a class of registered securities and at least three independent directors are permitted to elect to be subject, by a charter or bylaw provision or a board of directors resolution and notwithstanding any contrary charter or bylaw provision, to any or all of five provisions:

- staggering the board of directors into three classes;
- requiring a two-thirds vote of stockholders to remove directors;
- providing that only the board of directors can fix the size of the board;
- providing that all vacancies on the board, regardless of how the vacancy was created, may be filled only by the affirmative vote of a majority of the remaining directors in office and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- providing for a majority requirement for the calling of a special meeting of stockholders.

These provisions may discourage an extraordinary transaction, such as a merger, tender offer or sale of all or substantially all of our assets, all of which might provide a premium price for stockholders' shares. In our charter, we have elected that vacancies on our board of directors be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred. Through other provisions in our charter and bylaws, we vest in our board of directors the exclusive power to fix the number of directorships, provided that the number is not less than three. We have not elected to be subject to any of the other provisions described above, but our charter does not prohibit our board of directors from opting into any of these provisions in the future.

Further, under the Maryland Business Combination Act, we may not engage in any merger or other business combination with an "interested stockholder" (which is defined as (1) any person who beneficially owns, directly or indirectly, 10% or more of the voting power of our outstanding voting stock and (2) an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding stock) or any affiliate of that interested stockholder for a period of five years after the most recent date on which the interested stockholder became an interested stockholder. A person is not an interested stockholder if our board of directors approved in advance the transaction by which he would otherwise have become an interested stockholder. In approving a transaction, our board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms or conditions determined by our board of directors. After the five-year period ends, any merger or other business combination with the interested stockholder or any affiliate of the interested stockholder must be recommended by our board of directors and approved by the affirmative vote of at least:

- 80% of all votes entitled to be cast by holders of outstanding shares of our voting stock; and
- two-thirds of all of the votes entitled to be cast by holders of outstanding shares of our voting stock other than those shares owned or held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These supermajority voting provisions do not apply if, among other things, our stockholders receive a minimum payment for their common stock equal to the highest price paid by the interested stockholder for its shares.

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The statute permits various exemptions from its provisions, including business combinations that are exempted by our board of directors prior to the time the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution exempting any business combination involving us and any person, including Blackstone, the Dealer Manager and the Adviser, from the provisions of this law, provided that such business combination is first approved by our board of directors.

Our charter permits our board of directors to authorize us to issue preferred stock on terms that may subordinate the rights of the holders of our current common stock or discourage a third party from acquiring us.

Our board of directors is permitted, subject to certain restrictions set forth in our charter, to authorize the issuance of shares of preferred stock without stockholder approval. Further, our board of directors may classify or reclassify any unissued shares of common or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms or conditions of redemption of the stock and may amend our charter from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue without stockholder approval. Thus, our board of directors could authorize us to issue shares of preferred stock with terms and conditions that could subordinate the rights of the holders of our common stock or have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction such as a merger, tender offer or sale of all or substantially all of our assets, that might provide a premium price for holders of our common stock.

Maryland law limits, in some cases, the ability of a third party to vote shares acquired in a “control share acquisition.”

The Maryland Control Share Acquisition Act provides that “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights except to the extent approved by stockholders by a vote of two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquirer, by officers or by employees who are directors of the corporation, are excluded from shares entitled to vote on the matter. “Control shares” are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer can exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A “control share acquisition” means the acquisition of issued and outstanding control shares. The control share acquisition statute does not apply: (1) to shares acquired in a merger, consolidation or statutory share exchange if the Maryland corporation is a party to the transaction; or (2) to acquisitions approved or exempted by the charter or bylaws of the Maryland corporation. Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future. For a more detailed discussion on the Maryland laws governing control share acquisitions, see “Certain Provisions of Maryland Corporate Law and Our Charter and Bylaws—Control Share Acquisition” in the Prospectus.

Maryland law and our organizational documents limit our rights and the rights of our stockholders to recover claims against our directors and officers, which could reduce your and our recovery against them if they cause us to incur losses.

Maryland law provides that a director will not have any liability as a director so long as he or she performs his or her duties in accordance with the applicable standard of conduct. In addition, our charter generally limits the personal liability of our directors and officers for monetary damages subject to the limitations of the North American Securities Administrators Association’s Statement of Policy Regarding Real Estate Investment Trusts, as revised and adopted on May 7, 2007 (the “NASAA REIT Guidelines”) and Maryland law. Maryland law and

our charter provide that no director or officer shall be liable to us or our stockholders for monetary damages unless the director or officer (1) actually received an improper benefit or profit in money, property or services or (2) was actively and deliberately dishonest as established by a final judgment as material to the cause of action. Moreover, our charter generally requires us to indemnify and advance expenses to our directors and officers for losses they may incur by reason of their service in those capacities unless their act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, they actually received an improper personal benefit in money, property or services or, in the case of any criminal proceeding, they had reasonable cause to believe the act or omission was unlawful. Further, we have entered into separate indemnification agreements with each of our officers and directors. As a result, you and we may have more limited rights against our directors or officers than might otherwise exist under common law, which could reduce your and our recovery from these persons if they act in a manner that causes us to incur losses. In addition, we are obligated to fund the defense costs incurred by these persons in some cases. However, our charter provides that we may not indemnify our directors or officers, or the Adviser and its affiliates, for any liability or loss suffered by them or hold our directors or officers, the Adviser and its affiliates harmless for any liability or loss suffered by us, unless they have determined, in good faith, that the course of conduct that caused the loss or liability was in our best interests, they were acting on our behalf or performing services for us, the liability or loss was not the result of negligence or misconduct by our non-independent directors, the Adviser and its affiliates, or gross negligence or willful misconduct by our independent directors, and the indemnification or agreement to hold harmless is recoverable only out of our net assets or the proceeds of insurance and not from the stockholders. See “Management—Limited Liability and Indemnification of Directors, Officers, the Adviser and Other Agents” in the Prospectus.

Maryland law and our organizational documents limit our stockholders’ ability to amend our charter or dissolve us without the approval of our board of directors.

Although the NASAA REIT Guidelines indicate that stockholders are permitted to amend our charter or terminate us without the necessity for concurrence by our board of directors, we are required to comply with the Maryland General Corporation Law, which provides that any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, our stockholders may vote to authorize the amendment of our charter or the dissolution of our company, but only after such action has been declared advisable by our board of directors. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors and also require approval by our stockholders.

Your interest in us will be diluted if we issue additional shares. Your interest in our assets will also be diluted if the Operating Partnership issues additional units.

Holders of our common stock will not have preemptive rights to any shares we issue in the future. Our charter authorizes us to issue up to 3,100,000,000 shares of capital stock, of which 3,000,000,000 shares are classified as common stock, of which 500,000,000 shares are classified as Class T shares, 1,000,000,000 shares are classified as Class S shares, 500,000,000 shares are classified as Class D shares and 1,000,000,000 are classified as Class I shares, and 100,000,000 shares are classified as preferred stock. We have also issued shares in private offerings and Operating Partnership units to holders other than the Company, and expect to make more such issuances in the future. In addition, our board of directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of capital stock or the number of authorized shares of capital stock of any class or series without stockholder approval. After you purchase shares of our common stock in the Offering, our board of directors may elect, without stockholder approval, to: (1) sell additional shares in this or future public offerings; (2) issue shares of our common stock or units in our Operating Partnership in private offerings; (3) issue shares of our common stock or units in our Operating Partnership upon the exercise of the options we may grant to our independent directors or future employees; (4) issue shares of our common stock or units in our Operating Partnership to the Adviser or the Special Limited Partner, or their successors or assigns, in payment of an outstanding obligation to pay fees for services rendered to us or the performance participation allocation;

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(5) issue shares of our common stock or units in our Operating Partnership to sellers of properties we acquire, or (6) issue equity incentive compensation to certain employees of affiliated service providers or to third-parties as satisfaction of obligations under incentive compensation arrangements. To the extent we issue additional shares of common stock after your purchase in the Offering, your percentage ownership interest in us will be diluted. Because we hold all of our assets through the Operating Partnership, to the extent we issue additional units of our Operating Partnership after you purchase in the Offering, your percentage ownership interest in our assets will be diluted. Because certain classes of the units of our Operating Partnership may, in the discretion of our board of directors, be exchanged for shares of our common stock, any merger, exchange or conversion between our Operating Partnership and another entity ultimately could result in the issuance of a substantial number of shares of our common stock, thereby diluting the percentage ownership interest of other stockholders. Because of these and other reasons, our stockholders may experience substantial dilution in their percentage ownership of our shares or their interests in the underlying assets held by our Operating Partnership. Operating Partnership units may have different and preferential rights to the claims of common units of our Operating Partnership which correspond to the common stock held by our stockholders. Certain units in our Operating Partnership may have different and preferential rights to the terms of the common Operating Partnership units which correspond to the common stock held by our stockholders.

We are not required to comply with certain reporting requirements, including those relating to auditor's attestation reports on the effectiveness of our system of internal control over financial reporting, accounting standards and disclosure about our executive compensation, that apply to other public companies.

So long as our shares of common stock are not traded on a securities exchange, we will be deemed to be a "non-accelerated filer" under the Exchange Act, and as a non-accelerated filer, we will be exempt from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. In addition, so long as we are externally managed by the Adviser and we do not directly compensate our executive officers, or reimburse the Adviser or its affiliates for salaries, bonuses, benefits and severance payments for persons who also serve as one of our executive officers or as an executive officer of the Adviser, we do not have any executive compensation.

Our UPREIT structure may result in potential conflicts of interest with limited partners in our Operating Partnership whose interests may not be aligned with those of our stockholders.

Our directors and officers have duties to our corporation and our stockholders under Maryland law and our charter in connection with their management of the corporation. At the same time, we, as general partner, have fiduciary duties under Delaware law to our Operating Partnership and to the limited partners in connection with the management of our Operating Partnership. Our duties as general partner of our Operating Partnership and its partners may come into conflict with the duties of our directors and officers to the corporation and our stockholders. Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership's partnership agreement. The partnership agreement of our Operating Partnership provides that, for so long as we own a controlling interest in our Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the limited partners may be resolved in favor of our stockholders.

Additionally, the partnership agreement expressly limits our liability by providing that we and our officers, directors, agents and employees will not be liable or accountable to our Operating Partnership for losses sustained, liabilities incurred or benefits not derived if we or our officers, directors, agents or employees acted in good faith. In addition, our Operating Partnership is required to indemnify us and our officers, directors, employees, agents and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our Operating Partnership, unless it is established that: (1) the act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (2) the indemnified party received an improper personal benefit in money,

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property or services; or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful.

The provisions of Delaware law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict our fiduciary duties.

Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We intend to continue to conduct our operations so that neither we, nor our Operating Partnership nor the subsidiaries of our Operating Partnership are investment companies under the Investment Company Act of 1940, as amended (the "Investment Company Act"). However, there can be no assurance that we and our subsidiaries will be able to successfully avoid operating as an investment company.

A change in the value of any of our assets could negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To maintain compliance with the applicable exemption under the Investment Company Act, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

If we were required to register as an investment company but failed to do so, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan, which could materially adversely affect our NAV and our ability to pay distributions to our stockholders.

We depend on the Adviser to develop appropriate systems and procedures to control operational risk.

Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in our operations may cause us to suffer financial losses, the disruption of our business, liability to third parties, regulatory intervention or damage to our reputation. We depend on the Adviser and its affiliates to develop the appropriate systems and procedures to control operational risk. We rely heavily on our financial, accounting and other data processing systems. The ability of our systems to accommodate transactions could also constrain our ability to properly manage our portfolio. Generally, the Adviser will not be liable for losses incurred due to the occurrence of any such errors.

We are subject to the risk that our trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failure or human error. As a result, we could be unable to achieve the market position selected by the Adviser or might incur a loss in liquidating our positions. Since some of the markets in which we may effect transactions are over-the-counter or interdealer markets, the participants in such markets are typically not subject to credit evaluation or regulatory oversight comparable to that which members of exchange-based markets are subject. We are also exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions, thereby causing us to suffer a loss.

Cybersecurity risks could result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations.

Our operations are highly dependent on our information systems and technology and we rely heavily on our and Blackstone's financial, accounting, treasury, communications and other data processing systems. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks which may continue to increase in sophistication and frequency in the future. Attacks on Blackstone and its affiliates and their portfolio companies' and service providers' systems could involve, and in some instances have in the past involved, attempts that are intended to obtain unauthorized access to our proprietary information or personal identifying information of our stockholders, destroy data or disable, degrade or sabotage our systems, or divert or otherwise steal funds, including through the introduction of computer viruses and other malicious code.

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Our information and technology systems as well as those of Blackstone, its portfolio entities and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, "phishing" attempts and other forms of social engineering, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees, or third-party agents and consultants of the Company. There has been an increase in the frequency and sophistication of the cyber and security threats Blackstone faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target Blackstone because Blackstone holds a significant amount of confidential and sensitive information about its investors, its portfolio companies and potential investments. As a result, Blackstone may face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures Blackstone takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful.

If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to shareholders (and their beneficial owners) and material nonpublic information. Although Blackstone has implemented, and its portfolio entities and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Blackstone does not control the cyber security plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to Blackstone, its portfolio entities and us, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Blackstone's, its affiliates', their portfolio entities' or our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to shareholders, material nonpublic information and the intellectual property and trade secrets and other sensitive information in the possession of Blackstone and portfolio entities. We, Blackstone or a portfolio entity could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity and other events that may affect their business and financial performance.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, we could also suffer losses in connection with updates to, or the failure to timely update, our information systems and technology. In addition, we have become increasingly reliant on third-party service providers for certain aspects of our business, including for our administration, as well as for certain information systems and technology, including cloud-based services. These third-party service providers could also face ongoing cyber security threats and compromises of their systems and as a result, unauthorized individuals could gain access to certain confidential data.

Cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which Blackstone operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, as examples the General Data Protection Regulation in the European Union that went into effect in May 2018 and the California Consumer Privacy Act that went into effect in January 2020. Some jurisdictions have also enacted laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data. Breaches in security, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize Blackstone, its employees' or our investors' or counterparties' confidential, proprietary and other information processed and stored in, and transmitted through Blackstone's computer systems and networks, or otherwise cause interruptions or malfunctions in its, its employees', our investors', our counterparties' or third parties' business and operations, which could result in significant financial losses, increased costs, liability to our investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if Blackstone fails to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of breach in a timely manner, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and may cause our investors or Blackstone fund investors and clients to lose confidence in the effectiveness of our or Blackstone's security measures.

Furthermore, Blackstone's portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses.

Finally, Blackstone's technology, data and intellectual property and the technology, data and intellectual property of its portfolio companies are also subject to a heightened risk of theft or compromise to the extent Blackstone and its portfolio companies engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, Blackstone and its portfolio companies may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on such businesses.

General Risks Related to Investments in Real Estate

Our operating results will be affected by economic and regulatory changes that impact the real estate market in general.

We are subject to risks generally attributable to the ownership of real property, including:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- changes in supply of or demand for similar properties in a given market or metropolitan area, which could result in rising vacancy rates or decreasing market rental rates;
- vacancies, fluctuations in the average occupancy and room rates for hotel properties or inability to lease space on favorable terms;

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- increased competition for properties targeted by our investment strategy;
- bankruptcies, financial difficulties or lease defaults by our tenants, particularly for our tenants with net leases for large properties;
- increases in interest rates and lack of availability of financing; and
- changes in government rules, regulations and fiscal policies, including increases in property taxes, changes in zoning laws, limitations on rental rates, and increasing costs to comply with environmental laws.

All of these factors are beyond our control. Any negative changes in these factors could affect our performance and our ability to meet our obligations and make distributions to stockholders.

Our success is dependent on general market and economic conditions.

The real estate industry generally and the success of our investment activities in particular will both be affected by global and national economic and market conditions generally and by the local economic conditions where our properties are located. These factors may affect the level and volatility of real estate prices, which could impair our profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect our investment opportunities and the value of our investments. Blackstone's financial condition may be adversely affected by a significant economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Blackstone's businesses and operations (including the Adviser).

A depression, recession or slowdown in the U.S. real estate market or one or more regional real estate markets, and to a lesser extent, the global economy (or any particular segment thereof) would have a pronounced impact on us, the value of our assets and our profitability, impede the ability of our assets to perform under or refinance their existing obligations, and impair our ability to effectively deploy our capital or realize upon investments on favorable terms. We would also be affected by any overall weakening of, or disruptions in, the financial markets. Any of the foregoing events could result in substantial losses to our business, which losses will likely be exacerbated by the presence of leverage in our capital structure or our investments' capital structures.

Market disruptions in a single country could cause a worsening of conditions on a regional and even global level, and economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. For example, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. The occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Additionally, political leaders in the U.S. and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect our performance.

For example, as a result of the recent financial crisis, the availability of debt financing secured by commercial real estate had been significantly restricted as a result of tightened lending standards for a prolonged period. As a

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result of the uncertainties in the credit market, real estate investors were unable to obtain debt financing on attractive terms, which adversely affected investment returns on acquisitions or their ability to make acquisitions or property improvements. Any future financial market disruptions may force us to use a greater proportion of our offering proceeds to finance our acquisitions and fund property improvements, reducing the cash available to pay distributions or satisfy repurchase requests and reducing the number of acquisitions we would otherwise make.

Certain countries have been susceptible to epidemics, most recently Covid-19, which has been designated as a pandemic by the World Health Organization. The outbreak of such epidemics, together with the resulting restrictions on travel or quarantines imposed, have had a negative impact on the economy and business activity globally (including in the markets in which we invest), and thereby could adversely affect the performance of our investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. These epidemics could have particularly adverse impacts on certain industries, such as the hospitality and leisure industries, and may also have particular negative effects on certain regions in which we own investments.

We are subject to additional risks from our non-U.S. investments.

We have in the past and may in the future invest in real estate located outside of the United States and real estate debt issued in, and/or backed by real estate in, countries outside the United States, including Canada, Europe and potentially elsewhere. Non-U.S. real estate and real estate-related investments involve certain factors not typically associated with investing in real estate and real estate-related investments in the U.S., including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which such investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iii) differences between U.S. and non-U.S. real estate markets, including potential price volatility in and relative illiquidity of some non-U.S. markets; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (v) certain economic, social and political risks, including potential exchange-control regulations, potential restrictions on non-U.S. investment and repatriation of capital, the risks associated with political, economic or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, and adverse economic and political developments; (vi) the possible imposition of non-U.S. taxes on income and gains and gross sales or other proceeds recognized with respect to such investments; (vii) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (viii) different laws and regulations including differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (ix) political hostility to investments by foreign investors; and (x) less publicly available information. Furthermore, while we may have the capacity, but not the obligation, to mitigate such additional risks, including through the utilization of certain foreign exchange hedging instruments, there is no guarantee that we will be successful in mitigating such risks and in turn may introduce additional risks and expenses linked to such efforts.

Our portfolio is currently concentrated in certain industries and geographies and may in the future be concentrated in a limited number of industries, geographies or investments.

Our portfolio may be heavily concentrated at any time in only a limited number of industries, geographies or investments, and, as a consequence, our aggregate return may be substantially affected by the unfavorable performance of even a single investment. Currently, our portfolio is heavily concentrated in multifamily and industrial assets and geographically concentrated in the southern and western regions of the U.S., and in

particular Las Vegas, Nevada. Concentration of our investments in a particular type of asset or geography, our portfolio makes us more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular type of asset or geography. Our concentration in Las Vegas exposes us to risks related to the economic health and other factors unique to that city, which is in turn largely reliant on the gaming and tourist industries. See “—Our investments in real estate associated with gaming facilities will be impacted by the risks associated with the gaming industry.” For investments that the Adviser intends to finance (directly or by selling assets), there is a risk that such financing may not be completed, which could result in us holding a larger percentage of our assets in a single investment and asset type than desired. Investors have no assurance as to the degree of diversification in our investments, either by geographic region or asset type.

We may change our investment and operational policies without stockholder consent.

Except for changes to the investment restrictions contained in our charter, which require stockholder consent to amend, we may change our investment and operational policies, including our policies with respect to investments, operations, indebtedness, capitalization and distributions, at any time without the consent of our stockholders, which could result in our making investments that are different from, and possibly riskier or more highly leveraged than, the types of investments described in the Prospectus. Our board of directors also approved very broad investment guidelines with which we must comply, but these guidelines provide the Adviser with broad discretion and can be changed by our board of directors. A change in our investment strategy may, among other things, increase our exposure to real estate market fluctuations, default risk and interest rate risk, all of which could materially affect our results of operations and financial condition.

We may have difficulty selling our properties, which may limit our flexibility and ability to pay distributions.

Because real estate investments are relatively illiquid, it could be difficult for us to promptly sell one or more of our properties on favorable terms. Additionally, we have in the past and may in the future agree to lock-out or other provisions when we acquire a property that materially restrict us from selling such property or our interest in such property for a period of time. This may limit our ability to change our portfolio quickly in response to adverse changes in the performance of any such property or economic or market trends. In addition, U.S. federal tax laws that impose a 100% excise tax on gains from sales of dealer property by a REIT (generally, property held for sale, rather than investment) could limit our ability to sell properties and may affect our ability to sell properties without adversely affecting returns to our stockholders. These restrictions could adversely affect our results of operations and financial condition.

We face risks associated with property acquisitions.

We acquire properties and portfolios of properties, including large portfolios that could result in changes to our capital structure. Our acquisition activities and their success are subject to the following risks:

- we may be unable to complete an acquisition after making a non-refundable deposit or guarantee and incurring certain other acquisition-related costs;
- we may be unable to obtain financing for acquisitions on commercially reasonable terms or at all;
- acquired properties may fail to perform as expected;
- acquired properties may be located in new markets in which we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures; and
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations.

In addition, while we will invest primarily in stabilized income-generating real estate, we may also acquire assets that require some amount of capital investment in order to be renovated or repositioned. These investments are

generally subject to higher risk of loss than investments in stabilized real estate and there is no guarantee that any renovation or repositioning will be successful, or that the actual costs will not be greater than our estimates.

The sale and disposition of real properties carry certain litigation risks at the property level that may reduce our profitability and the return on your investment.

The acquisition, ownership and disposition of real properties carry certain specific litigation risks. Litigation may be commenced with respect to a property acquired by us in relation to activities that took place prior to our acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made, if such buyer is passed over in favor of another as part of our efforts to maximize sale proceeds. Similarly, successful buyers may later sue us under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

Competition for investment opportunities may reduce our profitability and the return on your investment.

We face competition from various entities for investment opportunities in properties, including other REITs, real estate operating companies, pension funds, insurance companies, investment funds and companies, partnerships and developers. In addition to third-party competitors, other programs sponsored by the Adviser and its affiliates, particularly those with investment strategies that overlap with ours, may seek investment opportunities in accordance with Blackstone's prevailing policies and procedures. Some of these entities may have greater access to capital to acquire properties than we have. Competition from these entities may reduce the number of suitable investment opportunities offered to us or increase the bargaining power of property owners seeking to sell. Additionally, disruptions and dislocations in the credit markets could have a material impact on the cost and availability of debt to finance real estate acquisitions, which is a key component of our acquisition strategy. The lack of available debt on reasonable terms or at all could result in a further reduction of suitable investment opportunities and create a competitive advantage for other entities that have greater financial resources than we do. In addition, over the past several years, a number of real estate funds and publicly traded and non-traded REITs have been formed and others have been consolidated (and many such existing funds have grown in size) for the purpose of investing in real estate and/or real estate-related assets. Additional real estate funds, vehicles and REITs with similar investment objectives are expected to be formed in the future by other unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). Consequently, it is expected that competition for appropriate investment opportunities would reduce the number of investment opportunities available to us and adversely affect the terms, including price, upon which investments can be made. This competition may cause us to acquire properties and other investments at higher prices or by using less-than-ideal capital structures, and in such case our returns will be lower and the value of our assets may not appreciate or may decrease significantly below the amount we paid for such assets. If such events occur, you may experience a lower return on your investment.

We may make a substantial amount of joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.

We have made joint venture investments with third parties and we may, subject to the requirements in our charter, continue to co-invest in the future with Blackstone affiliates or third parties in partnerships or other entities that own real properties. We have entered into, and expect to continue to enter into, joint ventures as part of an acquisition with the seller of the properties. We may acquire non-controlling interests in joint ventures. Even if we have some control in a joint venture, we would not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were another party not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their required capital contributions. Joint venture partners may have economic or

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other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the joint venture partner would have full control over the joint venture. Disputes between us and joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with joint venture partners might result in subjecting properties owned by the joint venture to additional risk. In some cases, our joint venture partner may be entitled to property management fees, promote or other incentive fee payments as part of the arrangement of the joint venture. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

In addition, in connection with any investments in which we participate alongside any Other Blackstone Accounts, the Adviser may decline to exercise, or delegate to a third party, certain control, foreclosure and similar governance rights relating to such shared investments for legal, tax, regulatory or other reasons. There is no guarantee that we will be able to co-invest with any Other Blackstone Account. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts.

If we have a right of first refusal to buy out a joint venture partner, we may be unable to finance such a buy-out if it becomes exercisable or we are required to purchase such interest at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to elect to purchase an interest of a joint venture partner subject to the buy/sell right, in which case we may be forced to sell our interest as the result of the exercise of such right when we would otherwise prefer to keep our interest. In some joint ventures we may be obligated to buy all or a portion of our joint venture partner's interest in connection with a crystallization event, and we may be unable to finance such a buy-out when such crystallization event occurs, which may result in interest or other penalties accruing on the purchase price. If we buy our joint venture partner's interest we will have increased exposure in the underlying investment. The price we use to buy our joint venture partner's interest or sell our interest is typically determined by negotiations between us and our joint venture partner and there is no assurance that such price will be representative of the value of the underlying property or equal to our then-current valuation of our interest in the joint venture that is used to calculate our NAV. Finally, we may not be able to sell our interest in a joint venture if we desire to exit the venture for any reason or if our interest is likewise subject to a right of first refusal of our joint venture partner, our ability to sell such interest may be adversely impacted by such right. Joint ownership arrangements with Blackstone affiliates may also entail further conflicts of interest. Joint venture partners may receive ongoing fees in connection with providing service to the joint venture or its properties, including promote fees, beyond their equity investment, which would reduce the amount of our economic interest.

Some additional risks and conflicts related to our joint venture investments (including joint venture investments with Blackstone affiliates) include:

- the joint venture partner may have economic or other interests that are inconsistent with our interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such joint venture;
- our joint venture partners may receive ongoing fees from our joint ventures, including promote payments and potential buyouts of their equity investments, all of which may reduce amounts otherwise payable to us;
- tax, Investment Company Act and other regulatory requirements applicable to the joint venture partner may cause it to want to take actions contrary to our interests;
- the joint venture partner may have joint control of the joint venture even in cases where its economic stake in the joint venture is significantly less than ours;

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- under the joint venture arrangement, neither we nor the joint venture partner will be in a position to unilaterally control the joint venture, and deadlocks may occur. Such deadlocks could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or disposition. In addition, depending on the governance structure of such joint venture partner, decisions of such vehicle may be subject to approval by individuals who are independent of Blackstone;
- under the joint venture arrangement, we and the joint venture partner may have a buy/sell right and, as a result of an impasse that triggers the exercise of such right, we may be forced to sell our investment in the joint venture, or buy the joint venture partner's share of the joint venture at a time when it would not otherwise be in our best interest to do so; and
- our participation in investments in which a joint venture partner participates will be less than what our participation would have been had such joint venture partner not participated, and because there may be no limit on the amount of capital that such joint venture partner can raise, the degree of our participation in such investments may decrease over time.

Furthermore, we may have conflicting fiduciary obligations if we acquire properties with our affiliates or other related entities; as a result, in any such transaction we may not have the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

"Other Blackstone Accounts" means investment funds, REITs, vehicles, accounts, products and/or other similar arrangements sponsored, advised, and/or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over-flow funds, co-investment vehicles and other entities formed in connection with Blackstone or its affiliates side-by-side or additional general partner investments with respect thereto).

Acquiring or attempting to acquire multiple properties in a single transaction may adversely affect our operations.

We have in the past and may in the future acquire multiple properties in a single transaction. Portfolio acquisitions typically are more complex and expensive than single-property acquisitions, and the risk that a multiple-property acquisition does not close may be greater than in a single-property acquisition. Portfolio acquisitions may also result in us owning investments in geographically dispersed markets, placing additional demands on the Adviser in managing the properties in the portfolio. In addition, a seller may require that a group of properties be purchased as a package and/or also include certain additional investments or transactions even though, were it not part of the overall transaction, we may not want to purchase one or more properties included in such portfolio or participate in additional investments or transactions. In these situations, if we are unable to identify another person or entity to acquire the unwanted properties or investments, or if the seller imposes a lock-out period or other restriction on a subsequent sale, we may be required to operate such properties or attempt to dispose of such properties or investments (if not subject to a lock-out period). We may also share the acquisition of large portfolios of properties with our affiliates, which can result in conflicts of interest, including as to the allocation of properties within the portfolio and the prices attributable to such properties. See "Risks Related to Conflicts of Interest—We may invest in joint ventures with Other Blackstone Accounts or divide a pool of investments among us and Other Blackstone Accounts." It may also be difficult for the Adviser to fully analyze each property in a large portfolio, increasing the risk that properties do not perform as anticipated. We also may be required to accumulate a large amount of cash to fund such acquisitions. We would expect the returns that we earn on such cash to be less than the returns on investments in real property. Therefore, acquiring multiple properties in a single transaction may reduce the overall yield on our portfolio.

In the event we obtain options to acquire properties, we may lose the amount paid for such options whether or not the underlying property is purchased.

We may obtain options to acquire certain properties. The amount paid for an option, if any, is normally surrendered if the property is not purchased and may or may not be credited against the purchase price if the property is purchased. Any unreturned option payments will reduce the amount of cash available for further investments or distributions to our stockholders.

In our due diligence review of potential investments, we may rely on third-party consultants and advisors and representations made by sellers of potential portfolio properties, and we may not identify all relevant facts that may be necessary or helpful in evaluating potential investments.

Before making investments, due diligence will typically be conducted in a manner that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, appraisers, accountants, investment banks and other third parties, including affiliates of the Adviser or Blackstone, may be involved in the due diligence process to varying degrees depending on the type of investment, the costs of which will be borne by us. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Adviser's reduced control of the functions that are outsourced. Where affiliates of Blackstone are utilized, the Adviser's management fee will not be offset for the fees paid or expenses reimbursed to such affiliates. In addition, if the Adviser is unable to timely engage third-party providers, the ability to evaluate and acquire more complex targets could be adversely affected. In the due diligence process and making an assessment regarding a potential investment, the Adviser will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, particularly for large portfolio investments. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments, including pursuant to risk management procedures described in the Prospectus, will achieve their desired effect and potential investors should regard an investment in us as being speculative and having a high degree of risk.

There can be no assurance that the Adviser will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices or material misstatements or omissions during the due diligence phase or during our efforts to monitor and disclose information about the investment on an ongoing basis or that any risk management procedures implemented by us will be adequate.

When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources available to it, including information provided or reported by the seller of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at the portfolio property, even activities that occurred prior to our investment therein, could have an adverse impact on us.

In the event of fraud by the seller of any portfolio property, we may suffer a partial or total loss of capital invested in that property. An additional concern is the possibility of material misrepresentation or omission on the part of the seller. Such inaccuracy or incompleteness may adversely affect the value of our investments in such portfolio property. We will rely upon the accuracy and completeness of representations made by sellers of portfolio properties in the due diligence process to the extent reasonable when we make our investments, but cannot guarantee such accuracy or completeness.

In addition, we rely on information, including financial information and non-GAAP metrics, provided by sellers of our investments for disclosure to our investors about potential acquisitions or current assets owned by us.

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Accordingly, although we believe such information to be accurate, such information cannot be independently verified by the Adviser, and in some cases such information has not been independently reviewed or audited while under our ownership or control or at all. We cannot assure you that the financial statements or metrics of properties we have acquired or will acquire would not be materially different if such statements or metrics had been independently audited or reviewed.

Consultants, legal advisors, appraisers, accountants, investment banks and other third parties may be involved in the due diligence process and/or the ongoing operation of our portfolio properties to varying degrees depending on the type of investment. For example, certain asset management and finance functions, such as data entry relating to a portfolio property, may be outsourced to a third-party service provider whose fees and expenses will be borne by such portfolio property or us. Such involvement of third party advisors or consultants may present a number of risks primarily relating to our reduced control of the functions that are outsourced.

The exit by the United Kingdom (“U.K.”) from the E.U. could adversely affect us.

The U.K. and E.U. agreed the text of a withdrawal agreement on October 17, 2019 to enable the U.K. to leave the E.U. on 31 January, 2020 with an implementation period lasting until at least December 31, 2020. This agreement was subsequently ratified by the U.K. government on January 23, 2020 and the European Parliament on January 29, 2020, and the U.K. formally left the E.U. on January 31, 2020. During the implementation period, E.U. law continues to apply in the U.K. and the U.K. maintains its E.U. single market access rights (including passport rights) and E.U. customs union membership. The U.K. government has stated its intention that the implementation period will last only until December 31, 2020.

Even though a withdrawal agreement has been ratified and an implementation period has been secured, U.K. regulated firms and other U.K. businesses could still be adversely affected by the terms ultimately agreed for a future trading relationship with the E.U. A tariff or non-tariff barrier, customs checks, the inability to provide cross-border services, changes in withholding tax, restrictions on movements of employees, restrictions on the transfer of personal data, etc., all have the potential to materially impair the profitability of a business, require it to adapt, or even relocate.

In the event that the implementation period expires without any agreement being made for a future trading relationship between the U.K. and the E.U., the U.K. will become a third country vis-à-vis the E.U. As a third country, the U.K. will cease to have access to the single market and will no longer be a member of the E.U. customs union. The cross-border trade in goods between the U.K. and E.U. member states will, in such circumstances, depend on any multilateral trade agreements to which both the E.U. and the U.K. are parties (such as those administered by the World Trade Organization) and the provision of services by U.K. firms will be generally restricted to those that could be provided by firms established in any third country.

Without assurance as to whether any future trading relationship between the U.K. and the E.U. will be agreed, and as to the terms of any such relationship, many businesses may be unable to postpone executing their contingency plans. Contingency planning for some businesses involves re-establishing the business in another member state, moving personnel and, if applicable, seeking authorization from the local regulator – all of which are costly and disruptive.

Although it is probable that any adverse effects of the U.K.’s withdrawal from the E.U. will principally affect the U.K. (and those having an economic interest in, or connected to, the U.K.), given the size and global significance of the U.K.’s economy, unpredictability about the terms of its withdrawal and its future legal, political and/or economic relationships with Europe is likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the U.K. from the E.U. could therefore adversely affect our business, business opportunities, results of operations, financial conditions and cash flows. In addition, although it seems less likely

now than at the time of Britain's referendum, the withdrawal of the U.K. from the E.U. could have a further destabilizing effect if any other member states were to consider withdrawing from the E.U., presenting similar and/or additional potential risks and consequences to our business and financial results.

We rely on property managers to operate our properties and leasing agents to lease vacancies in our properties.

The Adviser hires property managers to manage our properties and leasing agents to lease vacancies in our properties. These property managers may be our affiliates or partners in joint ventures that we enter into. The property managers have significant decision-making authority with respect to the management of our properties. We are particularly dependent on property managers of any hospitality and leisure properties we invest in. Our ability to direct and control how our properties are managed on a day-to-day basis may be limited because we engage other parties to perform this function. Thus, the success of our business may depend in large part on the ability of our property managers to manage the day-to-day operations and the ability of our leasing agents to lease vacancies in our properties. Any adversity experienced by, or problems in our relationship with, our property managers or leasing agents could adversely impact the operation and profitability of our properties.

We depend on tenants for our revenue, and therefore our revenue is dependent on the success and economic viability of our tenants. Our reliance on single or significant tenants in certain buildings may decrease our ability to lease vacated space and could adversely affect our income, performance, operations and ability to pay distributions.

Rental income from real property, directly or indirectly, constitutes a significant portion of our income. Delays in collecting accounts receivable from tenants could adversely affect our cash flows and financial condition. In addition, the inability of a single major tenant or a number of smaller tenants to meet their rental obligations would adversely affect our income. Therefore, our financial success is indirectly dependent on the success of the businesses operated by the tenants in our properties or in the properties securing debts we may own. The weakening of the financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants and vacancies caused by defaults of tenants or the expiration of leases may adversely affect our operations, performance and our ability to pay distributions.

Generally, under U.S. bankruptcy law, a debtor tenant has 120 days to exercise the option of assuming or rejecting the obligations under any unexpired lease for nonresidential real property, which period may be extended once by the bankruptcy court for an additional 90 days. If the tenant assumes its lease, the tenant must cure all defaults under the lease and may be required to provide adequate assurance of its future performance under the lease. If the tenant rejects the lease, we will have a claim against the tenant's bankruptcy estate. Although rent owing for the period between filing for bankruptcy and rejection of the lease may be afforded administrative expense priority and paid in full, pre-bankruptcy arrears and amounts owing under the remaining term of the lease will be afforded general unsecured claim status (absent collateral securing the claim). Moreover, amounts owing under the remaining term of the lease will be capped. Other than equity and subordinated claims, general unsecured claims are the last claims paid in a bankruptcy and therefore funds may not be available to pay such claims in full.

Some of our properties may be leased to a single or significant tenant and, accordingly, may be suited to the particular or unique needs of such tenant. We may have difficulty replacing such a tenant if the floor plan of the vacant space limits the types of businesses that can use the space without major renovation. In addition, the resale value of the property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

For example, we are dependent on a subsidiary of MGM Resorts International ("MGM") as the sole tenant of The Bellagio Las Vegas as well as the MGM Grand Las Vegas and Mandalay Bay. The rental revenue we are entitled to receive from MGM comprises a sizeable portion of our overall revenue and therefore risks related to

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MGM's financial condition will expose us to risk, including adverse impacts to MGM's business as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, negative developments in the economy or political climate that depress travel activity, or other factors that may impact MGM's operations or the operation of these properties. As a result, MGM has been, and may in the future be, required to suspend operations at these properties for what could be an extended period of time. Additionally, while these properties are currently suited to MGM's needs, should MGM default under any of these leases, we may have difficulty finding a replacement tenant, any replacement tenant may not be of the same quality as MGM, the terms of any new lease may be less favorable than the terms of the current lease, or we may be required to incur significant expense to modify the properties to suit a new tenant.

Similarly, certain of our other properties, including certain industrial warehouses and student housing properties, are leased out to single tenants or tenants that are otherwise reliant on a single enterprise to remain in business and our hotel properties are generally operated by a single operator. Adverse impacts to such tenants, businesses or operators, including as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, political events or other factors that may impact the operation of these properties, may have negative effects on our business and financial results. As a result, such tenants or operators have been, and may in the future be, required to suspend operations at our properties for what could be an extended period of time. Further, if such tenants default under their leases or such operators are unable to operate our properties, we may not be able to promptly enter into a new lease or operating arrangement for such properties, rental rates or other terms under any new leases or operating arrangements may be less favorable than the terms of the current lease or operating arrangement or we may be required to make capital improvements to such properties for a new tenant or operator, any of which could adversely impact our operating results.

We may be unable to renew leases as leases expire.

We may not be able to lease properties that are vacant or become vacant because a tenant decides not to renew its lease or by the continued default of a tenant under its lease. In addition, certain of the properties we acquire may have some level of vacancy at the time of acquisition. Certain other properties may be specifically suited to the particular needs of a tenant and may become vacant after we acquire them. Even if a tenant renews its lease or we enter into a lease with a new tenant, the terms of the new lease may be less favorable than the terms of the old lease. In addition, the resale value of the property could be diminished because the market value may depend principally upon the value of the property's leases. If we are unable to promptly renew or enter into new leases, or if the rental rates are lower than expected, our results of operations and financial condition will be adversely affected. For example, following the termination or expiration of a tenant's lease there may be a period of time before we will begin receiving rental payments under a replacement lease. During that period, we will continue to bear fixed expenses such as interest, real estate taxes, maintenance, security, repairs and other operating expenses. In addition, declining economic conditions may impair our ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require us to make capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that we undertake may divert cash that would otherwise be available for distributions or for satisfying repurchase requests. Ultimately, to the extent that we are unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact our operating results.

We may be required to expend funds to correct defects or to make improvements before a tenant can be found for a property at an attractive lease rate or an investment in a property can be sold. No assurance can be given that we will have funds available to correct those defects or to make those improvements. In acquiring a property, we may agree to lock-out provisions that materially restrict us from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede our ability to respond to adverse changes in the performance of our properties could significantly affect our financial condition and operating results.

Leases with retail properties' tenants may restrict us from re-leasing space.

Most leases with retail tenants contain provisions giving the particular tenant the exclusive right to sell particular types of merchandise or provide specific types of services within the particular retail center. These provisions may limit the number and types of prospective tenants interested in leasing space in a particular retail property.

Our properties face significant competition.

We face significant competition from owners, operators and developers of properties. Substantially all of our properties will face competition from similar properties in the same market. This competition may affect our ability to attract and retain tenants and may reduce the rents we are able to charge. These competing properties may have vacancy rates higher than our properties, which may result in their owners being willing to lease available space at lower prices than the space in our properties. If one of our properties were to lose an anchor tenant, this could impact the leases of other tenants, who may be able to modify or terminate their leases as a result.

Our properties may be leased at below-market rates under long-term leases.

We may seek to negotiate longer-term leases to reduce the cash flow volatility associated with lease rollovers, provided that contractual rent increases are generally included. In addition, where appropriate, we will seek leases that provide for operating expenses, or expense increases, to be paid by the tenants. These leases may allow tenants to renew the lease with pre-defined rate increases. If we do not accurately judge the potential for increases in market rental rates, or if our negotiated increases provide for a discount to then-current market rental rates (in exchange for lower volatility), we may set the rental rates of these long-term leases at levels such that even after contractual rental increases, the resulting rental rates are less than then-current market rental rates. Further, we may be unable to terminate those leases or adjust the rent to then-prevailing market rates. As a result, our income and distributions to our stockholders could be lower than if we did not enter into long-term leases.

We depend on the availability of public utilities and services, especially for water and electric power. Any reduction, interruption or cancellation of these services may adversely affect us.

Public utilities, especially those that provide water and electric power, are fundamental for the sound operation of our assets. The delayed delivery or any material reduction or prolonged interruption of these services could allow tenants to terminate their leases or result in an increase in our costs, as we may be forced to use backup generators or other replacements for the reduced or interrupted utilities, which also could be insufficient to fully operate our facilities and could result in our inability to provide services.

We may experience material losses or damage related to our properties and such losses may not be covered by insurance.

We may experience material losses related to our properties arising from natural disasters and acts of God, vandalism or other crime, faulty construction or accidents, fire, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, acts of terrorism or other catastrophes. We plan to carry insurance covering our properties under policies the Adviser deems appropriate. The Adviser will select policy specifications and insured limits that it believes to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Insurance policies on our properties may include some coverage for losses that are generally catastrophic in nature, such as losses due to terrorism, earthquakes and floods, but we cannot assure you that it will be adequate to cover all losses and some of our policies will be insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. In general, losses related to terrorism are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism, in others the coverage against terrorist acts is limited, or available only for a significant price. A similar dynamic has been unfolding with respect to certain weather and fire events. As a

result, not all investments may be insured against terrorism, weather or fire. If we or one or more of our tenants experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. Certain of these events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting us or the Adviser.

We could become subject to liability for environmental violations, regardless of whether we caused such violations.

We could become subject to liability in the form of fines or damages for noncompliance with environmental laws and regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid hazardous materials, the remediation of contaminated property associated with the disposal of solid and hazardous materials and other health and safety-related concerns. Some of these laws and regulations may impose joint and several liability on tenants, owners or managers for the costs of investigation or remediation of contaminated properties, regardless of fault or the legality of the original disposal. Under various federal, state and local environmental laws, ordinances, and regulations, a current or former owner or manager of real property may be liable for the cost to remove or remediate hazardous or toxic substances, wastes, or petroleum products on, under, from, or in such property. These costs could be substantial and liability under these laws may attach whether or not the owner or manager knew of, or was responsible for, the presence of such contamination. Even if more than one person may have been responsible for the contamination, each liable party may be held entirely responsible for all of the clean-up costs incurred.

In addition, third parties may sue the owner or manager of a property for damages based on personal injury, natural resources, or property damage and/or for other costs, including investigation and clean-up costs, resulting from the environmental contamination.

The presence of contamination on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. In addition, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which the property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants. There can be no assurance that future laws, ordinances or regulations will not impose any material environmental liability, or that the environmental condition of our properties will not be affected by the operations of the tenants, by the existing condition of the land, by operations in the vicinity of the properties. There can be no assurance that these laws, or changes in these laws, will not have a material adverse effect on our business, results of operations or financial condition. We could also suffer losses if reserves or insurance proceeds prove inadequate to cover any such matters. The cost to perform any remediation, and the cost to defend against any related claims, could exceed the value of the relevant investment, and in such cases we could be forced to satisfy the claims from other assets and investments. We may have an indemnity from a third-party purporting to cover these liabilities, but there can be no assurance as to the financial viability of any indemnifying party at the time a claim arises. In addition, some environmental laws create a lien on a contaminated asset in favor of governments or government agencies for costs they may incur in connection with the contamination.

Our costs associated with complying with the Americans with Disabilities Act of 1990 (the "ADA") may affect cash available for distributions.

Any domestic properties we acquire will generally be subject to the ADA. Under the ADA, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities" that

generally require that buildings and services be made accessible and available to people with disabilities. The ADA's requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties or, in some cases, an award of damages. We may not acquire properties that comply with the ADA or we may not be able to allocate the burden on the seller or other third-party, such as a tenant, to ensure compliance with the ADA in all cases.

Our properties are, and any properties we acquire in the future will be, subject to property taxes that may increase in the future, which could adversely affect our cash flow.

Our properties are, and any properties we acquire in the future will be, subject to real and personal property taxes that may increase as property tax rates change and as the properties are assessed or reassessed by taxing authorities. Some of our leases may provide that the property taxes, or increases therein, are charged to the lessees as an expense related to the properties that they occupy. As the owner of the properties, however, we are ultimately responsible for payment of the taxes to the government. If property taxes increase, our tenants may be unable (or not obligated) to make the required tax payments, ultimately requiring us to pay the taxes. In addition, we are generally responsible for property taxes related to any vacant space. If we purchase residential properties, the leases for such properties typically will not allow us to pass through real estate taxes and other taxes to residents of such properties. Consequently, any tax increases may adversely affect our results of operations at such properties.

Certain of our investments are in the form of ground leases, which provide limited rights to the underlying property.

We hold and may in the future invest from time to time in real properties that are subject to ground leases. As a lessee under a ground lease, we may be exposed to the possibility of losing the property upon termination, or an earlier breach by us, of the ground lease, which may adversely impact our investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, we will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

Certain of our industrial properties may be special use and/or build-to-suit and may be difficult to sell or relet upon tenant defaults or lease terminations.

Certain of our industrial properties may include special use and/or build-to-suit properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets and this illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. With such properties, if the current lease is terminated or not renewed, we may be required to renovate the property or to make rent concessions in order to lease the property to another tenant, finance the property or sell the property. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect our ability to sell or relet our industrial properties and adversely affect our results of operations at such properties.

Certain properties may require permits or licenses.

A license, approval or permit may be required to acquire certain investments and their direct or indirect holding companies (or registration may be required before an acquisition can be completed). There can be no guarantee of when and if such a license, approval or permit will be obtained or if the registration will be effected.

Certain properties may require an expedited transaction, which may result in limited information being available about the property prior to its acquisition.

Investment analyses and decisions by the Adviser may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time of making an investment decision may be limited, and the Adviser may not have access to detailed information regarding the investment property or portfolio of properties, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting such investment. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that may adversely affect an investment, and we may make investments which we would not have made if more extensive due diligence had been undertaken. Because large portfolios of properties still generally require diligence to analyze individual properties, these risks are exacerbated in expedited transactions of large portfolios. In addition, the Adviser may use consultants, legal advisors, appraisers, accountants, investment banks and other third parties in connection with its evaluation and/or diligence of certain investments. No assurance can be given as to the accuracy or completeness of the information provided by such third parties, and we may incur liability as a result of such third parties' actions.

We face risks in effecting operating improvements.

In some cases, the success of an investment will depend, in part, on our ability to restructure and effect improvements in the operations of a property. The activity of identifying and implementing restructuring programs and operating improvements at property entails a high degree of uncertainty. There can be no assurance that we will be able to successfully identify and implement such restructuring programs and improvements.

We face legal risks when making investments.

Investments are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments. In addition, it is not uncommon for investments to be exposed to a variety of other legal risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action and legal action from special interest groups.

Our industrial tenants may be adversely affected by a decline in manufacturing activity in the United States.

Fluctuations in manufacturing activity in the United States may adversely affect our industrial tenants and therefore the demand for and profitability of our industrial properties. Trade agreements with foreign countries have given employers the option to utilize less expensive foreign manufacturing workers. Outsourcing manufacturing activities could reduce the demand for U.S. workers, thereby reducing the profitability of our industrial tenants and the demand for and profitability of our industrial properties.

We could be negatively impacted by the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing.

Fannie Mae and Freddie Mac are a major source of financing for multifamily real estate in the United States. We expect to utilize loan programs sponsored by these entities as a key source of capital to finance our growth and our operations. In September 2008, the U.S. government increased its control of Fannie Mae and Freddie Mac and placed both companies into a government conservatorship under the Federal Housing Finance Agency. In December 2009, the U.S. Treasury increased its financial support for these conservatorships. In February 2011, the Obama administration released its blueprint for winding down Fannie Mae and Freddie Mac and for reforming the system of housing finance. Since that time, members of Congress have introduced and Congressional committees have considered a substantial number of bills that include comprehensive or incremental approaches to winding down Fannie Mae and Freddie Mac or changing their purposes, businesses or operations. A decision by the U.S. government to eliminate or downscale Fannie Mae or Freddie Mac or to

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reduce government support for multifamily housing more generally may adversely affect interest rates, capital availability, development of multifamily communities and the value of multifamily assets and, as a result, may adversely affect our future growth and operations. Any potential reduction in loans, guarantees and credit-enhancement arrangements from Fannie Mae and Freddie Mac could jeopardize the effectiveness of the multifamily sector's derivative securities market, potentially causing breaches in loan covenants, and through reduced loan availability, impact the value of multifamily assets, which could impair the value of a significant portion of multifamily communities. Specifically, the potential for a decrease in liquidity made available to the multifamily sector by Fannie Mae and Freddie Mac could:

- make it more difficult for us to secure new takeout financing for any multifamily development projects we acquire;
- hinder our ability to refinance any completed multifamily assets;
- decrease the amount of available liquidity and credit that could be used to broaden our portfolio through the acquisition of multifamily assets; and
- require us to obtain other sources of debt capital with potentially different terms.

Short-term leases expose us to the effects of declining market rent and could adversely impact our ability to make cash distributions to you.

Substantially all of our multifamily leases are on a short-term basis. Because these leases generally permit the residents to leave at the end of the lease term without penalty, our rental revenues would be impacted by declines in market rents more quickly than if our leases were for longer terms.

Increased levels of unemployment could adversely affect the occupancy and rental rates of any multifamily residential properties we acquire.

Increased levels of unemployment in multifamily markets could significantly decrease occupancy and rental rates. In times of increasing unemployment, multifamily occupancy and rental rates have historically been adversely affected by:

- oversupply or reduced demand for apartment homes;
- rental residents deciding to share rental units and therefore rent fewer units;
- potential residents moving back into family homes or delaying leaving family homes;
- a reduced demand for higher-rent units;
- a decline in household formation;
- persons enrolled in college delaying leaving college or choosing to proceed to or return to graduate school in the absence of available employment;
- rent control or rent stabilization laws, or other laws regulating housing, that could prevent us from raising rents sufficiently to offset increases in operating costs;
- the inability or unwillingness of residents to pay rent increases; and
- increased collection losses.

These factors generally have contributed to lower rental rates. To the extent that we invest in any multifamily residential properties, our results of operations, financial condition and ability to make distributions to you may be adversely affected if these factors do not improve or worsen.

If any credit market disruptions or economic slowdowns occur, any investments in multifamily residential properties may face increased competition from single-family homes and condominiums for rent, which could limit our ability to retain residents, lease apartment units or increase or maintain rents.

Any multifamily communities in which we invest may compete with numerous housing alternatives in attracting residents, including single-family homes and condominiums available for rent. Such competitive housing alternatives may become more prevalent in a particular area in the event of any tightening of mortgage lending underwriting criteria, homeowner foreclosures, declines in single-family home and condominium sales or lack of available credit. The number of single-family homes and condominiums for rent in a particular area could limit our ability to retain residents, lease apartment units or increase or maintain rents.

The multifamily residential properties in which we invest must comply with the Fair Housing Amendment of 1988.

The multifamily residential properties in which we invest domestically, if any, must comply with the Fair Housing Amendment Act of 1988 (“FHAA”) which requires that multifamily communities first occupied after March 13, 1991 be accessible to handicapped residents and visitors. Compliance with the FHAA could require removal of structural barriers to handicapped access in a community, including the interiors of apartment units covered under the FHAA. Recently there has been heightened scrutiny of multifamily housing communities for compliance with the requirements of the FHAA and the ADA and an increasing number of substantial enforcement actions and private lawsuits have been brought against multifamily communities to ensure compliance with these requirements. Noncompliance with the FHAA and the ADA could result in the imposition of fines, awards of damages to private litigants, payment of attorneys’ fees and other costs to plaintiffs, substantial litigation costs and substantial costs of remediation.

The impacts of climate-related initiatives at the U.S. federal and state levels remain uncertain at this time but could result in increased operating costs.

Government authorities and various interest groups are promoting laws and regulations that could limit greenhouse gas, or GHG, emissions due to concerns over contributions to climate change. The United States Environmental Protection Agency, or EPA, has moved to regulate GHG emissions from large stationary sources, including electricity producers, and mobile sources, through fuel efficiency and other requirements, using its existing authority under the Clean Air Act. Moreover, certain state and regional programs are being implemented to require reductions in GHG emissions. Any additional taxation or regulation of energy use, including as a result of (i) the regulations that EPA has proposed or may propose in the future, (ii) state programs and regulations, or (iii) renewed GHG legislative efforts by future Congresses, could result in increased operating costs that we may not be able to effectively pass on to our tenants. In addition, any increased regulation of GHG emissions could impose substantial costs on our industrial tenants. These costs include, for example, an increase in the cost of the fuel and other energy purchased by our industrial tenants and capital costs associated with updating or replacing their trucks earlier than planned. Any such increased costs could impact the financial condition of our industrial tenants and their ability to meet their lease obligations and to lease or re-lease our properties.

Rent control and other changes in applicable laws, or noncompliance with applicable laws, could adversely affect our multifamily residential properties.

Lower revenue growth or significant unanticipated expenditures may result from changes in rent control or rent stabilization laws or other residential landlord/tenant laws. Municipalities may implement, consider or be urged by advocacy groups to consider rent control or rent stabilization laws and regulations or take other actions that could limit our ability to raise rents based on market conditions. For example, in 2016 in Mountain View, California, voters passed a referendum that limits rent increases on existing tenants (but not on new move-ins) in communities built before 1995. These initiatives and any other future enactments of rent control or rent stabilization laws or other laws regulating multifamily housing, as well as any lawsuits against us arising from

such rent control or other laws, may reduce rental revenues or increase operating costs. Such laws and regulations may limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating costs and could make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with investments in residential properties, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from such properties.

The hospitality or leisure market is seasonal, highly competitive and generally subject to greater volatility than our other market segments.

The hospitality or leisure business is seasonal, highly competitive and influenced by factors such as general and local economic conditions, location, room rates, quality, service levels, reputation and reservation systems, among many other factors. The hospitality or leisure industry generally experiences seasonal slowdown in the third quarter and, to a lesser extent, in the fourth quarter of each year. As a result of such seasonality, there will likely be quarterly fluctuations in results of operations of any hospitality or leisure properties that we own. There are many competitors in this market, and these competitors may have substantially greater marketing and financial resources than those available to us. Competition also comes from non-traditional hospitality sources, such as home-sharing platforms. This competition, along with other factors, such as over-building in the hospitality or leisure industry and certain deterrents to traveling, may increase the number of rooms available and may decrease the average occupancy and room rates of our hospitality or leisure properties. The demand for rooms at any hospitality or leisure properties that we may acquire will change much more rapidly than the demand for space at other properties that we acquire. In addition, any such properties that we may own may be adversely affected by factors outside our control, such as extreme weather conditions or natural disasters, terrorist attacks or alerts, outbreaks of contagious diseases, airline strikes, economic factors and other considerations affecting travel. These factors could have a material adverse effect on our financial condition, results of operations and ability to pay distributions to stockholders.

Our student housing properties are subject to seasonality.

Student housing properties are typically leased during leasing seasons, and our properties are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during such seasons. Additionally, our student housing properties are generally on short-term leases, exposing us to increased leasing risk. We may not be able to re-lease our properties on similar terms, if we are able to re-lease our properties at all. The terms of renewal or re-lease (including the cost of required renovations) may be less favorable to us than the prior lease. If we are unable to re-lease all or a substantial portion of our properties, or if the rental rates upon such re-leasing are significantly lower than expected rates, our cash flows from operations could be adversely affected.

Prior to the commencement of each new lease period, we prepare the units for new incoming residents. Other than revenue generated by in-place leases for returning residents, we do not generally recognize lease revenue during this period referred to as "turn" as we have no leases in place. In addition, during turn, we incur expenses preparing our units for occupancy, which we recognize immediately. This lease turn period results in seasonality in our operating results, and as a result, we may experience significantly reduced cash flows during such periods.

In addition, we may be adversely affected by a change in university admission policies. For example, if a university reduces the number of student admissions, the demand for our student housing properties may be reduced and our occupancy rates may decline. Our student housing properties also compete with university-owned student housing and other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators.

Our retail tenants face competition from numerous retail channels.

Retailers leasing our properties will face continued competition from shopping via the internet, discount or value retailers, factory outlet centers, wholesale clubs, mail order catalogues and operators and television shopping

networks. Such competition could adversely affect our tenants and, consequently, our revenues and funds available for distribution.

Retail properties depend on anchor tenants to attract shoppers and could be adversely affected by the loss of a key anchor tenant.

Retail properties, like other properties, are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. A lease termination by a tenant that occupies a large area of a retail center (commonly referred to as an anchor tenant) could impact leases of other tenants. Other tenants may be entitled to modify the terms of their existing leases in the event of a lease termination by an anchor tenant, or the closure of the business of an anchor tenant that leaves its space vacant even if the anchor tenant continues to pay rent. Any such modifications or conditions could be unfavorable to us as the property owner and could decrease rents or expense recoveries. Additionally, major tenant closures may result in decreased customer traffic, which could lead to decreased sales at other stores. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

We may be adversely affected by trends in the office real estate industry.

Some businesses are rapidly evolving to make employee telecommuting, flexible work schedules, open workplaces and teleconferencing increasingly common. These practices enable businesses to reduce their space requirements. A continuation of the movement towards these practices could over time erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on our financial position, results of operations, cash flows and ability to make expected distributions to our stockholders. We may also be negatively impacted by competition from other short-term office or shared space leasing companies.

We could be negatively impacted by increased competition, decreased demand and restrictive zoning ordinances in the manufactured housing markets in which we invest.

The manufactured housing industry is generally subject to many of the same national and regional economic and demographic factors that affect the housing industry generally. These factors, including shortage of consumer financing, public's perception, consumer confidence, inflation, regional population and employment trends, availability of and cost of alternative housing, weather conditions and general economic conditions, tend to impact manufactured homes to a greater degree than traditional residential homes. Our operating results from our manufactured housing investments may be adversely affected by: (i) competition from other available manufactured housing sites or available land for the placement of manufactured homes outside of established communities and alternative forms of housing (such as apartment buildings and site built single-family homes) and (ii) local real estate market conditions such as the oversupply of manufactured housing sites or a reduction in demand for manufactured housing sites in an area. In addition, the inability to secure zoning permits from local authorities may pose the most significant barrier to entry for developing new manufactured housing sites.

Manufactured home loans may be subject to greater credit risk.

We may hold loans secured by manufactured homes, which generally have higher delinquency and default rates than standard residential mortgage loans due to various factors, including, among other things, the manner in which borrowers have handled previous credit, the absence or limited extent of borrowers' prior credit history, limited financial resources, frequent changes in or loss of employment and changes in borrowers' personal or domestic situations that affect their ability to repay loans. Any substantial economic slowdown could increase delinquencies, defaults, repossessions and foreclosures with respect to manufactured homes. Also, the value of manufactured homes may depreciate over time, which can negatively impact the manufactured home industry and lead to increased defaults and delinquencies and lower recovery rates upon default.

Our investments in real estate associated with gaming facilities will be impacted by the risks associated with the gaming industry.

We invest in real estate associated with gaming facilities, which are subject to risks associated with the gaming industry, including changes in consumer trends, the impact of gaming regulations on us and/or our tenants, reductions in discretionary consumer spending and corporate spending on conventions and business development and preferences, changes in laws or foreign monetary policies that impact consumer behavior, and other factors over which we have no control. Economic contraction, economic uncertainty or the perception by potential customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions. Such investments may also be affected by risks relating to the tourism industry for the geographic areas in which our properties are located, including cost and availability of air services or other travel methods.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, internet lotteries and other internet wagering gaming services and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Gaming competition is intense in the markets where our facilities are located. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market, the growth of general internet and electronic sports-related gaming and legislative changes, including relating to sports betting. As competing properties and new markets are opened, we and our tenants may be negatively impacted.

We invest in commercial properties subject to net leases, which could subject us to losses.

We invest in commercial properties subject to net leases. Typically, net leases require the tenants to pay substantially all of the operating costs associated with the properties. As a result, the value of, and income from, investments in commercial properties subject to net leases will depend, in part, upon the ability of the applicable tenant to meet its obligations to maintain the property under the terms of the net lease. If a tenant fails or becomes unable to so maintain a property, we will be subject to all risks associated with owning the underlying real estate. In addition, we may have limited oversight into the operations or the managers of these properties, subject to the terms of the net leases.

Certain commercial properties subject to net leases in which we invest are occupied by a single tenant and, therefore, the success of such investments are largely dependent on the financial stability of each such tenant. A default of any such tenant on its lease payments to us would cause us to lose the revenue from the property and cause us to have to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a lease is terminated, we may also incur significant losses to make the leased premises ready for another tenant and experience difficulty or a significant delay in re-leasing such property.

In addition, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years.

We may acquire these investments through sale-leaseback transactions, which involve the purchase of a property and the leasing of such property back to the seller thereof. If we enter into a sale-leaseback transaction, we will seek to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" for U.S. federal income tax purposes, thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes. However, we cannot assure you that the IRS will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property

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would be disallowed, and the timing of our income inclusion could differ from that of the lease payments. If a sale-leaseback transaction were so recharacterized (or otherwise not respected as a lease), we might fail to satisfy the REIT qualification “asset tests” or “income tests” and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated, which might also cause us to fail to meet the REIT distribution requirement for a taxable year.

If a tenant of a net lease defaults and we are unable to find a replacement tenant, we may attempt to hold and operate the relevant property ourselves through a taxable REIT subsidiary, which would subject income on the property to corporate-level taxation, thereby reducing our funds available for distribution. In certain circumstances, depending on how much capacity we have available of the total value we are permitted to hold in taxable REIT subsidiaries under applicable rules, we may not be able to hold and operate the property in a taxable REIT subsidiary, which could result in the property and the related income not satisfying the REIT qualification asset and income tests and could jeopardize our REIT status.

Technological or other innovations may disrupt the markets and sectors in which we operate and subject us to increased competition or negatively impact the tenants of our properties and the value of our properties.

Current trends in the real estate market and the sectors in which we invest generally have been toward disrupting the industry with technological or other innovations, and multiple young companies have been successful in capitalizing on this trend toward disruption. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that could affect us, tenants of our properties or our investments or alter the market practices that help frame our strategy. For example, the value of our hospitality properties is affected by competition from the non-traditional hospitality sector (such as short-term rental services), our office properties are affected by competition from shared office spaces (including co-working environments), our retail properties may be affected by changes in consumer behavior, including increased shopping via the internet, and our warehouse industrial properties may be affected if supply chains evolve in a way that decreases the need for traditional warehousing. Any of these new approaches could damage our investments, significantly disrupt the market in which we operate and subject us to increased competition, which could materially and adversely affect our business, financial condition and results of investments. Moreover, given the pace of innovation in recent years, the impact on a particular investment may not have been foreseeable at the time we made the investment. Furthermore, we could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

Our self-storage investments are subject to risks from fluctuating demand and competition in the self-storage industry.

Our self-storage investments are subject to operating risks common to the self-storage industry, which include business layoffs or downsizing, industry slowdowns, relocation of businesses and changing demographics, changes in supply of, or demand for, similar or competing self-storage properties in an area and the excess amount of self-storage space in a particular market, changes in market rental rates and inability to collect rents from customers. The self-storage industry has at times experienced overbuilding in response to perceived increases in demand. A recurrence of overbuilding might cause our self-storage investments to experience a decrease in occupancy levels, as well as limit the ability to increase rents and offer discounted rents.

General Risks Related to Investments in Real Estate Debt

Investments in real estate debt are subject to risks including various creditor risks and early redemption features which may materially adversely affect our results of operations and financial condition.

The debt and other interests in which we may invest may include secured or unsecured debt at various levels of an issuer’s capital structure. The real estate debt in which we may invest may not be protected by financial covenants or limitations upon additional indebtedness, may be illiquid or have limited liquidity, and may not be

rated by a credit rating agency. Real estate debt is also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligation and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Our investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by us earlier than expected, resulting in a lower return to us than anticipated or reinvesting in a new obligation at a lower return to us.

Our debt investments face prepayment risk and interest rate fluctuations that may adversely affect our results of operations and financial condition.

During periods of declining interest rates, the issuer of a security or borrower under a loan may exercise its option to prepay principal earlier than scheduled, forcing us to reinvest the proceeds from such prepayment in lower yielding securities or loans, which may result in a decline in our return. Debt investments frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met. An issuer may choose to redeem debt if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. In addition, the market price of our investments will change in response to changes in interest rates and other factors. During periods of declining interest rates, the market price of fixed-rate debt investments generally rises. Conversely, during periods of rising interest rates, the market price of such investments generally declines. The magnitude of these fluctuations in the market price of debt investments is generally greater for securities with longer maturities. If the U.S. Federal Reserve or other relevant central banks increase benchmark interest rates, this could also negatively impact the price of debt instruments and could adversely affect the value of our investments and the NAV and price per share of our shares.

Reinvestment risk could affect the price for our shares or their overall returns.

Reinvestment risk is the risk that income from our portfolio will decline if we invest the proceeds from matured, traded or called securities at market interest rates that are below our securities portfolio’s current earnings rate. A decline in income could affect the NAV of our shares or their overall returns.

Debt-oriented real estate investments face a number of general market-related risks that can affect the creditworthiness of issuers, and modifications to certain loan structures and market terms make it more difficult to monitor and evaluate investments.

We invest in real estate debt investments. Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact our performance by making it more difficult for issuers to satisfy their debt payment obligations, increasing the default risk applicable to issuers, and/or making it relatively more difficult for us to generate attractive risk-adjusted returns. Changes in general economic conditions will affect the creditworthiness of issuers and/or real estate collateral relating to our investments and may include economic and/or market fluctuations, changes in environmental and zoning laws, casualty or condemnation losses, regulatory limitations on rents, decreases in property values, changes in the appeal of properties to tenants, changes in supply and demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in real estate fundamentals (including average occupancy, operating income and room rates for hotel properties), the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, political events, trade barriers, currency exchange controls, changes in government regulations (such as rent control), changes in real property tax rates and operating expenses, changes in interest rates, changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, outbreaks of an infectious disease, epidemics/pandemics or other serious public health concerns, negative developments in the economy or political

climate that depress travel activity (including restrictions on travel or quarantines imposed), environmental liabilities, contingent liabilities on disposition of assets, acts of God, terrorist attacks, war, demand and/or real estate values generally and other factors that are beyond the control of the Adviser. Such changes may develop rapidly and it may be difficult to determine the comprehensive impact of such changes on our investments, particularly for investments that may have inherently limited liquidity. These changes may also create significant volatility in the markets for our investments which could cause rapid and large fluctuations in the values of such investments. There can be no assurance that there will be a ready market for the resale of our debt investments because such investments may not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by us. The value of securities of companies which service the real estate business sector may also be affected by such risks.

The Adviser cannot predict whether economic conditions generally, and the conditions for real estate debt investing in particular, will deteriorate in the future. Declines in the performance of the U.S. and global economies or in the real estate debt markets could have a material adverse effect on our investment activities. In addition, market conditions relating to real estate debt investments have evolved since the financial crisis, which has resulted in a modification to certain loan structures and market terms. For example, it has become increasingly difficult for real estate debt investors in certain circumstances to receive full transparency with respect to underlying investments because transactions are often effectuated on an indirect basis through pools or conduit vehicles rather than directly with the borrower. These and other similar changes in loan structures or market terms may make it more difficult for us to monitor and evaluate investments.

The operating and financial risks of issuers and the underlying default risk across capital structures may adversely affect our results of operations and financial condition.

Our securities investments involve credit or default risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt when due. The risk of default and losses on real estate debt instruments will be affected by a number of factors, including global, regional and local economic conditions, interest rates, the commercial real estate market in general, an issuer's equity and the financial circumstances of the issuer, as well as general economic conditions. Such default risk will be heightened to the extent we make relatively junior investments in an issuer's capital structure since such investments are structurally subordinate to more senior tranches in such issuer's capital structure, and our overall returns would be adversely affected to the extent one or more issuers is unable to meet its debt payment obligations when due. To the extent we hold an equity or "mezzanine" interest in any issuer that is unable to meet its debt payment obligations, such equity or mezzanine interest could become subordinated to the rights of such issuer's creditors in a bankruptcy. See "—We invest in subordinated debt, which is subject to greater credit risk than senior debt" below. Furthermore, the financial performance of one or more issuers could deteriorate as a result of, among other things, adverse developments in their businesses, changes in the competitive environment or an economic downturn. As a result, underlying properties or issuers that we expected to be stable may operate, or expect to operate, at a loss or have significant fluctuations in ongoing operating results, may otherwise have a weak financial condition or be experiencing financial distress and subject our investments to additional risk of loss and default.

We generally invest in high-yield debt which is generally subject to more risk than higher rated securities.

Debt that is, at the time of purchase, rated below investment grade (below Baa by Moody's and below BBB by S&P and Fitch), an equivalent rating assigned by another nationally recognized statistical rating organization or unrated but judged by the Adviser to be of comparable quality are commonly referred to as "high-yield" securities.

Investments in high-yield securities generally provide greater income and increased opportunity for capital appreciation than investments in higher quality securities, but they also typically entail greater price volatility and principal and income risk, including the possibility of issuer default and bankruptcy. High-yield securities

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are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. Debt instruments in the lowest investment grade category also may be considered to possess some speculative characteristics by certain rating agencies. In addition, analysis of the creditworthiness of issuers of high-yield securities may be more complex than for issuers of higher quality securities.

High-yield securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield security prices because the advent of a recession could lessen the ability of an issuer to make principal and interest payments on its debt obligations. If an issuer of high yield securities defaults, in addition to risking non-payment of all or a portion of interest and principal, we may incur additional expenses to seek recovery. The market prices of high-yield securities structured as zero-coupon, step-up or payment-in-kind securities will normally be affected to a greater extent by interest rate changes, and therefore tend to be more volatile than the prices of securities that pay interest currently and in cash.

The secondary market on which high-yield securities are traded may be less liquid than the market for investment grade securities. Less liquidity in the secondary trading market could adversely affect the price at which we could sell a high yield security, and could adversely affect the NAV of our shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield securities, especially in a thinly-traded market. When secondary markets for high yield securities are less liquid than the market for investment grade securities, it may be more difficult to value the securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and we may have greater difficulty selling our portfolio securities. We will be more dependent on the Adviser's research and analysis when investing in high-yield securities.

Some of our securities investments may become distressed, which securities would have a high risk of default and may be illiquid.

While it is generally anticipated that our real estate-related investments will focus primarily on investments in non-distressed real estate-related interests (based on our belief that there is not a low likelihood of repayment), our investments may become distressed following our acquisition thereof. Additionally, we may invest in real estate debt that we believe are available to purchase at "discounted" rates or "undervalued" prices. Purchasing real estate debt at what may appear to be "undervalued" or "discounted" levels is no guarantee that these investments will generate attractive returns to us or will not be subject to further reductions in value. There is no assurance that such investments can be acquired at favorable prices, that such investments will not default, or that the market for such interests will improve. In addition, the market conditions for investment in real estate debt may deteriorate further, which could have an adverse effect on the performance of our investments.

During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. There is no assurance that the Adviser will correctly evaluate the value of the assets collateralizing such investments or the prospects for a successful reorganization or similar action.

These financial difficulties may never be overcome and may cause issuers to become subject to bankruptcy or other similar administrative proceedings, or may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, an extension of the term, a substantial reduction in the interest rate, a substantial writedown of the principal of such investment and other concessions which could

adversely affect our returns on the investment. There is a possibility that we may incur substantial or total losses on our investments and in certain circumstances, subject us to certain additional potential liabilities that may exceed the value of our original investment therein.

For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In any reorganization or liquidation proceeding relating to our investments, we may lose our entire investment, may be required to accept cash or securities with a value less than our original investment and/or may be required to accept different terms, including payment over an extended period of time. In addition, under certain circumstances payments to us may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transactions under applicable bankruptcy and insolvency laws. Furthermore, bankruptcy laws and similar laws applicable to administrative proceedings may delay our ability to realize on collateral for loan positions we held, or may adversely affect the economic terms and priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the “cramdown” provisions of the bankruptcy laws.

However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such investment, replacement “takeout” financing will not be available, resulting in an inability by the issuer to repay the investment. Although unlikely, it is possible that the Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate debt we acquire. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Issuers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action, which often prolongs and complicates an already difficult and time consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, an issuer may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing, management, development and other operations of the property. In the event we foreclose on an investment, we will be subject to the risks associated with owning and operating real estate.

Certain risks associated with CMBS may adversely affect our results of operations and financial condition.

We invest a portion of our assets in pools or tranches of CMBS, including horizontal and other risk retention investments. The collateral underlying CMBS generally consists of commercial mortgages on real property that has a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels, and which from time to time include assets or properties owned directly or indirectly by one or more Other Blackstone Accounts. CMBS have been issued in a variety of issuances, with varying structures including senior and subordinated classes. The commercial mortgages underlying CMBS generally face the risks described above in “—We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.”

Mortgage-backed securities may also have structural characteristics that distinguish them from other securities. The interest rate payable on these types of securities may be set or effectively capped at the weighted average net coupon of the underlying assets themselves. As a result of this cap, the return to investors in such a security would be dependent on the relevant timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law may also affect the return to investors by capping the interest rates payable by certain mortgagors. Certain mortgage-backed securities may provide for the payment of only interest for a stated period of time. In addition, in a bankruptcy or similar proceeding involving the originator or the servicer of the CMBS

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(often the same entity or an affiliate), the assets of the issuer of such securities could be treated as never having been truly sold to the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer.

The credit markets, including the CMBS market, have periodically experienced decreased liquidity on the primary and secondary markets during periods of market volatility. Such market conditions could re-occur and would impact the valuations of our investments and impair our ability to sell such investments if we were required to liquidate all or a portion of our CMBS investments quickly. Additionally, certain of our securities investments, such as horizontal or other risk retention investments in CMBS, may have certain holding period and other restrictions that limit our ability to sell such investments.

Concentrated CMBS investments may pose specific risks beyond the control of the Adviser that may adversely affect our results of operations and financial condition.

Default risks with respect to CMBS investments may be further pronounced in the case of single-issuer CMBSs or CMBSs secured by a small or less diverse collateral pool, which is the majority of our securities portfolio. At any one time, a portfolio of CMBS may be backed by commercial mortgage loans disproportionately secured by properties in only a few states, regions or foreign countries. As a result, such investments may be more susceptible to geographic risks relating to such areas, including adverse economic conditions, declining home values, adverse events affecting industries located in such areas and other factors beyond the control of the Adviser relative to investments in multi-issuer CMBS or a pool of mortgage loans having more diverse property locations.

The quality of the CMBS is dependent on the credit quality and selection of the mortgages for each issuance.

CMBS are also affected by the quality of the credit extended. As a result, the quality of the CMBS is dependent upon the selection of the commercial mortgages for each issuance and the cash flow generated by the commercial real estate assets, as well as the relative diversification of the collateral pool underlying such CMBS and other factors such as adverse selection within a particular tranche or issuance.

There are certain risks associated with the insolvency of obligations backing mortgage-backed securities and other investments.

The real estate loans backing the mortgage-backed securities ("MBS") and other investments may be subject to various laws enacted in the jurisdiction or state of the borrower for the protection of creditors. If an unpaid creditor files a lawsuit seeking payment, the court may invalidate all or part of the borrower's debt as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower in satisfaction of such indebtedness, based on certain tests for borrower insolvency and other facts and circumstances, which may vary by jurisdiction. There can be no assurance as to what standard a court would apply in order to determine whether the borrower was "insolvent" after giving effect to the incurrence of the indebtedness constituting the mortgage backing the MBS and other investments, or that regardless of the method of valuation, a court would not determine that the borrower was "insolvent" after giving effect to such incurrence. In addition, in the event of the insolvency of a borrower, payments made on such mortgage loans could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency.

There are certain risks associated with MBS interest shortfalls.

Our MBS investments may be subject to interest shortfalls due to interest collected from the underlying loans not being sufficient to pay accrued interest to all of the MBS interest holders. Interest shortfalls to the MBS trust will occur when the servicer does not advance full interest payments on defaulted loans. The servicer in a MBS trust is required to advance monthly principal and interest payments due on a delinquent loan. Once a loan is

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delinquent for a period of time (generally 60 days), the servicer is required to obtain a new appraisal to determine the value of the property securing the loan. The servicer is only required to advance interest based on the lesser of the loan amount or 90%, generally, of the appraised value. Interest shortfalls occur when 90%, generally, of the appraised value is less than the loan amount and the servicer does not advance interest on the full loan amount. The resulting interest shortfalls impact interest payments on the most junior class in the trust first. As interest shortfalls increase, more senior classes may be impacted. Over time, senior classes may be reimbursed for accumulated shortfalls if the delinquent loans are resolved, but there is no guarantee that shortfalls will be collected. Interest shortfalls to the MBS trust may also occur as a result of accumulated advances and expenses on defaulted loans. When a defaulted loan or foreclosed property is liquidated, the servicer will be reimbursed for accumulated advances and expenses prior to payments to MBS bond holders. If proceeds are insufficient to reimburse the servicer or if a defaulted loan is modified and not foreclosed, the servicer is able to make a claim on interest payments that is senior to the bond holders to cover accumulated advances and expenses. If the claim is greater than interest collected on the loans, interest shortfalls could impact one or more bond classes in a MBS trust until the servicer's claim is satisfied.

We have acquired and expect in the future to acquire MBS affiliated with Blackstone.

We have acquired and expect in the future to acquire MBS whereby mortgages underlying the MBS were issued or acquired by, properties underlying the mortgages in the MBS are owned by, and/or the MBS is serviced or structured by, a Blackstone affiliate. While we may acquire such MBS from third parties on terms already negotiated by and agreed with third parties and will forgo all non-economic rights (including voting rights) in such MBS as long as the affiliation persists, which we believe should mostly mitigate any conflicts of interest, there is no assurance that such procedures will adequately address all of the conflicts of interest that may arise or will address such conflicts in a manner that results in the allocation of a particular investment opportunity to us or is otherwise favorable to us. While the mortgage loans underlying such MBS are generally made in advance of any issuance of the MBS, our investment, or the expectation of our investment, in such an MBS may have the potential to affect the pricing terms of underlying mortgage loans for properties owned by Other Blackstone Accounts. Since certain of our executives are also executives of Blackstone, the same personnel may determine the price and terms for the investments for both us and these entities and there can be no assurance that any procedural protections, such as obtaining market prices or other reliable indicators of fair value, will prevent the consideration we pay for these investments from exceeding their fair value or ensure that we receive terms for a particular investment opportunity that are as favorable as those available from an independent third party.

Our CMBS investments face risks associated with extensions that may adversely affect our results of operations and financial condition.

Our CMBS and other investments may be subject to extension, resulting in the term of the securities being longer than expected. Extensions are affected by a number of factors, including the general availability of financing in the market, the value of the related mortgaged property, the borrower's equity in the mortgaged property, the financial circumstances of the borrower, fluctuations in the business operated by the borrower on the mortgaged property, competition, general economic conditions and other factors. Such extensions may also be made without the Adviser's consent.

There are certain risks associated with the servicers of commercial real estate loans underlying CMBS and other investments.

The exercise of remedies and successful realization of liquidation proceeds relating to commercial real estate loans underlying CMBS and other investments may be highly dependent on the performance of the servicer or special servicer. The servicer may not be appropriately staffed or compensated to immediately address issues or concerns with the underlying loans. Such servicers may exit the business and need to be replaced, which could have a negative impact on the portfolio due to lack of focus during a transition. Special servicers frequently are affiliated with investors who have purchased the most subordinate bond classes, and certain servicing actions,

such as a loan extension instead of forcing a borrower pay off, may benefit the subordinate bond classes more so than the senior bonds. While servicers are obligated to service the portfolio subject to a servicing standard and maximize the present value of the loans for all bond classes, servicers with an affiliate investment in the CMBS or other investments may have a conflict of interest. There may be a limited number of special servicers available, particularly those which do not have conflicts of interest. In addition, to the extent any such servicers fail to effectively perform their obligations pursuant to the applicable servicing agreements, such failure may adversely affect our investments.

We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.

We may invest from time to time in commercial mortgage loans, including mezzanine loans and B-notes, which are secured by multifamily, commercial or other properties and are subject to risks of delinquency and foreclosure and risks of loss. Commercial real estate loans are generally not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Furthermore, we may not have the same access to information in connection with investments in commercial mortgage loans, either when investigating a potential investment or after making an investment, as compared to publicly traded securities.

Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invest increase, the performance of our investments related thereto may be adversely affected. Default rates and losses on commercial mortgage loans will be affected by a number of factors, including global, regional and local economic conditions in the area where the mortgage properties are located, the borrower's equity in the mortgage property, the financial circumstances of the borrower, tenant mix and tenant bankruptcies, property management decisions, including with respect to capital improvements, property location and condition, competition from other properties offering the same or similar services, environmental conditions, real estate tax rates, tax credits and other operating expenses, governmental rules, regulations and fiscal policies, acts of God, terrorism, social unrest and civil disturbances. A continued decline in specific commercial real estate markets and property valuations may result in higher delinquencies and defaults and potentially foreclosures. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. The overall level of commercial mortgage loan defaults remains significant and market values of the underlying commercial real estate remain distressed in many cases. It has also become increasingly difficult for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, ultimately leading to a decline in the value of such investments.

In the event of any default under a mortgage or real estate loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or real estate loan, which could have a material adverse effect on our profitability. In the event of the bankruptcy of a mortgage or real estate loan borrower, the mortgage or real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage or real estate loan will be subject to the

avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Additionally, in the event of a default under any senior debt, the junior or subordinate lender generally forecloses on the equity, purchases the senior debt or negotiates a forbearance or restructuring arrangement with the senior lender in order to preserve its collateral.

We may invest in structured products or similar products that may include structural and legal risks.

We have and in the future may invest from time to time in structured products, including pools of mortgages, loans and other real-estate related interests. These investments may include debt securities issued by a private investment fund that invests, on a leveraged basis, in bank loans, high-yield debt or other asset groups, certificates issued by a structured investment vehicle that holds pools of commercial mortgage loans. We have and in the future may also invest in credit risk transfer notes that, while not structured products, face similar risks as structured products because they are debt securities issued by governmental agencies but their value depends in part on a pool of mortgage loans. Our investments in structured products are subject to a number of risks, including risks related to the fact that the structured products will be leveraged, and other structural and legal risks related thereto. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor investing in the subordinated debt securities. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product and a complete loss of our investment therein. In addition, if the particular structured product is invested in a security in which we are also invested, this would tend to increase our overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative basis. The value of an investment in a structured product will depend on the investment performance of the assets in which the structured product invests and will, therefore, be subject to all of the risks associated with an investment in those assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuer of such asset or nullified under applicable law.

We have and may in the future acquire and sell residential credit investments, which may subject us to legal, regulatory and other risks that could adversely impact our business and financial results.

We have and may in the future invest directly and indirectly in residential credit investments, which may include performing loans, nonperforming loans, residential mortgage loans and RMBS, which represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Investments in residential credit (including RMBS) are subject to various risks and uncertainties, including credit, market, interest rate, structural and legal risk. These risks may be magnified by volatility in the economy and in real estate markets generally. Any downturn in the U.S. or global economies may adversely affect the financial condition of residential owners and tenants, making it more difficult for them to meet their periodic repayment obligations relating to residential real estate. Residential credits are not traded on an exchange and there may be a limited market for the securities, especially when there is a perceived weakness in the mortgage and real estate market sectors. In addition, interest and principal payments for RMBS are made more frequently than traditional debt securities and the principal of any RMBS may often be prepaid at any time because the underlying residential mortgage loans may be prepaid at any time.

Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued may be guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's equity in the mortgaged property, and the financial circumstances of the borrower. Certain mortgage loans may be of sub-prime credit quality (i.e., do not meet the customary credit standards of Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac")). Delinquencies and liquidation proceedings are

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more likely with sub-prime mortgage loans than with mortgage loans that satisfy customary credit standards. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Residential mortgage loans in an issue of RMBS may also be subject to various U.S. federal and state laws, foreign laws, public policies and principles of equity that protect consumers which, among other things, may regulate interest rates and other fees, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information, and regulate debt collection practices. In addition, a number of legislative proposals have been introduced in the United States at the federal, state, and municipal level that are designed to discourage predatory lending practices. Violation of such laws, public policies, and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and administrative enforcement. Any such violation could also result in cash flow delays and losses on the related issue of RMBS.

Our investments in RMBS, which may include government mortgage pass-through securities and non-agency RMBS, are subject to certain other risks which may adversely affect our results of operations and financial condition.

Our investments in RMBS are subject to the risks of defaults, foreclosure timeline extension, fraud, home price depreciation and unfavorable modification of loan principal amount, interest rate and amortization of principal accompanying the underlying residential mortgage loans. To the extent that assets underlying our investments are concentrated geographically, by property type or in certain other respects, we may be subject to certain of the foregoing risks to a greater extent. In the event of defaults on the residential mortgage loans that underlie our investments in RMBS and the exhaustion of any underlying or any additional credit support, we may not realize our anticipated return on our investments and we may incur a loss on these investments. At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions in the United States or in only a few foreign countries. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse political changes, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. We may also acquire non-agency RMBS, which are backed by residential property but, in contrast to agency RMBS, their principal and interest are not guaranteed by federally chartered entities such as the Fannie Mae and Freddie Mac and, in the case of the Government National Mortgage Association ("Ginnie Mae"), the U.S. government. In addition, we may invest in government mortgage pass-through securities, which represent participation interests in pools of residential mortgage loans purchased from individual lenders by a federal agency or originated by private lenders and guaranteed by a federal agency, including those issued or guaranteed by Ginnie Mae, Fannie Mae and Freddie Mac. Ginnie Mae certificates are direct obligations of the U.S. Government and, as such, are backed by the "full faith and credit" of the United States. Fannie Mae is a federally chartered, privately owned corporation and Freddie Mac is a corporate instrumentality of the United States. Fannie Mae and Freddie Mac certificates are not backed by the full faith and credit of the United States but the issuing agency or instrumentality has the right to borrow, to meet its obligations, from an existing line of credit with the U.S. Treasury. The U.S. Treasury has no legal obligation to provide such line of credit and may choose not to do so.

We will face risks related to our investments in collateralized debt obligations.

We may also invest from time to time in collateralized debt obligations ("CDOs"). CDOs include, among other things, collateralized loan obligations ("CLOs") and other similarly structured securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below

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investment grade or equivalent unrated loans. CDOs may charge a management fee and administrative expenses. For CLOs, the cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The riskiest portion is the “equity” tranche which bears the bulk of defaults from the bonds or loans in the trust and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CLO trust typically has higher ratings and lower yields than the underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, CLO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults and aversion to CLO securities as a class. The risks of an investment in a CDO depend largely on the type of the collateral and the class of the CDO in which we invest.

Normally, CLOs and other CDOs are privately offered and sold, and thus are not registered under the securities laws. As a result, certain investments in CDOs may be characterized as illiquid securities and volatility in CLO and CDO trading markets may cause the value of these investments to decline. Moreover, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with the trust or other conduit arrangement for such securities, we may incur significant losses. Also, with respect to the CLOs and CDOs in which we may invest, control over the related underlying loans will be exercised through a special servicer or collateral manager designated by a “directing certificate holder” or a “controlling class representative,” or otherwise pursuant to the related securitization documents. We may acquire classes of CLOs or CDOs for which we may not have the right to appoint the directing certificate holder or otherwise direct the special servicing or collateral management. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could adversely affect our interests. In addition to the risks associated with debt instruments (e.g., interest rate risk and credit risk), CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that we may invest in CDOs that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

We invest in subordinated debt, which is subject to greater credit risk than senior debt.

We have in the past and may in the future from time to time invest in debt instruments, including junior tranches of CMBS and “mezzanine” or junior mortgage loans (e.g., B-Notes), that are subordinated in an issuer’s capital structure. To the extent we invest in subordinated debt of an issuer’s capital structure, including subordinated CMBS bonds or other “mezzanine” debt, such investments and our remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in an issuer’s capital structure and, to the extent applicable, contractual inter-creditor, co-lender and participation agreement provisions.

Investments in subordinated debt involve greater credit risk of default and loss than the more senior classes or tranches of debt in an issuer’s capital structure. Subordinated tranches of debt instruments (including mortgage-backed securities) absorb losses from default before other more senior tranches of such instruments, which creates a risk particularly if such instruments (or securities) have been issued with little or no credit enhancement or equity. As a result, to the extent we invest in subordinate debt instruments (including mortgage-backed securities), we would likely receive payments or interest distributions after, and must bear the effects of losses or defaults on, the senior debt (including underlying mortgage loans, senior mezzanine debt or senior CMBS bonds) before, the holders of other more senior tranches of debt instruments with respect to such issuer.

We will face risks related to our investments in mezzanine loans.

Although not directly secured by the underlying real estate, mezzanine loans are also subject to risk of subordination and share certain characteristics of subordinate loan interests described above. As with commercial

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mortgage loans, repayment of a mezzanine loan is dependent on the successful operation of the underlying commercial properties and, therefore, is subject to similar considerations and risks. Mezzanine loans may also be affected by the successful operation of other properties, but mezzanine loans are not secured by interests in the underlying commercial properties.

With most mezzanine loans, the bulk of the loan balance is payable at maturity with a one-time “balloon payment.” Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, and full satisfaction of a loan will be affected by a borrower’s access to credit or a functioning sales market. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan may be impaired. Moreover, mezzanine loans are usually non-recourse in nature. Therefore, if a borrower defaults on the loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invests increase, the performance of the our investments related thereto may be adversely affected.

B-Notes and A/B Structures may pose additional risks that may adversely affect our results of operations and financial condition.

We may invest in B-notes, which are mortgage loans typically (i) secured by a first mortgage on a commercial property or group of related properties and (ii) subordinated to an A-note portion of the same first mortgage secured by the same collateral (which we would not expect to hold). As a result, if a borrower defaults, there may not be sufficient funds remaining to repay B-note holders after payment to the A-note holders. Since each transaction is privately negotiated, B-notes can vary in their structural characteristics and risks. In addition to the risks described above, certain additional risks apply to B-note investments, including those described herein. The B-note portion of a loan is typically small relative to the overall loan, and is in the first loss position. As a means to protect against the holder of the A-note from taking certain actions or, receiving certain benefits to the detriment of the holder of the B-note, the holder of the B-note often (but not always) has the right to purchase the A-note from its holder. If available, this right may not be meaningful to us. For example, we may not have the capital available to protect our B-note interest or purchasing the A-note may alter our overall portfolio and risk/return profile to the detriment of our stockholders. In addition, a B-note may be in the form of a “rake bond.” A “rake bond” is a CMBS backed solely by a single promissory note secured by a mortgaged property, which promissory note is subordinate in right of payment to one or more separate promissory notes secured by the same mortgaged property.

We may invest in a wide range of real estate debt pursuant to our broad investment guidelines.

Pursuant to our broad investment guidelines, our real estate debt investments may include, but are not limited to, CMBS, real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including residential mortgage-backed securities and other residential credit and debt of real estate-related companies), preferred equity and derivatives, and such investments may not be secured by real estate assets. The Adviser may also employ new investment techniques or invest in new instruments that it believes will help achieve our investment objectives, whether or not such investment techniques or instruments are specifically defined herein, so long as such investments are consistent with the investment guidelines and our charter. New investment techniques or instruments may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to us. In addition, any new investment technique or instrument developed by us may be more speculative than earlier investment techniques or instruments and may involve material and unanticipated risks. Our board of directors may also change our investment guidelines without the consent of our stockholders.

We invest in real estate-related equity, which is subordinate to any indebtedness, but involves different rights.

We have in the past and may in the future invest from time to time in non-controlling preferred equity positions, common equity and other real estate-related interests. Preferred equity investments generally rank junior to all existing and future indebtedness, including commercial mezzanine and mortgage loans, but rank senior to the owners' common equity. Preferred equity investments typically pay a dividend rather than interest payments and often have the right for such dividends to accrue if there is insufficient cash flow to pay currently. These interests are not secured by the underlying real estate, but upon the occurrence of a default, the preferred equity provider typically has the right to effectuate a change of control with respect to the ownership of the property. In addition, equity investments may be illiquid or have limited liquidity due to lock-out periods, limited trading volume or other limitations or prohibitions against their transfer, sale, pledge or disposition, including any necessary registration with the SEC requiring coordination with the issuer for the sale of such securities. Our investments in real estate-related equity securities will involve risks relating to the particular issuer of the equity securities, including the financial condition and business outlook of the issuer. Issuers of real estate-related common equity securities generally invest in real estate or real estate-related assets and are subject to the inherent risks associated with real estate discussed in "—General Risks Related to Investments in Real Estate."

We invest in real estate corporate debt, which consists of secured and unsecured obligations issued by companies in the business of owning and/or operating real estate-related businesses.

We have in the past and may in the future invest in corporate debt obligations of varying maturities issued by U.S. and foreign corporations and other business entities, which may include loans, corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. Bonds are fixed or variable rate debt obligations, including bills, notes, debentures, money market instruments and similar instruments and securities. Corporate debt is generally used by corporations and other issuers to borrow money from investors. The issuer pays the investor a rate of interest and normally must repay the amount borrowed on or before maturity. The rate of interest on corporate debt may be fixed, floating or variable, and may vary inversely with respect to a reference rate. The rate of return or return of principal on some debt obligations may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies. Debt instruments may be acquired with warrants attached. Certain bonds are "perpetual" in that they have no maturity date.

Our investments in real estate-related corporate debt are subject to a number of risks, including interest rate risk, credit risk, high yield risk, issuer risk, foreign (non-U.S.) investment risk, inflation/deflation risk, liquidity risk, smaller company risk and management risk. We generally will not have direct recourse to real estate assets owned or operated by the issuers of the corporate debt obligations that we invest in and the value of such corporate debt obligations may be impacted by numerous factors and may not be closely tied to the value of the real estate held by the corporate issuer.

We may invest in equity of other REITs that invest in real estate or real estate debt as one of their core businesses and other real estate-related companies, which subjects us to certain risks including those risks associated with an investment in our own common stock.

REITs that invest primarily in real estate or real estate debt are subject to the risks of the real estate market, the real estate debt market and the securities market.

REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs may be subject to a management fees and other expenses, and so when we invest in REITs we will bear our proportionate share of the costs of the REITs' operations. Investing in REITs and real estate-related companies involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. The market value of REIT shares and the ability of the REIT to distribute income may be adversely affected by several factors, including the risks

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described herein that relate to an investment in our common stock. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, distributions received by us from REITs may consist of dividends, capital gains and/or return of capital. Generally, dividends received by us from REIT shares and distributed to our stockholders will not constitute “qualified dividend income” eligible for the reduced tax rate applicable to qualified dividend income.

In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

REITs (especially mortgage REITs) are also subject to interest rate risk. Rising interest rates may cause REIT investors to demand a higher annual yield, which may, in turn, cause a decline in the market price of the equity securities issued by a REIT.

Investing in certain REITs and real estate-related companies, which often have small market capitalizations, may also involve the same risks as investing in other small capitalization companies. REITs and real estate-related companies may have limited financial resources and their securities may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

Certain of our investments may have additional capital requirements.

Certain of our investments, including those that may be in a development phase, if any, are expected to require additional financing to satisfy their working capital requirements or development strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular asset, which may be an unfavorable price at such time. Each round of financing (whether from us or other investors) is typically intended to provide enough capital to reach the next major milestone in an asset’s life-cycle. If the funds provided are not sufficient, additional capital may be required to be raised at a price unfavorable to the existing investors, including us. In addition, we may make additional debt and equity investments or exercise warrants, options, convertible securities or other rights that were acquired in the initial investment in such portfolio company in order to preserve our proportionate ownership when a subsequent financing is planned, or to protect our investment when such portfolio company’s performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of us or any portfolio company. There can be no assurance that we or any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. Failure to provide sufficient additional capital with respect to an investment could adversely affect our performance.

We will face “spread widening” risk related to our investment in securities.

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the market spreads of the securities in which we invest may increase substantially causing the securities prices to fall. It may not be possible to predict, or to hedge against, such “spread widening” risk. The perceived discount in pricing described under “—Some of our securities investments may become distressed, which securities would have a high risk of default and may be illiquid.” may still not reflect the true value of the real estate assets underlying such real estate debt in which we may invest, and therefore further deterioration in value with respect thereto may occur following our investment therein. In addition, mark-to-market accounting of our investments will have an interim effect on the reported value prior to realization of an investment.

We will face risks associated with hedging transactions.

We may utilize a wide variety of derivative and other hedging instruments for risk management purposes, the use of which is a highly specialized activity that may entail greater than ordinary investment risks. Any such

derivatives and other hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks), thereby resulting in losses to us. Engaging in derivatives and other hedging transactions may result in a poorer overall performance for us than if we had not engaged in any such transaction, and the Adviser may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect our investment portfolio. In addition, our investment portfolio will always be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties as well as interest rate risks. See “—We invest in derivatives, which involve numerous risks” below.

We invest in derivatives, which involve numerous risks.

We have in the past and may in the future enter into derivatives transactions including, but not limited to, options contracts, futures contracts, options on futures contracts, forward contracts, interest rate swaps, total return swaps, credit default swaps and other swap agreements for investment, hedging or leverage purposes. Derivative instruments, especially when purchased in large amounts, may not be liquid in all circumstances, so that in volatile markets we may not be able to close out a position without incurring a loss. Our use of derivative instruments may be particularly speculative and involves investment risks and transaction costs to which we would not be subject absent the use of these instruments, and use of derivatives generally involves leverage in the sense that the investment exposure created by the derivatives may be significantly greater than our initial investment in the derivative. Leverage magnifies investment, market and certain other risks. Thus, the use of derivatives may result in losses in excess of principal and greater than if they had not been used. The value of such derivatives also depends upon the price of the underlying instrument or commodity. Such derivatives and other customized instruments also are subject to the risk of non-performance by the relevant counterparty. In addition, actual or implied daily limits on price fluctuations and speculative position limits on the exchanges or over-the-counter markets in which we may conduct our transactions in derivative instruments may prevent prompt liquidation of positions, subjecting us to the potential of greater losses. Derivative instruments that may be purchased or sold by us may include instruments not traded over-the-counter or on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which we can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are traded over-the-counter and not on an exchange. Such over-the-counter derivatives are also subject to types and levels of investor protections or governmental regulation that may differ from exchange traded instruments.

The ability to successfully use derivative investments depends on the ability of the Adviser. The skills needed to employ derivatives strategies are different from those needed to select portfolio investments and, in connection with such strategies, the Adviser must make predictions with respect to market conditions, liquidity, market values, interest rates or other applicable factors, which may be inaccurate. The use of derivative investments may require us to sell or purchase portfolio investments at inopportune times or for prices below or above the current market values, may limit the amount of appreciation we can realize on an investment or may cause us to hold a security that we might otherwise want to sell. We will also be subject to credit risk with respect to the counterparties to our derivatives contracts (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments). In addition, the use of derivatives will be subject to additional unique risks associated with such instruments including a lack of sufficient asset correlation, heightened volatility in reference to interest rates or prices of reference instruments and duration/term mismatch, each of which may create additional risk of loss.

Failure to obtain and maintain an exemption from being regulated as a commodity pool operator could subject us to additional regulation and compliance requirements that could materially adversely affect our business, results of operations and financial condition.

Registration with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a “commodity pool operator” or any change in our operations necessary to maintain our ability to rely upon the exemption from

being regulated as a commodity pool operator could adversely affect our ability to implement our investment program, conduct our operations and/or achieve our objectives and subject us to certain additional costs, expenses and administrative burdens. Furthermore, any determination by us to cease or to limit investing in interests that may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on our ability to implement our investment objectives and to hedge risks associated with our operations.

We may face risks associated with short sales.

Our use of short sales for investment and/or risk management purposes subjects us to risks associated with selling short. We may engage in short sales where we do not own or have the right to acquire the security sold short at no additional cost. Our loss on a short sale theoretically could be unlimited in a case where we are unable, for whatever reason, to close out a short position.

Our short selling strategies may limit our ability to benefit from increases in the markets. Short selling also involves a form of financial leverage that may exaggerate any losses. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to us. Finally, SEC, FINRA or other regulations relating to short selling may restrict our ability to engage in short selling.

We may make open market purchases or invest in traded securities.

Although not anticipated to be a large component of our investment strategy, we have the ability to invest in securities that are traded (publicly or through other active markets (including through private transactions)) and are, therefore, subject to the risks inherent in investing in traded securities. When investing in traded securities, we may be unable to obtain financial covenants or other contractual governance rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, we may not have the same access to information in connection with investments in traded securities, either when investigating a potential investment or after making the investment, as compared to privately negotiated investments. Furthermore, we may be limited in our ability to make investments, and to sell existing investments, in traded securities because Blackstone may be deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies or requirements. The inability to sell traded securities in these circumstances could materially adversely affect the investment results. In addition, securities acquired of a public company may, depending on the circumstances and securities laws of the relevant jurisdiction, be subject to lock-up periods.

We may incur contingent liabilities in connection with the disposition of investments.

In connection with the disposition of an investment, we may be required to make certain representations about the business, financial affairs and other aspects (such as environmental, property, tax, insurance, and litigation) of such investment typical of those made in connection with the sale of a business or other investment comparable to the investment being sold. We may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which the Adviser may establish reserves or escrow accounts.

Political changes may affect the real estate debt markets.

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The current U.S. President has a legislative agenda that includes certain deregulatory measures for the U.S. financial services industry, including changes to the Volcker Rule, capital and risk retention requirements, the Financial Stability Oversight Council’s authority and other aspects of the Dodd-Frank

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Act. The U.S. Department of the Treasury has issued a series of recommendations in several reports for streamlining banking regulation and changing key features of the Dodd-Frank Act and other measures taken by regulators following the most recent financial crisis.

The outcome of the upcoming congressional and other elections creates uncertainty with respect to legal, tax and regulatory regimes in which we and our investments, as well as the Adviser and its affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the investment management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on us and our investments.

We may utilize non-recourse securitizations of certain of our CMBS investments, which may expose us to risks that could result in losses.

We may seek to utilize non-recourse securitizations of certain of our CMBS investments to the extent consistent with REIT and 1940 Act requirements. This would likely involve us creating a special-purpose vehicle, contributing a pool of our assets to the entity, and selling interests in the entity on a non-recourse basis to purchasers (whom we would expect to be willing to accept a lower interest rate to invest in investment-grade loan pools). We would expect to retain all or a portion of the equity in the securitized pool of loans or investments. Prior to any such financing, we may use short-term facilities to finance the acquisition of securities until a sufficient quantity of securities had been accumulated, at which time we would refinance these facilities through a securitization, such as a CMBS, or issuance of CLOs, or the private placement of loan participations or other long-term financing. If we were to employ this strategy, we would be subject to the risk that we would not be able to acquire, during the period that our short-term facilities are available, a sufficient amount of eligible securities to maximize the efficiency of a CMBS, CLO or private placement issuance. We also would be subject to the risk that we would not be able to obtain short-term credit facilities or would not be able to renew any short-term credit facilities after they expire should we find it necessary to extend our short-term credit facilities to allow more time to seek and acquire the necessary eligible securities for a long-term financing. The inability to consummate securitizations of our portfolio to finance our loans and investments on a long-term basis could require us to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or price, which could adversely affect our performance and our ability to grow our business. Moreover, conditions in the capital markets, including volatility and disruption in the capital and credit markets, may not permit a non-recourse securitization at any particular time or may make the issuance of any such securitization less attractive to us even when we do have sufficient eligible assets. We may also suffer losses if the value of the mortgage loans we acquire declines prior to securitization. Declines in the value of a mortgage loan can be due to, among other things, changes in interest rates and changes in the credit quality of the loan. In addition, transaction costs incurred in executing transactions impact any liability that we may incur, or may be required to reserve for, in connection with executing a transaction can cause a loss to us. To the extent that we incur a loss executing or participating in future securitizations for the reasons described above or for other reasons, it could materially and adversely impact our business and financial condition.

In addition, the securitization of investments in our portfolio might magnify our exposure to losses because any equity interest we retain in the issuing entity would be subordinate to the notes issued to investors and we would, therefore, absorb all of the losses sustained with respect to a securitized pool of assets before the owners of the notes experience any losses. The inability to securitize our portfolio may hurt our performance and our ability to grow our business. At the same time, the securitization of our loans or investments might expose us to losses, as the residual loans or investments in which we do not sell interests will tend to be riskier and more likely to generate losses. Moreover, the Dodd Frank Act contains a risk retention requirement for all asset-backed securities, which requires both public and private securitizers to retain not less than 5% of the credit risk of the assets collateralizing any asset-backed security issuance. Significant restrictions exist, and additional restrictions may be added in the future, regarding who may hold risk retention interests, the structure of the entities that hold risk retention interests and when and how such risk retention interests may be transferred. Therefore such risk retention interests will generally be illiquid. As a result of the risk retention requirements, we may be required to

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purchase and retain certain interests in a securitization into which we sell mortgage loans and/or when we act as issuer, may be required to sell certain interests in a securitization at prices below levels that such interests have historically yielded and/or may be required to enter into certain arrangements related to risk retention that we have not historically been required to enter into and, accordingly, the risk retention rules may increase our potential liabilities and/or reduce our potential profits in connection with securitization of mortgage loans. It is likely, therefore, that these risk retention rules will increase the administrative and operational costs of asset securitizations.

We may find it necessary or desirable to foreclose on certain of the loans or CMBS we acquire, and the foreclosure process may be lengthy and expensive.

We may find it necessary or desirable to foreclose on certain of the loans or CMBS we acquire, and the foreclosure process may be lengthy and expensive. The protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests may not be adequate. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of our rights. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses against us, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy-out of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy or its equivalent, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and potentially result in a reduction or discharge of a borrower's debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value, and in the event of any such foreclosure or other similar real estate owned-proceeding, we would also become the subject to the various risks associated with direct ownership of real estate, including environmental liabilities. Even if we are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss.

Risks Related to Debt Financing

We may encounter adverse changes in the credit markets.

Any adverse changes in the global credit markets could make it more difficult for us to obtain favorable financing. Our ability to generate attractive investment returns for its shareholders will be adversely affected to the extent we are unable to obtain favorable financing terms. If we are unable to obtain favorable financing terms, it may not be able to adequately leverage our portfolio, may face increased financing expenses or may face increased restrictions on its investment activities, any of which would negatively impact our performance.

We will incur mortgage indebtedness and other borrowings, which may increase our business risks, could hinder our ability to make distributions and could decrease the value of your investment.

The acquisition of investment properties may be financed in substantial part by borrowing, which increases our exposure to loss. Under our charter, we have a limitation that precludes us from borrowing in excess of 300% of our net assets, which approximates borrowing 75% of the cost of our investments (unless a majority of our independent directors approves any borrowing in excess of the limit and we disclose the justification for doing so to our stockholders), but such restriction does not restrict the amount of indebtedness we may incur with respect to any single investment. Our target leverage ratio is in the range of 60%. Our leverage ratio is measured by dividing (i) property-level and entity-level debt net of cash and loan-related restricted cash, by (ii) gross real estate assets (measured using the greater of fair market value and cost) plus the equity in our settled securities portfolio. See "Investment Objectives and Strategies—Borrowing Policies" in the Prospectus. We may exceed

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our target leverage ratio, particularly during a market downturn or in connection with a large acquisition. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. Principal and interest payments on indebtedness (including mortgages having “balloon” payments) will have to be made regardless of the sufficiency of cash flow from the properties. Our investments will be impaired by a smaller decline in the value of the properties than is the case where properties are owned with a proportionately smaller amount of debt.

We may incur or increase our mortgage debt by obtaining loans secured by a portfolio of some or all of the real estate acquired and may borrow under mortgages on properties after they are acquired. Depending on the level of leverage and decline in value, if mortgage payments are not made when due, one or more of the properties may be lost (and our investment therein rendered valueless) as a result of foreclosure by the mortgagee(s). A foreclosure may also have substantial adverse tax consequences for us.

Many of these same issues also apply to credit facilities which are expected to be in place at various times as well. For example, the loan documents for such facilities may include various coverage ratios, the continued compliance with which may not be completely within our control. If such coverage ratios are not met, the lenders under such credit facilities may declare any unfunded commitments to be terminated and declare any amounts outstanding to be due and payable. We may also rely on short-term financing that would be especially exposed to changes in availability.

Although borrowings by us have the potential to enhance overall returns that exceed our cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than our cost of funds. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase properties provides us with the advantages of leverage, but exposes us to greater market risks and higher current expenses.

In certain cases, financings for our properties may be recourse to us.

Generally, commercial real estate financings are structured as non-recourse to the borrower, which limits a lender’s recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders customarily will require that a creditworthy parent entity enter into so-called “recourse carveout” guarantees to protect the lender against certain bad-faith or other intentional acts of the borrower in violation of the loan documents. A “bad boy” guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, “bad boy” guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. These financing arrangements with respect to our investments generally require “bad boy” guarantees from us and/or the Operating Partnership and in the event that such a guarantee is called, our assets could be adversely affected. Moreover, our “bad boy” guarantees could apply to actions of the joint venture partners associated with our investments. While the Adviser expects to negotiate indemnities from such joint venture partners to protect against such risks, there remains the possibility that the acts of such joint venture partner could result in liability to us under such guarantees. We may provide “bad boy” guarantees on behalf of Other Blackstone Accounts investing alongside us and as such guarantees are not for borrowed money, they will typically not be included under our leverage limitations.

If we draw on a line of credit to fund repurchases or for any other reason, our financial leverage ratio could increase beyond our target.

We have lines of credits with financial institutions that are either unsecured or secured by certain of our assets as well as an uncommitted line of credit from an affiliate of Blackstone and we may seek to obtain additional lines

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of credit in an effort to provide for a ready source of liquidity for any business purpose, including to fund repurchases of shares of our common stock in the event that repurchase requests exceed our operating cash flow and/or net proceeds from our continuous offering. There can be no assurances that we will be able to borrow under or maintain our existing lines of credit or obtain additional lines of credit on financially reasonable terms. In addition, we may not be able to obtain lines of credit of an appropriate size for our business. If we borrow under a line of credit to fund repurchases of shares of our common stock, our financial leverage will increase and may exceed our target leverage ratio. Our leverage may remain at the higher level until we receive additional net proceeds from our continuous offering or generate sufficient operating cash flow or proceeds from asset sales to repay outstanding indebtedness. In connection with a line of credit, distributions may be subordinated to payments required in connection with any indebtedness contemplated thereby. We may utilize a line of credit for the benefit of Other Blackstone Accounts which may invest alongside us in one or more investments. In such circumstances, we generally intend to disclose such arrangements as part of our reporting and enter into arrangements to cause any Other Blackstone Accounts to bear (or reimburse us for) their pro rata share of any costs and expenses (including interest payments) allocable to such extensions of credit.

Increases in interest rates could increase the amount of our loan payments and adversely affect our ability to make distributions to our stockholders.

Interest we pay on our loan obligations will reduce cash available for distributions. We have and will likely in the future obtain variable rate loans, and as a result, increases in interest rates could increase our interest costs, which could reduce our cash flows and our ability to make distributions to you. In addition, if we need to repay existing loans during periods of rising interest rates, we could be required to liquidate one or more of our investments at times that may not permit realization of the maximum return on such investments. While we cannot predict factors which may or may not affect interest rates, during the year ended December 31, 2019, a 10% increase or decrease in the one-month U.S. denominated LIBOR rate would have resulted in an increase or decrease to our interest expense of \$11.0 million.

Volatility in the financial markets and challenging economic conditions could adversely affect our ability to secure debt financing on attractive terms and our ability to service or refinance any future indebtedness that we may incur.

The volatility of the global credit markets could make it more difficult to obtain favorable financing for investments. During periods of volatility, which often occur during economic downturns, generally credit spreads widen, interest rates rise, and investor demand for high yield debt declines. These trends result in reduced willingness by investment banks and other lenders to finance new investments and deterioration of available terms. If the overall cost of borrowing increases, either by increases in the index rates or by increases in lender spreads, the increased costs may result in future acquisitions generating lower overall economic returns and potentially reducing future cash flow available for distribution. Disruptions in the debt markets negatively impact our ability to borrow monies to finance the purchase of, or other activities related to, real estate assets. If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the return on the properties we do purchase may be lower. In addition, we may find it difficult, costly or impossible to refinance indebtedness that is maturing. Moreover, to the extent that such marketplace events are not temporary, they could have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. economy.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to obtain additional loans. Loan documents we enter into may contain covenants that limit our ability to further mortgage or dispose of the property or discontinue insurance coverage. In addition, loan documents may limit our ability to enter into or terminate certain operating or lease agreements related to the

property. Loan documents may also require lender approval of certain actions and as a result of the lender's failure to grant such approval, we may not be able to take a course of action we deem most profitable. These or other limitations may adversely affect our flexibility and our ability to make distributions to you and the value of your investment.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions to our stockholders.

Some of our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment is uncertain and may depend upon our ability to obtain replacement financing or our ability to sell particular properties. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the particular property at a price sufficient to make the balloon payment. Such a refinancing would be dependent upon interest rates and lenders' policies at the time of refinancing, economic conditions in general and the value of the underlying properties in particular. The effect of a refinancing or sale could affect the rate of return to stockholders and the projected time of disposition of our assets.

We use reverse repurchase agreements to finance our securities investments, which may expose us to risks that could result in losses.

We use reverse repurchase agreements as a form of leverage to finance our securities investments, and the proceeds from reverse repurchase agreements are generally invested in additional securities. There is a risk that the market value of the securities acquired from the proceeds received in connection with a reverse repurchase agreement may decline below the price of the securities underlying the reverse repurchase agreement that we have sold but remain obligated to repurchase. Reverse repurchase agreements also involve the risk that the counterparty liquidates the securities we delivered to it under the reverse repurchase agreements following the occurrence of an event of default under the applicable repurchase agreement by us. In addition, there is a risk that the market value of the securities we retain may decline. If the buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experiences insolvency, we may be adversely affected. Furthermore, our counterparty may require us to provide additional margin in the form of cash, securities or other forms of collateral under the terms of the derivative contract. Also, in entering into reverse repurchase agreements, we bear the risk of loss to the extent that the proceeds of the reverse repurchase agreement are less than the value of the underlying securities. In addition, the interest costs associated with reverse repurchase agreements transactions may adversely affect our results of operations and financial condition, and, in some cases, we may be worse off than if we had not used such instruments.

Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and financial condition.

Subject to any limitations required to maintain qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest rate cap or collar agreements and interest rate swap agreements. These agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements and that these arrangements may not be effective in reducing our exposure to interest rate changes. These interest rate hedging arrangements may create additional assets or liabilities from time to time that may be held or liquidated separately from the underlying property or loan for which they were originally established. Hedging may reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and financial condition.

Changes to, or the elimination of, LIBOR may adversely affect interest expense related to borrowings under our credit facilities and real estate-related investments.

We pay interest under our credit facilities, and receive interest payments on certain of our real estate debt investments, based on LIBOR, which is the subject of recent national, international and regulatory guidance and proposals for reform.

In a speech on July 27, 2017, Andrew Bailey, the Chief Executive of the Financial Conduct Authority of the U.K., or the FCA, announced the FCA's intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. It is possible that the ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) (the "IBA") and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we do not currently anticipate that LIBOR will survive in its current form, or at all. Other jurisdictions have also indicated they will implement reforms or phase-outs, which are currently scheduled to take effect at the end of calendar year 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated in coming years.

Our debt includes floating-rate loans and reverse repurchase agreements for which the interest rates are tied to LIBOR and real estate debt investments with interest payments based on LIBOR. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. In addition, any benchmark may perform differently during any phase-out period than in the past. As such, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined, and any changes to benchmark interest rates could increase our financing costs or decrease the income we earn on our real estate debt investments, which could impact our results of operations, cash flows and the market value of our investments. In addition, we may need to renegotiate certain of our loan agreements that extend past 2021, which could require us to incur significant expense and may subject us to disputes or litigation over the appropriateness or comparability to the relevant benchmark of the replacement reference rates. Moreover, the elimination of LIBOR and/or changes to another index could result in mismatches with the interest rate of investments that we are financing. In addition, the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR. We are assessing the impact of a potential transition from LIBOR; however, we cannot reasonably estimate the impact of the transition at this time.

Risks Related to our Relationship with the Adviser and the Dealer Manager

We depend on the Adviser to select our investments and otherwise conduct our business, and any material adverse change in its financial condition or our relationship with the Adviser could have a material adverse effect on our business and ability to achieve our investment objectives.

Our success is dependent upon our relationship with, and the performance of, the Adviser in the acquisition and management of our real estate portfolio, and our corporate operations. The Adviser may suffer or become distracted by adverse financial or operational problems in connection with Blackstone's business and activities unrelated to us and over which we have no control. Should the Adviser fail to allocate sufficient resources to perform its responsibilities to us for any reason, we may be unable to achieve our investment objectives or to pay distributions to our stockholders.

The termination or replacement of the Adviser could trigger a repayment event under our mortgage loans for some of our properties, the credit agreement governing any of our lines of credit and our repurchase agreements.

Lenders for certain of our properties may request provisions in the mortgage loan documentation that would make the termination or replacement of the Adviser an event requiring the immediate repayment of the full outstanding balance of the loan. The termination or replacement of the Adviser could trigger repayment of outstanding amounts under the credit agreements governing our lines of credit that we may obtain or under the repurchase agreements that we may enter into. If a repayment event occurs with respect to any of our properties, our results of operations and financial condition may be adversely affected.

The Adviser's inability to retain the services of key real estate professionals could hurt our performance.

The Adviser's power to approve the acquisition of a particular investment, finance or refinance any new or existing investment or dispose of an existing investment rests with the Investment Committee, sub-committees of the Investment Committee or particular professionals employed by the Adviser, depending on the size and type of the investment. Accordingly, our success depends to a significant degree upon the contributions of certain key real estate professionals employed by the Adviser, each of whom would be difficult to replace. There is ever increasing competition among alternative asset firms, financial institutions, private equity firms, investment advisors, investment managers, real estate investment companies, real estate investment trusts and other industry participants for hiring and retaining qualified investment professionals and there can be no assurance that such professionals will continue to be associated with the us or the Adviser, particularly in light of our perpetual-life nature, or that replacements will perform well. Neither we nor the Adviser have employment agreements with these individuals and they may not remain associated with us. If any of these persons were to cease their association with us, our operating results could suffer. Our future success depends, in large part, upon the Adviser's ability to attract and retain highly skilled managerial, operational and marketing professionals. If the Adviser loses or is unable to obtain the services of highly skilled professionals, our ability to implement our investment strategies could be delayed or hindered.

Any material adverse change to the Dealer Manager's ability to successfully build and maintain a network of licensed broker-dealers could have a material adverse effect on our business and the Offering.

The dealer manager for the Offering is Blackstone Advisory Partners L.P. Any material adverse change to the ability of our Dealer Manager to build and maintain a network of licensed securities broker-dealers and other agents could have a material adverse effect on our business and the Offering. If the Dealer Manager is unable to build and maintain a sufficient network of participating broker-dealers to distribute shares in the Offering, our ability to raise proceeds through the Offering and implement our investment strategy may be adversely affected. In addition, the Dealer Manager currently serves and may serve as dealer manager for other issuers. As a result, the Dealer Manager may experience conflicts of interest in allocating its time between the Offering and such other issuers, which could adversely affect our ability to raise proceeds through the Offering and implement our investment strategy. Further, the participating broker-dealers retained by the Dealer Manager may have numerous competing investment products, some with similar or identical investment strategies and areas of focus as us, which they may elect to emphasize to their retail clients.

You will not have the benefit of an independent due diligence review in connection with the Offering and, if a conflict of interest arises between us and Blackstone, we may incur additional fees and expenses.

Because the Adviser and the Dealer Manager are affiliates of Blackstone Real Estate, our sponsor, you will not have the benefit of an independent due diligence review and investigation of the type normally performed by an unaffiliated, independent underwriter and its counsel in connection with a securities offering. If any situation arises in which our interests are in conflict with those of the Adviser, the Dealer Manager or its affiliates, and we are required to retain independent counsel, we will incur additional fees and expenses.

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The fees we pay in connection with the Offering and the agreements entered into with Blackstone and its affiliates were not determined on an arm's-length basis and therefore may not be on the same terms we could achieve from a third party.

The compensation paid to the Adviser, Dealer Manager and other Blackstone affiliates for services they provide us was not determined on an arm's-length basis. All service agreements, contracts or arrangements between or among Blackstone and its affiliates, including the Adviser and us, were not negotiated at arm's-length. Such agreements include our Advisory Agreement, the Operating Partnership's partnership agreement, our dealer manager agreement (the "Dealer Manager Agreement"), and any property related corporate services and other agreements we may enter into with affiliates of the Adviser from time to time.

We do not own the Blackstone name, but we may use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of Blackstone. Use of the name by other parties or the termination of our trademark license agreement may harm our business.

We have entered into a trademark license agreement ("Trademark License Agreement"), with Blackstone TM L.L.C. (the "Licensor"), an affiliate of Blackstone, pursuant to which it has granted us a fully paid-up, royalty-free, non-exclusive, non-transferable license to use the name "Blackstone Real Estate Income Trust, Inc.". Under this agreement, we have a right to use this name for so long as the Adviser (or another affiliate of the Licensor) serves as our advisor (or another advisory entity) and the Adviser remains an affiliate of the Licensor under the Trademark License Agreement. The Trademark License Agreement may also be earlier terminated by either party as a result of certain breaches or for convenience upon 90 days' prior written notice, provided that upon notification of such termination by us, the Licensor may elect to effect termination of the Trademark License Agreement immediately at any time after 30 days from the date of such notification. The Licensor and its affiliates, such as Blackstone, will retain the right to continue using the "Blackstone" name. We will further be unable to preclude the Licensor from licensing or transferring the ownership of the "Blackstone" name to third parties, some of whom may compete with us. Consequently, we will be unable to prevent any damage to goodwill that may occur as a result of the activities of the Licensor, Blackstone or others. Furthermore, in the event that the Trademark License Agreement is terminated, we will be required to, among other things, change our name. Any of these events could disrupt our recognition in the market place, damage any goodwill we may have generated and otherwise harm our business.

Risks Related to Conflicts of Interest

Various potential and actual conflicts of interest will arise, and these conflicts may not be identified or resolved in a manner favorable to us.

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Dealer Manager, the Adviser and the affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. If any matter arises that we and our affiliates (including the Adviser) determine in our good faith judgment constitutes an actual and material conflict of interest, we and our affiliates (including the Adviser) will take such actions as we determine appropriate to mitigate the conflict. Transactions between us and Blackstone or its affiliates will require approval by our board of directors, including a majority of our independent directors. There can be no assurance that our board of directors or Blackstone will identify or resolve all conflicts of interest in a manner that is favorable to us.

The Adviser faces a conflict of interest because the fees it receives for services performed are based in part on our NAV, which the Adviser is ultimately responsible for determining.

The Adviser is paid a management fee for its services based on our NAV, which is calculated by State Street, based on valuations provided by the Adviser. In addition, the distributions to be received by the Special Limited

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Partner with respect to its performance participation interest in the Operating Partnership are based in part upon the Operating Partnership's net assets (which is a component of our NAV). The calculation of our NAV includes certain subjective judgments with respect to estimating, for example, the value of our portfolio and our accrued expenses, net portfolio income and liabilities, and therefore, our NAV may not correspond to realizable value upon a sale of those assets. The Adviser may benefit by us retaining ownership of our assets at times when our stockholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price of shares of our common stock or the price paid for the repurchase of your shares of common stock on a given date may not accurately reflect the value of our portfolio, and your shares may be worth less than the purchase price or more than the repurchase price. The valuation of our investments will affect the amount and timing of the management fee paid to the Adviser and the Special Limited Partner's performance participation interest. As a result, there may be circumstances where the Adviser is incentivized to determine valuations that are higher than the actual fair value of our investments.

The Adviser's management fee and the Special Limited Partner's performance participation interest may not create proper incentives or may induce the Adviser and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.

We pay the Adviser a management fee regardless of the performance of our portfolio. The Adviser's entitlement to a management fee, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We would be required to pay the Adviser a management fee in a particular period even if we experienced a net loss or a decline in the value of our portfolio during that period.

The existence of the Special Limited Partner's 12.5% performance participation interest in our Operating Partnership, which is based on our total distributions plus the change in NAV per share, may create an incentive for the Adviser to make riskier or more speculative investments on our behalf or cause us to use more leverage than it would otherwise make in the absence of such performance-based compensation. In addition, the change in NAV per share will be based on the value of our investments on the applicable measurement dates and not on realized gains or losses. As a result, the performance participation interest may receive distributions based on unrealized gains in certain assets at the time of such distributions and such gains may not be realized when those assets are eventually disposed of.

Because the management fee and performance participation are based on our NAV, the Adviser may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail repurchases to maintain a higher NAV, and the Dealer Manager may also be incentivized to sell more shares of our common stock to increase aggregate NAV, which would, in each case, increase amounts payable to the Adviser and the Special Limited Partner, but may make it more difficult for us to efficiently deploy new capital.

Blackstone personnel work on other projects and conflicts may arise in the allocation of personnel between us and other projects.

The Adviser and its affiliates will devote such time as they determine to be necessary to conduct our business affairs in an appropriate manner. However, Blackstone personnel, including members of the Investment Committee, will work on other projects, serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Accounts and their portfolio entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from our activities, which could negatively impact us. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Our sponsor's personnel share in the fees and performance-based compensation generated by Other Blackstone Accounts. These and other factors create conflicts of interest in the allocation of time by such personnel.

Blackstone is subject to a number of conflicts of interest, regulatory oversight and legal and contractual restrictions due to its multiple business lines, which may reduce the synergies that we expect to draw on or otherwise reduce the opportunities available to us.

Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Other Blackstone Accounts and their portfolio entities and third parties, will in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits our ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Adviser or its affiliates that would be relevant to monitoring our investments and other activities. Additionally, Blackstone or Other Blackstone Accounts can be expected to enter into covenants that restrict or otherwise limit our ability to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits us and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Account could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact our ability to implement our investment program. Finally, certain personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other businesses or for other reasons, in which case we will not benefit from their experience. Our stockholders will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Some of these policies and procedures, such as Blackstone's information wall policy, also have the effect of reducing firm-wide synergies and collaboration that the Adviser could otherwise expect to utilize for purposes of identifying and managing attractive investments. Blackstone personnel may be unable, for example, to assist with our activities of as a result of these walls. There can be no assurance that additional restrictions won't be imposed that would further limit the ability of Blackstone to share information internally.

Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to us. Blackstone has long-term relationships with a significant number of corporations and their senior management. The Adviser and its affiliates will consider those relationships when evaluating an investment opportunity, which may result in the Adviser or its affiliates choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client or any other person with whom Blackstone has a relationship). We may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone and its affiliates may have or transactions or investments Blackstone and its affiliates may make or have made. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to us. See "—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns" below. We may also co-invest with clients of Blackstone or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Adviser and its affiliates with respect to our investments and otherwise result in a conflict.

Blackstone, its affiliates and their related parties and personnel participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by us or our subsidiaries. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or "best efforts", basis, and the

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underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone can be expected to also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by its portfolio entities. A Blackstone broker-dealer will from time to time act as the managing underwriter, a member of the underwriting syndicate or broker for us or our subsidiaries, or as dealer, broker or advisor to a counterparty to us or our subsidiaries, and purchase securities from or sell securities to us, our subsidiaries, Other Blackstone Accounts or their portfolio entities. Blackstone will also from time to time, on our behalf or on behalf of other parties to a transaction involving us, effect transactions, including transactions in the secondary markets, subject to applicable law that result in commissions or other compensation paid to Blackstone by us or the counterparty to the transaction, thereby creating a potential conflict of interest. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets, advisory fees, lending arrangement fees, asset/property management fees, insurance (including title insurance fees), incentive fees, consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, an Other Blackstone Account or their portfolio entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with us or our stockholders. Our independent directors will approve any transactions in which a Blackstone broker-dealer acts as underwriter, as broker for us, or as dealer, broker or advisor, on the other side of a transaction with us only where such directors believe in good faith that such transactions are appropriate for us, and our stockholders, by executing a subscription agreement for our shares, consent to all such transactions, along with other transactions involving conflicts described herein, to the fullest extent permitted by law. Sales of securities for our account will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Accounts. It could be impossible, as determined by the Adviser and its affiliates in their sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices will, in certain circumstances, therefore be averaged which may be disadvantageous to us. When Blackstone serves as underwriter with respect to securities held by us or any of our subsidiaries, we could be subject to a “lock-up” period following the offering under applicable regulations during which time we would be unable to sell any securities subject to the “lock-up”. This may prejudice our ability to dispose of such securities at an opportune time. Blackstone employees are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including our potential competitors. Our stockholders will not receive any benefit from any such investments.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving us, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone can be expected to influence the Adviser to select or recommend PJT to perform services for us (the cost of which will generally be borne directly or indirectly by us). Given that PJT is no longer an affiliate of Blackstone, the Adviser and its affiliates will be free to cause us to transact with PJT generally without restriction under our charter notwithstanding the relationship between Blackstone and PJT. See also “—The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us” below.

Blackstone receives or obtains various kinds of data and information from us, Other Blackstone Accounts and portfolio entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as “big data”. Blackstone can be expected to be better able

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to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to this data and information from us, Other Blackstone Account and portfolio entities. Blackstone has entered and will continue to enter into information sharing and use arrangements with us, Other Blackstone Accounts, portfolio entities, related parties and service providers, which may give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. Although Blackstone believes that these activities improve Blackstone's investment management activities on our behalf and on behalf of Other Blackstone Accounts, information obtained from us and portfolio entities also provides material benefits to Blackstone or Other Blackstone Accounts without compensation or other benefit accruing to us or our stockholders. For example, information from a portfolio entity can be expected to enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Accounts that do not own an interest in the portfolio entity, without compensation or benefit to us or the portfolio entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use data and information from our activities to assist in the pursuit of Blackstone's various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Account. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio entity in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to us or our stockholders.

The sharing and use of "big data" and other information presents potential conflicts of interest and investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not offset the Adviser's management fee or otherwise be shared with investors. As a result, the Adviser has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Accounts.

Other present and future activities of Blackstone and its affiliates (including the Adviser and the Dealer Manager) will from time to time give rise to additional conflicts of interest relating to us and our investment activities. In the event that any such conflict of interest arises, we will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of our interests.

Blackstone engages various advisors and operating partners who may co-invest alongside us, and there can be no assurance that such advisors and operating partners will continue to serve in such roles.

Blackstone, its affiliates and their personnel and related parties engage and retain strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of the Adviser, its affiliates, portfolio entities or Other Blackstone Accounts (collectively, "Consultants"), to provide a variety of services. Similarly, we, Other Blackstone Accounts and portfolio entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by us or a portfolio entity to Consultants in connection with the above, including performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as our expenses or expenses of the portfolio entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be chargeable to the Adviser or deemed paid to or received by the Adviser, or offset or reduce any management fees to the Adviser. Also, Consultants may co-invest alongside us in investments, participate in long-term incentive plans of a portfolio entity, which generally will result in us being allocated a smaller share of an investment. Consultants' benefits described in this paragraph may continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant provides the Adviser with industry-specific insights and feedback on investment themes, assists in transaction due

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diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of portfolio entities and contributing to the identification and origination of new investment opportunities. We may rely on these Consultants to recommend the Adviser and us as a preferred investment partner and carry out our investment program, but there is no assurance that any Consultant will continue to be involved with us for any length of time. We, Blackstone, and/or portfolio companies can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of Blackstone “employees” (e.g., they can be expected to have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Dealer Manager Agreement and the Advisory Agreement, and their salary and related expenses are paid by us or by portfolio entities without any reduction or offset to the Adviser’s management fees. Some Consultants work only for us and/or portfolio entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a “Senior Advisor” title, have been and will be engaged with the responsibility to source and recommend transactions to the Adviser potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Adviser under the Advisory Agreement, the compensation to such Consultants may be borne fully by us (with no reduction or offset to the management fee paid to the Adviser). If such Senior Advisors generate investment opportunities on our behalf, such members may receive special additional fees or allocations comparable to those received by a third party in an arm’s length transaction. Consultants could have conflicts of interest between their work for us and portfolio entities, on the one hand, and themselves or other clients, on the other hand, and the Adviser is limited in its ability to monitor and mitigate these conflicts.

We may source, sell and/or purchase assets either to or from the Adviser and its affiliates, or issued by affiliates of the Adviser, and such transactions may cause conflicts of interest.

We may directly or indirectly source, sell and/or purchase all or any portion of an asset (or portfolio of assets/investments) to or from the Adviser and its affiliates or their respective related parties. Such transactions will be subject to the approval of a majority of directors (including a majority of our independent directors) not otherwise interested in the transaction. We may also source, sell to and/or purchase from third parties interests in or assets issued by affiliates of the Adviser or their respective related parties and such transactions would not require approval by our independent directors or an offset of any fees we otherwise owe to the Adviser or its affiliates. The transactions referred to in this paragraph involve conflicts of interest, as our sponsor and its affiliates may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.

Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Accounts in a wide variety of investment opportunities on a global basis. Not every opportunity suitable for us will be allocated to us in whole or in part. First, certain exceptions exist that allow specified types of investment opportunities that fall within our investment objectives or strategy to be allocated in whole or in part to Blackstone itself or Other Blackstone Accounts, such as strategic investments made by Blackstone itself (whether in financial institutions or otherwise) and investments by Other Blackstone Accounts that have investment objectives or guidelines similar to or overlapping with ours. It is expected that some activities of Blackstone, Other Blackstone Accounts and portfolio entities will compete with us for one or more investment opportunities that are consistent with our investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to us. The Adviser may have conflicting loyalties in determining whether an investment opportunity

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should be allocated to us or an Other Blackstone Account. Our sponsor has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

With respect to Other Blackstone Accounts with investment objectives or guidelines that overlap with ours but that do not have priority over us (including the Private Core+ Accounts), investment opportunities are allocated among us and one or more Other Blackstone Accounts in accordance with our sponsor's prevailing policies and procedures on a basis that the Adviser and its affiliates believe to be fair and reasonable in their sole discretion, which is generally pro rata based on relative available capital, subject to the following considerations: (i) any applicable investment objectives or focus of ours and such Other Blackstone Accounts (which, for us, includes our primary objective of providing attractive current income in the form of regular, stable cash distributions to achieve an attractive distribution yield), (ii) any investment limitations, parameters or contractual provisions of ours and such Other Blackstone Accounts (e.g., joint venture investments between us and an Other Blackstone Account must be on the same terms and satisfy the restrictions of all participants, such as lowest leverage targeted by any participant), (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act).

Currently, a Private Core+ Account invests in "core+" real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). Certain Other Blackstone Accounts also invest in real estate debt with investment objectives or guidelines that overlap with ours, but do not have priority over us. To the extent an investment satisfies the investment objectives of us and such Other Blackstone Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above. There may be instances where an overlapping investment opportunity would have satisfied our primary investment objective of providing attractive current income in the form of regular, stable cash distributions to achieve an attractive distribution yield assuming our targeted leverage ratio in the range of 60%, but which does not satisfy our investment objectives at the lower targeted leverage ratio of the Private Core+ Accounts. If the Adviser and its affiliates determine to use the lower leverage ratio, such overlapping investment opportunity would not be allocated to us in whole or part. A sharing of the investment opportunity at different leverage ratios would not be possible because such joint venture investments with the Private Core+ Accounts must be on the same terms (including leverage ratio).

Furthermore, the Select Opportunistic Blackstone Accounts invest in "opportunistic" real estate and real estate-related assets globally (which often are undervalued assets and with higher potential for equity appreciation) and have priority over us with respect to such investment opportunities. This priority will result in fewer investment opportunities being made available to us.

As of December 31, 2019, Other Blackstone Accounts with investment objectives or guidelines that overlap with our primary strategy but that do not have priority over us (including the Private Core+ Accounts) that are in their investing stage had no unused capital commitments and Select Opportunistic Blackstone Accounts (which are Other Blackstone Accounts that receive priority over us and whose investment strategies are generally less similar to ours but can overlap to some extent) in their investing stage had approximately \$16.7 billion of unused capital commitments.

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The Adviser and its affiliates will calculate available capital, weigh the factors described above (which will not be weighted equally) and make other investment allocation decisions in accordance with their prevailing policies and procedures in their sole discretion. The manner in which our available capital is determined may differ from, or subsequently change with respect to, Other Blackstone Accounts. The amounts and forms of leverage utilized for investments will also be determined by the Adviser and its affiliates in their sole discretion. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

The amount of performance-based compensation charged and/or management fees paid by us may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for our sponsor to allocate a greater percentage of an investment opportunity to us or such Other Blackstone Accounts, as the case may be.

Under certain circumstances, our Adviser may determine not to pursue some or all of an investment opportunity within our investment objectives and guidelines, including without limitation, as a result of our prior investments, business or other reasons applicable to us, Other Blackstone Accounts, Blackstone or its affiliates.

Under certain circumstances, our Adviser may determine not to pursue some or all of an investment opportunity within our investment objectives and guidelines, including without limitation, as a result of business, reputational or other reasons applicable to us, Other Blackstone Accounts, Blackstone or its affiliates. In addition, the Adviser and its affiliates may determine that we should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because we have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Adviser and its affiliates in their good faith discretion, or the investment is not appropriate for us for other reasons as determined by the Adviser and its affiliates in their good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Accounts, portfolio entities, joint venture partners, related parties or third parties. Any such Other Blackstone Accounts may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Adviser believes to be the case. In any event, there can be no assurance that the Adviser's assessment will prove correct or that the performance of any investments actually pursued by us will be comparable to any investment opportunities that are not pursued by us. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by us to the Adviser. In some cases Blackstone earns greater fees when Other Blackstone Accounts participate alongside or instead of us in an investment.

When the Adviser and its affiliates determine not to pursue some or all of an investment opportunity for us that would otherwise be within our investment objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Accounts, Blackstone, including its personnel (including real estate personnel), can be expected to receive compensation from the Other Blackstone Accounts, whether or not in respect of a particular investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by us to the Adviser. As a result, the Adviser (including real estate personnel who receive such compensation) could be incentivized to allocate investment opportunities away from us to or source investment opportunities for Other Blackstone Accounts.

The Adviser and its affiliates make good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Information unavailable to the Adviser, or circumstances not foreseen by the Adviser at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Adviser and its affiliates determine to be consistent with the return objective of Other Blackstone Accounts rather than us may not match the expectations and underwriting of the Adviser and its affiliates and generate an actual return that would have been appropriate

for us. Conversely, an investment that the Adviser and its affiliates expect to be consistent with our return objectives will, in certain circumstances, fail to achieve them. There is no assurance that any conflicts arising out of the foregoing will be resolved in our favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or our consent.

Our board of directors has adopted a resolution that renounces our interest or expectancy with respect to business opportunities and competitive activities.

Our board of directors has adopted a resolution that renounces our interest or expectancy in, or in being offered an opportunity to participate in, business opportunities, and provides that none of Blackstone or its affiliates, our directors or any person our directors control must refrain from competing with us or present to us such business opportunities. Under this resolution Blackstone and its affiliates and our directors or any person our directors control would not be obligated to present to us opportunities unless those opportunities are expressly offered to such person in his or her capacity as a director or officer and intended exclusively for us or any of our subsidiaries, and those persons will be able to engage in competing activities without any restriction imposed as a result of Blackstone's or its affiliates' status as a stockholder or Blackstone's affiliates' status as our officers or directors.

We co-invest with Blackstone affiliates and such investments are at times in different parts of the capital structure of an issuer and may otherwise involve conflicts of interest. When we hold investments in which Other Blackstone Accounts have a different principal investment, conflicts of interest arise between us and Other Blackstone Accounts, and the Adviser may take actions that are adverse to us.

We co-invest with Other Blackstone Accounts in investments that are suitable for both us and such Other Blackstone Accounts. We may hold an interest in an investment that is different (including with respect to relative seniority) than the interests held by Other Blackstone Accounts. In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, in certain circumstances we will likely recuse ourselves from participating in any decisions relating to such investment by us or the applicable investments by the Other Blackstone Accounts, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the other actions described below that the Adviser may take to mitigate the conflict, Blackstone may be required to take action when it will have conflicting loyalties between its duties to us and such Other Blackstone Accounts, which may adversely impact us. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to us (and vice versa). If the Other Blackstone Account maintains voting rights with respect to the securities it holds, or if we do not recuse ourselves, Blackstone may be required to take action where it will have conflicting loyalties between its duties to us and such Other Blackstone Account, which may adversely impact us. If we recuse ourselves from decision-making, we will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made.

There can be no assurance that any conflict will be resolved in our favor. Conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on our investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. In addition, it is anticipated that in a bankruptcy proceeding our interest will likely be subordinated or otherwise adversely affected by virtue of such Other Blackstone Accounts' involvement and actions relating to such investment. For example, in circumstances where we hold a junior mezzanine interest in an issuer, holders of more senior classes of debt issued by such entity (which may include Other Blackstone Accounts) may take actions for their benefit (particularly in circumstances where such issuer faces financial difficulty or distress) that further subordinate or adversely impact the value of our investment in such issuer.

In connection with negotiating loans, bank or securitization financings in respect of our real estate-related transactions, Blackstone will generally obtain the right to participate on its own behalf (or on behalf of vehicles it

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manages) in a portion of the financings with respect to such Blackstone-sponsored transactions (including transactions where the underlying collateral includes property owned by Other Blackstone Accounts) upon an agreed upon set of terms. We do not believe that this arrangement has an effect on the overall terms and conditions negotiated with the arrangers of such senior loans other than as described in the preceding sentence. If we make or have an investment in a property in which an Other Blackstone Account has a mezzanine or other debt investment, or vice versa, Blackstone may have conflicting loyalties between its duties to us and to other affiliates. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. Because of the affiliation with Blackstone, the Adviser may have a greater incentive to invest in Blackstone-sponsored financings (as compared to real estate-related financings sponsored by other real estate firms or financial sponsors). In certain circumstances, we may be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Accounts and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. In any such circumstance, the Other Blackstone Accounts and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of the management fee paid to the Adviser. The conflicts applicable to Other Blackstone Accounts who invest in different securities of issuers will apply equally to Blackstone itself in such situations.

To the extent that we make or have an investment in, or through the purchase of debt obligations become a lender to, a company in which an Other Blackstone Account has a debt or equity investment (including through investments in CMBS where the underlying properties are owned by Other Blackstone Accounts), or if an Other Blackstone Account participates in a separate tranche of a financing with respect to a portfolio entity, Blackstone will generally have conflicting loyalties between its duties to us and to Other Blackstone Accounts. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to us (and vice versa). Moreover, we will generally “follow the vote” of other similarly situated third-party creditors (if any) in voting and governance matters where conflicts of interest exist and will have a limited ability to separately protect our investment and will be dependent upon such third parties’ actions (which may not be as capable as the Adviser and may have other conflicts arising from their other relationships, both with Blackstone and other third parties that could impact their decisions). In addition, conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof.

We may seek to participate in investments relating to (i) the refinancing or modifications of loan investments or portfolios held or proposed to be acquired by certain Other Blackstone Accounts, and Other Blackstone Accounts may refinance a loan currently held by us and/or (ii) portfolio entities of one or more Other Blackstone Accounts, including primary or secondary issuances of loans or other interests by such portfolio entities. While it is expected that our participation in connection with any such transactions will generally be negotiated by third parties, such transactions will give rise to potential or actual conflicts of interest.

We may invest in joint ventures with Other Blackstone Accounts or divide a pool of investments among us and Other Blackstone Accounts.

To the extent we acquire properties through joint ventures with Other Blackstone Accounts, such investments will be allocated as described above, and we may be allocated interests in such joint ventures that are smaller than the interests of the Other Blackstone Accounts. Generally, we expect the level of control we have with respect to any joint venture will correspond to our economic interest in such joint venture. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and one or more Other Blackstone Accounts. Such joint venture investments will involve risks and conflicts of interests. See “—Risks Related Investments in Real Estate—We may make a substantial amount of

joint venture investments, including with Blackstone affiliates. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.”

Our sponsor may have an opportunity to acquire a portfolio or pool of assets, securities and instruments in a single or related transactions with a particular seller that it determines in its sole discretion should be divided and allocated among us and Other Blackstone Accounts, including where certain of such assets, securities or instruments are specifically allocated (in whole or in part) to us and such Other Blackstone Accounts. Such allocations generally would be based on its assessment of, among other things, the expected returns and risk profile of the portfolio and each of the assets therein and may provide greater benefits to Other Blackstone Accounts than to us (or vice versa). For example, some of the assets in a pool may have an opportunistic return profile not appropriate for us. Also, a pool may contain both debt and equity instruments that our sponsor determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool based on a determination by the seller, by a third-party valuation firm and/or by the Adviser and its affiliates, and therefore among us and the Other Blackstone Accounts acquiring any of the assets, securities and instruments. To the extent that any such allocations would cause us to participate in a transaction with Other Blackstone Accounts for a portfolio or pool of assets, securities and instruments that we otherwise may not have acquired individually, our sponsor will have conflicting loyalties between its duties to us and to Other Blackstone Accounts.

Similarly, there will likely be circumstances in which we and Other Blackstone Accounts will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an allocation of value in the purchase or sale contract, though our sponsor could determine such allocation of value is not accurate and should not be relied upon. Unless an appraisal is required by our charter, our sponsor will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third party valuation reports. Regardless of the methodology for allocating value, our sponsor will have conflicting duties to us and Other Blackstone Accounts when they buy or sell assets together in a portfolio, including as a result of different financial incentives our sponsor has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that our investment will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Blackstone Accounts.

The amount of performance-based compensation charged and/or management fees paid by us may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for our sponsor to allocate a greater percentage of an investment opportunity to us or such Other Blackstone Accounts, as the case may be.

Blackstone may structure certain investments such that Blackstone will face conflicting fiduciary duties to us and certain debt funds.

It is expected that Blackstone will structure certain investments such that one or more mezzanine or other investment funds, structured vehicles or other collective investment vehicles primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other similar debt instruments managed by affiliates of Blackstone (collectively, “Debt Funds”) are offered the opportunity to participate in the debt tranche of an investment allocated to us. The Adviser and its affiliates owe fiduciary duties to the Debt Funds as well as to us. If the Debt Funds purchase high-yield securities or other debt instruments related to a property or real estate company that we hold an investment in (or if we make or have an investment in or, through the purchase of debt obligations become a lender to, a company or property in which a Debt Fund or an Other Blackstone Account or another Blackstone real estate fund or vehicle has a mezzanine or other debt investment), the Adviser and its affiliates will face a conflict of interest in respect of the advice given to, or the decisions made with regard to, the Debt Funds, such Other Blackstone Accounts and us (e.g., with respect to the

terms of such high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). Similarly, certain Other Blackstone Accounts can be expected to invest in securities of publicly traded companies that are actual or potential investments of ours. The trading activities of Other Blackstone Accounts may differ from or be inconsistent with activities that are undertaken for our account in any such securities. In addition, we may not pursue an investment otherwise within our investment objectives and guidelines as a result of such trading activities by Other Blackstone Account.

Blackstone may raise and/or manage Other Blackstone Accounts, which could result in the reallocation of Blackstone personnel and the direction of potential investments to such Other Blackstone Accounts.

Blackstone reserves the right to raise and/or manage Other Blackstone Accounts, including opportunistic and stabilized and substantially stabilized real estate funds or separate accounts, dedicated managed accounts, investments suitable for lower risk, lower return funds or higher risk, higher return funds, real estate debt obligation and trading investment vehicles, real estate funds primarily making investments globally, in a particular region outside of the U.S. and Canada, or in a single sector of the real estate investment space (e.g., office, industrial, retail or multifamily) or making non-controlling investments in public and private debt and equity securities and/or investment funds that may have the same or similar investment objectives or guidelines as us or investments, including those raised by us and one or more managed accounts (or other similar arrangements structured through an entity) for the benefit of one or more specific investors (or related group of investors) which, in each case, may have investment objectives or guidelines that overlap with ours. See “—Certain Other Blackstone Accounts have similar or overlapping investment objectives and guidelines, and we will not be allocated certain opportunities and may be allocated only opportunities with lower relative returns.” In particular, we expect that there will be overlap of real property and real estate debt investment opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts. The closing of an Other Blackstone Account could result in the reallocation of Blackstone personnel, including reallocation of existing real estate professionals, to such Other Blackstone Account. In addition, potential investments that may be suitable for us may be directed toward such Other Blackstone Account.

Blackstone’s potential involvement in financing a third party’s purchase of assets from us could lead to potential or actual conflicts of interest.

We may from time to time dispose of all or a portion of an investment by way of a third-party purchaser’s bid where Blackstone or one or more Other Blackstone Accounts is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. This may include the circumstance where Blackstone or one or more Other Blackstone Accounts is making commitments to provide financing at or prior to the time such third-party purchaser commits to purchase such investments or assets from us. Such involvement of Blackstone or one or more Other Blackstone Accounts as such a provider of debt financing in connection with the potential acquisition of portfolio investments by third parties from us may give rise to potential or actual conflicts of interest.

We may provide debt financing in connection with acquisitions by third parties of assets owned by Other Blackstone Accounts.

We may provide financing as part of a third-party purchaser’s bid or acquisition of (or investment in) a portfolio entity (or the underlying assets of) owned by one or more Other Blackstone Accounts (or in connection with the acquisitions by one or more Other Blackstone Accounts or their affiliates of assets or interests (and/or portfolios thereof) owned by a third party). This may include making commitments to provide financing at, prior to or around the time that any such purchaser commits to or makes such investments. We may make investments and provide debt financing with respect to portfolio entities in which Other Blackstone Accounts and/or affiliates hold or subsequently acquire an interest. While the terms and conditions of any such arrangements will generally

be on market terms, the involvement of the Other Blackstone Accounts or affiliates in such transactions may affect credit decisions and the terms of such transactions or arrangements and/or may otherwise influence the Adviser's decisions, which will give rise to potential or actual conflicts of interest and which may adversely impact us. For example, such transactions may involve the partial or complete payoff of such loans (with related proceeds being received by the applicable Other Blackstone Accounts) and/or otherwise result in restructurings of terms and pricing relating to such existing loans with the borrowers thereof in respect of which such Other Blackstone Accounts may receive refinancing proceeds and/or a retained interest in such loans in accordance with such restructuring arrangements. Additionally, in certain situations we may not commit to provide financing until a third party has committed to make a deposit in connection with the acquisition of an investment from an Other Blackstone Account, which may result in us being disadvantaged in the overall bid process or potentially not consummating the investment.

Disputes between Blackstone and our joint venture partners who have pre-existing investments with Blackstone may affect our investments relating thereto.

Some of the third-party operators and joint-venture partners with which the Adviser may elect to co-invest our capital may have pre-existing investments with Blackstone. The terms of these preexisting investments may differ from the terms upon which we invest with such operators and partners. To the extent a dispute arises between Blackstone and such operators and partners, our investments relating thereto may be affected.

Certain principals and employees will, in certain circumstances, be involved in and have a greater financial interest in the performance of other Blackstone funds or accounts, and such activities may create conflicts of interest in making investment decisions on our behalf.

Certain Blackstone personnel will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to us, Other Blackstone Accounts and portfolio entities, and their outside business activities as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of us, including if such other entities compete with us for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than our performance. This involvement may create conflicts of interest in making investments on our behalf and on behalf of such other funds, accounts and other entities. Although the Adviser will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for us. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, real estate funds, hedge funds and other investment vehicles, as well as securities of other companies, some of which will be competitors of ours. Investors will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to us.

The Adviser may face conflicts of interests in choosing our service providers and certain service providers may provide services to the Dealer Manager, the Adviser or Blackstone on more favorable terms than those payable by us.

Certain third-party advisors and other service providers and vendors to us (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) are owned by Blackstone or Other Blackstone Accounts or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Accounts and their portfolio entities, the Dealer Manager, the Adviser and affiliates and personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to us could have other commercial or personal relationships with Blackstone, Other Blackstone Accounts and their respective affiliates, personnel or family members of personnel of the foregoing.

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Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will, in certain circumstances, influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for us, the cost of which will generally be borne directly or indirectly by us, and incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to cause us to pay such service providers and vendors higher fees or commissions than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone may also have an incentive to invest in or create service providers and vendors to realize on these opportunities. Furthermore, Blackstone will from time to time encourage third-party service providers to Other Blackstone Accounts to use other service providers and vendors in which Blackstone has an interest, and Blackstone has an incentive to use third-party service providers who do so as a result of the additional business for the related service providers and vendors. Fees paid to or value created in these service providers and vendors do not offset or reduce the Adviser's management fee and are not otherwise shared with us. In the case of brokers of securities, our sponsor has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone, Other Blackstone Accounts, portfolio entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to us, such as fees for asset, development and property management; arranging, underwriting, syndication or refinancing of a loan or investment (or other additional fees, including acquisition fees, loan modification or restructuring fees); loan servicing; special servicing; other servicing; administrative services; advisory services on purchase or sale of an asset or company; other advisory services; investment banking and capital market services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement; brokerage solutions and risk management services; data extraction and management products and services; fees for monitoring and oversight of loans or title insurance; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organizational and financing, and divestment services). Such parties will also provide products and services for fees to Blackstone, Other Blackstone Accounts and portfolio entities, and their personnel and related parties, as well as third parties. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to us, our portfolio properties, Other Blackstone Accounts and their affiliates, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, we would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with us or our stockholders and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Accounts and portfolio entities, and their personnel and related parties will, in certain circumstances, receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by us. We will incur expense in negotiating for any such fees and services. Finally, Blackstone and its personnel and related parties may also receive compensation for origination expenses and with respect to un consummated transactions.

Portfolio entities of Other Blackstone Accounts are and will be counterparties in agreements, transactions and other arrangements with us for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the management fees we pay to the Adviser notwithstanding that some of the services provided by such portfolio entity are similar in nature to the services provided by the Adviser. Generally, we may engage Blackstone-affiliated portfolio entities only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors) not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

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We may engage portfolio entities of Other Blackstone Accounts to provide some or all of the following services: (a) corporate support services (including, without limitation, accounting/audit (including valuation support services), account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (i.e., coordination with JV partners, property managers), risk management, tax and treasury; (b) loan management (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (i.e., management by a portfolio entity, Blackstone affiliate or third party (e.g., a third party manager) of operational services); (d) operational services (i.e., general management of day to day operations, including, without limitation, construction management, leasing services, project management and property management); and (e) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordination of design and development works, overseeing brokers, lawyers, accountants and other advisors, providing legal and accounting services, assistance with due diligence, preparation of project feasibilities, site visits, and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents).

Such portfolio entities that can be expected to provide services to us include, without limitation, the following, and may include additional portfolio entities that may be formed or acquired in the future:

LivCor. We have engaged LivCor, L.L.C., a portfolio company owned by a Blackstone-advised fund for certain of our multifamily properties.

Equity Office Management/Equity Office Properties. We have engaged Equity Office Management, L.L.C., a portfolio company owned by Blackstone-advised funds for certain of our office properties.

ShopCore. We have engaged ShopCore Properties TRS Management LLC, a portfolio company owned by a Blackstone-advised fund for certain of our retail properties.

Link. We have engaged Link Industrial Properties Holdco LLC, a portfolio company owned by a Blackstone-advised fund for certain of our industrial properties.

BRE Hotels and Resorts. We have engaged BRE Hotels & Resorts LLC, a portfolio company controlled (but not owned) by a Blackstone-advised fund for certain of our hotel properties.

Revantage. We have engaged Revantage Corporate Services, LLC, a portfolio company owned by a Blackstone-advised fund, to provide corporate support services (including, without limitation, accounting, legal, tax, and treasury, as applicable) and transaction support services to certain of our investments directly.

We compensate these service providers and vendors owned by the Other Blackstone Accounts for services rendered to us, including through promote or other incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a portfolio entity or property will vary from the incentive based compensation paid with respect to other portfolio entities and properties; as a result the management team or other related parties may have greater incentives with respect to certain properties and portfolio entities relative to others, and the performance of certain properties and portfolio entities may provide incentives to retain management that also service other properties and portfolio entities. Service providers and vendors owned by Other Blackstone Accounts may charge us for certain goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates below applies equally in respect of the fees and expenses of the portfolio entity service providers, if charged at rates generally consistent with those available in the

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market. Such service providers and vendors may also pass through expenses for other services on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for our benefit to us, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a portfolio property; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, and therefore we could pay more than our pro rata portion of fees for services. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis. There can be no assurance that a different manner of allocation would result in our bearing less or more costs and expenses. A service provider may subcontract certain of its responsibilities to other portfolio entities. In such circumstances, the relevant subcontractor could invoice the portfolio entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The portfolio entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above.

We, Other Blackstone Accounts and their affiliates are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third-party joint venture partner may negotiate to not pay its pro rata share of fees, costs and expenses to be allocated as described above, in which case we, Other Blackstone Accounts and their affiliates that also use the services of the portfolio entity service provider will, directly or indirectly, pay the difference, or the portfolio entity service provider will bear a loss equal to the difference. Portfolio entity service providers described in this section are generally owned and controlled by a Blackstone fund such as Other Blackstone Accounts. In certain instances a similar company could be owned or controlled by Blackstone directly. Service providers described in this risk factor are generally owned and controlled by a Blackstone fund, such as the Other Blackstone Accounts.

Blackstone has a general practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to us for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if we consummate a higher percentage of transactions with a particular law firm than Blackstone, Other Blackstone Accounts and their affiliates, we could indirectly pay a higher net effective rate for the services of that law firm than Blackstone or Other Blackstone Accounts or their affiliates. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by us are different from those used by Blackstone, Other Blackstone Accounts and their affiliates and personnel, we can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Other Blackstone Accounts and affiliates and we can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.

In addition to the service providers (including portfolio entity service providers) and vendors described above, we will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses will, in certain circumstances, also enter into transactions with other counterparties of ours. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses.

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Furthermore, Blackstone will from time to time encourage our third-party service providers to use other Blackstone-affiliated service providers and vendors in connection with our business and the business of portfolio entities and unaffiliated entities, and Blackstone has an incentive to use third-party service providers who do so as a result of the indirect benefit to Blackstone and additional business for the related service providers and vendors. No fees charged by these service providers and vendors will offset or reduce the Adviser's management fees. Furthermore, Blackstone, the Other Blackstone Accounts and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

Blackstone-affiliated service providers and vendors, include, without limitation:

LNLS. Lexington National Land Services ("LNLS") is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters and (iii) acts as an escrow agent in connection with investments by us, Other Blackstone Accounts and their affiliates and related parties, and third parties. In exchange for such services LNLS earns fees, which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which we participate, LNLS will benchmark such fees to the extent market data is available except when LNLS is providing such services in a state where the insurance premium or escrow fee, as applicable, is regulated by the state or when LNLS is part of a syndicate of title insurance companies where the insurance premium is negotiated by other title insurance underwriters or their agents.

Certain Blackstone-affiliated service providers and their respective personnel may receive a management promote, an incentive fee and other performance-based compensation in respect of our investments. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), provided that these amounts will not exceed market rates as determined to be appropriate under the circumstances. Generally, we may engage Blackstone-affiliated service providers only if a majority of our board of directors, and a majority of the affiliate transaction committee (which is comprised of each of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

The Adviser and its affiliates will make determinations of market rates (i.e., rates that fall within a range that the Adviser and its affiliates has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include the experience of the Adviser and its affiliates with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Adviser and its affiliates to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset by asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired (such as location or size), or the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by us or by Other Blackstone Accounts and will not offset the management fee we pay to the Adviser. Finally, in certain circumstances third-party benchmarking may be considered unnecessary, including because the price for a particular good or service is mandated by law (e.g., title insurance in rate regulated states). Some of the services performed by Blackstone-affiliated service providers could also be performed by our sponsor from time to time

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and vice versa. Fees paid by us to Blackstone-affiliated service providers do not offset or reduce the management fee we pay to the Adviser and are not otherwise shared with us.

For more information regarding our relationships with these entities, see “Selected Information Regarding our Operations—Related Party Transactions” in the Prospectus, as well as “Transactions with Related Persons and Certain Control Persons—Our Relationship with Our Adviser and Blackstone—Affiliate Service Agreements” in our definitive Proxy Statement on Schedule 14A, and “Related Party Transactions” in the notes to our consolidated financial statements appearing in this Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, each as incorporated herein by reference.

Blackstone and Other Blackstone Accounts operate in multiple industries, including the real estate related information technology industry, and provide products and services to or otherwise contract with us, among others. In connection with any such investment, Blackstone and Other Blackstone Accounts (or their respective portfolio entities and personnel and related parties) can be expected to make referrals or introductions to us or other portfolio entities in an effort, in part, to increase the customer base of such companies or businesses or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, participation in revenue share, accruing to the party making the introduction. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a portfolio entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services to such portfolio entities) that are referred to the joint venture or business by Blackstone. Such joint venture or business could use data obtained from such portfolio entities. We typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Accounts and their respective portfolio entities as a result of such introduction.

We will enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof) and will otherwise enter into operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among us, Other Blackstone Accounts and portfolio entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone and its affiliates and personnel, or Other Blackstone Accounts and their portfolio entities, including as a result of transactions entered into by us, and such commissions or payment will not offset the management fee payable to the Adviser. Blackstone can be expected to also receive consulting or other fees from the parties to these group procurement arrangements. To the extent that a portfolio entity of an Other Blackstone Account is providing such a service, such portfolio entity and such Other Blackstone Account will benefit. Further, the benefits received by the particular portfolio entity providing the service will, in certain circumstances, be greater than those received by us in receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements.

We will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure us, our portfolio properties, the Adviser, Blackstone and their respective directors, officers, employees, agents and representatives and other indemnified parties, against liability in connection with our activities. This includes a portion of any premiums, fees, costs and expenses for one or more “umbrella”, group or other insurance policies maintained by Blackstone that cover one or more of us and Other Blackstone Accounts, the Adviser and Blackstone (including their respective directors, officers, employees, agents and representatives and other indemnified parties). The Adviser and its affiliates will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella”, group or other insurance policies among one or more of us and Other Blackstone Accounts, the Adviser and Blackstone on a fair and reasonable basis, in their discretion, and may make corrective allocations should they determine subsequently that such corrections are necessary or advisable. For example, some property insurance could be allocated on a property-by-property basis in accordance with the relative values of the respective assets that are insured by such policies.

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Additionally, we and Other Blackstone Accounts (and their portfolio entities) will, in certain circumstances, jointly contribute to a pool of funds that can be expected to be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions may similarly be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine).

In respect of such insurance arrangements, Blackstone may make corrective allocations from time to time should it determine subsequently that such adjustments are necessary or advisable. There can be no assurance that different allocations or arrangements than those implemented by Blackstone as provided above would not result in us and our portfolio properties bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

Blackstone or an affiliate of Blackstone formed in the future may provide data management services to portfolio properties and may also provide such services directly to us and Other Blackstone Accounts (collectively, "Data Holders"). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the requirements under our charter (including any necessary approval of by our board of directors, including a majority of our independent directors not interested in the transaction) and any other applicable contractual limitations, with us, Other Blackstone Accounts, portfolio properties and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Accounts make investments, and portfolio entities thereof). Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by the Blackstone in its discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation may also include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Additionally, Blackstone may determine to share the products from such data management services within Blackstone or its affiliates (including Other Blackstone Accounts or their portfolio entities) at no charge and, in such cases, the Data Holders would not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone could create incentives for the Adviser to cause us to invest in portfolio entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

We may be subject to potential conflicts of interest as a consequence of family relationships that Blackstone employees have with other real estate professionals.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which we invest or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described above) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of us or our other counterparties and portfolio properties. Moreover, in certain instances, we can be expected to purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, we will not be precluded from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Adviser.

We are subject to conflicts of interest related to tenants.

Certain properties owned by us and/or an Other Blackstone Account will, in certain circumstances, be leased out to tenants that are affiliates of Blackstone, including but not limited to Other Blackstone Accounts and/or their respective portfolio companies, which would give rise to a conflict of interest. In such events, the Adviser will endeavor to ensure that such conflicts are resolved in a fair and equitable manner, subject to applicable oversight of the board of directors.

We are party to an uncommitted line of credit with an affiliate of Blackstone.

We have entered into an uncommitted line of credit with Blackstone Holdings Finance Co. L.L.C., an affiliate of Blackstone, pursuant to which we may borrow up to \$150 million at an interest rate equal to the then-current interest rate offered by an unaffiliated third-party lender or, if no such rate is available, LIBOR plus 2.50%. Because this line of credit is with an affiliate of Blackstone, the terms of the agreement were not negotiated at arm's-length. Blackstone may face conflicts of interest in connection with any borrowings or disputes under this uncommitted line of credit.

The personnel of the Dealer Manager and the Adviser may trade in securities for their own accounts, subject to restrictions applicable to Blackstone personnel.

The officers, directors, members, managers and employees of the Dealer Manager and the Adviser can be expected to trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies, or otherwise determined from time to time by the Dealer Manager or the Adviser.

We have and continue to expect to have a diverse stockholder group and the interests of our stockholders may conflict with one another and may conflict with the interests of investors in other vehicles that we co-invest with.

Our stockholders may have conflicting investment, tax and other interests with respect to their investments in us and with respect to the interests of investors in other investment vehicles managed or advised by the Adviser or its affiliates that participate in the same investments as us. The conflicting interests of individual stockholders with respect to other stockholders and relative to investors in other investment vehicles and investors relate to, among other things, the nature, structuring, financing, tax profile and timing of disposition of investments. The Adviser may as a result have conflicts in making these decisions, which may be more beneficial for one or more (but not all) stockholder than for other stockholders. In addition, we may make investments that may have a negative impact on related investments made by the stockholders in separate transactions. In selecting and structuring investments appropriate for us, the Adviser considers the investment and tax objectives of us (including our qualification as a REIT) and our stockholders (and those of investors in other investment vehicles managed or advised by the Adviser or its affiliates) that participate in the same investments as us, not the investment, tax or other objectives of any stockholder individually. In addition, certain investors may also be limited partners in Other Blackstone Accounts, including supplemental capital vehicles and co-investment vehicles that invest alongside us in one or more investments, which could create conflicts for the Adviser in the treatment of different investors.

Stockholders may also include affiliates of Blackstone, such as Other Blackstone Accounts, affiliates of portfolio entities, charities or foundations associated with Blackstone personnel and current or former Blackstone personnel, Blackstone's senior advisors and operating partners, and any such affiliates, funds or persons may also invest in us. Except as provided in our charter, all of these Blackstone-related stockholders will have equivalent rights to vote and withhold consents as nonrelated stockholders. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone-related stockholders.

We may be subject to additional potential conflicts of interests as a consequence of Blackstone's status as a public company.

As a consequence of Blackstone's status as a public company, our officers, directors, members, managers and employees and those of the Adviser may take into account certain considerations and other factors in connection with the management of the business and affairs of us and our affiliates that would not necessarily be taken into account if Blackstone were not a public company.

We, Other Blackstone Accounts and their portfolio entities may engage in permissible political activities with the intent of furthering our or their business interests or otherwise.

We, Other Blackstone Accounts and their portfolio entities may, in the ordinary course of our or their respective businesses, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities with the intent of furthering our or their business interests or otherwise. In certain circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of us, Other Blackstone Accounts and/or their portfolio entities. The interests advanced by a portfolio entity through such activities may, in certain circumstances, not align with or be adverse to our interests, the interests of our stockholders or the interests of Other Blackstone Accounts or their other portfolio entities. The costs of such activities may be allocated among us, Other Blackstone Accounts and their portfolio entities (and some indirectly by our stockholders). While the costs of such activities will typically be borne by the entity undertaking such activities, such activities may also directly or indirectly benefit us, Other Blackstone Accounts, their portfolio entities or Blackstone. There can be no assurance that any such activities will be successful in advancing our interests or the interests of an Other Blackstone Accounts or a portfolio entity or otherwise benefit such entities.

Risks Related to our REIT Status and Certain Other Tax Items

If we do not maintain our qualification as a REIT, we will be subject to tax as a regular corporation and could face a substantial tax liability.

We expect to continue to operate so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, various compliance requirements could be failed, which could jeopardize our REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then:

- we would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to stockholders in computing taxable income and being subject to federal income tax on our taxable income at regular corporate income tax rates;
- any resulting tax liability could be substantial and could have a material adverse effect on our book value;
- unless we were entitled to relief under applicable statutory provisions, we would be required to pay taxes, and therefore, our cash available for distribution to stockholders would be reduced for each of the years during which we did not qualify as a REIT and for which we had taxable income; and
- we generally would not be eligible to requalify as a REIT for the subsequent four full taxable years.

To maintain our REIT status, we may have to borrow funds on a short-term basis during unfavorable market conditions.

To qualify as a REIT, we generally must distribute annually to our stockholders a minimum of 90% of our net taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. We

will be subject to regular corporate income taxes on any undistributed REIT taxable income each year. Additionally, we will be subject to a 4% nondeductible excise tax on any amount by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from previous years. Payments we make to our stockholders under our share repurchase plan will not be taken into account for purposes of these distribution requirements. If we do not have sufficient cash to make distributions necessary to preserve our REIT status for any year or to avoid taxation, we may be forced to borrow funds or sell assets even if the market conditions at that time are not favorable for these borrowings or sales. These options could increase our costs or reduce our equity.

Compliance with REIT requirements may cause us to forego otherwise attractive opportunities, which may hinder or delay our ability to meet our investment objectives and reduce your overall return.

To qualify as a REIT, we are required at all times to satisfy tests relating to, among other things, the sources of our income, the nature and diversification of our assets, the ownership of our stock and the amounts we distribute to our stockholders. Compliance with the REIT requirements may impair our ability to operate solely on the basis of maximizing profits. For example, we may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution.

Compliance with REIT requirements may force us to liquidate or restructure otherwise attractive investments.

To qualify as a REIT, at the end of each calendar quarter, at least 75% of the value of our assets must consist of cash, cash items, government securities and qualified real estate assets. The remainder of our investments in securities (other than qualified real estate assets and government securities) generally cannot include more than 10% of the voting securities (other than securities that qualify for the straight debt safe harbor) of any one issuer or more than 10% of the value of the outstanding securities of more than any one issuer unless we and such issuer jointly elect for such issuer to be treated as a “taxable REIT subsidiary” under the Code. Debt will generally meet the “straight debt” safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a certain sum of money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits, the borrower’s discretion, or similar factors. Additionally, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our assets may be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any calendar quarter, we must dispose of a portion of our assets within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions in order to avoid losing our REIT qualification and suffering adverse tax consequences. In order to satisfy these requirements and maintain our qualification as a REIT, we may be forced to liquidate assets from our portfolio or not make otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

Our charter does not permit any person or group to own more than 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or of our outstanding capital stock of all classes or series, and attempts to acquire our common stock or our capital stock of all other classes or series in excess of these 9.9% limits would not be effective without an exemption (prospectively or retroactively) from these limits by our board of directors.

For us to qualify as a REIT under the Code, not more than 50% of the value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of assisting our qualification as a REIT for U.S. federal income tax purposes, among other purposes, our charter prohibits beneficial or constructive ownership by any person or group of more than 9.9%, in value or number of shares, whichever is more restrictive, of the outstanding shares of our outstanding common stock, or 9.9% in value or number of shares, whichever is more restrictive, of our outstanding capital stock of all classes or series, which we refer to as the “Ownership Limit.”

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The constructive ownership rules under the Code and our charter are complex and may cause shares of the outstanding common stock owned by a group of related persons to be deemed to be constructively owned by one person. As a result, the acquisition of less than 9.9% of our outstanding common stock or our capital stock by a person could cause another person to constructively own in excess of 9.9% of our outstanding common stock or our capital stock, respectively, and thus violate the Ownership Limit. There can be no assurance that our board of directors, as permitted in the charter, will not decrease this Ownership Limit in the future. Any attempt to own or transfer shares of our common stock or capital stock in excess of the Ownership Limit without the consent of our board of directors will result either in the shares in excess of the limit being transferred by operation of our charter to a charitable trust, and the person who attempted to acquire such excess shares not having any rights in such excess shares, or in the transfer being void.

The Ownership Limit may have the effect of precluding a change in control of us by a third party, even if such change in control would be in the best interests of our stockholders or would result in receipt of a premium to the price of our common stock (and even if such change in control would not reasonably jeopardize our REIT status). The exemptions to the ownership limit granted to date may limit our board of directors' power to increase the ownership limit or grant further exemptions in the future.

Non-U.S. holders may be subject to U.S. federal income tax upon their disposition of shares of our common stock or upon their receipt of certain distributions from us.

In addition to any potential withholding tax on ordinary dividends, a non-U.S. holder (as such term is defined under "Material U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Our Common Stock" in the Prospectus), other than a "qualified shareholder" or a "qualified foreign pension fund," that disposes of a "U.S. real property interest" ("USRPI") (which includes shares of stock of a U.S. corporation whose assets consist principally of USRPIs), is generally subject to U.S. federal income tax under the Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), on the amount received from such disposition. Such tax does not apply, however, to the disposition of stock in a REIT that is "domestically controlled." Generally, a REIT is domestically controlled if less than 50% of its stock, by value, has been owned directly or indirectly by non-U.S. persons during a continuous five-year period ending on the date of disposition or, if shorter, during the entire period of the REIT's existence. We cannot assure you that we will qualify as a domestically controlled REIT. If we were to fail to so qualify, amounts received by a non-U.S. holder on certain dispositions of shares of our common stock (including a redemption) would be subject to tax under FIRPTA, unless (i) our shares of common stock were regularly traded on an established securities market and (ii) the non-U.S. holder did not, at any time during a specified testing period, hold more than 10% of our common stock. See "Material U.S. Federal Income Tax Considerations—Taxation of Non-U.S. Holders of Our Common Stock—Sales of Our Common Stock" in the Prospectus.

A non-U.S. holder other than a "qualified shareholder" or a "qualified foreign pension fund," that receives a distribution from a REIT that is attributable to gains from the disposition of a USRPI as described above, including in connection with a repurchase of our common stock, is generally subject to U.S. federal income tax under FIRPTA to the extent such distribution is attributable to gains from such disposition, regardless of whether the difference between the fair market value and the tax basis of the USRPI giving rise to such gains is attributable to periods prior to or during such non-U.S. holder's ownership of our common stock. In addition, a repurchase of our common stock, to the extent not treated as a sale or exchange, may be subject to withholding as an ordinary dividend. See "Material U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders of Our Common Stock – Distributions, and – Repurchases of our Common Stock" in the Prospectus.

We seek to act in the best interests of the Company as a whole and not in consideration of the particular tax consequences to any specific holder of our stock. Potential non-U.S. holders should inform themselves as to the U.S. tax consequences, and the tax consequences within the countries of their citizenship, residence, domicile, and place of business, with respect to the purchase, ownership and disposition of shares of our common stock.

Investments outside the United States may subject us to additional taxes and could present additional complications to our ability to satisfy the REIT qualification requirements.

Non-U.S. investments may subject us to various non-U.S. tax liabilities, including withholding taxes. In addition, operating in functional currencies other than the U.S. dollar and in environments in which real estate transactions are typically structured differently than they are in the United States or are subject to different legal rules may present complications to our ability to structure non-U.S. investments in a manner that enables us to satisfy the REIT qualification requirements.

We may incur tax liabilities that would reduce our cash available for distribution to you.

Even if we qualify and maintain our status as a REIT, we may become subject to U.S. federal income taxes and related state and local taxes. For example, net income from the sale of properties that are “dealer” properties sold by a REIT (a “prohibited transaction” under the Code) will be subject to a 100% tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if we were to fail an income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect) we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gain we earn from the sale or other disposition of our investments and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. We also may be subject to state and local taxes on our income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which we indirectly own our assets, such as our taxable REIT subsidiaries, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to you.

Our board of directors is authorized to revoke our REIT election without stockholder approval, which may cause adverse consequences to our stockholders.

Our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. Our board of directors has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in our best interests and in the best interests of our stockholders. In this event, we would become subject to U.S. federal income tax on our taxable income and we would no longer be required to distribute most of our net income to our stockholders, which may cause a reduction in the total return to our stockholders.

You may have current tax liability on distributions you elect to reinvest in our common stock.

If you participate in our distribution reinvestment plan, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in shares of our common stock to the extent the amount reinvested was not a tax-free return of capital. Therefore, unless you are a tax-exempt entity, you may be forced to use funds from other sources to pay your tax liability on the reinvested dividends.

Generally, ordinary dividends payable by REITs do not qualify for reduced U.S. federal income tax rates.

Currently, the maximum tax rate applicable to qualified dividend income payable to certain non-corporate U.S. stockholders is 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rate. Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive

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investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock. However, under the Tax Cuts and Jobs Act of 2017, commencing with taxable years beginning on or after January 1, 2018 and continuing through 2025, individual taxpayers may be entitled to claim a deduction in determining their taxable income of 20% of ordinary REIT dividends (dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us), which temporarily reduces the effective tax rate on such dividends. See “Material U.S. Federal Income Tax Considerations—Taxation of U.S. Holders of Our Common Stock—Distributions Generally” in the Prospectus. You are urged to consult with your tax advisor regarding the effect of this change on your effective tax rate with respect to REIT dividends.

We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the price of our common stock.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of our common stock. Additional changes to the tax laws are likely to continue to occur, and we cannot assure you that any such changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. You are urged to consult with your tax advisor with respect to the impact of the recent legislation on your investment in our shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. The impact of tax reform on an investment in our shares is uncertain. Prospective investors should consult their own tax advisors regarding changes in tax laws.

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT.

We may acquire mezzanine loans, for which the IRS has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. We may acquire mezzanine loans that do not meet all of the requirements of this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan’s treatment as a real estate asset for purposes of the REIT asset and income tests and, if such a challenge were sustained, we could fail to qualify as a REIT.

If our Operating Partnership failed to qualify as a partnership or is not otherwise disregarded for U.S. federal income tax purposes, we would cease to qualify as a REIT.

If the IRS were to successfully challenge the status of our Operating Partnership as a partnership or disregarded entity for U.S. federal income tax purposes, it would be taxable as a corporation. In the event that this occurs, it would reduce the amount of distributions that our Operating Partnership could make to us. This would also result in our failing to qualify as a REIT and becoming subject to a corporate-level tax on our income, which would substantially reduce our cash available to pay distributions and the yield on your investment.

Retirement Plan Risks

If the fiduciary of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, fails to meet the fiduciary and other standards under ERISA, the Code or common law as a result of an investment in our stock, the fiduciary could be subject to civil penalties.

There are special considerations that apply to investing in our shares on behalf of a trust, pension, profit sharing or 401(k) plans, health or welfare plans, trusts, individual retirement accounts, or IRAs, or Keogh plans. If you are investing the assets of any of the entities identified in the prior sentence in our common stock, you should satisfy yourself that:

- the investment is consistent with your fiduciary obligations under applicable law, including common law, ERISA and the Code;
- the investment is made in accordance with the documents and instruments governing the trust, plan or IRA, including a plan's investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Code;
- the investment will not impair the liquidity of the trust, plan or IRA;
- the investment will not produce "unrelated business taxable income" for the plan or IRA;
- our stockholders will be able to value the assets of the plan annually in accordance with ERISA requirements and applicable provisions of the plan or IRA; and
- the investment will not constitute a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil penalties, and can subject the fiduciary to equitable remedies. In addition, if an investment in our shares constitutes a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, the fiduciary that authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested.

If our assets at any time are deemed to constitute "plan assets" under ERISA, that may lead to the rescission of certain transactions, tax or fiduciary liability and our being held in violation of certain ERISA and Code requirements.

Stockholders subject to ERISA should consult their own advisors as to the effect of ERISA on an investment in the shares. As discussed under "Certain ERISA Considerations," if our assets are deemed to constitute "plan assets" of stockholders that are Covered Plans (as defined below) (i) certain transactions that we might enter into in the ordinary course of our business might have to be rescinded and may give rise to certain excise taxes and fiduciary liability under Title I of ERISA and/or Section 4975 of the Code; (ii) our management, as well as various providers of fiduciary or other services to us (including the Adviser), and any other parties with authority or control with respect to us or our assets, may be considered fiduciaries or otherwise parties in interest or disqualified persons for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code; and (iii) the fiduciaries of stockholders that are Covered Plans would not be protected from "co-fiduciary liability" resulting from our decisions and could be in violation of certain ERISA requirements.

Accordingly, prospective investors that are (i) "employee benefit plans" (within the meaning of Section 3(3) of ERISA), which are subject to Title I of ERISA; (ii) "plans" defined in Section 4975 of the Code, which are subject to Section 4975 of the Code (including "Keogh" plans and "individual retirement accounts"); or (iii) entities whose underlying assets are deemed to include plan assets within the meaning of Section 3(42) of

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ERISA and the regulations thereunder (e.g., an entity of which 25% or more of the total value of any class of equity interests is held by “benefit plan investors”) (each such plan, account and entity described in clauses (i), (ii) and (iii) we refer to as “Covered Plans”) should consult with their own legal, tax, financial and other advisors prior to investing to review these implications in light of such investor’s particular circumstances. The sale of our common stock to any Covered Plan is in no respect a representation by us or any other person associated with the offering of our shares of common stock that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

For an overview of our real estate investments, see Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Portfolio.”

Principal Executive Offices

Our principal executive and administrative offices are located in leased space at 345 Park Avenue, New York, New York 10154. We consider these facilities to be suitable and adequate for the management and operations of our business.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of December 31, 2019, we were not involved in any material legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Offering of Common Stock**

The Offering consists of four classes of shares of our common stock, Class S shares, Class I shares, Class T shares, and Class D shares. The share classes have different upfront selling commissions and dealer manager fees, and different ongoing stockholder servicing fees. Other than the differences in upfront selling commissions, dealer manager fees, and ongoing stockholder servicing fees, each class of common stock has the same economics and voting rights. Shares of our common stock are not listed for trading on a stock exchange or other securities market. The following table details the selling commissions, dealer manager fees, and stockholder servicing fees for each applicable share class as of December 31, 2019:

	<u>Class S Shares</u>	<u>Class I Shares</u>	<u>Class T Shares</u>	<u>Class D Shares</u>
Selling commissions and dealer manager fees (% of transaction price)	up to 3.5%	—	up to 3.5%	up to 1.5%
Stockholder servicing fee (% of NAV)	0.85%	—	0.85%	0.25%

For Class S shares sold in the Offering (other than as part of our distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.5% of the transaction price. For Class T shares sold in the Offering (other than as part of our distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.0% of the transaction price and upfront dealer manager fees of 0.5% of the transaction price, however such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price. For Class D shares sold in the Offering (other than as part of our distribution reinvestment plan), investors will pay upfront selling commissions of up to 1.5% of the transaction price.

The Dealer Manager, a registered broker-dealer affiliated with the Adviser, serves as the dealer manager for the Offering and is entitled to receive stockholder servicing fees of 0.85% per annum of the aggregate NAV for Class S shares and Class T shares. For Class T shares such stockholder servicing fee includes an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares. For Class D shares, a stockholder servicing fee equal to 0.25% per annum of the aggregate NAV for the Class D shares.

The Dealer Manager anticipates that all or a portion of the upfront selling commissions, dealer manager and stockholder servicing fees will be retained by, or reallocated (paid) to, participating broker-dealers. Through December 31, 2019, the Dealer Manager had not retained any upfront selling commissions, dealer manager or stockholder servicing fees.

The purchase price per share for each class of our common stock will generally equal our prior month's NAV per share, as determined monthly, plus applicable selling commissions and dealer manager fees. Our NAV for each class of shares is based on the net asset values of our investments (including real estate debt), the addition of any other assets (such as cash on hand) and the deduction of any liabilities, including the allocation/accrual of any performance participation, and any stockholder servicing fees applicable to such class of shares. Please refer to "Net Asset Value Calculation and Valuation Guidelines" in the Prospectus for the Current Offering for further details on how our NAV is determined.

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The following table presents our monthly NAV per share for each of the four classes of shares since our inception through December 31, 2019:

	Class S Shares	Class I Shares	Class T Shares	Class D Shares
January 31, 2017	\$10.0000	\$10.0100	\$ —	\$ —
February 28, 2017	10.0200	10.0300	—	—
March 31, 2017	10.0200	10.0200	—	—
April 30, 2017	10.0455	10.0495	—	—
May 31, 2017	10.1828	10.1868	—	10.1604
June 30, 2017	10.2904	10.2791	10.1721	10.2648
July 31, 2017	10.3173	10.3092	10.2256	10.2603
August 31, 2017	10.4074	10.3997	10.2883	10.3536
September 30, 2017	10.4662	10.4579	10.3239	10.3763
October 31, 2017	10.5060	10.4973	10.3549	10.4114
November 30, 2017	10.5174	10.5094	10.3622	10.4141
December 31, 2017	10.5750	10.5671	10.4175	10.4712
January 31, 2018	10.6339	10.6236	10.4684	10.5217
February 28, 2018	10.6714	10.6602	10.4985	10.5539
March 31, 2018	10.6795	10.6646	10.5050	10.5602
April 30, 2018	10.7134	10.6985	10.5372	10.5928
May 31, 2018	10.7321	10.7158	10.5525	10.6087
June 30, 2018	10.7620	10.7446	10.5802	10.6315
July 31, 2018	10.7959	10.7773	10.6120	10.6633
August 31, 2018	10.8268	10.8064	10.6411	10.6907
September 30, 2018	10.8508	10.8290	10.6629	10.7133
October 31, 2018	10.8806	10.8579	10.6909	10.7417
November 30, 2018	10.8862	10.8625	10.6957	10.7459
December 31, 2018	10.8222	10.7984	10.6318	10.6820
January 31, 2019	10.8756	10.8524	10.6835	10.7359
February 28, 2019	10.9142	10.8906	10.7202	10.7724
March 31, 2019	10.9458	10.9218	10.7502	10.8019
April 30, 2019	10.9756	10.9480	10.7769	10.8304
May 31, 2019	11.0625	11.0350	10.8612	10.9146
June 30, 2019	11.1022	11.0755	10.9007	10.9481
July 31, 2019	11.2241	11.1969	11.0191	11.0660
August 31, 2019	11.3286	11.3030	11.1221	11.1661
September 30, 2019	11.4074	11.3816	11.2000	11.2407
October 31, 2019	11.4263	11.4008	11.2193	11.2588
November 30, 2019	11.4634	11.4379	11.2553	11.2945
December 31, 2019	11.4725	11.4473	11.2642	11.3022

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Net Asset Value

We calculate NAV per share in accordance with the valuation guidelines that have been approved by our board of directors. Our total NAV presented in the following tables includes the NAV of our Class S, Class I, Class T, and Class D common stock, as well as the partnership interests of BREIT OP held by parties other than the Company. The following table provides a breakdown of the major components of our NAV as of December 31, 2019 (\$ and shares/units in thousands):

<u>Components of NAV</u>	<u>December 31, 2019</u>
Investments in real properties	\$ 29,225,122
Investments in real estate debt	4,523,260
Cash and cash equivalents	204,269
Restricted cash	905,433
Other assets	202,904
Mortgage notes, term loans, and revolving credit facilities, net	(17,088,862)
Repurchase agreements	(3,092,137)
Subscriptions received in advance	(796,729)
Other liabilities	(580,805)
Accrued performance participation allocation	(141,396)
Management fee payable	(13,873)
Accrued stockholder servicing fees(1)	(4,946)
Non-controlling interests in joint ventures	(240,936)
Net asset value	<u>\$ 13,101,304</u>
Number of outstanding shares/units	<u>1,145,030</u>

- (1) Stockholder servicing fees only apply to Class S, Class T, and Class D shares. See the table Reconciliation of Stockholders' Equity and BREIT OP Partners' Capital to NAV below for an explanation of the difference between the \$4.9 million accrued for purposes of our NAV and the \$478.5 million accrued under accounting principles generally accepted in the United States of America ("GAAP").

The following table provides a breakdown of our total NAV and NAV per share/unit by class as of December 31, 2019 (\$ and shares/units in thousands, except per share/unit data):

<u>NAV Per Share</u>	<u>Class S Shares</u>	<u>Class I Shares</u>	<u>Class T Shares</u>	<u>Class D Shares</u>	<u>Third-party Operating Partnership Units(1)</u>	<u>Total</u>
Monthly NAV	\$ 6,089,730	\$ 5,429,223	\$ 447,952	\$ 956,816	\$ 177,583	\$ 13,101,304
Number of outstanding shares/units	530,812	474,279	39,768	84,658	15,513	1,145,030
NAV Per Share/Unit as of December 31, 2019	<u>\$ 11.4725</u>	<u>\$ 11.4473</u>	<u>\$ 11.2642</u>	<u>\$ 11.3022</u>	<u>\$ 11.4473</u>	

- (1) Includes the partnership interests of BREIT Operating Partnership held by BREIT Special Limited Partner, Class B unit holders, and other BREIT Operating Partnership interests held by parties other than the Company.

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Set forth below are the weighted averages of the key assumptions in the discounted cash flow methodology used in the December 31, 2019 valuations, based on property types. Once we own more than one office property or net lease property we will include the key assumptions for the respective property type.

<u>Property Type</u>	<u>Discount Rate</u>	<u>Exit Capitalization Rate</u>
Multifamily	7.8%	5.3%
Industrial	7.3%	5.7%
Hotel	9.2%	9.5%
Retail	7.7%	6.0%
Other	7.3%	7.1%

These assumptions are determined by the Adviser and reviewed by our independent valuation advisor. A change in these assumptions would impact the calculation of the value of our property investments. For example, assuming all other factors remain unchanged, the changes listed below would result in the following effects on our investment values:

<u>Input</u>	<u>Hypothetical Change</u>	<u>Multifamily Investment Values</u>	<u>Industrial Investment Values</u>	<u>Hotel Investment Values</u>	<u>Retail Investment Values</u>	<u>Other Investment Values</u>
Discount Rate	0.25% decrease	+1.9%	+1.7%	+1.0%	+1.8%	+1.8%
(weighted average)	0.25% increase	(1.8%)	(2.1%)	(1.0%)	(1.8%)	(1.7%)
Exit Capitalization Rate	0.25% decrease	+3.0%	+2.7%	+2.0%	+2.6%	+1.9%
(weighted average)	0.25% increase	(2.8%)	(2.9%)	(1.9%)	(2.4%)	(1.8%)

The following table reconciles stockholders' equity and BREIT OP Partners' Capital per our consolidated balance sheet to our NAV (\$ in thousands):

	<u>December 31, 2019</u>
Stockholders' equity under U.S. GAAP	\$ 10,305,132
Non-controlling interests attributable to BREIT OP unitholders	151,721
Redeemable non-controlling interest	272
Total partners' capital of BREIT OP	10,457,125
Adjustments:	
Accrued stockholder servicing fee	473,593
Organization and offering costs	6,136
Accrued affiliate incentive compensation awards	(14,655)
Unrealized net real estate and debt appreciation	864,880
Accumulated depreciation and amortization	1,314,225
NAV	<u>\$ 13,101,304</u>

The following details the adjustments to reconcile stockholders' equity under GAAP and total partners' capital of BREIT OP to our NAV:

- Accrued stockholder servicing fee represents the accrual for the full cost of the stockholder servicing fee for Class S, Class T, and Class D shares. Under GAAP, we accrued the full cost of the stockholder servicing fee payable over the life of each share (assuming such share remains outstanding the length of time required to pay the maximum stockholder servicing fee) as an offering cost at the time we sold the Class S, Class T, and Class D shares. Refer to Note 2 to our consolidated financial statements for further details of the GAAP treatment regarding the stockholder servicing fee. For purposes of NAV, we recognize the stockholder servicing fee as a reduction of NAV on a monthly basis as such fee is paid.

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- The Adviser agreed to advance certain organization and offering costs on our behalf through December 31, 2017. Such costs are being reimbursed to the Adviser pro rata over 60 months beginning January 1, 2018. Under GAAP, organization costs are expensed as incurred and offering costs are charged to equity as such amounts are incurred. For NAV, such costs will be recognized as a reduction to NAV as they are reimbursed ratably over 60 months.
- Under GAAP, the affiliate incentive compensation awards are valued as of grant date and compensation expense is recognized over the service period on a straight-line basis with an offset to equity resulting in no impact to Stockholders' Equity. For purposes of NAV, we value the awards based on the performance of the applicable period and deduct such value from NAV.
- Our investments in real estate are presented under historical cost in our GAAP consolidated financial statements. Additionally, our mortgage notes, term loans, secured and unsecured revolving credit facilities, and repurchase agreements ("Debt") are recorded at their carrying value in our consolidated GAAP financial statements. As such, any increases or decreases in the fair market value of our investments in real estate or our Debt are not recorded in our GAAP results. For purposes of determining our NAV, our investments in real estate and our Debt are recorded at fair value.
- In addition, we depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Such depreciation and amortization is excluded for purposes of determining our NAV.

Distributions

Beginning March 31, 2017, we declared monthly distributions for each class of our common stock, which are generally paid 20 days after month-end. We have paid distributions consecutively each month since such time. Each class of our common stock received the same aggregate gross distribution per share, which was \$0.6363 per share for the year ended December 31, 2019. The net distribution varies for each class based on the applicable stockholder servicing fee, which is deducted from the monthly distribution per share and paid directly to the applicable distributor.

The following table details the net distribution for each of our share classes for the year ended December 31, 2019:

Declaration Date	Class S Shares	Class I Shares	Class T Shares	Class D Shares
January 31, 2019	\$0.0451	\$0.0530	\$0.0452	\$ 0.0507
February 28, 2019	0.0451	0.0522	0.0452	0.0501
March 31, 2019	0.0451	0.0530	0.0452	0.0507
April 30, 2019	0.0451	0.0528	0.0453	0.0506
May 31, 2019	0.0451	0.0531	0.0453	0.0508
June 30, 2019	0.0451	0.0529	0.0453	0.0506
July 31, 2019	0.0451	0.0531	0.0452	0.0508
August 31, 2019	0.0451	0.0532	0.0452	0.0508
September 30, 2019	0.0451	0.0531	0.0453	0.0508
October 31, 2019	0.0451	0.0534	0.0452	0.0510
November 30, 2019	0.0451	0.0531	0.0452	0.0508
December 31, 2019	0.0451	0.0534	0.0452	0.0510
Total	<u>\$0.5412</u>	<u>\$0.6363</u>	<u>\$0.5428</u>	<u>\$ 0.6087</u>

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For the year ended December 31, 2019, we declared distributions in the amount of \$433.6 million. The following table outlines the tax character of our distributions paid in 2019 as a percentage of total distributions. The distribution declared on December 31, 2019 was paid on January 22, 2020 and is excluded from the analysis below as it will be a 2020 tax event.

2019 Tax Year	Ordinary Income	Capital Gains	Return of Capital
	8.75%(1)	1.17%(2)	90.08%

- (1) 8.60% and 0.15% of the distributions paid in 2019 are non-qualified and qualified, respectively.
(2) 13.80% of the 1.17% is the unrecaptured gain under section 1250 of the Internal Revenue Code.

The following table details the net distribution for each of our share classes for the year ended December 31, 2018:

Declaration Date	Class S Shares	Class I Shares	Class T Shares(1)	Class D Shares(1)
January 31, 2018	\$0.0441	\$0.0517	\$ 0.0442	\$ 0.0495
February 28, 2018	0.0443	0.0513	0.0444	0.0492
March 31, 2018	0.0445	0.0522	0.0446	0.0500
April 30, 2018	0.0445	0.0520	0.0446	0.0498
May 31, 2018	0.0446	0.0524	0.0448	0.0501
June 30, 2018	0.0447	0.0522	0.0448	0.0500
July 31, 2018	0.0448	0.0526	0.0450	0.0504
August 31, 2018	0.0450	0.0528	0.0451	0.0505
September 30, 2018	0.0451	0.0527	0.0452	0.0505
October 31, 2018	0.0451	0.0530	0.0453	0.0507
November 30, 2018	0.0451	0.0527	0.0452	0.0505
December 31, 2018	0.0451	0.0530	0.0452	0.0507
Total	<u>\$0.5369</u>	<u>\$0.6286</u>	<u>\$ 0.5384</u>	<u>\$ 0.6019</u>

For the year ended December 31, 2018, we declared distributions in the amount of \$173.9 million. The following table outlines the tax character of our distributions paid in 2018 as a percentage of total distributions. The distribution declared on December 31, 2018 was paid on January 22, 2019 and is excluded from the analysis below as it is a 2019 tax event.

2018 Tax Year	Ordinary Income	Capital Gains	Unrecaptured 1250 Gain	Return of Capital
	3.11%(1)	0%	0%	96.89%

- (1) 0.51% and 2.60% of the distributions paid in 2018 are non-qualified and qualified, respectively.

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The following table details the net distribution for each of our share classes for the year ended December 31, 2017:

<u>Declaration Date</u>	<u>Class S Shares</u>	<u>Class I Shares</u>	<u>Class T Shares(1)</u>	<u>Class D Shares(1)</u>
March 31, 2017	\$0.0250	\$0.0412	\$ —	\$ —
April 30, 2017	0.0292	0.0362	—	—
May 31, 2017	0.0368	0.0441	—	0.0420
June 30, 2017	0.0445	0.0517	0.0446	0.0496
July 31, 2017	0.0428	0.0501	0.0429	0.0479
August 31, 2017	0.0430	0.0505	0.0431	0.0483
September 30, 2017	0.0434	0.0507	0.0435	0.0485
October 31, 2017	0.0436	0.0512	0.0437	0.0490
November 30, 2017	0.0438	0.0511	0.0439	0.0490
December 31, 2017	0.0438	0.0514	0.0439	0.0492
Total	<u>\$0.3959</u>	<u>\$0.4782</u>	<u>\$ 0.3056</u>	<u>\$ 0.3835</u>

- (1) We did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were made for such classes of shares prior to such dates.

For the year ended December 31, 2017, we declared distributions in the amount of \$46.3 million. The following table outlines the tax character of our distributions paid in 2017 as a percentage of total distributions. The distribution declared on December 31, 2017 was paid on January 19, 2018 and is excluded from the analysis below as it is a 2018 tax event.

<u>2017 Tax Year</u>	<u>Ordinary Income</u>	<u>Capital Gains</u>	<u>Unrecaptured 1250 Gain</u>	<u>Return of Capital</u>
	34.15%(1)	0%	0%	65.85%

- (1) 32.55% and 1.60% of the distributions paid in 2017 are non-qualified and qualified, respectively.

The following table summarizes our distributions declared during the years ended December 31, 2019, 2018 and 2017 (\$ in thousands):

	<u>For the Year Ended December 31, 2019</u>		<u>For the Year Ended December 31, 2018</u>		<u>For the Year Ended December 31, 2017</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Distributions						
Payable in cash	\$169,669	39%	\$ 63,631	37%	\$ 15,825	34%
Reinvested in shares	263,897	61%	110,228	63%	30,435	66%
Total distributions	<u>\$433,566</u>	<u>100%</u>	<u>\$173,859</u>	<u>100%</u>	<u>\$ 46,260</u>	<u>100%</u>
Sources of Distributions						
Cash flows from operating activities	\$433,566	100%	\$173,859	100%	\$ 46,260	100%
Offering proceeds	—	— %	—	— %	—	— %
Total sources of distributions	<u>\$433,566</u>	<u>100%</u>	<u>\$173,859</u>	<u>100%</u>	<u>\$ 46,260</u>	<u>100%</u>
Cash flows from operating activities	\$600,927		\$252,682		\$ 72,285	
Funds from Operations	\$358,565		\$110,527		\$ 33,831	
Adjusted Funds from Operations	\$420,284		\$164,597		\$ 47,429	
Funds Available for Distribution	\$409,385		\$168,009		\$ 45,822	

Funds from Operations, Adjusted Funds from Operations and Funds Available for Distribution

We believe funds from operations (“FFO”) is a meaningful supplemental non-GAAP operating metric. Our consolidated financial statements are presented under historical cost accounting which, among other things, requires depreciation of real estate investments to be calculated on a straight-line basis. As a result, our operating results imply that the value of our real estate investments will decrease evenly over a set time period. However, we believe that the value of real estate investments will fluctuate over time based on market conditions and as such, depreciation under historical cost accounting may be less informative. FFO is a standard REIT industry metric defined by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO, as defined by NAREIT and presented below, is calculated as net income or loss (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”)), excluding (i) gains or losses from sales of depreciable real property, (ii) impairment write-downs on depreciable real property, plus (iii) real estate-related depreciation and amortization, and (iv) similar adjustments for non-controlling interests.

We also believe that adjusted FFO (“AFFO”) is a meaningful non-GAAP supplemental disclosure of our operating results. AFFO further adjusts FFO in order for our operating results to reflect the specific characteristics of our business by adjusting for items we believe are not related to our core operations. Our adjustments to FFO to arrive at AFFO include removing the impact of (i) straight-line rental income and expense, (ii) amortization of above- and below-market lease intangibles, (iii) amortization of mortgage premium/discount, (iv) organization costs, (v) unrealized (gains) losses from changes in the fair value of real estate debt, (vi) amortization of restricted stock awards, (vii) non-cash performance participation allocation or other non-cash incentive compensation even if repurchased by us, (viii) gain or loss on involuntary conversion, and (ix) similar adjustments for non-controlling interests.

We also believe funds available for distribution (“FAD”) is an additional meaningful non-GAAP supplemental disclosure that provides useful information for considering our operating results and certain other items relative to the amount of our distributions by removing the impact of certain non-cash items from our operating results. FAD is calculated as AFFO excluding (i) realized gains (losses) on real estate debt and (ii) management fee paid in shares or BREIT OP units even if repurchased by us, and including deductions for (iii) recurring tenant improvements, leasing commissions, and other capital projects, (iv) stockholder servicing fees paid during the period, and (v) similar adjustments for non-controlling interests. FAD is not indicative of cash available to fund our cash needs and does not represent cash flows from operating activities in accordance with GAAP, as it excludes adjustments for working capital items and actual cash receipts from interest income recognized on real estate debt. Cash flows from operating activities in accordance with GAAP would generally be adjusted for such items. Furthermore, FAD is adjusted for stockholder servicing fees and recurring tenant improvements, leasing commissions, and other capital expenditures, which are not considered when determining cash flows from operating activities in accordance with GAAP.

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The following table presents a reconciliation of FFO, AFFO and FAD to net loss attributable to BREIT stockholders (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (86,258)
Adjustments to arrive at FFO:			
Real estate depreciation and amortization	824,039	406,295	121,793
Net gain on dispositions of real estate	(35,035)	—	—
Amount attributable to non-controlling interests for above adjustment	(28,668)	(14,712)	(1,704)
FFO attributable to BREIT stockholders	358,565	110,527	33,831
Adjustments to arrive at AFFO:			
Straight-line rental income and expense	(22,590)	(7,149)	(2,063)
Amortization of above- and below-market lease intangibles	(9,612)	(4,735)	(910)
Amortization of mortgage premium/discount	(285)	(233)	—
Organization costs	—	—	1,838
Unrealized (gains) losses from changes in the fair value of real estate debt	(47,651)	24,746	(2,343)
Amortization of restricted stock awards	400	212	102
Non-cash performance participation allocation	141,396	37,484	16,974
Non-cash incentive compensation awards to affiliated service providers	2,000	4,714	—
Gain on involuntary conversion	(1,389)	—	—
Amount attributable to non-controlling interests for above adjustments	(550)	(969)	—
AFFO attributable to BREIT stockholders	420,284	164,597	47,429
Adjustments to arrive at FAD:			
Realized (gains) losses on real estate debt	(6,035)	(200)	177
Management fee paid in shares	108,115	42,659	8,867
Recurring tenant improvements, leasing commissions and other capital expenditures ⁽¹⁾	(69,834)	(17,811)	(3,798)
Stockholder servicing fees	(42,501)	(20,909)	(6,853)
Amount attributable to non-controlling interests for above adjustments	(644)	(327)	—
FAD attributable to BREIT stockholders	<u>\$ 409,385</u>	<u>\$ 168,009</u>	<u>\$ 45,822</u>

- (1) Recurring tenant improvements and leasing commissions are generally related to second-generation leases and other capital expenditures required to maintain our investments. Other capital expenditures exclude underwritten tenant improvements, leasing commissions and capital expenditures in conjunction with acquisitions and projects that we believe will enhance the value of our investments.

FFO, AFFO, and FAD should not be considered to be more relevant or accurate than the GAAP methodology in calculating net income (loss) or in evaluating our operating performance. In addition, FFO, AFFO, and FAD should not be considered as alternatives to net income (loss) as indications of our performance or as alternatives to cash flows from operating activities as indications of our liquidity, but rather should be reviewed in conjunction with these and other GAAP measurements. Further, FFO, AFFO, and FAD are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders.

Unregistered Sales of Equity Securities

During the year ended December 31, 2019, we sold equity securities that were not registered under the Securities Act as described below. As described in Note 11 to our consolidated financial statements, the Adviser is entitled to an annual management fee payable monthly in cash, shares of common stock, or BREIT OP Units, in each case at the Adviser's election. For the years ended December 31, 2019 and 2018, the Adviser elected to receive its management fees in Class I shares. We issued 8.4 million unregistered Class I shares to the Adviser in satisfaction of the 2019 management fees through November 2019. Additionally, we issued 1.2 million unregistered Class I shares to the Adviser in January 2020 in satisfaction of the December 2019 management fee.

The Special Limited Partner is also entitled to an annual performance participation allocation. As further described in Note 11 to the consolidated financial statements, the 2019 performance participation allocation became payable on December 31, 2019 and in January 2020, we issued approximately 11.7 million Class I units and 0.7 million Class B units in BREIT OP to the Special Limited Partner as payment for the 2019 performance participation allocation. Each Class I unit is exchangeable into one Class I share. Each issuance to the Adviser and the Special Limited Partner was made pursuant to Section 4(a)(2) of the Securities Act.

As further described in Note 11 to our consolidated financial statements, we issued incentive compensation awards to certain employees of affiliated portfolio company service providers that entitle them to receive an allocation of total return over a certain hurdle amount, as determined by us. The 2019 portfolio company incentive compensation awards of \$14.7 million became payable on December 31, 2019 and in January 2020, we issued approximately 1.3 million Class I units in BREIT OP to certain employees of our affiliated portfolio companies.

We have also sold Class I shares at the same transaction price as for Class I shares registered under the Current Offering to feeder vehicles primarily created to hold Class I shares that offers interests in such feeder vehicles to non-U.S. persons. The offer and sale of Class I shares to the feeder vehicles was exempt from the registration provisions of the Securities Act by virtue of Section 4(a)(2) and Regulation S thereunder. During the year ended December 31, 2019, we received \$2.4 billion from selling 210.7 million unregistered Class I shares to such vehicles. We intend to use the net proceeds from such sales for the purposes set forth in the prospectus for our Current Offering and in a manner within the investment guidelines approved by our board of directors, who serve as fiduciaries to our stockholders.

Share Repurchases

Under our share repurchase plan, to the extent we choose to repurchase shares in any particular month, we will only repurchase shares as of the opening of the last calendar day of that month (each such date, a "Repurchase Date"). Repurchases will be made at the transaction price in effect on the Repurchase Date (which will generally be equal to our prior month's NAV per share), except that shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price (an "Early Repurchase Deduction") subject to certain limited exceptions. Settlements of share repurchases will be made within three business days of the Repurchase Date. The Early Repurchase Deduction will not apply to shares acquired through our distribution reinvestment plan.

The total amount of aggregate repurchases of Class S, Class I, Class T, Class D, and Class B Units of BREIT OP is limited to no more than 2% of our aggregate NAV per month and no more than 5% of our aggregate NAV per calendar quarter.

Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been

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requested to be repurchased, or none at all. 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. In the event that we determine to repurchase some but not all of the shares submitted for repurchase during any month, shares repurchased at the end of the month will be repurchased on a pro rata basis.

If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests.

During the three months ended December 31, 2019, we repurchased shares of our common stock in the following amounts, which represented all of the share repurchase requests received for the same period.

Month of:	Total Number of Shares Repurchased(1)	Repurchases as a Percentage of Shares Outstanding	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares Pending Repurchase Pursuant to Publicly Announced Plans or Programs(2)
October 2019	930,992	0.10%	\$ 11.37	930,992	—
November 2019	1,037,986	0.10%	11.38	1,037,986	—
December 2019	4,651,241	0.41%	11.43	4,651,241	—
Total	6,620,219	N/M	\$ 11.41	6,620,219	—

- (1) Includes 3,683,550 Class I shares previously issued to the Adviser as payment for management fees. The shares were repurchased at the then-current transaction price resulting in a total repurchase of \$42.1 million. As of December 31, 2019, the Adviser owned 1.1 million of our Class I common shares.
- (2) Under the share repurchase plan, we would have been able to repurchase up to an aggregate of \$522.3 million of shares of our common stock based on our September 30, 2019 NAV in the fourth quarter of 2019 (if such repurchase requests were made). Pursuant to the share repurchase plan, this amount resets at the beginning of each quarter.

As of December 31, 2019, the Special Limited Partner held 23,788 Class I units in BREIT OP received for the performance participation allocation. The redemption of Class I units are not subject to our share repurchase plan as described above.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial and operating data for the years ended December 31, 2019, 2018, and 2017 and for the period March 2, 2016 through December 31, 2016. The following selected consolidated historical financial data should be read in conjunction with the information set forth under Item 7.—“Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto that appear on pages F-2 to F-35 of this report.

	<u>For the Year Ended December 31,</u>			<u>For the Period</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>March 2, 2016</u> <u>through</u> <u>December 31,</u> <u>2016</u>
Operating Data (in thousands)				
Total revenues	\$ 1,686,272	\$ 723,258	\$ 157,932	\$ —
Total expenses	1,866,396	837,761	226,858	115
Total other income (expense)	(234,119)	(176,962)	(18,624)	—
Net loss	(414,243)	(291,465)	(87,550)	(115)
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (86,258)	\$ (115)
Per Share Data				
Net loss per share of common stock—basic and diluted	\$ (0.54)	\$ (0.91)	\$ (0.90)	\$ (5.74)
Gross distributions declared per share of common stock(1)	\$ 0.64	\$ 0.63	\$ 0.48	\$ —
Balance Sheet Data (in thousands)				
Total assets	\$33,039,823	\$13,237,158	\$4,625,308	\$ 200
Real estate, net	26,326,868	10,259,687	3,406,555	—
Investments in real estate debt	4,523,260	2,259,913	915,742	—
Mortgage notes, term loans, and revolving credit facilities, net	16,929,659	6,833,269	2,111,291	—
Repurchase agreements	3,092,137	1,713,723	682,848	—
Total equity	10,614,648	3,914,954	1,509,639	85

- (1) Represents the gross distributions declared for Class S and Class I shares for the year ended December 31, 2017. We did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were declared for Class D or Class T shares prior to such date.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Annual Report on Form 10-K. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those in this discussion as a result of various factors, including but not limited to those discussed in Part I Item 1A—“Risk Factors” in this Annual Report on Form 10-K.

Overview

BREIT invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, real estate debt. Our objective is to bring Blackstone’s leading real estate investment platform with an

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institutional fee structure and monthly liquidity features to individual investors. We are externally managed by BX REIT Advisors L.L.C. (the “Adviser”), a subsidiary of The Blackstone Group Inc. (“Blackstone”). We are the sole general partner of BREIT Operating Partnership L.P. (“BREIT OP”), a Delaware limited partnership, and we own substantially all of our assets through BREIT OP. We currently operate our business in eight reportable segments: Industrial, Multifamily, Net Lease, Hotel, Retail, Office and Other Properties, and real estate debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas (“Bellagio”).

BREIT is a non-exchange traded, perpetual life real estate investment trust (“REIT”) that qualifies as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”) for U.S. federal income tax. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

We had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted aggregate gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. We subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock (in any combination of purchases of Class S, Class I, Class T, and Class D shares of our common stock), consisting of up to \$10.0 billion in shares in our primary offering and up to \$2.0 billion in shares pursuant to our distribution reinvestment plan, which we began using to offer shares of our common stock in January 2019 (the “Current Offering” and with the Initial Offering, the “Offering”). The share classes have different upfront selling commissions and ongoing stockholder servicing fees.

As of March 24, 2020, we had received net proceeds of \$17.5 billion from selling an aggregate of 1,588,293,255 shares of our common stock (consisting of 643,054,511 Class S shares, 798,498,578 Class I shares, 46,710,253 Class T shares, and 100,029,913 Class D shares). We have contributed the net proceeds to BREIT OP in exchange for a corresponding number of Class S, Class I, Class T, and Class D units. BREIT OP has primarily used the net proceeds to make investments in real estate and real estate debt as further described below under “—Portfolio”.

2019 Highlights

Operating results:

- Raised \$7.8 billion of proceeds during the year ended December 31, 2019 from the sale of our common stock.
- Declared monthly net distributions totaling \$433.6 million for the year ended December 31, 2019 resulting in annualized distribution rates of 4.7% for Class S, 5.6% for Class I, 4.8% for Class T, and 5.4% for Class D. The annualized distribution rate is calculated as the current month’s distribution annualized and divided by the prior month’s net asset value, which is inclusive of all fees and expenses. Management believes the annualized distribution rate is a useful measure of the overall investment performance of our shares.
- 2019 total return without upfront selling commissions of 11.3% for Class S, 12.2% for Class I, 11.3% for Class T, and 11.8% for Class D shares. Total return assuming maximum upfront selling commissions of 7.5% for Class S, 7.5% for Class T shares and 10.2% for Class D. Total return is calculated as the change in NAV per share during the respective periods, assuming any distributions are reinvested in accordance our distribution reinvestment plan. Management believes total return is a useful measure of the overall investment performance of our shares.
- Inception-to-date total return without upfront selling commissions of 9.6% for Class S, 10.4% for Class I, 9.9% for Class T, and 10.6% for Class D shares. Total return assuming maximum upfront

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selling commissions of 8.3% for Class S, 8.4% for Class T shares and 10.0% for Class D. Total return is calculated as the change in NAV per share during the respective periods, assuming any distributions are reinvested in accordance our distribution reinvestment plan. Management believes total return is a useful measure of the overall investment performance of our shares.

Investments:

- Closed 53 real estate transactions with a total purchase price of \$17.0 billion during the year ended December 31, 2019, resulting in a diversified portfolio of stabilized (94% portfolio occupancy, excluding our hotel and net lease investments) income-producing commercial real estate assets concentrated in high growth markets across the U.S. The following are our top acquisitions for the year:
 - In September 2019, we acquired the Jupiter 12 Industrial Portfolio, a 64 million square foot income-oriented, high-quality, industrial portfolio in well-located, in-fill locations for \$5.5 billion, inclusive of closing costs.
 - In November 2019, we acquired the real estate assets of The Bellagio Las Vegas from MGM Resorts International (“MGM”) in a 95%/5% Company controlled joint venture with MGM for \$4.3 billion, inclusive of closing costs. The acquisition was part of a sale-leaseback transaction whereby the joint venture entered into a triple-net lease agreement with MGM which benefits from a full corporate guarantee of rent payments by MGM.
- In June 2019, we sold the parking garage attached to the Hyatt Place San Jose Downtown property to a third party. Net proceeds from the sale were \$44.3 million which resulted in a realized gain of \$29.7 million.
- Subsequent to December 31, 2019, we closed a transaction to form a new joint venture with MGM Growth Properties LLC (“MGP”) to acquire the Las Vegas real estate assets of the MGM Grand and Mandalay Bay for \$4.6 billion. MGP owns 50.1% of the joint venture, and we own 49.9%. At closing, the joint venture entered into a long-term triple net master lease with MGM which benefits from a full corporate guarantee of rent payments by MGM.
- Made 141 investments in real estate debt with a total cost basis of \$2.8 billion during the year ended December 31, 2019, consisting of CMBS, RMBS, corporate bonds, and mezzanine and term loans of real estate-related companies.

Financings:

- Continued our strategy of obtaining revolving credit capacity to provide additional access to liquidity by adding an additional \$1.4 billion of revolving credit capacity, including a \$900.0 million line of credit with multiple banks during the year ended December 31, 2019.
- Closed or assumed an aggregate of \$10.1 billion in property-level financing and obtained an additional \$1.4 billion of financings secured by our investments in real estate debt during the year ended December 31, 2019.

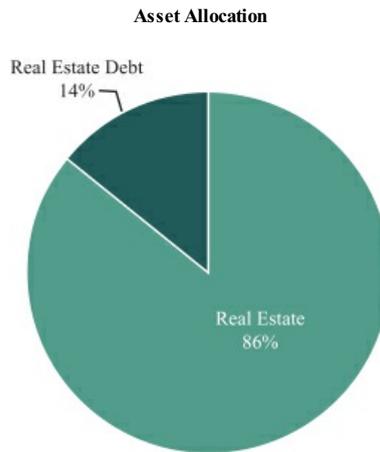
Overall Portfolio:

- Our 1,054 properties as of December 31, 2019 consisted of Industrial (39% based on fair value), Multifamily (37%), Net Lease (14%), Hotel (8%), Retail (1%), Office (<1%), and Other (<1%) and our portfolio of real estate was concentrated in the following regions: West (42%), South (32%), East (16%), and Midwest (10%).
- Investments in real estate debt as of December 31, 2019 were diversified by credit rating—BB (37% based on fair value), B (21%), BBB (20%), Other (15%), and A (7%) and collateral backing—Hotel (48%), Office (18%), Multifamily (14%), Industrial (9%), Diversified (5%), and Other (6%).

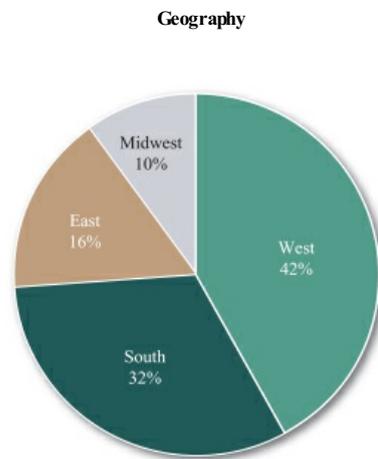
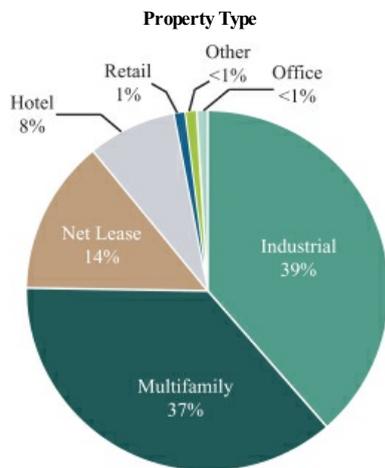
Portfolio

Summary of Portfolio

The following chart outlines the allocation of our investments in real properties and real estate debt based on fair value as of December 31, 2019:



The following charts further describe the diversification of our investments in real properties based on fair value as of December 31, 2019:



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Investments in Real Estate

As of December 31, 2019, we had acquired 1,054 properties resulting in a diversified portfolio of income producing assets primarily consisting of Multifamily and Industrial properties, and to a lesser extent Net Lease, Hotel, Retail, Office and Other properties, concentrated in growth markets across the U.S. The following table provides a summary of our portfolio as of December 31, 2019:

Segment	Number of Properties	Sq. Feet (in thousands)/ Units/Keys	Occupancy Rate(1)	Average Effective Annual Base Rent Per Leased Square Foot or Unit(2)	Gross Asset Value(3) (\$ in thousands)	Segment Revenue (\$ in thousands)	Percentage of Total Revenue
Industrial	766	126,922 sq. ft.	95%	\$5.63	\$ 11,076,936	\$ 464,251	28%
Multifamily(4)	199	62,534 units	94%	\$13.309	10,879,828	712,513	42%
Net Lease	1	8,507 sq. ft.	N/A	N/A	4,265,530	42,317	3%
Hotel	59	9,964 keys	78%	\$167.60/\$131.28	2,296,929	441,750	26%
Retail	7	1,244 sq. ft.	99%	\$22.17	427,170	16,267	1%
Office	1	228 sq. ft.	95%	\$24.56	126,358	2,205	— %
Other	21	1,347 sq. ft.	87%	\$11.35	152,371	6,969	— %
Total	<u>1,054</u>				<u>\$ 29,225,122</u>	<u>\$ 1,686,272</u>	<u>100%</u>

- (1) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of December 31, 2019. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of December 31, 2019. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the three months ended December 31, 2019. The occupancy rate for our hotel investments includes paid occupied rooms for the twelve months ended December 31, 2019. Hotels owned less than twelve months are excluded from the average occupancy rate calculation.
- (2) For industrial, manufactured housing, retail, and self-storage properties, represents the annualized December 31, 2019 base rent per leased square foot or unit and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization. For student housing and other multifamily properties, represents the base rent for the year ended December 31, 2019, per leased unit and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization. For hotel properties, represents Average Daily Rate (“ADR”) and Revenue Per Available Room (“RevPAR”), respectively, for the twelve months ended December 31, 2019. Hotels owned less than twelve months are excluded from the ADR and RevPAR calculations.
- (3) Based on fair value as of December 31, 2019.
- (4) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.

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Real Estate

The following table provides information regarding our portfolio of real properties as of December 31, 2019:

Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
<i>Industrial:</i>						
Stockton Industrial Park	1	Stockton, CA	Feb. 2017	100%	878 sq. ft.	86%
HS Industrial Portfolio	37	Various(4)	April 2017	100%	5,899 sq. ft.	95%
Fairfield Industrial Portfolio	11	Fairfield, NJ	Sept. 2017	100%	578 sq. ft.	100%
Southeast Industrial Portfolio	5	Various(5)	Nov. 2017	100%	1,927 sq. ft.	97%
Kraft Chicago Industrial Portfolio	3	Aurora, IL	Jan. 2018	100%	1,693 sq. ft.	100%
Canyon Industrial Portfolio	145	Various(6)	March 2018	100%	21,174 sq. ft.	95%
HP Cold Storage Industrial Portfolio	6	Various(7)	May 2018	100%	2,252 sq. ft.	100%
Meridian Industrial Portfolio	106	Various(8)	Nov. 2018	99%(8)	14,011 sq. ft.	93%
Stockton Distribution Center	1	Stockton, CA	Dec. 2018	100%	987 sq. ft.	100%
Summit Industrial Portfolio	8	Atlanta, GA	Dec. 2018	100%	631 sq. ft.	97%
4500 Westport Drive	1	Harrisburg, PA	Jan. 2019	100%	179 sq. ft.	100%
Morgan Savannah	1	Savannah, GA	April 2019	100%	357 sq. ft.	100%
Minneapolis Industrial Portfolio	34	Minneapolis, MN	April 2019	100%	2,460 sq. ft.	94%
Atlanta Industrial Portfolio	61	Atlanta, GA	May 2019	100%	3,779 sq. ft.	95%
D.C. Powered Shell Warehouse Portfolio	9	Ashburn & Manassas, VA	June 2019	90%	1,471 sq. ft.	100%
Patriot Park	2	Durham, NC	Sept. 2019	100%	323 sq. ft.	83%
Denali Industrial Portfolio	18	Various(9)	Sept. 2019	100%	4,098 sq. ft.	100%
Jupiter 12 Industrial Portfolio	316	Various(10)	Sept. 2019	100%	63,965 sq. ft.	94%
2201 Main Street	1	San Diego, CA	Oct. 2019	100%	260 sq. ft.	N/A
Total Industrial	766				126,922 sq. ft.	
<i>Multifamily:</i>						
Sonora Canyon Apartments	1	Mesa, AZ	Feb. 2017	100%	388 units	95%
TA Multifamily Portfolio	6	Various(11)	April 2017	100%	2,514 units	95%
Emory Point	1	Atlanta, GA	May 2017	100%	750 units	97%
Nevada West Multifamily	3	Las Vegas, NV	May 2017	100%	972 units	94%
Mountain Gate & Trails Multifamily	2	Las Vegas, NV	June 2017	100%	539 units	94%
Elysian West Multifamily	1	Las Vegas, NV	July 2017	100%	466 units	93%
Harbor 5 Multifamily	5	Dallas, TX	Aug. 2017	100%	1,192 units	95%
Gilbert Multifamily	2	Gilbert, AZ	Sept. 2017	90%	748 units	96%
Domain & GreenVue Multifamily	2	Dallas, TX	Sept. 2017	100%	803 units	96%
ACG II Multifamily	4	Various(12)	Sept. 2017	94%	932 units	94%
Olympus Multifamily	3	Jacksonville, FL	Nov. 2017	95%	1,032 units	94%
Amberglen West Multifamily	1	Hillsboro, OR	Nov. 2017	100%	396 units	93%
Aston Multifamily Portfolio	20	Various(13)	Various(13)	90%	4,584 units	95%
Talavera and Flamingo Multifamily	2	Las Vegas, NV	Dec. 2017	100%	674 units	94%
Walden Pond & Montair Multifamily Portfolio	2	Everett, WA & Thornton, CO	Dec. 2017	95%	635 units	93%
Signature at Kendall Multifamily	1	Miami, FL	Dec. 2017	100%	546 units	96%
The Boulevard	1	Phoenix, AZ	April 2018	100%	294 units	96%
Blue Hills Multifamily	1	Boston, MA	May 2018	100%	472 units	95%
Wave Multifamily Portfolio	6	Various(14)	May 2018	100%	2,199 units	95%
ACG III Multifamily	2	Gresham, OR & Turlock, CA	May 2018	95%	475 units	92%
Carroll Florida Multifamily	2	Jacksonville & Orlando, FL	May 2018	100%	716 units	95%
Solis at Flamingo	1	Las Vegas, NV	June 2018	95%	524 units	94%

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Velaire at Aspera	1	Phoenix, AZ	July 2018	100%	286 units	93%
Coyote Multifamily Portfolio	6	Phoenix, AZ	Aug. 2018	100%	1,752 units	94%
Avanti Apartments	1	Las Vegas, NV	Dec. 2018	100%	414 units	95%
Gilbert Heritage Apartments	1	Phoenix, AZ	Feb. 2019	90%	256 units	95%
Roman Multifamily Portfolio	14	Various(15)	Feb. 2019	100%	3,743 units	94%
Elevation Plaza Del Rio	1	Phoenix, AZ	April 2019	90%	333 units	93%
Courtney at Universal Multifamily	1	Orlando, FL	April 2019	100%	355 units	94%
Citymark Multifamily 2-Pack	2	Various(16)	April 2019	95%	608 units	94%
Tri-Cities Multifamily 2-Pack	2	Richland & Kennewick, WA	April 2019	95%	428 units	93%
Raider Multifamily Portfolio	4	Las Vegas, NV	Various(17)	100%	1,514 units	89%
Bridge II Multifamily Portfolio	6	Various(18)	Various(18)	100%	2,363 units	94%
Miami Doral 2-Pack	2	Miami, FL	May 2019	100%	720 units	95%
Davis Multifamily 2-Pack	2	Various(19)	May 2019	100%	454 units	96%
Slate Savannah	1	Savannah, GA	May 2019	90%	272 units	94%
Amara at MetroWest	1	Orlando, FL	May 2019	95%	411 units	93%
Colorado 3-Pack	3	Denver & Fort Collins, CO	May 2019	100%	855 units	96%
Edge Las Vegas	1	Las Vegas, NV	June 2019	95%	296 units	93%
ACGIV Multifamily	2	Various(20)	June 2019	95%	606 units	93%
Perimeter Multifamily 3-Pack	3	Atlanta, GA	June 2019	100%	691 units	93%
Anson at the Lakes	1	Charlotte, NC	June 2019	100%	694 units	93%
San Valiente Multifamily	1	Phoenix, AZ	July 2019	95%	604 units	89%
Edgewater at the Cove	1	Oregon City, OR	Aug. 2019	100%	244 units	91%
Haven 124	1	Denver, CO	Sept. 2019	100%	562 units	92%
Villages at McCullers Walk Multifamily	1	Raleigh, NC	Oct. 2019	100%	412 units	89%
Canopy at Citrus Park Multifamily	1	Largo, FL	Oct. 2019	90%	318 units	92%
Ridge Multifamily Portfolio	4	Las Vegas, NV	Oct. 2019	90%	1,220 units	94%
Charleston on 66th Multifamily	1	Tampa, FL	Nov. 2019	95%	258 units	92%
Evolve at Timber Creek Multifamily	1	Garner, NC	Nov. 2019	100%	304 units	65%
Solis at Towne Center Multifamily	1	Glendale, AZ	Nov. 2019	100%	240 units	96%
Arches at Hidden Creek Multifamily	1	Chandler, AZ	Nov. 2019	98%	432 units	97%
Terra Multifamily	1	Austin, TX	Dec. 2019	100%	372 units	90%
Arium Multifamily Portfolio	5	Various(21)	Dec. 2019	100%	1,684 units	94%
Highroads MH	3	Phoenix, AZ	April 2018	99%	265 units	94%
Evergreen Minari MH	2	Phoenix, AZ	June 2018	99%	115 units	97%
Southwest MH	14	Various(22)	June 2018	99%	3,065 units	83%
Hidden Springs MH	1	Desert Hot Springs, CA	July 2018	99%	317 units	86%
SVPAC MH	2	Phoenix, AZ	July 2018	99%	234 units	95%
Royal Vegas MH	1	Las Vegas, NV	Oct. 2018	99%	176 units	68%
Riverest MH	1	Tavares, FL	Dec. 2018	99%	130 units	86%
Angler MH Portfolio	5	Phoenix, AZ	April 2019	99%	939 units	84%
Florida MH 4-Pack	4	Various(23)	Various(23)	99%	795 units	83%
Impala MH	3	Phoenix & Chandler, AZ	July 2019	99%	336 units	95%
EdR Student Housing Portfolio	20	Various(24)	Sept. 2018	95%	10,610 units	97%
Total Multifamily	199				62,534 units	
<i>Net Lease:</i>						
Bellagio	1	Las Vegas, NV	Nov. 2019	95%	8,507 sq. ft.	N/A
Total Net Lease	1				8,507 sq. ft.	
<i>Hotel:</i>						
Hyatt Place UC Davis	1	Davis, CA	Jan. 2017	100%	127 keys	81%
Hyatt Place San Jose Downtown	1	San Jose, CA	June 2017	100%	240 keys	79%

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/Keys(2)	Occupancy Rate(3)
Florida Select-Service 4-Pack	4	Tampa & Orlando, FL	July 2017	100%	472 keys	80%
Hyatt House Downtown Atlanta	1	Atlanta, GA	Aug. 2017	100%	150 keys	79%
Boston/Worcester Select-Service 3-Pack	3	Boston & Worcester, MA	Oct. 2017	100%	374 keys	80%
Henderson Select-Service 2-Pack	2	Henderson, NV	May 2018	100%	228 keys	84%
Orlando Select-Service 2-Pack	2	Orlando, FL	May 2018	100%	254 keys	93%
Corporex Select Service Portfolio	5	Various(25)	Aug. 2018	100%	601 keys	76%
JW Marriott San Antonio Hill Country Resort	1	San Antonio, TX	Aug. 2018	100%	1,002 keys	71%
Hampton Inn & Suites Federal Way	1	Seattle, WA	Oct. 2018	100%	142 keys	81%
Staybridge Suites Reno	1	Reno, NV	Nov. 2018	100%	94 keys	80%
Salt Lake City Select Service 3 Pack	3	Salt Lake City, UT	Nov. 2018	60%	454 keys	81%
Courtyard Kona	1	Kailua-Kona, HI	March 2019	100%	452 keys	N/A
Raven Select Service Portfolio	21	Various(26)	June 2019	100%	2,555 keys	N/A
Urban 2-Pack	2	Chicago, IL & Arlington, VA	July 2019	100%	636 keys	N/A
Hyatt Regency Atlanta	1	Atlanta, GA	Sept. 2019	100%	1,260 keys	N/A
RHW Portfolio	9	Various(27)	Nov. 2019	100%	923 keys	N/A
Total Hotel	59				9,964 keys	
<i>Retail:</i>						
Bakers Centre	1	Philadelphia, PA	March 2017	100%	237 sq. ft.	99%
Plaza Del Sol Retail	1	Burbank, CA	Oct. 2017	100%	166 sq. ft.	100%
Vista Center	1	Miami, FL	Aug. 2018	100%	91 sq. ft.	94%
El Paseo Simi Valley	1	Simi Valley, CA	June 2019	100%	109 sq. ft.	97%
Towne Center East	1	Signal Hill, CA	Sept. 2019	100%	163 sq. ft.	100%
Plaza Pacoima	1	Pacoima, CA	Oct. 2019	100%	204 sq. ft.	100%
Canarsie Plaza	1	Brooklyn, NY	Dec. 2019	100%	274 sq. ft.	98%
Total Retail	7				1,244 sq. ft.	
<i>Office:</i>						
EmeryTech Office	1	Emeryville, CA	Oct. 2019	100%	228 sq. ft.	95%
Total Office	1				228 sq. ft.	
<i>Other:</i>						
East Coast Storage Portfolio	21	Various(28)	Aug. 2019	97%	1,347 sq. ft.	87%
Total Other	21				1,347 sq. ft.	
Total Investments in Real Estate	1,054					

- (1) Certain of the joint venture agreements entered into by the Company provide the seller or the other partner a profits interest based on certain internal rate of return hurdles being achieved. Such investments are consolidated by us and any profits interest due to the other partner is reported within non-controlling interests.
- (2) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.
- (3) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of December 31, 2019. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of December 31, 2019. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the three months ended December 31, 2019. The occupancy rate for our hotel investments is the average occupancy rate for the twelve months ended December 31, 2019. Hotels owned less than twelve months are excluded from the average occupancy rate calculation.

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- (4) The HS Industrial Portfolio is located in six submarkets: Atlanta, GA (38% of square feet), Chicago, IL (25%), Houston, TX (17%), Harrisburg, PA (10%), Dallas, TX (8%) and Orlando, FL (2%).
- (5) The Southeast Industrial Portfolio is located in Jacksonville, FL (53% of square feet), Atlanta, GA (26%), and Nashville, TN (21%).
- (6) The Canyon Industrial Portfolio is primarily concentrated in Chicago, IL (19% of square feet), Dallas, TX (15%), Indianapolis, IN (9%), Baltimore/Washington, D.C. (9%), and Columbus, OH (7%).
- (7) The HP Cold Storage Industrial Portfolio is located in four markets: Stockton, CA (52% of square feet), Atlanta, GA (24%), Baltimore, MD (18%), and Austin, TX (6%).
- (8) The Meridian Industrial Portfolio consists of 106 industrial properties primarily concentrated in Memphis, TN (23% of square feet), Orlando, FL (19%), Jacksonville, FL (10%), Atlanta, GA (9%), Richmond, VA (7%), and Winston-Salem, NC (7%). We own a 99% joint venture interest in 74 of the properties and wholly own the other 32 properties.
- (9) The Denali Industrial Portfolio is located in Indianapolis, IN (41% of square feet), Grove City, OH (22%), Hebron, KY (19%), Cincinnati, OH (14%), and West Chester, OH (4%).
- (10) The Jupiter 12 Industrial Portfolio is primarily concentrated in Dallas, TX (14% of square feet), Chicago, IL (12%), Harrisburg, PA (9%), Atlanta, GA (8%), Cincinnati, OH (6%), Columbus, OH (5%), Orlando, FL (5%) and Indianapolis, IN (5%).
- (11) The TA Multifamily Portfolio consists of a 32-floor property in downtown Orlando, FL (19% of units) and five garden style properties located in the suburbs of Palm Beach Gardens, FL (19%), Chicago, IL (19%), Orlando, FL (17%), Dallas, TX (14%), and Kansas City, KS (12%).
- (12) The ACG II Multifamily Portfolio consists of four garden style properties in Gilbert, AZ (30% of units), Modesto, CA (25%), Olympia, WA (24%), and Flagstaff, AZ (21%).
- (13) The Aston Multifamily Portfolio had closings in November 2017 and January 2018 and is located in four markets: Austin/San Antonio, TX (47% of units), Dallas/Fort Worth, TX (21%), Nashville, TN (18%), and Louisville, KY (14%).
- (14) The Wave Multifamily Portfolio is located in five markets: Greater Seattle, WA (29% of units), Sacramento, CA (28%), Las Vegas, NV (22%), Spokane, WA (14%), and Portland, OR (7%).
- (15) The Roman Multifamily Portfolio is primarily concentrated in Riverside, CA (18% of units), Denver, CO (13%), Tampa, FL (10%), Orlando, FL (9%), Charlotte, NC (9%), Portland, OR (8%), and Dallas, TX (8%).
- (16) The Citymark Multifamily 2-Pack is located in Las Vegas, NV (61% of units) and Lithia Springs, GA (39%).
- (17) The Raider Multifamily Portfolio had closings in April, June and November of 2019.
- (18) The Bridge II Multifamily Portfolio had closings in April, June and July of 2019 and is located in Charlotte, NC (34% of units), Phoenix, AZ (20%), Lakeland, FL (18%), Corona Hills, CA (14%), and Moreno Valley, CA (14%).
- (19) The Davis Multifamily 2-Pack is located in Jacksonville, FL (56% of units) and Raleigh, NC (44%).
- (20) ACG IV Multifamily is located in Puyallup, WA (74% of units) and Woodland, CA (26%).
- (21) The Arium Multifamily Portfolio is primarily located in Ocoee, FL (27% of units), Arlington, TX (24%), Huntersville, NC (18%), Orlando, FL (16%), and Oviedo, FL (15%).
- (22) Southwest MH is located in three markets: Phoenix, AZ (86% of sites), San Diego, CA (11%), and Palm Desert, CA (3%).
- (23) The Florida MH 4-Pack had closings in April and July of 2019 and is located in Waldorf, MD (39% of sites), Winter Haven, FL (26%), Naples, FL (18%), and Tarpon Springs, FL (17%).
- (24) The EdR Student Housing Portfolio consists of 10,610 beds primarily concentrated at Penn State University (15% of beds), University of Arizona (10%), University of Virginia (8%), Arizona State University (8%) and Virginia Tech (8%).
- (25) The Corporex Select Service Portfolio is located in five markets: Phoenix, AZ (24% of keys), Reno, NV (23%), Salt Lake City, UT (20%), Sonoma, CA (17%), and Tampa, FL (16%).
- (26) The Raven Select Service Portfolio is primarily concentrated in Fort Lauderdale/West Palm Beach, FL (24% of keys), Austin/San Antonio, TX (14%), Salt Lake City, UT (10%), Boulder, CO (10%), Durham, NC (7%), Minneapolis, MN (7%), and Chicago, IL (6%).

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- (27) The RHW Select Service Portfolio is located in Colorado Springs, CO (60% of keys), Glendale, AZ (27%), and Scottsdale, AZ (13%).
(28) The East Coast Storage Portfolio is concentrated in Fayetteville, NC (17% of square feet), Tallahassee, FL (13%), Raleigh, NC (8%), New York/New Jersey (8%), Chattanooga, TN (6%), and Miami/Fort Lauderdale, FL (6%).

Subsequent to December 31, 2019, we acquired an aggregate of \$2.7 billion of real estate (not including the MGM Grand and Mandalay Bay transaction described in the 2019 Highlights section above) across eight separate transactions, exclusive of closing costs. The acquisitions were related to multifamily, industrial and retail properties.

Investments in Real Estate Debt

As of December 31, 2019, our real estate debt consisted of 174 investments in CMBS, nine investments in RMBS, 12 corporate bond investments and eight loans. The following table details our investments in real estate debt as of December 31, 2019 (\$ in thousands):

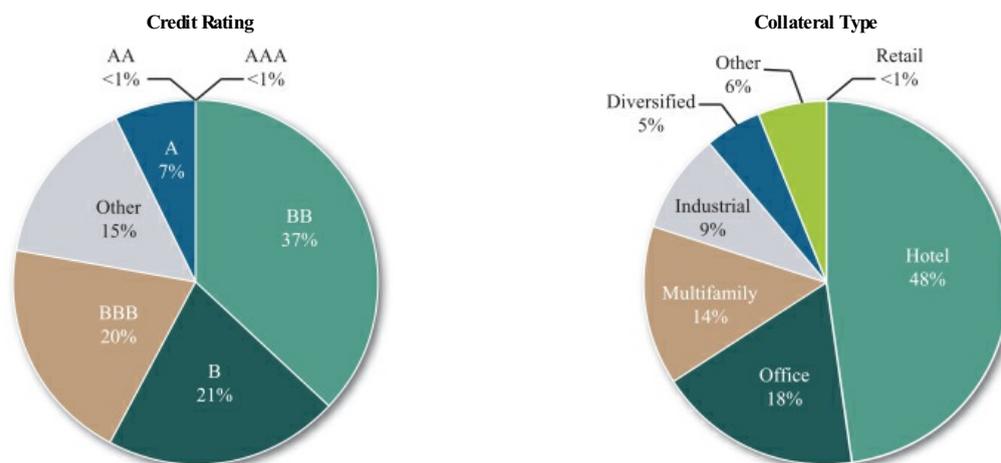
Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/Notional(5)	Cost Basis	Fair Value
CMBS—							
<i>Floating:</i>							
43	BB	Hospitality, Industrial, Multifamily, Office, Other, Diversified	L+2.82%	1/24/2025	\$ 996,720	\$ 994,189	\$ 997,022
30	BBB	Hospitality, Industrial, Multifamily, Office, Other	L+2.29%	3/24/2025	746,053	743,664	745,510
23	B	Hospitality, Industrial, Multifamily, Office	L+3.36%	12/8/2024	608,775	607,367	608,826
9	A	Hospitality, Industrial, Office, Retail, Diversified	L+2.04%	11/14/2024	318,881	318,117	319,227
1	AA	Office	L+4.25%	9/9/2020	8,257	8,332	8,277
16	Other	Hospitality, Multifamily	L+2.62%	7/2/2025	228,394	227,887	228,090
122						2,899,556	2,906,952
CMBS—							
<i>Fixed:</i>							
11	BB	Hospitality, Multifamily, Office, Diversified	3.8%	3/19/2028	297,379	283,944	282,977
7	B	Hospitality, Multifamily, Office, Diversified	4.3%	1/27/2026	169,039	166,167	166,085
14	BBB	Hospitality, Multifamily, Diversified	4.0%	1/22/2027	143,559	140,855	144,390
11	Other	Hospitality, Multifamily, Office, Diversified	4.6%	11/7/2027	240,761	238,437	238,518
43						829,403	831,970
Corporate Bonds:							
8	BB	Hospitality, Multifamily, Diversified	5.1%	4/15/2027	221,986	220,757	230,006
4	B	Hospitality, Multifamily, Other	5.9%	6/29/2026	54,316	55,739	58,105
12						276,496	288,111
CMBS—Zero Coupon:							
1	BB	Multifamily	N/A	4/8/2025	27,273	20,590	20,866
3	Other	Multifamily	N/A	4/24/2027	208,817	106,629	115,161
4						127,219	136,027
RMBS—Fixed:							
8	BB	Multifamily	4.0%	9/13/2028	25,528	25,534	25,482
1	B	Multifamily	6.3%	5/16/2027	3,787	3,972	3,966
9						29,506	29,448

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Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/ Notional(5)	Cost Basis	Fair Value
<i>CMBS—Interest Only:</i>							
2	AAA	Multifamily	0.1%	6/12/2026	\$ 1,799,254	\$ 9,554	\$ 9,550
1	BBB	Multifamily	0.1%	1/21/2028	225,803	1,372	1,371
1	A	Multifamily	0.1%	5/19/2025	194,399	914	913
1	Other	Multifamily	4.5%	12/17/2026	42,024	11,724	11,713
5						23,564	23,547
195				Total real estate securities		4,185,744	4,216,055
<i>Term Loans:</i>							
5	B	Hospitality, Industrial	L+3.71%	1/8/2025	73,952	73,364	72,605
1	BB	Diversified	L+2.75%	5/15/2026	54,155	53,916	54,290
1	Other	Multifamily	L+1.70%	2/6/2022	47,132	46,186	46,234
7						173,466	173,129
<i>Mezzanine Loans:</i>							
1	Other	Hospitality	L+6.86%	12/15/2024	134,750	134,078	134,076
8				Total real estate loans		307,544	307,205
203				Total real estate debt		\$4,493,288	\$4,523,260

- (1) AAA represents credit ratings of AAA and AAA-, A represents credit ratings of A+, A, and A-, BBB represents credit ratings of BBB+, BBB, and BBB-, BB represents credit ratings of BB+, BB, and BB-, and B represents credit ratings of B+, B, and B-. Other consists of investments that, as of December 31, 2019, were either not ratable or have not been submitted to rating agencies.
- (2) Multifamily real estate debt is collateralized by various forms of rental housing including single-family homes and apartments.
- (3) The term “L” refers to the one-month U.S. dollar-denominated London Interbank Offer Rate (“LIBOR”). As of December 31, 2019, one-month LIBOR was equal to 1.8%.
- (4) Weighted average maturity date is based on the fully extended maturity date of the underlying collateral.
- (5) Represents notional amount for CMBS interest only positions.

The following charts further describe the diversification of our real estate debt investments by credit rating and collateral type based on fair value as of December 31, 2019:



- (1) AAA represents credit ratings of AAA and AAA-, A represents credit ratings of A+, A, and A-, BBB represents credit ratings of BBB+, BBB, and BBB-, BB represents credit ratings of BB+, BB, and BB-, and B represents credit ratings of B+, B, and B-. Other consists of investments that, as of December 31, 2019, were either not ratable or have not been submitted to ratings agencies.

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Subsequent to December 31, 2019, we purchased an aggregate of \$482.1 million of real estate debt.

Lease Expirations

The following schedule details the expiring leases at our industrial, retail, office and net lease properties by annualized base rent and square footage as of December 31, 2019 (\$ and square feet data in thousands). The table below excludes our multifamily and self-storage properties as substantially all leases at such properties expire within 12 months.

Year	Number of Expiring Leases	Annualized Base Rent(1)	% of Total Annualized Base Rent Expiring	Square Feet	% of Total Square Feet Expiring
2020	353	\$ 64,345,312	7%	11,794,010	9%
2021	437	99,418,449	11%	19,205,024	15%
2022	466	110,931,079	12%	18,740,450	15%
2023	346	114,364,545	12%	19,580,541	16%
2024	306	76,281,679	8%	12,066,080	10%
2025	147	43,689,482	5%	7,272,654	6%
2026	63	50,780,787	5%	11,708,710	9%
2027	64	48,297,369	5%	7,726,245	6%
2028	48	28,183,839	3%	3,286,971	3%
2029	42	27,093,309	3%	3,839,062	3%
Thereafter	86	280,237,646	30%	9,874,102	8%
Total	<u>2,358</u>	<u>\$943,623,496</u>	<u>100%</u>	<u>125,093,849</u>	<u>100%</u>

- (1) Annualized base rent is determined from the annualized December 31, 2019 base rent per leased square foot of the applicable year and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization.

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Affiliate Service Providers

For details regarding our affiliate service providers, see Note 11 to our consolidated financial statements.

Results of Operations

The following table sets forth information regarding our consolidated results of operations (\$ in thousands):

	For the Year Ended December 31,		2019 vs. 2018
	2019	2018	\$
Revenues			
Rental revenue	\$ 1,201,613	\$ 558,664	\$ 642,949
Hotel revenue	432,892	138,433	294,459
Other revenue	51,767	26,161	25,606
Total revenues	1,686,272	723,258	963,014
Expenses			
Rental property operating	469,966	243,093	226,873
Hotel operating	304,710	97,248	207,462
General and administrative	18,170	10,982	7,188
Management fee	108,115	42,659	65,456
Performance participation allocation	141,396	37,484	103,912
Depreciation and amortization	824,039	406,295	417,744
Total expenses	1,866,396	837,761	1,028,635
Other income (expense)			
Income from investments in real estate debt	213,062	55,323	157,739
Net gain on dispositions of real estate	35,035	—	35,035
Interest income	3,041	410	2,631
Interest expense	(487,517)	(233,184)	(254,333)
Other income (expense)	2,260	489	1,771
Total other income (expense)	(234,119)	(176,962)	(57,157)
Net loss	\$ (414,243)	\$ (291,465)	\$ (122,778)
Net loss attributable to non-controlling interests in third party joint ventures	\$ 5,671	\$ 6,188	\$ (517)
Net loss attributable to non-controlling interests in BREIT OP	6,801	4,221	2,580
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (120,715)
Net loss per share of common stock—basic and diluted	\$ (0.54)	\$ (0.91)	\$ 0.37

Revenues, Rental Property Operating and Hotel Operating Expenses

Due to the significant amount of acquisitions of real estate and real estate debt we have made since December 31, 2018, our revenues and operating expenses for the years ended December 31, 2019 and 2018 are not comparable. However, certain properties in our portfolio were owned for the full years ended December 31, 2019 and 2018 and are further discussed below.

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General and Administrative Expenses

During the year ended December 31, 2019, general and administrative expenses increased \$7.2 million compared to the year ended December 31, 2018, primarily due to various corporate level expenses related to the increased size of our portfolio.

Management Fee

During the year ended December 31, 2019, the management fee increased by \$65.5 million compared to the year ended December 31, 2018. The increase was primarily due to the growth of our NAV of \$8.3 billion from December 31, 2018 to December 31, 2019.

Performance Participation Allocation

During the year ended December 31, 2019, the performance participation allocation increased \$103.9 million compared to the year ended December 31, 2018. The increase was primarily due to the growth of our NAV and a higher total return than the year ended December 31, 2018. The performance participation allocation is measured annually and any amount earned by the Special Limited Partner becomes payable as of December 31 of the applicable year.

Depreciation and Amortization

During the year ended December 31, 2019, depreciation and amortization increased \$417.7 million compared to the corresponding period in 2018. The increase was driven by the growth in our portfolio, which increased from 474 properties as of December 31, 2018 to 1,054 properties as of December 31, 2019.

Income from Real Estate Debt

During the year ended December 31, 2019, income from real estate debt increased \$157.7 million compared to the year ended December 31, 2018. The increase was primarily due to the growth of our portfolio of investments in real estate debt which increased from 102 positions as of December 31, 2018 to 203 positions as of December 31, 2019.

Gain on Dispositions of Real Estate

During the year ended December 31, 2019, we recorded \$35.0 million of net gain from the dispositions of real estate related to the sales of three properties across three separate transactions. We did not sell any real estate in the corresponding periods in 2018.

Interest Expense

During the year ended December 31, 2019, interest expense increased \$254.3 million compared to the year ended December 31, 2018. The increase was primarily due to the growth in our portfolio of real estate and real estate debt and the related indebtedness of such investments.

Refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in [our Annual Report on Form 10-K for the year ended December 31, 2018](#) for discussion of our consolidated results of operations for the year ended December 31, 2018 compared to the year ended December 31, 2017, which specific discussion is incorporated herein by reference.

Same Property Results of Operations

We evaluate our consolidated results of operations on a same property basis, which allows us to analyze our property operating results excluding acquisitions during the periods under comparison. Properties in our portfolio

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are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. Recently developed properties that have not achieved stabilized occupancy (defined as 90% or greater for properties other than hotels) and properties held for sale are excluded from same property results and are considered non-same property. We do not consider our real estate debt segment to be same property.

For the years ended December 31, 2019 and 2018, our same property portfolio consisted of 39 multifamily, 53 industrial, 10 hotel, and two retail properties.

Same property operating results are measured by calculating same property net operating income (“NOI”). Same property NOI is a supplemental non-GAAP disclosure of our operating results that we believe is meaningful as it enables management to evaluate the impact of occupancy, rents, leasing activity, and other controllable property operating results at our real estate. We define same property NOI as operating revenues less operating expenses, which exclude (i) depreciation and amortization, (ii) interest expense and other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fee, (c) performance participation allocation, (d) affiliate incentive compensation awards, (e) income from real estate debt, (f) net gain on dispositions of real estate, and (g) interest income.

Our same property NOI may not be comparable to that of other REITs and should not be considered to be more relevant or accurate in evaluating our operating performance than the current GAAP methodology used in calculating net income (loss).

The following table reconciles GAAP net loss attributable to BREIT stockholders to same property NOI for the years ended December 31, 2019 and 2018 (\$ in thousands):

	Year Ended December 31,		2019 vs. 2018	
	2019	2018	\$	%
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$(120,715)	43%
Adjustments to reconcile to same property NOI				
General and administrative	18,170	10,982	7,188	65%
Management fee	108,115	42,659	65,456	153%
Performance participation allocation	141,396	37,484	103,912	277%
Affiliate incentive compensation awards	2,000	4,714	(2,714)	(58%)
Depreciation and amortization	824,039	406,295	417,744	103%
Income from investment in real estate debt	(213,062)	(55,323)	(157,739)	285%
Net gain on dispositions of real estate	(35,035)	—	(35,035)	N/M
Interest income	(3,041)	(410)	(2,631)	642%
Interest expense	487,517	233,184	254,333	109%
Other income (expense)	(2,260)	(489)	(1,771)	362%
Net loss attributable to non-controlling interests in third party joint ventures	(5,671)	(6,188)	517	(8%)
Net loss attributable to non-controlling interests in BREIT OP	(6,801)	(4,221)	(2,580)	61%
NOI	913,596	387,631	525,965	136%
Non-same property NOI	723,107	203,834	519,273	255%
Same property NOI	\$ 190,489	\$ 183,797	\$ 6,692	4%

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The following table details the components of same property NOI for the years ended December 31, 2019 and 2018 (\$ in thousands):

	Year Ended December 31,		2019 vs. 2018	
	2019	2018	\$	%
Same property NOI				
Rental revenue	\$267,641	\$261,170	\$ 6,471	2%
Hotel revenue	70,586	69,757	829	1%
Other revenue	13,107	15,012	(1,905)	(13%)
Total revenues	351,334	345,939	5,395	2%
Rental property operating	112,745	114,846	(2,101)	(2%)
Hotel operating	48,100	47,296	804	2%
Total expenses	160,845	162,142	(1,297)	(1%)
Same property NOI	\$190,489	\$183,797	\$ 6,692	4%

Same Property—Rental Revenue

Same property rental revenue increased \$6.5 million for the year ended December 31, 2019 compared to 2018. The increase was due to a \$6.9 million increase in base rental revenue and a \$0.7 million increase in tenant reimbursement income. Additionally, as a result of the adoption of Accounting Standards Update (“ASU”) 2016-02, *Leases*, and all related amendments (“ASU 2016-02”) \$1.1 million of bad debt expense was recorded as a component of same property rental revenue for the year ended December 31, 2019. For the year ended December 31, 2018, bad debt expense was recorded as a component of rental property operating expenses. For further detail on the adoption of ASU 2016-02 see Note 2 to the consolidated financial statements.

The following table details the changes in base rental revenue period over period (\$ in thousands):

	Year Ended December 31,		2019 vs. 2018		Change in Average Effective Annual Base Rent Per Leased Square Foot/Unit(1)
	2019	2018	Change in Base Rental Revenue	Change in Occupancy Rate	
Multifamily	\$ 193,301	\$ 186,855	\$ 6,446	— %	+3%
Industrial	42,075	41,701	374	(1%)	+2%
Retail	7,263	7,188	75	— %	+1%
Total base rental revenue	\$ 242,639	\$ 235,744	\$ 6,895		

(1) The annualized base rent per leased square foot or unit for the year ended December 31, 2019 and 2018 includes straight-line rent and above-market and below-market lease amortization.

Same Property—Hotel Revenue

Same property hotel revenue increased \$0.8 million for the year ended December 31, 2019 compared to the corresponding period in 2018 primarily due to an increase of \$0.5 million at our hotel property located in downtown Atlanta, Georgia. The Hyatt House Downtown Atlanta experienced increased occupancy, ADR and RevPAR during the first quarter of 2019 as a result of increased demand primarily associated with the Super Bowl. The remaining increase in hotel revenue was due to an increase in ADR and RevPAR across the remaining hotel properties in our same property portfolio. ADR for the hotels in our same property portfolio increased to \$161 from \$160 while occupancy and RevPAR remained unchanged during the year ended December 31, 2019 compared to the corresponding period in 2018.

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Same Property—Other Revenue

Same property other revenue decreased \$1.9 million for the year ended December 31, 2019 compared to the corresponding period in 2018. The decrease in other revenue for the year ended December 31, 2019 was primarily a result of lower non-recurring lease related fees such as late fees and termination fees at our multifamily properties.

Same Property—Rental Property Operating Expenses

Same property rental property operating expenses decreased \$2.1 million during the year ended December 31, 2019 compared to the corresponding period in 2018. The decrease in rental property operating expenses was primarily due to the presentation of bad debt expense as a component of rental revenue for the year ended December 31, 2019 as a result of the adoption of ASU 2016-02. During the year ended December 31, 2018, \$4.0 million of bad debt expense was recorded as a component of rental property operating expense. The change in presentation of bad debt expense was partially offset by an increase in real estate taxes, insurance and repair and maintenance expenses at our multifamily and industrial properties.

Same Property—Hotel Operating Expenses

Same property hotel operating expenses increased \$0.8 million during the year ended December 31, 2019 compared to the corresponding period in 2018. The increase in hotel operating expenses was primarily the result of an increase in insurance and real estate taxes at certain hotels within our portfolio, along with an increase in general operating expenses associated with the overall increase in revenues.

Non-same Property NOI

Due to our substantial fundraising and continued deployment of the net proceeds raised into new property acquisitions, non-same property NOI is not comparable period over period. We expect the non-same property NOI variance period over period to continue as we raise more proceeds from selling shares of our common stock and invest in additional new property acquisitions.

Liquidity and Capital Resources

Our primary needs for liquidity and capital resources are to fund our investments, make distributions to our stockholders, repurchase shares of our common stock pursuant to our share repurchase plan, operating expenses, capital expenditures and to pay debt service on our outstanding indebtedness we may incur. Our operating expenses include, among other things, fees and expenses related to managing our properties and other investments, the management fee we pay to the Adviser (to the extent the Adviser elects to receive the management fee in cash), the performance participation allocation that BREIT OP pays to the Special Limited Partner (to the extent the Special Limited Partner elects to receive the performance participation allocation in cash), and general corporate expenses. We do not have any office or personnel expenses as we do not have any employees.

Our cash needs for acquisitions and other investments will be funded primarily from the sale of shares of our common stock and through the assumption or incurrence of debt.

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Our indebtedness includes loans secured by our properties, master repurchase agreements with Barclays Bank PLC (the “Barclays MRA”), Royal Bank of Canada (the “RBC MRA”), Citigroup Global Markets Inc. (the “Citi MRA”), Bank of America Merrill Lynch (the “BAML MRA”), Morgan Stanley Bank, N.A. (the “MS MRA”), MUFG Securities EMEA PLC (the “MUFG MRA”), and HSBC Bank USA, National Association (the “HSBC MRA”) secured by our investments in real estate debt, and unsecured lines of credit. The following is a summary of our indebtedness (\$ in thousands):

Indebtedness	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)(3)	Maximum Facility Size	Principal Balance as Of	
				December 31, 2019	December 31, 2018
<i>Fixed rate</i>					
Fixed rate mortgages	3.80%	6/2/2027	N/A	\$ 12,424,717	\$ 4,782,326
Mezzanine loan	5.85%	4/5/2025	N/A	195,878	200,000
Total fixed rate loans	3.83%	5/21/2027		12,620,595	4,982,326
<i>Variable rate</i>					
Floating rate mortgages	L+1.71%	11/24/2025	N/A	1,826,435	675,116
Variable rate term loans	L+1.58%	3/25/2024	N/A	1,533,561	603,500
Variable rate secured revolving credit facilities	L+1.54%	6/17/2025	\$ 2,233,020	1,063,837	624,200
Total variable rate loans	L+1.63%	3/19/2025		4,423,833	1,902,816
Total loans secured by the Company’s properties	3.74%	7/30/2027		17,044,428	6,885,142
<i>Repurchase agreement borrowings secured by our real estate debt securities:</i>					
Barclays MRA		9/29/2021	750,000	750,000	750,000
Other MRAs(4)		5/7/2020	N/A	2,342,137	963,723
Total repurchase agreement borrowings secured by our real estate debt securities(5)	2.95%			3,092,137	1,713,723
<i>Unsecured loans:</i>					
Affiliate line of credit	L+2.50%	1/22/2021	250,000	—	—
Variable rate revolving facilities	L+2.50%	2/22/2023	900,000	—	—
Total unsecured loans	L+2.50%	9/9/2022	1,150,000	—	—
Total indebtedness				\$ 20,136,565	\$ 8,598,865

- (1) The term “L” refers to (i) the one-month LIBOR with respect to the loans secured by our properties and the Line of Credit, and (ii) the one-month and three-month LIBOR with respect to the repurchase agreement borrowings.
- (2) For loans where we, at our sole discretion, have extension options, the maximum maturity date has been assumed.
- (3) Subsequent to year end, we rolled our repurchase agreement contracts expiring in January 2020 into new contracts.
- (4) Includes RBC MRA, Citi MRA, BAML MRA, MS MRA, MUFG MRA, and HSBC MRA.
- (5) Weighted average interest rate based on L+1.26%.

Other potential future sources of capital include secured or unsecured financings from banks or other lenders and proceeds from the sale of assets. If necessary, we may use financings or other sources of capital in the event of unforeseen significant capital expenditures.

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The Company is party to an unsecured line of credit with multiple banks. The line of credit expires on February 22, 2023. Interest under the line of credit is determined based on a one-month U.S. dollar-denominated LIBOR plus 2.50%. As of December 31, 2019, the capacity of the unsecured line of credit was \$900 million. As of December 31, 2019, we had a \$30 million letter of credit outstanding which reduced the available capacity of the unsecured line of credit to \$870 million.

Subsequent to December 31, 2019, there was a global outbreak of a new strain of coronavirus, COVID-19 which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines, restrictions on travel, and limiting hours of operations of non-essential offices and retail centers. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Company's performance and financial results, such as the potential negative impact to occupancy at its properties, the potential closure of certain of its hotel assets, financing arrangements, increased costs of operations, decrease in values of its investments in Real Estate Debt, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The Company is unable to estimate the impact the novel coronavirus will have on its financial results at this time.

While the long-term impact of the coronavirus to our business is not yet known, we are well positioned from a liquidity perspective with \$3.1 billion of immediate liquidity as of March 24, 2020, made up of \$2.6 billion of undrawn line of credit capacity and \$0.5 billion of cash on hand.

Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents and restricted cash (\$ in thousands):

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Cash flows provided by operating activities	\$ 600,927	\$ 252,682	\$ 72,285
Cash flows used in investing activities	(17,994,997)	(8,484,427)	(4,322,344)
Cash flows provided by financing activities	18,197,159	8,380,629	4,407,588
Net increase in cash and cash equivalents and restricted cash	<u>\$ 803,089</u>	<u>\$ 148,884</u>	<u>\$ 157,529</u>

Cash flows provided by operating activities increased \$348.2 million during the year ended December 31, 2019 compared to the corresponding period in 2018 due to increased cash flows from the operations of investments in real estate and income on our investments in real estate debt. Cash flows provided by operating activities increased \$180.4 million during the year ended December 31, 2018 compared to the corresponding period in 2017 due to increased cash flows from the operations of investments in real estate and income on our investments in real estate debt.

Cash flows used in investing activities increased \$9.5 billion during the year ended December 31, 2019 compared to the corresponding period in 2018 primarily due to an increase of \$8.7 billion in the acquisition of real estate

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investments and \$1.4 billion of real estate debt offset by an increase of \$0.5 billion in proceeds from the sale or settlement of real estate debt. Cash flows used in investing activities increased \$4.2 billion during the year ended December 31, 2018 compared to the corresponding period in 2017 primarily due to an increase of \$3.6 billion in the acquisition of real estate investments and \$0.6 billion of real estate debt.

Cash flows provided by financing activities increased \$9.8 billion during the year ended December 31, 2019 compared to the corresponding period in 2018 primarily due to a net increase of \$4.9 billion in borrowings, an increase of \$4.7 billion in proceeds from the issuance of our common stock. Cash flows provided by financing activities increased \$4.0 billion during the year ended December 31, 2018 compared to the corresponding period in 2017 primarily due to a net increase of \$3.0 billion in borrowings and an increase of \$1.0 billion in proceeds from the issuance of our common stock.

Critical Accounting Policies

The preparation of the financial statements in accordance with GAAP involve significant judgments and assumptions and require estimates about matters that are inherently uncertain. These judgments will affect our reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. With different estimates or assumptions, materially different amounts could be reported in our consolidated financial statements. We consider our accounting policies over investments in real estate and lease intangibles, investments in securities, and revenue recognition to be our critical accounting policies. See Note 2 to our consolidated financial statements for further descriptions of such accounting policies.

Recent Accounting Pronouncements

See Note 2—“Summary of Significant Accounting Policies” to our consolidated financial statements in this annual report on Form 10-K for a discussion concerning recent accounting pronouncements.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

The following table aggregates our contractual obligations and commitments with payments due subsequent to December 31, 2019 (\$ in thousands):

Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Indebtedness ⁽¹⁾	\$ 24,648,190	\$ 3,129,536	\$ 2,760,747	\$ 4,981,395	\$ 13,776,512
Ground leases	969,755	6,874	14,321	14,943	933,617
Organizational and offering costs	6,136	2,045	4,091	—	—
Other	15,031	3,766	7,658	3,607	—
Total	\$ 25,639,112	\$ 3,142,221	\$ 2,786,817	\$ 4,999,945	\$ 14,710,129

(1) The allocation of our indebtedness includes both principal and interest payments based on the current maturity date and interest rates in effect at December 31, 2019.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Indebtedness

We are exposed to interest rate risk with respect to our variable-rate indebtedness, whereas an increase in interest rates would directly result in higher interest expense costs. We seek to manage our exposure to interest rate risk by utilizing a mix of fixed and floating rate financings with staggered maturities and through interest rate protection agreements to fix or cap a portion of our variable rate debt. As of December 31, 2019, the outstanding principal balance of our variable rate indebtedness was \$7.5 billion and consisted of mortgage notes, term loans, secured and unsecured revolving credit facilities and repurchase agreements.

Certain of our mortgage notes, term loans, secured and unsecured revolving credit facilities and repurchase agreements are variable rate and indexed to one-month U.S. Dollar denominated LIBOR, six month U.S. Dollar denominated LIBOR, three-month GBP denominated LIBOR, three month Euro denominated LIBOR or six month Euro denominated LIBOR (collectively, the "Reference Rates"). For the year ended December 31, 2019, a 10% increase in the Reference Rates would have resulted in increased interest expense of \$11.0 million.

Investments in Real Estate Debt Securities

As of December 31, 2019, we held \$4.5 billion of real estate debt securities. Our investments in real estate debt securities investments are primarily floating-rate and indexed to one of the Reference Rates and as such, exposed to interest rate risk. Our net income will increase or decrease depending on interest rate movements. While we cannot predict factors which may or may not affect interest rates, during the year ended December 31, 2019, a 10% increase or decrease in the Reference Rates would have resulted in an increase or decrease to income from real estate debt securities of \$7.7 million.

We may also be exposed to market risk with respect to our investments in real estate debt securities due to changes in the fair value of our investments. We seek to manage our exposure to market risk with respect to our investments in real estate debt securities by making investments in securities backed by different types of collateral and varying credit ratings. The fair value of our investments may fluctuate, thus the amount we will realize upon any sale of our investments in real estate debt securities is unknown. As of December 31, 2019, the fair value at which we may sell our investments in real estate debt securities is not known, but a 10% change in the fair value of our investments in real estate debt securities may result in an unrealized gain or loss of \$452.3 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

For the financial statements required by this item and the reports of the independent accountants thereon required by Item 14(a)(2). See the accompanying Consolidated Financial Statements beginning on page F-1. The supplementary financial data required by Item 302 of Regulation S-K appears in Note 15 to the consolidated financial statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in the

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Company's reports under the Exchange Act is recorded, processed, and summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report on Form 10-K was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

There have been no changes in our "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management of Blackstone Real Estate Income Trust, Inc., is responsible for establishing and maintaining adequate internal control over financial reporting. Blackstone Real Estate Income Trust's internal control over financial reporting is a process designed under the supervision of its Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

Blackstone Real Estate Income Trust's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of the Company; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on its consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of Blackstone Real Estate Income Trust's internal control over financial reporting as of December 31, 2019, based on the framework established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, management has determined that Blackstone Real Estate Income Trust's internal control over financial reporting as of December 31, 2019, was effective.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 29, 2020 with the SEC pursuant to Regulation 14A under the Exchange Act.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

<u>Exhibit Number</u>	<u>Exhibit Description</u>
3.1	Second Articles of Amendment and Restatement of the Company (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on July 27, 2017 and incorporated herein by reference)
3.2	Articles of Amendment and Restatement of Blackstone Real Estate Income Trust, Inc., dated August 15, 2019 (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 16, 2019 and incorporated herein by reference)
3.3	Amended and Restated Bylaws of Blackstone Real Estate Income Trust, Inc. (files as Exhibit 3.2 to the Registrant's Registration Statement on Form S-11, filed on August 30, 2016 (file number 333-213043) and incorporated herein by reference)
4.1	Share Repurchase Plan (filed as Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 13, 2018 and incorporated herein by reference)
4.2	Distribution Reinvestment Plan (filed as Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 13, 2018 and incorporated herein by reference)
4.3*	Description of Securities of Blackstone Real Estate Income Trust, Inc.
10.1	Second Amended and Restated Advisory Agreement, by and among Blackstone Real Estate Income Trust, Inc., BREIT Operating Partnership, L.P. and BX REIT Advisors L.L.C. (filed as Exhibit 10.1 to the Registrant's Annual Report on Form 10-K filed on March 19, 2018 and incorporated herein by reference)
10.2	Amended and Restated Limited Partnership Agreement of BREIT Operating Partnership L.P., by and between Blackstone Real Estate Income Trust, Inc., BREIT Special Limited Partner L.P. (fka BREIT Special Limited Partner L.L.C.) and the limited partners party thereto from time to time (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 27, 2018 and incorporated herein by reference)
10.3	Registration Rights Agreement, by and among Blackstone Real Estate Income Trust, Inc., BREIT Special Limited Partner L.L.P. (fka BREIT Special Limited Partner L.L.C.) and BX REIT Advisors L.L.C. (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)
10.4	Trademark License Agreement, by and among Blackstone TM L.L.C., Blackstone Real Estate Income Trust, Inc. and BREIT Operating Partnership L.P. (filed as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)
10.5	Valuation Services Agreement, by and among Altus Group U.S. Inc., Blackstone Real Estate Income Trust, Inc. and BREIT Operating Partnership L.P. (filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)
10.6	Form of Indemnification Agreement (filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-11 filed on August 30, 2016 (file number 333-213043) and incorporated herein by reference)
10.7	Form of Independent Directors Restricted Stock Award Agreement (filed as Exhibit 10.8 to the Registrant's Registration Statement on Form S-11 on August 30, 2016 (file number 333-213043) and incorporated herein by reference)

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<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.8	Purchase and Sale Agreement, dated January 20, 2017, between a subsidiary of the Company and 173ODRE9 GL Owner, LLC (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 23, 2017 and incorporated herein by reference)
10.9	Uncommitted Unsecured Line of Credit, dated January 23, 2017, between the Company, as borrower, and Blackstone Holdings Finance Co. L.L.C., as lender (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 23, 2017 and incorporated herein by reference)
10.10	Transaction Agreement, dated as of June 2, 2019, by and among the Sellers named therein, the Acquired Companies named therein, the Seller Representative named therein, BRE Jupiter LLC, GLP US Management Holdings LLC and the Merger Subs named therein (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2019 and incorporated herein by reference)
10.11	Memorandum of Designation and Understanding, dated as of June 2, 2019, by and among BRE Jupiter LLC, Blackstone Real Estate Partners VIII L.P., Blackstone Real Estate Partners IX L.P. and Blackstone Real Estate Income Trust, Inc. (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2019 and incorporated herein by reference)
10.12*	Lease, dated as of November 15, 2019, by and between BCORE Paradise LLC and Bellagio LLC
10.13	Amended and Restated Dealer Manager Agreement, by and between Blackstone Real Estate Income Trust, Inc. and Blackstone Advisory Partners L.P. (incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K, as filed by the Registrant with the Securities and Exchange Commission on May 1, 2018)
10.14	Form of Selected Dealer Agreement (incorporated by reference to Exhibit 1.2 to the Registrant's Current Report on Form 8-K, as filed by the Registrant with the Securities and Exchange Commission on May 1, 2018)
21.1*	Subsidiaries of the Registrant
31.1*	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS+	XBRL Instance Document
101.SCH+	XBRL Taxonomy Extension Schema Document
101.SCH+	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document

+ This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

* Filed herewith.

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The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACKSTONE REAL ESTATE INCOME TRUST, INC.

<u>March 24, 2020</u> Date	<u>/s/ Frank Cohen</u> Frank Cohen Chief Executive Officer (Principal Executive Officer)
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>March 24, 2020</u> Date	<u>/s/ Frank Cohen</u> Frank Cohen Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
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<u>March 24, 2020</u> Date	<u>/s/ Paul Quinlan</u> Paul Quinlan Chief Financial Officer and Treasurer (Principal Financial Officer)
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<u>March 24, 2020</u> Date	<u>/s/ Paul Kolodziej</u> Paul Kolodziej Chief Accounting Officer (Principal Accounting Officer)
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<u>March 24, 2020</u> Date	<u>/s/ A.J. Agarwal</u> A.J. Agarwal President and Director
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<u>March 24, 2020</u> Date	<u>/s/ Wesley LePatner</u> Wesley LePatner Chief Operating Officer and Director
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<u>March 24, 2020</u> Date	<u>/s/ Raymond J. Beier</u> Raymond J. Beier Director
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<u>March 24, 2020</u> Date	<u>/s/ Richard I. Gilchrist</u> Richard I. Gilchrist Director
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<u>March 24, 2020</u> Date	<u>/s/ Field Griffith</u> Field Griffith Director
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<u>March 24, 2020</u> Date	<u>/s/ Edward Lewis</u> Edward Lewis Director
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Blackstone Real Estate Income Trust, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Blackstone Real Estate Income Trust, Inc. and subsidiaries (the “Company”) as of December 31, 2019 and 2018, the related consolidated statements of operations, changes in equity and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

New York, New York
March 24, 2020

We have served as the Company’s auditor since 2016.

Blackstone Real Estate Income Trust, Inc.
Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2019	December 31, 2018
Assets		
Investments in real estate, net	\$ 26,326,868	\$ 10,259,687
Real estate debt investments	4,523,260	2,259,913
Cash and cash equivalents	204,269	68,089
Restricted cash	905,433	238,524
Other assets	1,079,993	410,945
Total assets	\$ 33,039,823	\$ 13,237,158
Liabilities and Equity		
Mortgage notes, term loans, and secured revolving credit facilities, net	\$ 16,929,659	\$ 6,833,269
Repurchase agreements	3,092,137	1,713,723
Unsecured revolving credit facilities	—	—
Due to affiliates	690,143	301,581
Accounts payable, accrued expenses, and other liabilities	1,692,087	464,398
Total liabilities	22,404,026	9,312,971
Commitments and contingencies	—	—
Redeemable non-controlling interests	21,149	9,233
Equity		
Preferred stock, \$0.01 par value per share, 100,000 shares authorized; no shares issued and outstanding as of December 31, 2019 and 2018	—	—
Common stock—Class S shares, \$0.01 par value per share, 1,000,000 shares authorized; 530,813 and 276,989 shares issued and outstanding as of December 31, 2019 and 2018, respectively	5,308	2,770
Common stock—Class I shares, \$0.01 par value per share, 1,000,000 shares authorized; 474,279 and 108,261 shares issued and outstanding as of December 31, 2019 and 2018, respectively	4,743	1,083
Common stock—Class T shares, \$0.01 par value per share, 500,000 shares authorized; 39,767 and 23,313 shares issued and outstanding as of December 31, 2019 and 2018, respectively	398	233
Common stock—Class D shares, \$0.01 par value per share, 500,000 shares authorized; 84,657 and 30,375 shares issued and outstanding as of December 31, 2019 and 2018, respectively	847	304
Additional paid-in capital	11,716,721	4,327,444
Accumulated deficit and cumulative distributions	(1,422,885)	(587,548)
Total stockholders' equity	10,305,132	3,744,286
Non-controlling interests attributable to third party joint ventures	157,795	75,592
Non-controlling interests attributable to BREIT OP unitholders	151,721	95,076
Total equity	10,614,648	3,914,954
Total liabilities and equity	\$ 33,039,823	\$ 13,237,158

See accompanying notes to consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Consolidated Statements of Operations
(in thousands, except per share data)

	For the Year Ended December 31,		
	2019	2018	2017
Revenues			
Rental revenue	\$ 1,201,613	\$ 558,664	\$ 121,381
Hotel revenue	432,892	138,433	29,916
Other revenue	51,767	26,161	6,635
Total revenues	1,686,272	723,258	157,932
Expenses			
Rental property operating	469,966	243,093	51,115
Hotel operating	304,710	97,248	20,417
General and administrative	18,170	10,982	7,692
Management fee	108,115	42,659	8,867
Performance participation allocation	141,396	37,484	16,974
Depreciation and amortization	824,039	406,295	121,793
Total expenses	1,866,396	837,761	226,858
Other income (expense)			
Income from investments in real estate debt	213,062	55,323	17,749
Net gain on dispositions of real estate	35,035	—	—
Interest income	3,041	410	454
Interest expense	(487,517)	(233,184)	(36,884)
Other income (expense)	2,260	489	57
Total other income (expense)	(234,119)	(176,962)	(18,624)
Net loss	\$ (414,243)	\$ (291,465)	\$ (87,550)
Net loss attributable to non-controlling interests in third party joint ventures	\$ 5,671	\$ 6,188	\$ 1,292
Net loss attributable to non-controlling interests in BREIT OP	6,801	4,221	—
Net loss attributable to BREIT stockholders	\$ (401,771)	\$ (281,056)	\$ (86,258)
Net loss per share of common stock—basic and diluted	\$ (0.54)	\$ (0.91)	\$ (0.90)
Weighted-average shares of common stock outstanding, basic and diluted	748,841	309,686	95,586

See accompanying notes to consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Consolidated Statement of Changes in Equity
(in thousands, except share and per share data)

	Par Value				Additional Paid-in Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Non- controlling Interests attributable to third party joint ventures	Non- controlling Interests attributable to BREIT OP unitholders	Total Equity
	Common Stock Class S	Common Stock Class I	Common Stock Class T	Common Stock Class D						
Balance at December 31, 2016	\$ —	\$ —	\$ —	\$ —	\$ 200	\$ (115)	\$ 85	\$ —	\$ —	\$ 85
Common stock issued	\$ 1,283	\$ 302	\$ 56	\$ 40	\$ 1,724,274	\$ —	\$ 1,725,955	\$ —	\$ —	\$ 1,725,955
Offering costs	—	—	—	—	(132,691)	—	(132,691)	—	—	(132,691)
Distribution reinvestment	18	6	—	—	25,503	—	25,527	—	—	25,527
Common stock repurchased	—	(1)	—	—	(668)	—	(669)	—	—	(669)
Amortization of restricted stock grants	—	—	—	—	102	—	102	—	—	102
Net loss	—	—	—	—	—	(86,258)	(86,258)	(1,292)	—	(87,550)
Distributions declared on common stock (\$0.4782 per share)	—	—	—	—	—	(46,260)	(46,260)	—	—	(46,260)
Contributions from non-controlling interests	—	—	—	—	—	—	—	25,336	—	25,336
Distributions to non-controlling interests	—	—	—	—	—	—	—	(196)	—	(196)
Balance at December 31, 2017	<u>\$ 1,301</u>	<u>\$ 307</u>	<u>\$ 56</u>	<u>\$ 40</u>	<u>\$ 1,616,720</u>	<u>\$ (132,633)</u>	<u>\$ 1,485,791</u>	<u>\$ 23,848</u>	<u>\$ —</u>	<u>\$ 1,509,639</u>
Common stock issued	\$ 1,428	\$ 778	\$ 174	\$ 261	\$ 2,846,022	\$ —	\$ 2,848,663	\$ —	\$ —	\$ 2,848,663
Offering costs	—	—	—	—	(178,833)	—	(178,833)	—	—	(178,833)
Distribution reinvestment	63	24	4	4	101,890	—	101,985	—	—	101,985
Common stock/units repurchased	(22)	(28)	(1)	(1)	(56,375)	—	(56,427)	—	—	(56,427)
Amortization of restricted stock grants	—	2	—	—	212	—	214	—	—	214
Net loss (\$1,035 allocated to redeemable non-controlling interests)	—	—	—	—	—	(281,056)	(281,056)	(6,188)	(3,186)	(290,430)
Distributions declared on common stock (\$0.6286 per share)	—	—	—	—	—	(173,859)	(173,859)	—	—	(173,859)
Contributions from non-controlling interests	—	—	—	—	—	—	—	47,615	99,978	147,593
Acquired non-controlling interests	—	—	—	—	—	—	—	12,802	—	12,802
Distributions to non-controlling interests	—	—	—	—	—	—	—	(2,485)	(1,716)	(4,201)
Allocation to redeemable non- controlling interests	—	—	—	—	(2,192)	—	(2,192)	—	—	(2,192)
Balance at December 31, 2018	<u>\$ 2,770</u>	<u>\$ 1,083</u>	<u>\$ 233</u>	<u>\$ 304</u>	<u>\$ 4,327,444</u>	<u>\$ (587,548)</u>	<u>\$ 3,744,286</u>	<u>\$ 75,592</u>	<u>\$ 95,076</u>	<u>\$ 3,914,954</u>
Common stock issued	\$ 2,485	\$ 3,712	\$ 167	\$ 531	\$ 7,702,275	\$ —	\$ 7,709,170	\$ —	\$ —	\$ 7,709,170
Offering costs	—	—	—	—	(315,523)	—	(315,523)	—	—	(315,523)
Distribution reinvestment	121	74	9	16	245,115	—	245,335	—	—	245,335
Common stock/units repurchased	(68)	(130)	(11)	(4)	(236,156)	—	(236,369)	—	(718)	(237,087)
Amortization of restricted stock grants	—	4	—	—	396	—	400	—	2,000	2,400
Net loss (\$1,663 allocated to redeemable non-controlling interests)	—	—	—	—	—	(401,771)	(401,771)	(4,416)	(6,393)	(412,580)
Distributions declared on common stock (\$0.6363 per share)	—	—	—	—	—	(433,566)	(433,566)	—	—	(433,566)
Contributions from non-controlling interests	—	—	—	—	—	—	—	109,196	69,761	178,957
Distributions to non-controlling interests	—	—	—	—	—	—	—	(22,577)	(8,005)	(30,582)
Allocation to redeemable non- controlling interests	—	—	—	—	(6,830)	—	(6,830)	—	—	(6,830)
Balance at December 31, 2019	<u>\$ 5,308</u>	<u>\$ 4,743</u>	<u>\$ 398</u>	<u>\$ 847</u>	<u>\$ 11,716,721</u>	<u>\$ (1,422,885)</u>	<u>\$ 10,305,132</u>	<u>\$ 157,795</u>	<u>\$ 151,721</u>	<u>\$ 10,614,648</u>

See accompanying notes to consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	For the Year Ended December 31,		
	2019	2018	2017
Cash flows from operating activities:			
Net loss	\$ (414,243)	\$ (291,465)	\$ (87,550)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Management fee	108,115	42,659	8,867
Performance participation allocation	141,396	37,484	16,974
Depreciation and amortization	824,039	406,295	121,793
Net gain on dispositions of real estate	(35,035)	—	—
Unrealized gain (loss) on changes in fair value of financial instruments	(47,651)	24,746	(2,366)
Other items	(8,812)	5,495	228
Change in assets and liabilities:			
(Increase) / decrease in other assets	(117,527)	(67,540)	(19,002)
Increase / (decrease) in due to affiliates	3,893	2,099	3,833
Increase / (decrease) in accounts payable, accrued expenses, and other liabilities	146,752	92,909	29,508
Net cash provided by operating activities	<u>600,927</u>	<u>252,682</u>	<u>72,285</u>
Cash flows from investing activities:			
Acquisitions of real estate	(15,669,598)	(7,005,983)	(3,393,674)
Capital improvements to real estate	(199,768)	(102,273)	(9,953)
Proceeds from dispositions of real estate	79,118	—	—
Pre-acquisition costs	—	(8,331)	(5,166)
Purchase of real estate debt	(2,944,340)	(1,561,772)	(930,147)
Proceeds from sale or settlement of real estate debt	739,591	193,932	16,596
Net cash used in investing activities	<u>(17,994,997)</u>	<u>(8,484,427)</u>	<u>(4,322,344)</u>
Cash flows from financing activities:			
Proceeds from issuance of common stock	7,431,641	2,701,651	1,718,992
Offering costs paid	(77,156)	(44,066)	(22,293)
Subscriptions received in advance	796,729	166,542	107,576
Repurchase of common stock	(75,279)	(49,466)	(669)
Repurchase of management fee shares	(114,843)	—	—
Redemption of redeemable non-controlling interest	(35,435)	(8,400)	—
Redemption of affiliate service provider incentive compensation awards	(718)	—	—
Borrowings from mortgage notes, term loans, and secured revolving credit facilities	17,399,268	7,318,059	2,174,030
Repayments from mortgage notes, term loans, and secured revolving credit facilities	(8,328,912)	(2,767,093)	(247,570)
Borrowings under repurchase agreements	1,831,464	1,156,189	695,419
Settlement of repurchase agreements	(453,050)	(125,314)	(12,571)
Borrowings from affiliate line of credit	2,105,500	1,239,400	1,089,350
Repayments on affiliate line of credit	(2,105,500)	(1,244,650)	(1,084,100)
Borrowings from unsecured revolving credit facilities	240,000	—	—
Repayments on unsecured revolving credit facilities	(240,000)	—	—
Payment of deferred financing costs	(116,126)	(46,634)	(22,949)
Contributions from non-controlling interests	132,852	147,593	25,586
Distributions to non-controlling interests	(39,607)	(4,413)	(196)
Distributions	(153,669)	(58,769)	(13,017)
Net cash provided by financing activities	<u>18,197,159</u>	<u>8,380,629</u>	<u>4,407,588</u>
Net change in cash and cash equivalents and restricted cash	803,089	148,884	157,529
Cash and cash equivalents and restricted cash, beginning of year	306,613	157,729	200
Cash and cash equivalents and restricted cash, end of year	<u>\$ 1,109,702</u>	<u>\$ 306,613</u>	<u>\$ 157,729</u>
Reconciliation of cash and cash equivalents and restricted cash to the consolidated balance sheets:			
Cash and cash equivalents	\$ 204,269	\$ 68,089	\$ 31,166
Restricted cash	905,433	238,524	126,563
Total cash and cash equivalents and restricted cash	<u>\$ 1,109,702</u>	<u>\$ 306,613</u>	<u>\$ 157,729</u>
Supplemental disclosures:			
Interest paid	<u>\$ 461,354</u>	<u>\$ 208,042</u>	<u>\$ 27,073</u>

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	For the Year Ended December 31,		
	2019	2018	2017
Non-cash investing and financing activities:			
Assumption of mortgage notes in conjunction with acquisitions of real estate	\$1,202,713	\$208,480	\$199,365
Assumption of other liabilities in conjunction with acquisitions of real estate	\$ 71,784	\$ 66,525	\$ 23,008
Issuance of BREIT OP units as consideration for acquisitions of real estate	\$ 64,698	\$ —	\$ —
Recognition of financing lease liability	\$ 56,008	\$ —	\$ —
Assumed operating ground lease liabilities	\$ 50,612	\$ —	\$ —
Acquired non-controlling interests	\$ —	\$ 12,802	\$ —
Accrued capital expenditures and acquisition related costs	\$ 17,589	\$ 2,452	\$ 2,109
Contributions from non-controlling interests	\$ 2,520	\$ —	\$ —
Accrued distributions	\$ 34,849	\$ 13,644	\$ 7,716
Accrued stockholder servicing fee due to affiliate	\$ 240,043	\$136,420	\$102,076
Accrued offering costs due to affiliate	\$ —	\$ —	\$ 8,322
Redeemable non-controlling interest issued as settlement of performance participation allocation	\$ 37,484	\$ 16,974	\$ —
Exchange of redeemable non-controlling interest for Class I shares	\$ 11,620	\$ —	\$ —
Allocation to redeemable non-controlling interest	\$ 6,830	\$ 2,192	\$ —
Distribution reinvestment	\$ 245,335	\$101,985	\$ 25,527
Accrued common stock repurchases	\$ 46,247	\$ 6,961	\$ —
Payable for investments in real estate debt	\$ 362	\$ —	\$ —
Issuance of BREIT OP units as settlement of affiliate incentive compensation awards	\$ 4,714	\$ —	\$ —

See accompanying notes to consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Notes to Consolidated Financial Statements

1. Organization and Business Purpose

Blackstone Real Estate Income Trust, Inc. (“BREIT” or the “Company”) invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, in real estate debt. The Company is the sole general partner of BREIT Operating Partnership, L.P., a Delaware limited partnership (“BREIT OP”). BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a wholly-owned subsidiary of The Blackstone Group Inc. (together with its affiliates, “Blackstone”), owns a special limited partner interest in BREIT OP. Substantially all of the Company’s business is conducted through BREIT OP. The Company and BREIT OP are externally managed by BX REIT Advisors L.L.C. (the “Adviser”). The Adviser is part of the real estate group of Blackstone, a leading global investment manager, which serves as the Company’s sponsor. The Company was formed on November 16, 2015 as a Maryland corporation and qualifies as a real estate investment trust (“REIT”) for U.S. federal income tax purposes.

As of December 31, 2019, the Company had received net proceeds of \$12.4 billion from selling shares in the Offering, as defined below, and selling unregistered shares of the Company’s common stock. The Company had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. The Company subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock, consisting of up to \$10.0 billion in shares in its primary offering and up to \$2.0 billion in shares pursuant to its distribution reinvestment plan (the “Current Offering” and with the Initial Offering, the “Offering”). The Company intends to sell any combination of four classes of shares of its common stock, with a dollar value up to the maximum aggregate amount of the Current Offering. The share classes have different upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees. The Company intends to continue selling shares on a monthly basis.

As of December 31, 2019, the Company owned 1,054 properties and had 203 positions in real estate debt. The Company currently operates in eight reportable segments: Industrial, Multifamily, Net Lease, Hotel, Retail, Office, and Other Properties, and Real Estate Debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other Properties includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas (“Bellagio”). Financial results by segment are reported in Note 13—Segment Reporting.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of the Company, the subsidiaries and joint ventures in which it has a controlling interest. For consolidated joint ventures, the non-controlling partner’s share of the assets, liabilities and operations of the joint ventures is included in non-controlling interests as equity of the Company. The non-controlling partner’s interest is generally computed as the joint venture partner’s ownership percentage. Certain of the joint ventures made by the Company provide the other partner a profits interest based on certain internal rate of return hurdles being achieved. Any profits interest due to the other partner is reported within non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation.

The Company consolidates partially owned entities, in which it has a controlling financial interest. In determining whether the Company has a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, the Company considers whether the entity is a variable interest entity (“VIE”) and whether it is the primary beneficiary. The Company is the primary beneficiary of a

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VIE when it has (i) the power to direct the most significant activities impacting the economic performance of the VIE and (ii) the obligation to absorb losses or receive benefits significant to the VIE. BREIT OP and each of the Company's joint ventures are considered to be a VIE. The Company consolidates these entities because it has the ability to direct the most significant activities of the entities such as purchases, dispositions, financings, budgets, and overall operating plans.

As of December 31, 2019, the total assets and liabilities of the Company's consolidated VIEs, excluding BREIT OP, were \$9.5 billion and \$6.6 billion, respectively, compared to \$2.8 billion and \$1.9 billion as of December 31, 2018. Such amounts are included on the Company's Consolidated Balance Sheets.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Investments in Real Estate

In accordance with the guidance for business combinations, the Company determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

Whether the acquisition of a property acquired is considered a business combination or asset acquisition, the Company recognizes the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquired entity. In addition, for transactions that are business combinations, the Company evaluates the existence of goodwill or a gain from a bargain purchase. The Company expenses acquisition-related costs associated with business combinations as they are incurred. The Company capitalizes acquisition-related costs associated with asset acquisitions.

Upon acquisition of a property, the Company assesses the fair value of acquired tangible and intangible assets (including land, buildings, tenant improvements, "above-market" and "below-market" leases, acquired in-place leases, other identified intangible assets and assumed liabilities) and allocates the purchase price to the acquired assets and assumed liabilities. The Company assesses and considers fair value based on estimated cash flow projections that utilize discount and/or capitalization rates that it deems appropriate, as well as other available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known and anticipated trends, and market and economic conditions.

The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. The Company also considers an allocation of purchase price of other acquired intangibles, including acquired in-place leases that may have a customer relationship intangible value, including (but not limited to) the nature and extent of the existing relationship with the tenants, the tenants' credit quality and expectations of lease renewals. Based on its acquisitions to date, the Company's allocation to customer relationship intangible assets has not been material.

The Company records acquired above-market and below-market leases at their fair values (using a discount rate which reflects the risks associated with the leases acquired) equal to the difference between (1) the contractual amounts to be paid pursuant to each in-place lease and (2) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the initial term plus the term of any below-market fixed rate renewal options for below-market leases. Other intangible assets acquired include amounts for in-place lease values that are based on the

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Company's evaluation of the specific characteristics of each tenant's lease. Factors to be considered include estimates of carrying costs during hypothetical expected lease-up periods considering current market conditions, and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, the Company considers leasing commissions, legal and other related expenses.

Intangible assets and intangible liabilities are recorded as a component of Other Assets and Accounts Payable, Accrued Expenses, and Other Liabilities, respectively, on the Company's Consolidated Balance Sheets. The amortization of acquired above-market and below-market leases is recorded as an adjustment to Rental Revenue on the Company's Consolidated Statements of Operations. The amortization of in-place leases is recorded as an adjustment to Depreciation and Amortization Expense on the Company's Consolidated Statements of Operations. The amortization of below-market and pre-paid ground leases are recorded as an adjustment to Rental Property Operating or Hotel Operating Expenses, as applicable, on the Company's Consolidated Statements of Operations.

The cost of buildings and improvements includes the purchase price of the Company's properties and any acquisition-related costs, along with any subsequent improvements to such properties. The Company's investments in real estate are stated at cost and are generally depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Depreciable Life</u>
Building	30 - 42 years
Building- and land improvements	10 years
Furniture, fixtures and equipment	1 - 10 years
Lease intangibles	Over lease term

Significant improvements to properties are capitalized. When assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts with the resulting gains or losses reflected in net income or loss for the period.

Repairs and maintenance are expensed to operations as incurred and are included in Rental Property Operating and Hotel Operating Expenses on the Company's Consolidated Statements of Operations.

The Company's management reviews its real estate properties for impairment each quarter or when there is an event or change in circumstances that indicates an impaired value. If the carrying amount of the real estate investment is no longer recoverable and exceeds the fair value of such investment, an impairment loss is recognized. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. The evaluation of anticipated future cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results. Since cash flows on real estate properties considered to be "long-lived assets to be held and used" are considered on an undiscounted basis to determine whether an asset has been impaired, the Company's strategy of holding properties over the long term directly decreases the likelihood of recording an impairment loss. If the Company's strategy changes or market conditions otherwise dictate an earlier sale date, an impairment loss may be recognized and such loss could be material to the Company's results. If the Company determines that an impairment has occurred, the affected assets must be reduced to their fair value, less cost to sell. During the periods presented, no such impairment occurred.

Assets Held for Sale

The Company classifies the assets and liabilities related to its real estate investments as held for sale when a sale is probable to occur within one year. The Company considers a sale to be probable when a binding contract has been executed, the buyer has posted a non-refundable deposit, and there are limited contingencies to closing. The

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Company classifies held for sale assets and liabilities at the lower of depreciated cost or fair value less closing costs. Held for sale assets and liabilities are presented within other assets and other liabilities on the Company's Consolidated Balance Sheets. Refer to Note 3 and Note 9 for additional details.

Investments in Real Estate Debt

The Company's investments in real estate debt consists of securities and loans. The Company has elected to classify its securities as trading securities and carry such investments at estimated fair value. As such, the resulting unrealized gains and losses are recorded as a component of Income from Real Estate Debt on the Company's Consolidated Statements of Operations.

The Company elected the fair value option ("FVO") for its investments in loans. As such, any unrealized gains or losses on its investments in loans are recorded as a component of Income from Real Estate Debt on the Consolidated Statements of Operations.

Interest income from the Company's investments in real estate debt is recognized over the life of each investment using the effective interest method and is recorded on the accrual basis. Recognition of premiums and discounts associated with these investments is deferred and recorded over the term of the investment as an adjustment to yield. Such items are recorded as components of Investments in Real Estate Debt on the Company's Consolidated Statements of Operations.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in banks, cash on hand, and liquid investments with original maturities of three months or less. The Company may have bank balances in excess of federally insured amounts; however, the Company deposits its cash and cash equivalents with high credit-quality institutions to minimize credit risk.

Restricted Cash

As of December 31, 2019 and December 31, 2018, restricted cash primarily consists of \$787.7 million and \$166.5 million, respectively, of cash received for subscriptions prior to the date in which the subscriptions are effective, which is held in a bank account controlled by the Company's transfer agent but in the name of the Company. Other restricted cash consists of amounts in escrow related to real estate taxes, insurance in connection with mortgages at certain of our properties, security deposits and collateral for swaps.

Deferred Charges

The Company's deferred charges include financing and leasing costs. Deferred financing costs include legal, structuring, and other loan costs incurred by the Company for its financing agreements. Deferred financing costs related to the Company's mortgage notes and term loans are recorded as an offset to the related liability and amortized over the term of the applicable financing instruments. Deferred financing costs related to the Company's revolving credit facilities and affiliate line of credit are recorded as a component of Other Assets on the Company's Consolidated Balance Sheets and amortized over the term of the applicable financing agreements.

Deferred leasing costs incurred in connection with new leases, which consist primarily of brokerage and legal fees, are recorded as a component of Other Assets on the Company's Consolidated Balance Sheets and amortized over the life of the related lease.

Revenue Recognition

The Company's sources of revenue and the related revenue recognition policies are as follows:

Rental revenue—primarily consists of base rent and tenant reimbursement income arising from tenant leases at the Company's industrial, multifamily, net lease, office, retail and other properties. Base rent is recognized on a straight-line basis over the life of the lease, including any rent steps or abatement provisions. The Company begins to recognize revenue upon the acquisition of the related property or when a tenant takes possession of the leased space. Tenant reimbursement income primarily consists of amounts due from tenants for costs related to common area maintenance, real estate taxes, and other recoverable costs included in lease agreements.

Hotel revenue—consists of income from the Company's hotel properties. Hotel revenue consists primarily of room revenue and food and beverage revenue. Room revenue is recognized when the related room is occupied and other hotel revenue is recognized when the service is rendered.

Organization and Offering Costs

Organization costs are expensed as incurred and recorded as a component of General and Administrative Expense on the Company's Consolidated Statements of Operations and offering costs are charged to equity as such amounts are incurred.

The Adviser agreed to advance \$10.2 million of certain organization and offering costs on behalf of the Company (including legal, marketing and fulfillment, regulatory, due diligence, administrative, accounting, tax, transfer agent and other expenses attributable to the Company's organization, but excluding upfront selling commissions, dealer manager fees and stockholder servicing fees) through December 31, 2017. Such costs are being reimbursed to the Adviser pro rata over 60 months beginning January 1, 2018. For the years ended December 31, 2019 and 2018, the Company reimbursed \$2.0 million and \$2.0 million, respectively, to the Adviser for such costs.

Blackstone Advisory Partners L.P. (the "Dealer Manager"), a registered broker-dealer affiliated with the Adviser, serves as the dealer manager for the Offering. The Dealer Manager is entitled to receive selling commissions and dealer manager fees based on the transaction price of each applicable class of shares sold in the Offering. The Dealer Manager is also entitled to receive a stockholder servicing fee of 0.85%, 0.85% and 0.25% per annum of the aggregate net asset value ("NAV") of the Company's outstanding Class S shares, Class T shares, and Class D shares, respectively. There is no stockholder servicing fee with respect to Class I shares.

The following table details the selling commissions, dealer manager fees, and stockholder servicing fees for each applicable share class as of December 31, 2019:

	<u>Class S Shares</u>	<u>Class I Shares</u>	<u>Class T Shares</u>	<u>Class D Shares</u>
Selling commissions and dealer manager fees (% of transaction price)	up to 3.5%	—	up to 3.5%	up to 1.5%
Stockholder servicing fee (% of NAV)	0.85%	—	0.85%	0.25%

For Class S shares sold in the Offering (other than as part of the Company's distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.5% of the transaction price. For Class T shares sold in the Offering (other than as part of the Company's distribution reinvestment plan), investors will pay upfront selling commissions of up to 3.0% of the transaction price and upfront dealer manager fees of 0.5% of the transaction price, however such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price. For Class D shares sold in the Offering (other than as part of the Company's distribution reinvestment plan), investors will pay upfront selling commissions of up to 1.5% of the transaction price.

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The Dealer Manager is entitled to receive stockholder servicing fees of 0.85% per annum of the aggregate NAV for Class S shares and Class T shares. For Class T shares such stockholder servicing fee includes, an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares. For Class D shares, a stockholder servicing fee equal to 0.25% per annum of the aggregate NAV for the Class D shares.

The Dealer Manager has entered into agreements with the selected dealers distributing the Company's shares in the Offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and dealer manager fees and all of the stockholder servicing fees received by the Dealer Manager to such selected dealers. Through December 31, 2019, the Dealer Manager had not retained any upfront selling commissions, dealer manager, or stockholder servicing fees. The Company will cease paying the stockholder servicing fee with respect to any Class S share, Class T share or Class D share held in a stockholder's account at the end of the month in which the total selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or, in the case of Class T shares sold through certain participating broker-dealers, a lower limit as set forth in any applicable agreement between the Dealer Manager and a participating broker-dealer) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under the Company's distribution reinvestment plan with respect thereto). The Company will accrue the full cost of the stockholder servicing fee as an offering cost at the time each Class S, Class T, and Class D share is sold during the Offering. As of December 31, 2019 and 2018, the Company had accrued \$478.5 million and \$238.5 million, respectively, of stockholder servicing fees related to Class S shares, Class D shares and Class T shares sold and recorded such amount as a component of Due to Affiliates on the Company's Consolidated Balance Sheets.

Income Taxes

The Company qualifies to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), for U.S. federal income tax purposes. The Company generally will not be subject to federal corporate income tax to the extent it distributes 100% of its taxable income to its stockholders. REITs are subject to a number of other organization and operational requirements. Even if the Company qualifies for taxation as a REIT, it may be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income.

The Company leases its hotel investments to wholly-owned taxable REIT subsidiaries ("TRSs"). The TRSs are subject to taxation at the federal, state and local levels, as applicable. Revenues related to the hotels' operations such as room revenue, food and beverage revenue and other revenue are recorded in the TRS along any with corresponding expenses. The Company accounts for applicable income taxes by utilizing the asset and liability method. As such, the Company records deferred tax assets and liabilities for the future tax consequences resulting from the difference between the carrying value of existing assets and liabilities and their respective tax basis. A valuation allowance for deferred tax assets is provided if the Company believes all or some portion of the deferred tax asset may not be realized. During the years ended December 31, 2019, 2018 and 2017 the Company recorded a net tax benefit of \$0.9 million, \$0.6 million and \$0.3 million, respectively, within Other Income on the Company's Consolidated Statements of Operations. The deferred benefit for the years ended December 31, 2019, 2018 and 2017 is \$3.1 million, \$1.5 million and \$0.3 million, respectively. The current expense for the years ended December 31, 2019 and 2018 is \$2.2 million and \$0.9 million, respectively. There was no such tax expense for the year ended December 31, 2017. As of December 31, 2019, 2018 and 2017, the Company recorded a deferred tax asset of \$4.9 million, \$1.8 million, and \$0.3 million, respectively, due to its hotel investments within Other Assets on the Company's Consolidated Balance Sheets.

Fair Value Measurements

Under normal market conditions, the fair value of an investment is the amount that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). Additionally, there is a hierarchal framework that prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and the state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following levels within the fair value hierarchy:

Level 1—quoted prices are available in active markets for identical investments as of the measurement date. The Company does not adjust the quoted price for these investments.

Level 2—quoted prices are available in markets that are not active or model inputs are based on inputs that are either directly or indirectly observable as of the measurement date.

Level 3—pricing inputs are unobservable and include instances where there is minimal, if any, market activity for the investment. These inputs require significant judgment or estimation by management or third parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Valuation of assets measured at fair value

The Company's investments in real estate debt are reported at fair value. As of December 31, 2019 and 2018, the Company's investments in real estate debt consisted of commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities ("RMBS"), which are mortgage-related fixed income securities, corporate bonds, and term private mezzanine loans of real estate-related companies. The Company generally determines the fair value of its real estate debt by generally utilizing third-party pricing service providers and broker-dealer quotations on the basis of last available bid price.

In determining the fair value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models to determine the reported price. The pricing service providers' internal models for securities such as real estate debt generally consider the attributes applicable to a particular class of the security (e.g., credit rating, seniority), current market data, and estimated cash flows for each class and incorporate deal collateral performance such as prepayment speeds and default rates, as available.

Certain of the Company's investments in real estate debt, such as mortgages or mezzanine loans, are unlikely to have readily available market quotations. In such cases, the Company will generally determine the initial value based on the acquisition price of such investment if acquired by the Company or the par value of such investment if originated by the Company. Following the initial measurement, the Company will determine fair value by utilizing or reviewing certain of the following (i) market yield data, (ii) discounted cash flow modeling, (iii) collateral asset performance, (iv) local or macro real estate performance, (v) capital market conditions, (vi) debt yield or loan-to-value ratios and (vii) borrower financial condition and performance.

As of December 31, 2019 and 2018, the Company's \$4.5 billion and \$2.3 billion, respectively, of investments in real estate debt were classified as Level 2.

Valuation of liabilities not measured at fair value

As of December 31, 2019, the fair value of the Company's mortgage notes, term loans, and secured revolving credit facilities, repurchase agreements, and unsecured revolving credit facilities were approximately \$54.9 million above carrying value. As of December 31, 2018, the fair value of the Company's mortgage notes, term loans, and revolving credit facilities, repurchase agreements, and affiliate line of credit were approximately \$6.9 million below carrying value. Fair value of the Company's indebtedness is estimated by modeling the cash flows required by the Company's debt agreements and discounting them back to the present value using the appropriate discount rate. Additionally, the Company considers current market rates and conditions by evaluating similar borrowing agreements with comparable loan-to-value ratios and credit profiles. The inputs used in determining the fair value of the Company's indebtedness are considered Level 3.

Earnings Per Share

Basic net loss per share of common stock is determined by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. All classes of common stock are allocated net income/(loss) at the same rate per share and receive the same gross distribution per share.

The restricted stock grants of Class I shares held by our directors are considered to be participating securities because they contain non-forfeitable rights to distributions. The impact of these restricted stock grants on basic and diluted earnings per common share ("EPS") has been calculated using the two-class method whereby earnings are allocated to the restricted stock grants based on dividends declared and the restricted stocks' participation rights in undistributed earnings. As of December 31, 2019 and 2018, the effects of the two-class method on basic and diluted EPS were not material to the Company's consolidated financial statements.

Stock-Based Compensation

The Company's stock-based compensation consists of incentive compensation awards issued to certain employees of affiliate portfolio company service providers. Such awards vest over the life of the awards and stock-based compensation expense is recognized for these awards in net income on a straight-line basis over the applicable vesting period of the award, based on the value of the awards at grant. Refer to Note 11 for additional information.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 broadly amends the accounting guidance for revenue recognition. ASU 2014-09 is effective for the first interim or annual period beginning after December 15, 2017, and is to be applied retrospectively. The Company adopted ASU 2014-09 on January 1, 2018 and applied it on a modified retrospective basis. Based on the Company's completed assessment of this updated accounting guidance, it does not materially affect the amount or timing of revenue recognition for the Company and the Company did not recognize any cumulative-effect adjustment as a result of adoption.

On January 1, 2019, the Company adopted ASU 2016-02, "Leases," and all related amendments (codified in Accounting Standards Codification Topic 842 ("Topic 842")). Certain of the Company's investments in real estate are subject to ground leases, for which lease liabilities and corresponding right-of-use ("ROU") assets were recognized as a result of adoption. The Company calculated the amount of the lease liabilities and ROU assets by taking the present value of the remaining lease payments, and adjusted the ROU assets for any existing straight-line ground rent liabilities and acquired ground lease intangibles. The Company's estimated incremental borrowing rate of a loan with a similar term as the corresponding ground leases was used as the discount rate, which was determined to be approximately 7.0%. Considerable judgment and assumptions were required to estimate the Company's incremental borrowing rate which was determined by considering the Company's credit quality, ground lease duration, and debt yields observed in the market.

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Three of the Company's existing ground leases were classified as operating leases, and upon adoption the Company recognized operating lease liabilities and corresponding ROU assets of \$31.3 million. The Company's existing below-market ground lease intangible asset of \$4.5 million, above-market ground lease intangible liability of \$4.6 million, and straight-line ground rent liability of \$1.2 million were reclassified as of January 1, 2019 to be presented net of the operating ROU assets. In addition, the Company's existing prepaid ground lease intangible asset of \$15.7 million was reclassified as of January 1, 2019 to be presented along with the operating ROU assets.

The lease liabilities are included as a component of Accounts Payable, Accrued Expenses, and Other Liabilities and the related ROU assets are recorded as a component of Investments in Real Estate, Net on the Company's Consolidated Balance Sheet. Refer to Note 3, Note 9 and Note 12 for additional information.

In transition, the Company elected the package of practical expedients to not reassess (i) whether existing arrangements are or contain a lease, (ii) the classification of an operating or financing lease in a period prior to adoption, and (iii) any initial direct costs for existing leases. Additionally, the Company elected to not use hindsight and carried forward its lease term assumptions when adopting Topic 842 and did not recognize lease liabilities and lease assets for leases with a term of 12 months or less. The Company applied ASU 2016-02 as of the effective date of January 1, 2019, and there was no impact to retained earnings as a result of the Company's adoption.

The adoption of ASU 2016-02 for leases in which the Company is lessor did not have a material impact on the Company's consolidated financial statements. The Company elected to not separate non-lease components from lease components and presented lease related revenues as a single line item, net of bad debt expense on the Company's Consolidated Statement of Operations. Prior to the adoption of ASU 2016-02, the Company separated lease related revenue between "rental revenue" and "tenant reimbursement income" and bad debt expense as a component of "rental property operating" expense. As a result of adoption, the Company reclassified the prior period balances of "tenant reimbursement income" to "rental revenue" to conform to the current period presentation. The Company did not reclassify the prior period balance of bad debt expense on its consolidated statement of operations. The operating lease income presented in "rental revenue" for the years ended December 31, 2018 and 2017 includes \$64.1 million and \$11.0 million, respectively, previously classified as "tenant reimbursement income," which was determined under the standard in effect prior to the Company's adoption of ASU 2016-02. Refer to Note 12 for additional information.

3. Investments in Real Estate

Investments in real estate, net consisted of the following (\$ in thousands):

	December 31, 2019	December 31, 2018
Building and building improvements	\$ 20,950,147	\$ 8,389,864
Land and land improvements	5,639,678	1,961,977
Furniture, fixtures and equipment	377,645	182,418
Right of use asset—operating leases(1)	114,011	—
Right of use asset—financing leases(1)	56,008	—
Total	27,137,489	10,534,259
Accumulated depreciation and amortization	(810,621)	(274,572)
Investments in real estate, net	\$ 26,326,868	\$ 10,259,687

(1) Refer to Note 12 for additional details on the Company's leases.

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During the year ended December 31, 2019, the Company acquired interests in 53 real estate investments, which were comprised of 443 industrial, 78 multifamily, 34 hotel, 21 self-storage, four retail, one office and one net lease property.

The following table provides further details of the properties acquired during the year ended December 31, 2019 (\$ in thousands):

Segment and Investment	Number of Transactions	Number of Properties	Sq. Feet (in thousands)/ Units/ Keys(1)	Purchase Price(2)
<i>Industrial:</i>				
Jupiter 12 Industrial Portfolio	1	316	63,965 sq. ft.	\$ 5,466,697
Other industrial properties	8	127	12,927 sq. ft.	1,118,566
Total Industrial properties	9	443	76,892 sq. ft.	6,585,263
<i>Multifamily:</i>				
Roman Multifamily Portfolio	1	14	3,743 units	857,540
Other multifamily properties	31	64	19,576 units	3,679,446
Total Multifamily properties	32	78	23,319 units	4,536,986
<i>Net Lease:</i>				
Bellagio	1	1	8,507 sq. ft.	4,265,530
Total Net Lease properties	1	1	8,507 sq. ft.	4,265,530
Hotel properties	5	34	5,826 keys	1,053,166
Retail properties	4	4	750 sq. ft.	282,072
Office properties	1	1	228 sq. ft.	123,348
Other properties	1	21	1,347 sq. ft.	150,703
Total Investments in Real Estate	53	582		\$16,997,068

- (1) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.
- (2) Purchase price is inclusive of acquisition-related costs.

During the year ended December 31, 2018, the Company acquired interests in 32 real estate investments, which were comprised of 270 industrial, 73 multifamily, 15 hotel, and one retail property.

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The following table provides details of the properties acquired during the year ended December 31, 2018 (\$ in thousands):

Segment and Investment	Number of Transactions	Number of Properties	Sq. Feet (in thousands)/ Unit(1)/ Keys	Purchase Price(2)
<i>Industrial:</i>				
Canyon Industrial Portfolio	1	146	21,719 sq. ft.	\$1,837,213
Meridian Industrial Portfolio	1	106	14,011 sq. ft.	962,979
Other industrial properties	4	18	5,563 sq. ft.	539,195
Total Industrial	6	270	41,293 sq. ft.	3,339,387
<i>Multifamily:</i>				
EdR Student Housing Portfolio	1	20	10,610 units	1,230,857
Wave Multifamily Portfolio	1	6	2,199 units	423,135
Other multifamily properties	16	47	10,515 units	1,302,232
Total Multifamily	18	73	23,324 units	2,956,224
<i>Hotel:</i>				
JW Marriott San Antonio Hill Country Resort	1	1	1,002 keys	604,323
Other hotel properties	6	14	1,780 keys	359,135
Total Hotel	7	15	2,782 keys	963,458
Retail properties	1	1	91 sq. ft.	34,738
Total Investments in Real Estate	32	359		\$7,293,807

- (1) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.
- (2) Purchase price is inclusive of acquisition-related costs.

The following table summarizes the purchase price allocation for the properties acquired during the year ended December 31, 2019 (\$ in thousands):

	Jupiter 12 Industrial Portfolio	Bellagio	Roman Multifamily Portfolio	All Other	Total
Building and building improvements	\$ 4,380,115	\$ 2,760,936	\$ 714,941	\$ 4,677,934	\$ 12,533,926
Land and land improvements	781,578	1,453,421	110,206	1,358,583	3,703,788
Furniture, fixtures and equipment	—	46,091	8,538	112,401	167,030
In-place lease intangibles	346,492	—	23,855	264,521	634,868
Above-market lease intangibles	14,105	—	—	6,794	20,899
Below-market ground lease(1)	15,985	—	—	—	15,985
Below-market lease intangibles	(71,578)	—	—	(33,917)	(105,495)
Other	—	5,082	—	20,985	26,067
Total purchase price	\$ 5,466,697	\$ 4,265,530	\$ 857,540	\$ 6,407,301	\$ 16,997,068
Assumed mortgage notes(2)	703,853	—	237,981	260,879	1,202,713
Net purchase price	\$ 4,762,844	\$ 4,265,530	\$ 619,559	\$ 6,146,422	\$ 15,794,355

- (1) The below-market ground lease value was recorded as a component of the right of use asset – operating leases on the Condensed Consolidated Balance Sheet. Refer to Note 12 for additional details on the Company's leases.
- (2) Refer to Note 6 for additional details on the Company's mortgage notes.

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The weighted-average amortization periods for the acquired in-place lease intangibles, above-market lease intangibles, and below-market lease intangibles of the properties acquired during the year ended December 31, 2019 were 3, 6, and 6 years, respectively.

The following table summarizes the purchase price allocation for the properties acquired during the year ended December 31, 2018 (\$ in thousands):

	Canyon Industrial Portfolio	EdR Student Housing Portfolio	Meridian Industrial Portfolio	JW Marriott San Antonio Hill Country Resort	Wave Multifamily Portfolio	All Other	Total
Building and building improvements	\$ 1,362,916	\$ 1,034,732	\$ 736,302	\$ 474,529	\$ 323,954	\$ 1,563,496	\$ 5,495,929
Land and land improvements	376,762	138,249	165,881	84,218	82,686	535,141	1,382,937
Furniture, fixtures and equipment	—	11,072	—	39,979	5,252	42,667	98,970
In-place lease intangibles	109,031	51,583	64,623	597	11,243	103,387	340,464
Above-market lease intangibles	8,459	—	2,862	—	—	3,775	15,096
Below-market ground lease(1)	—	—	793	—	—	—	793
Below-market lease intangibles	(19,955)	(122)	(13,604)	—	—	(13,853)	(47,534)
Above-market ground lease	—	(4,657)	—	—	—	—	(4,657)
Other	—	—	6,122	5,000	—	687	11,809
Total purchase price	\$ 1,837,213	\$ 1,230,857	\$ 962,979	\$ 604,323	\$ 423,135	\$ 2,235,300	\$ 7,293,807
Assumed mortgage notes(2)	—	46,070	11,190	—	—	151,220	208,480
Non-controlling interest	—	12,802	—	—	—	—	12,802
Net purchase price	\$ 1,837,213	\$ 1,171,985	\$ 951,789	\$ 604,323	\$ 423,135	\$ 2,084,080	\$ 7,072,525

(1) Refer to Note 6 for additional details on the Company's mortgage notes.

The weighted-average amortization periods for the acquired in-place lease intangibles, above-market lease intangibles, below-market ground lease intangibles, below-market lease intangibles, and above-market ground lease intangibles of the properties acquired during the year ended December 31, 2018 were 4, 5, 65, 7 and 86 years, respectively.

Dispositions

During the year ended December 31, 2019, the Company sold three properties across three separate transactions which resulted in a net gain of \$35.0 million which was recorded within Net Gain on Dispositions of Real Estate on the Company's Consolidated Statements of Operations.

Properties Held for Sale

As of December 31, 2019, six properties were classified as held for sale. Subsequent to December 31, 2019, one property was sold. The sale of the remaining five properties is expected to close in the first or second quarter of 2020.

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The following table is a summary of the assets and liabilities of the Company's properties classified as held for sale (\$ in thousands):

	December 31, 2019
Assets:	
Investments in real estate, net	\$ 141,344
Other assets	2,035
Total assets	<u>\$ 143,379</u>
Liabilities:	
Mortgage notes, term loans, and secured revolving credit facilities, net	\$ 104,314
Other liabilities	4,097
Total liabilities	<u>\$ 108,411</u>

4. Intangibles

The gross carrying amount and accumulated amortization of the Company's intangible assets and liabilities consisted of the following (\$ in thousands):

	December 31, 2019	December 31, 2018
Intangible assets:		
In-place lease intangibles	\$ 811,254	\$ 354,261
Above-market lease intangibles	42,483	21,626
Prepaid ground lease intangibles	—	16,114
Below-market ground lease intangibles	—	5,415
Other	26,400	5,676
Total intangible assets	<u>880,137</u>	<u>403,092</u>
Accumulated amortization:		
In-place lease amortization	(200,629)	(104,745)
Above-market lease amortization	(10,977)	(4,903)
Prepaid ground lease amortization	—	(378)
Below-market ground lease amortization	—	(162)
Other	(3,189)	(246)
Total accumulated amortization	<u>(214,795)</u>	<u>(110,434)</u>
Intangible assets, net	<u>\$ 665,342</u>	<u>\$ 292,658</u>
Intangible liabilities:		
Below-market lease intangibles	\$ 167,032	\$ 62,199
Above-market ground lease intangibles	—	4,657
Total intangible liabilities	<u>167,032</u>	<u>66,856</u>
Accumulated amortization:		
Below-market lease amortization	(30,078)	(11,132)
Above-market ground lease amortization	—	(15)
Total accumulated amortization	<u>(30,078)</u>	<u>(11,147)</u>
Intangible liabilities, net	<u>\$ 136,954</u>	<u>\$ 55,709</u>

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The estimated future amortization on the Company's intangibles for each of the next five years and thereafter as of December 31, 2019 is as follows (\$ in thousands):

	In-place Lease Intangibles	Above-market Lease Intangibles	Below-market Lease Intangibles
2020	\$ 212,672	\$ 8,242	\$ (30,025)
2021	128,309	7,296	(26,403)
2022	88,947	5,707	(21,074)
2023	60,529	3,423	(17,174)
2024	39,089	2,280	(13,853)
Thereafter	81,079	4,558	(28,425)
	<u>\$ 610,625</u>	<u>\$ 31,506</u>	<u>\$ (136,954)</u>

5. Investments in Real Estate Debt

The following tables detail the Company's investments in real estate debt (\$ in thousands):

Number of Positions	Credit Rating(1)	Collateral(2)	December 31, 2019				
			Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/ Notional(5)	Cost Basis	Fair Value
<i>CMBS—Floating:</i>							
43	BB	Hospitality, Industrial, Multifamily, Office, Other, Diversified	L+2.82%	1/24/2025	\$ 996,720	\$ 994,189	\$ 997,022
30	BBB	Hospitality, Industrial, Multifamily, Office, Other	L+2.29%	3/24/2025	746,053	743,664	745,510
23	B	Hospitality, Industrial, Multifamily, Office	L+3.36%	12/8/2024	608,775	607,367	608,826
9	A	Hospitality, Industrial, Office, Retail, Diversified	L+2.04%	11/14/2024	318,881	318,117	319,227
1	AA	Office	L+4.25%	9/9/2020	8,257	8,332	8,277
16	Other	Hospitality, Multifamily	L+2.62%	7/2/2025	228,394	227,887	228,090
122						2,899,556	2,906,952
<i>CMBS—Fixed:</i>							
11	BB	Hospitality, Multifamily, Office, Diversified	3.8%	3/19/2028	297,379	283,944	282,977
7	B	Hospitality, Multifamily, Office, Diversified	4.3%	1/27/2026	169,039	166,167	166,085
14	BBB	Hospitality, Multifamily, Diversified	4.0%	1/22/2027	143,559	140,855	144,390
11	Other	Hospitality, Multifamily, Office, Diversified	4.6%	11/7/2027	240,761	238,437	238,518
43						829,403	831,970
<i>Corporate Bonds:</i>							
8	BB	Hospitality, Multifamily, Diversified	5.1%	4/15/2027	221,986	220,757	230,006
4	B	Hospitality, Multifamily, Other	5.9%	6/29/2026	54,316	55,739	58,105
12						276,496	288,111
<i>CMBS—Zero Coupon:</i>							
1	BB	Multifamily	N/A	4/8/2025	27,273	20,590	20,866
3	Other	Multifamily	N/A	4/24/2027	208,817	106,629	115,161
4						127,219	136,027
<i>RMBS—Fixed:</i>							
8	BB	Multifamily	4.0%	9/13/2028	25,528	25,534	25,482
1	B	Multifamily	6.3%	5/16/2027	3,787	3,972	3,966
9						29,506	29,448

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December 31, 2019								
Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/Notional(5)	Cost Basis	Fair Value	
<i>CMBS—Interest Only:</i>								
2	AAA	Multifamily	0.1%	6/12/2026	1,799,254	9,554	9,550	
1	BBB	Multifamily	0.1%	1/21/2028	225,803	1,372	1,371	
1	A	Multifamily	0.1%	5/19/2025	\$ 194,399	\$ 914	\$ 913	
1	Other	Multifamily	4.5%	12/17/2026	42,024	11,724	11,713	
5						23,564	23,547	
195					Total real estate securities	4,185,744	4,216,055	
<i>Term Loans:</i>								
5	B	Hospitality, Industrial	L+3.71%	1/8/2025	73,952	73,364	72,605	
1	BB	Diversified	L+2.75%	5/15/2026	54,155	53,916	54,290	
1	Other	Multifamily	L+1.70%	2/6/2022	47,132	46,186	46,234	
7						173,466	173,129	
<i>Mezzanine Loans:</i>								
1	Other	Hospitality	L+6.86%	12/15/2024	134,750	134,078	134,076	
8						307,544	307,205	
203					Total real estate debt	\$4,493,288	\$4,523,260	

December 31, 2018								
Number of Positions	Credit Rating(1)	Collateral(2)	Weighted Average Coupon(3)	Weighted Average Maturity Date(4)	Face Amount/Notional(5)	Cost Basis	Fair Value	
<i>CMBS:</i>								
38	BB	Hospitality, Industrial, Multifamily, Office, Retail	L+2.83%	9/4/2024	\$ 941,240	\$ 939,742	\$ 930,411	
26	BBB	Hospitality, Industrial, Multifamily, Office	L+2.15%	11/18/2024	578,771	576,601	571,171	
21	B	Hospitality, Multifamily, Office	L+3.56%	9/19/2024	496,383	495,095	490,019	
3	A	Hospitality, Industrial, Retail	L+1.81%	3/10/2023	89,165	89,184	88,358	
7	Other	Multifamily	L+1.99%	6/13/2026	35,442	34,876	34,951	
95						2,135,498	2,114,910	
<i>CMBS—Interest Only:</i>								
2	AAA	Multifamily	0.1%	3/12/2027	1,802,581	9,959	9,957	
1	BBB	Multifamily	0.1%	5/25/2028	225,802	1,414	1,415	
1	A	Multifamily	0.1%	7/25/2025	194,399	1,001	1,001	
4						12,374	12,373	
<i>CMBS—Zero Coupon:</i>								
2	Other	Multifamily	N/A	3/2/2027	166,793	80,892	81,875	
<i>Corporate Bond:</i>								
1	BB	Hospitality	6.5%	9/15/2026	52,652	52,652	50,755	
102					Total real estate debt	\$2,281,416	\$2,259,913	

- (1) AAA represents credit ratings of AAA and AAA-, A represents credit ratings of A+, A, and A-, BBB represents credit ratings of BBB+, BBB, and BBB-, BB represents credit ratings of BB+, BB, and BB-, and B represents credit ratings of B+, B, and B-. Other consists of investments that, as of December 31, 2019 and December 31, 2018, were either not ratable or have not been submitted to rating agencies.
- (2) Multifamily real estate debt is collateralized by various forms of rental housing including single-family homes and apartments.

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- (3) The term “L” refers to the one-month U.S. dollar-denominated London Interbank Offer Rate (“LIBOR”). As of December 31, 2019, one-month LIBOR was equal to 1.8%.
- (4) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS and RMBS, the underlying collateral.
- (5) Represents notional amount for interest only positions.

The Company’s investments in real estate debt included CMBS and loans collateralized by properties owned by Blackstone-advised investment vehicles and CMBS collateralized by loans originated or acquired by Blackstone-advised investment vehicles. The following table details the Company’s affiliate real estate debt positions (\$ in thousands):

	Fair Value		Interest Income		
	Year Ended December 31,		Year Ended December 31,		
	2019	2018	2019	2018	2017
CMBS collateralized by properties	\$ 1,418,056	\$ 919,392	\$ 52,562	\$ 38,581	\$ 8,917
CMBS collateralized by a loan	155,978	163,404	7,993	5,423	1,310
Loans collateralized by properties	134,076	—	—	—	—
Total	\$ 1,708,110	\$ 1,082,796	\$ 60,555	\$ 44,004	\$ 10,227

Such CMBS were purchased in fully or over-subscribed offerings. Each investment in such CMBS by Blackstone and its affiliates (including the Company) represented a minority participation in any individual tranche. The Company acquired its minority participation interests from third-party investment banks on market terms negotiated by the majority third-party investors. Blackstone and its affiliates (including the Company) will forgo all non-economic rights (including voting rights) in such CMBS as long as the Blackstone-advised investment vehicles either own the properties collateralizing, loans underlying, or have an interest in a different part of the capital structure related to such CMBS.

The Company’s investments in real estate debt also included \$186.8 million of CMBS collateralized by pools of commercial real estate debt, a portion of which included certain of the Company’s mortgage notes. The Company recognized \$6.9 million and \$0.7 million of interest income related to such CMBS during the years ended December 31, 2019 and 2018, respectively. There was no interest income related to such CMBS during the year ended December 31, 2017.

As described in Note 2, the Company classifies its investments in real estate debt securities as trading and has elected the FVO for its investments in loans. As such, the Company records these investments at fair value in Real Estate Debt on the Company’s Consolidated Balance Sheets. During the years ended December 31, 2019, 2018, and 2017, the Company recorded an unrealized gain of \$51.5 million, an unrealized loss of \$24.7 million and an unrealized gain of \$2.4 million, respectively, as a component of Income From Real Estate Debt in the Company’s Consolidated Statements of Operations. During the years ended December 31, 2019 and 2018, certain of the Company’s CMBS investments were fully or partially repaid and the Company recorded a realized gain of \$2.1 million and \$194 thousand, respectively, as a component of Income From Real Estate Debt on the Company’s Consolidated Statements of Operations. During the year ended December 31, 2019, the Company sold 18 securities which resulted in a \$5.2 million gain on the Company’s Consolidated Statements of Operations. During the year ended December 31, 2018, the Company sold one security which resulted in a \$7 thousand gain on the Company’s Consolidated Statements of Operations. The Company did not sell any positions during 2017.

6. Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities

The following is a summary of the mortgage notes, term loans, and secured revolving credit facilities secured by the Company's properties (\$ in thousands):

Indebtedness	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)	Maximum Facility Size	Principal Balance Outstanding(3)	
				December 31, 2019	December 31, 2018
<i>Fixed rate</i>					
Fixed rate mortgages	3.80%	6/2/2027	N/A	\$ 12,424,717	\$ 4,782,326
Mezzanine loan	5.85%	4/5/2025	N/A	195,878	200,000
Total fixed rate loans	3.83%	5/21/2027		12,620,595	4,982,326
<i>Variable rate</i>					
Floating rate mortgages	L+1.71%	11/24/2025	N/A	1,826,435	675,116
Variable rate term loans	L+1.58%	3/25/2024	N/A	1,533,561	603,500
Variable rate secured revolving credit facilities	L+1.54%	6/17/2025	\$ 2,233,020	1,063,837	624,200
Total variable rate loans	L+1.63%	3/19/2025		4,423,833	1,902,816
Total loans secured by the Company's properties	3.74%	7/30/2027		17,044,428	6,885,142
Premium on assumed debt, net				10,794	1,673
Deferred financing costs, net				(125,563)	(53,546)
Mortgage notes, term loans, and secured revolving credit facilities, net				\$ 16,929,659	\$ 6,833,269

(1) The term "L" refers to the one-month LIBOR. As of December 31, 2019, one-month LIBOR was 1.8%.

(2) For loans where the Company, at its sole discretion, has extension options, the maximum maturity date has been assumed.

(3) The majority of the Company's mortgages contain yield or spread maintenance provisions.

The following table presents the future principal payments due under the Company's mortgage notes, term loans, and secured revolving credit facilities as of December 31, 2019 (\$ in thousands):

Year	Amount
2020	\$ 99,749
2021	49,771
2022	721,116
2023	491,015
2024	3,439,512
Thereafter	12,243,265
Total	\$ 17,044,428

7. Repurchase Agreements

The Company has entered into master repurchase agreements with Citigroup Global Markets Inc. (the "Citi MRA"), Royal Bank of Canada (the "RBC MRA"), Bank of America Merrill Lynch (the "BAML MRA"), Morgan Stanley Bank, N.A. (the "MS MRA"), MUFG Securities EMEA PLC (the "MUFG MRA"), HSBC Bank USA, National Association (the "HSBC MRA"), and Barclays Bank PLC (the "Barclays MRA") to provide the Company with additional financing capacity secured by certain of the Company's investments in real estate debt.

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The terms of the Citi MRA, RBC MRA, BAML MRA, MS MRA, MUFG MRA, and HSBC MRA provide the lenders the ability to determine the size and terms of the financing provided based upon the particular collateral pledged by the Company from time-to-time. The Barclays MRA has a maximum facility size of \$750.0 million and repurchase agreements under the Barclays MRA have longer dated maturity compared to the Company's other master repurchase agreements. Additionally, the Barclays MRA contains specific spread and advance rate provisions based on the rating of the underlying real estate debt securities. The Company is in compliance with all financial covenants of the Barclays MRA.

The following tables are a summary of the Company's repurchase agreements (\$ in thousands):

December 31, 2019					
Facility	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
RBC MRA	6/23/2020	CMBS/Corporate bonds	\$ 1,980,951	\$ 1,561,642	None
Barclays MRA	9/29/2021	CMBS	981,652	750,000	None
MS MRA	2/1/2020	CMBS	636,734	508,510	None
Citi MRA	1/14/2020	CMBS/Corporate bonds	266,406	205,762	None
MUFG MRA	4/30/2020	CMBS	86,332	62,561	None
BAML MRA	1/24/2020	CMBS/Corporate bonds	4,807	3,662	None
			<u>\$ 3,956,882</u>	<u>\$ 3,092,137</u>	

December 31, 2018					
Facility	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
Barclays MRA	9/29/2021	CMBS/Corporate bonds	\$ 989,059	\$ 750,000	None
RBC MRA	6/18/2019	CMBS	794,917	650,018	None
Citi MRA	1/13/2019	CMBS	193,372	154,736	None
MS MRA	1/15/2019	CMBS	173,050	146,569	None
MUFG MRA	4/30/2020	CMBS	15,266	12,400	None
			<u>\$ 2,165,664</u>	<u>\$ 1,713,723</u>	

- (1) Subsequent to year end, the Company rolled its repurchase agreement contracts expiring in January and February 2020 into new contracts.
(2) Represents the fair value of the Company's investments in real estate debt that serve as collateral.

The weighted average interest rate of our repurchase agreements was 2.95% (L+1.26%) and 3.96% (L+1.42%) for the year ended December 31, 2019 and 2018, respectively. The term "L" refers to the one-month, three-month or six-month U.S. dollar-denominated London Interbank Offer Rate ("LIBOR").

8. Unsecured Revolving Credit Facilities

On January 23, 2017, the Company entered into an unsecured, uncommitted line of credit (the "Line of Credit") up to a maximum amount of \$250 million with Blackstone Holdings Finance Co. L.L.C. ("Lender"), an affiliate of Blackstone. Effective January 15, 2020, the capacity of the Line of Credit was decreased to \$150 million. The Line of Credit expires on January 22, 2021, and may be extended for up to 12 months, subject to Lender approval. The interest rate is the then-current rate offered by a third-party lender, or, if no such rate is available, LIBOR plus 2.50%. Interest under the Line of Credit is determined based on a one-month U.S. dollar-denominated LIBOR, which was 1.8% and 2.5% as of December 31, 2019 and 2018, respectively. Each advance under the Line of Credit is repayable on the earliest of (i) the expiration of the Line of Credit, (ii) Lender's

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demand and (iii) the date on which the Adviser no longer acts as the Company's investment adviser, provided that the Company will have 180 days to make such repayment in the cases of clauses (i) and (ii) and 45 days to make such repayment in the case of clause (iii). To the extent the Company has not repaid all loans and other obligations under the Line of Credit when repayment is required, the Company is obligated to apply the net cash proceeds from the Offering and any sale or other disposition of assets to the repayment of such loans and other obligations; provided that the Company will be permitted to (x) make payments to fulfill any repurchase requests pursuant to the Company's share repurchase plan, (y) use funds to close any acquisition of property that the Company committed to prior to receiving a demand notice and (z) make quarterly distributions to the Company's stockholders at per share levels consistent with the immediately preceding fiscal quarter and as otherwise required for the Company to maintain its REIT status. As of December 31, 2019 and 2018, the Company had no outstanding balance under the Line of Credit.

The Company is party to an unsecured line of credit with multiple banks. The line of credit expires on February 22, 2023 and may be extended for one year. Interest under the line of credit is determined based on one-month U.S. dollar-denominated LIBOR plus 2.50%. As of December 31, 2019, the capacity of the unsecured line of credit was \$900 million. As of December 31, 2019, the Company had a \$30 million letter of credit outstanding, which reduced the available capacity of the unsecured line of credit to \$870 million.

9. Other Assets and Other Liabilities

The following table summarizes the components of other assets (\$ in thousands):

	December 31, 2019	December 31, 2018
Real estate intangibles, net	\$ 665,342	\$ 292,658
Held for sale assets	143,379	—
Receivables	101,106	45,799
Straight-line rent receivable	38,287	10,337
Deferred leasing costs, net	28,792	7,621
Deferred financing costs, net	28,494	5,822
Prepaid expenses	28,334	10,746
Pre-acquisition costs	9,861	15,361
Other	36,398	22,601
Total	<u>\$ 1,079,993</u>	<u>\$ 410,945</u>

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The following table summarizes the components of accounts payable, accrued expenses and other liabilities (\$ in thousands):

	December 31, 2019	December 31, 2018
Subscriptions received in advance	\$ 796,729	\$ 166,542
Intangible liabilities, net	136,954	55,709
Accounts payable and accrued expenses	126,565	53,247
Held for sale liabilities	108,411	—
Real estate taxes payable	100,767	56,555
Prepaid rental income	87,479	29,112
Right of use lease liability—operating leases	82,880	—
Right of use lease liability—financing leases	56,758	—
Distribution payable	56,210	21,360
Accrued interest expense	50,279	24,432
Tenant security deposits	46,533	23,493
Other	42,522	33,948
Total	\$ 1,692,087	\$ 464,398

10. Equity and Redeemable Non-controlling Interest

Authorized Capital

The Company is authorized to issue preferred stock and four classes of common stock consisting of Class S shares, Class I shares, Class T shares, and Class D shares. The Company's board of directors has the ability to establish the preferences and rights of each class or series of preferred stock, without stockholder approval, and as such, it may afford the holders of any series or class of preferred stock preferences, powers and rights senior to the rights of holders of common stock. The differences among the common share classes relate to upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees. See Note 2 for a further description of such items. Other than the differences in upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees, each class of common stock has the same economic and voting rights.

As of December 31, 2019, the Company had authority to issue 3,100,000,000 shares, consisting of the following:

Classification	Number of Shares (in thousands)	Par Value
Preferred Stock	100,000	\$ 0.01
Class S Shares	1,000,000	\$ 0.01
Class I Shares	1,000,000	\$ 0.01
Class T Shares	500,000	\$ 0.01
Class D Shares	500,000	\$ 0.01
Total	3,100,000	

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Common Stock

The following tables detail the movement in the Company's outstanding shares of common stock (in thousands):

	Class S	Class L	Class T	Class D	Total
January 1, 2017	—	20	—	—	20
Common stock issued	128,277	30,146	5,600	3,931	167,954
Distribution reinvestment	1,834	578	25	24	2,461
Common stock repurchased	(26)	(41)	—	—	(67)
Independent directors' restricted stock grant(1)	—	16	—	—	16
December 31, 2017	<u>130,085</u>	<u>30,719</u>	<u>5,625</u>	<u>3,955</u>	<u>170,384</u>
Common stock issued	142,828	77,964	17,379	26,112	264,283
Distribution reinvestment	6,266	2,394	385	434	9,479
Common stock repurchased	(2,190)	(2,853)	(76)	(126)	(5,245)
Independent directors' restricted stock grant(1)	—	37	—	—	37
December 31, 2018	<u>276,989</u>	<u>108,261</u>	<u>23,313</u>	<u>30,375</u>	<u>438,938</u>
Common stock issued	248,497	371,562	16,650	53,107	689,816
Distribution reinvestment	12,156	7,356	899	1,590	22,001
Common stock repurchased	(6,829)	(12,936)	(1,095)	(415)	(21,275)
Independent directors' restricted stock grant(1)	—	36	—	—	36
December 31, 2019	<u>530,813</u>	<u>474,279</u>	<u>39,767</u>	<u>84,657</u>	<u>1,129,516</u>

(1) The directors' restricted stock grants represented an aggregate \$0.4 million, \$0.4 million and \$0.1 million of the annual compensation paid to the independent directors for the years ended December 31, 2019, 2018, and 2017, respectively. Each grant is amortized over the one-year service period of such grant.

Share Repurchase Plan

The Company has adopted a share repurchase plan whereby, subject to certain limitations, stockholders may request on a monthly basis that the Company repurchases all or any portion of their shares. Should repurchase requests, in the Company's judgment, place an undue burden on its liquidity, adversely affect its operations or risk having an adverse impact on the Company as a whole, or should the Company otherwise determine that investing its liquid assets in real properties or other illiquid investments rather than repurchasing its shares is in the best interests of the Company as a whole, then the Company may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Further, the Company's board of directors may modify, suspend or terminate the Company's share repurchase plan if it deems such action to be in the Company's best interest and the best interest of its stockholders. In the event that the Company determines to repurchase some but not all of the shares submitted for repurchase during any month, shares repurchased at the end of the month will be repurchased on a pro rata basis.

For the years ended December 31, 2019, 2018, and 2017, the Company repurchased shares for \$236.4 million, \$56.4 million, and \$0.7 million, respectively. The Company had no unfulfilled repurchase requests during the years ended December 31, 2019, 2018 and 2017.

Distributions

The Company generally intends to distribute substantially all of its taxable income, which does not necessarily equal net income as calculated in accordance with GAAP, to its stockholders each year to comply with the REIT provisions of the Internal Revenue Code.

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Each class of our common stock receives the same gross distribution per share. The net distribution varies for each class based on the applicable stockholder servicing fee, which is deducted from the monthly distribution per share and paid directly to the applicable distributor. The following table details the aggregate distributions declared for each applicable class of common stock:

	Year Ended December 31, 2019			
	Class S	Class I	Class T	Class D
Gross distributions declared per share of common stock	\$ 0.6363	\$ 0.6363	\$ 0.6363	\$ 0.6363
Stockholder servicing fee per share of common stock	(0.0951)	—	(0.0935)	(0.0276)
Net distributions declared per share of common stock	<u>\$ 0.5412</u>	<u>\$ 0.6363</u>	<u>\$ 0.5428</u>	<u>\$ 0.6087</u>

	Year Ended December 31, 2018			
	Class S	Class I	Class T	Class D
Gross distributions declared per share of common stock	\$ 0.6286	\$ 0.6286	\$ 0.6286	\$ 0.6286
Stockholder servicing fee per share of common stock	(0.0917)	—	(0.0902)	(0.0267)
Net distributions declared per share of common stock	<u>\$ 0.5369</u>	<u>\$ 0.6286</u>	<u>\$ 0.5384</u>	<u>\$ 0.6019</u>

	Year Ended December 31, 2017			
	Class S	Class I	Class T	Class D
Gross distributions declared per share of common stock ⁽¹⁾	\$ 0.4782	\$ 0.4782	\$ 0.3567	\$ 0.4008
Stockholder servicing fee per share of common stock	(0.0823)	—	(0.0511)	(0.0173)
Net distributions declared per share of common stock	<u>\$ 0.3959</u>	<u>\$ 0.4782</u>	<u>\$ 0.3056</u>	<u>\$ 0.3835</u>

(1) The Company did not sell any Class D or Class T shares prior to May 2017 and June 2017, respectively, thus no distributions were declared for Class D or Class T prior to such date.

Distributions for the year ended December 31, 2019 were characterized, for federal income tax purposes, as 8.75% ordinary income, 1.17% capital gains and 90.08% return of capital. Of the 8.75%, 8.60% and 0.15% of the distributions paid in 2019 were non-qualified and qualified, respectively. Distributions for the year ended December 31, 2018 were characterized, for federal income tax purposes, as 3.11% ordinary income and 96.89% return of capital. Of the 3.11%, 0.51% and 2.60% of the distributions paid in 2018 were non-qualified and qualified, respectively. Distributions for the year ended December 31, 2017, were characterized, for federal income tax purposes, as 34.15% ordinary income and 65.85% return of capital. Of the 34.15%, 32.55% and 1.60% of the distributions paid in 2017 were non-qualified and qualified, respectively.

Redeemable Non-controlling Interest

In connection with its performance participation interest, the Special Limited Partner holds Class I units in BREIT OP. See Note 11 for further details of the Special Limited Partner's performance participation interest. Because the Special Limited Partner has the ability to redeem its Class I units for Class I shares in the Company or cash, at the election of the Special Limited Partner, the Company has classified these Class I units as Redeemable Non-controlling Interest in mezzanine equity on the Company's Consolidated Balance Sheets.

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The following table summarizes the redeemable non-controlling interest activity related to the Special Limited Partner for the years ended December 31, 2019 and 2018 (\$ in thousands):

	December 31, 2019	December 31, 2018
Balance at the beginning of the year	\$ 9,233	\$ 250
Settlement of performance participation allocation	37,484	16,974
Conversion to Class I shares	(11,620)	—
Repurchases	(35,435)	(8,400)
GAAP income allocation	(408)	(1,035)
Distributions	(652)	(748)
Fair value allocation	1,670	2,192
Balance at the end of the year	<u>\$ 272</u>	<u>\$ 9,233</u>

In addition to the Special Limited Partner's interest noted above, certain of the Company's third party joint ventures also have a redeemable non-controlling interest in such joint ventures. As of December 31, 2019, \$20.9 million related to such third party joint ventures was included in Redeemable Non-controlling Interests on the Company's Consolidated Balance Sheets.

The Redeemable Non-controlling Interests are recorded at the greater of their carrying amount, adjusted for their share of the allocation of income or loss and distributions, or their redemption value, which is equivalent to fair value, of such interests at the end of each measurement period. As the redemption value was greater than the adjusted carrying value for certain of the non-controlling interests at December 31, 2019 and 2018, the Company recorded an allocation adjustment of \$6.8 million and \$2.2 million, respectively, between Additional Paid-in Capital and Redeemable Non-controlling Interest.

Non-controlling Interests—BREIT OP unitholders

On July 27, 2018, the Company entered into an Amended and Restated Limited Partnership Agreement (the "A&R OP Agreement") for BREIT OP. The A&R OP Agreement amended the limited partnership agreement governing BREIT OP to provide for a new class of units ("Class B Units") of BREIT OP, among other changes. Class B Units are available to certain suitable investors in private placements generally utilizing a "draw-down" structure. Class B Units are sold at their NAV per unit, which will equal the NAV per Class I unit of BREIT OP and will generally correspond to the NAV per share of the Company's Class I shares.

Class B Units are subject to the same fees and expenses of Class I Units and do not have any preferential rights relative to the Company's interest in BREIT OP, nor are they exchangeable for any shares of the Company's common stock. Holders of the Class B Units have a right to redeem their units for cash in a manner similar to the ability of the Company's stockholders to have their shares repurchased under the Company's share repurchase plan. Class B Unit redemptions are subject to similar limitations as share repurchases under the Company's share repurchase plan, namely the early repurchase deduction and caps on monthly and quarterly repurchases (calculated on an aggregate basis with shares of the Company's common stock submitted for repurchase for the applicable period). The redemption rights of the Class B unitholders do not affect the terms of the Company's share repurchase plan. Class B Units have the same limited voting rights as the other BREIT OP units and such rights do not affect the Company's exclusive power, as general partner of BREIT OP, to manage and conduct the business of BREIT OP.

During the years ended December 31, 2019 and 2018, BREIT OP received \$0 and \$100 million in Class B Units subscriptions from an entity advised by Blackstone Insurance Solutions. As of December 31, 2019 and 2018, there were 9,268,500 Class B Units outstanding. Class B Units subscriptions are recorded as a component of Non-controlling Interests on the Company's Consolidated Balance Sheets.

11. Related Party Transactions

Due to Affiliates

The following table details the components of due to affiliates (\$ in thousands):

	December 31, 2019	December 31, 2018
Accrued stockholder servicing fee(1)	\$ 478,539	\$ 238,496
Performance participation allocation	141,396	37,484
Accrued management fees	13,873	5,124
Advanced organization and offering costs	6,136	8,181
Accrued affiliate service provider expenses	6,037	3,115
Accrued affiliate incentive compensation awards	—	4,714
Other	44,162	4,467
Total	<u>\$ 690,143</u>	<u>\$ 301,581</u>

- (1) The Company accrues the full amount of the future stockholder servicing fees payable to the Dealer Manager for Class S, Class T, and Class D shares up to the 8.75% of gross proceeds limit at the time such shares are sold. As of December 31, 2019 and 2018, the Company accrued \$478.5 million and \$238.5 million, respectively, of stockholder servicing fees payable to the Dealer Manager related to the Class S, Class T, and Class D shares sold. The Dealer Manager has entered into agreements with the selected dealers distributing the Company's shares in the Offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and dealer manager fee and all or a portion of the stockholder servicing fees received by the Dealer Manager to such selected dealers.

Performance Participation Allocation

The Special Limited Partner holds a performance participation interest in BREIT OP that entitles it to receive an allocation of BREIT OP's total return to its capital account. Total return is defined as distributions paid or accrued plus the change in NAV. Under the BREIT OP agreement, the annual total return will be allocated solely to the Special Limited Partner after the other unit holders have received a total return of 5% (after recouping any loss carryforward amount) and such allocation will continue until the allocation between the Special Limited Partner and all other unit holders is equal to 12.5% and 87.5%, respectively. Thereafter, the Special Limited Partner will receive an allocation of 12.5% of the annual total return. The allocation of the performance participation interest is ultimately determined at the end of each calendar year and will be paid in cash or Class I units of BREIT OP, at the election of the Special Limited Partner. During the years ended December 31, 2019, 2018 and 2017, the Company recognized \$141.4 million, \$37.5 million and \$17.0 million, respectively, of Performance Participation Allocation Expense in the Company's Consolidated Statement of Operations.

In January 2020, the Company issued approximately 11.7 million Class I units and 0.7 million Class B units in BREIT OP to the Special Limited Partner as payment for the 2019 performance participation allocation. Such units were issued at the NAV per unit as of December 31, 2019. Subsequent to the Class I units and Class B units being issued, 7.3 million of such units were redeemed for \$83.6 million and 0.8 million of such units were exchanged for unregistered Class I shares in the Company. In January 2019, the Company issued approximately 3.5 million Class I units in BREIT OP to the Special Limited Partner as payment for the 2018 performance participation allocation. Such Class I units were issued at the NAV per unit as of December 31, 2018. Subsequent to the Class I units being issued, 0.4 million of such units were redeemed for \$4.3 million and 1.1 million of such units were exchanged for unregistered Class I shares in the Company. In January 2018, the Company issued approximately 1.6 million Class I units in BREIT OP to the Special Limited Partner as payment for the 2017 performance participation allocation. Such Class I units were issued at the NAV per unit as of December 31, 2017. In June 2018, the Special Limited Partner redeemed 0.8 million Class I units in BREIT OP for \$8.4 million based on the NAV of the Class I units at May 31, 2018. As of December 31, 2019, Blackstone and its employees,

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including the Company's executive officers, continue to own an aggregate of \$72.9 million worth of shares of the Company and Class I units of BREIT OP.

Management Fee

The Adviser is entitled to an annual management fee equal to 1.25% of the Company's NAV, payable monthly, as compensation for the services it provides to the Company. The management fee can be paid, at the Adviser's election, in cash, shares of common stock, or BREIT OP units. The Adviser has elected to receive the management fee in shares of the Company's common stock to date. During the years ended December 31, 2019, 2018, and 2017, the Company incurred management fees of \$108.1 million, \$42.7 million, and \$8.9 million, respectively. In accordance with the advisory agreement between the Company, BREIT OP and the Adviser, the Adviser waived the management fee for the period January 1, 2017 to June 30, 2017.

The Company issued 8,424,263, 3,845,338, and 664,411 unregistered Class I shares to the Adviser as payment for the 2019, 2018 and 2017 management fees, respectively, and also had a payable of \$13.9 million and \$5.1 million related to management fees as of December 31, 2019 and 2018, respectively, which is included in Due to Affiliates on the Company's Consolidated Balance Sheets. During January 2020, 2019, and 2018, the Adviser was issued 1,211,870, 474,552 and 180,215, respectively, unregistered Class I shares as payment for the management fee accrued as of December 31, 2019, 2018 and 2017. The shares issued to the Adviser for payment of the management fee were issued at the applicable NAV per share at the end of each month for which the fee was earned. During 2019, the Adviser submitted 10,297,777 Class I shares for an aggregate repurchase price of \$114.8 million. During 2018, the Adviser submitted 1,828,163 Class I shares for an aggregate repurchase price of \$19.8 million.

Accrued affiliate service provider expenses and incentive compensation awards

The Company has engaged BRE Hotels and Resorts ("BRE"), a portfolio company controlled by a Blackstone-advised fund, to provide, as applicable, operational services (including, without limitation, property management), corporate support services (including, without limitation, accounting, legal and tax) and transaction support services for the Company's hotel properties.

The Company has engaged LivCor, LLC ("LivCor"), a portfolio company owned by a Blackstone-advised fund, to provide, as applicable, operational services (including, without limitation, property management and construction management), corporate support services (including, without limitation, accounting, information technology, legal, tax and human resources) and transaction support services for the Company's multifamily properties.

For the year ended December 31, 2017, the Company engaged Equity Office Management, L.L.C. ("EOM"), a portfolio company owned by Blackstone-advised funds, to provide, as applicable, operational services (including, without limitation, property management, leasing, and construction management), corporate support services (including, without limitation, accounting, information technology, legal, tax and human resources) and transaction support services for the Company's office and industrial properties. Beginning January 1, 2018, the Company engaged Gateway Industrial Properties L.L.C. ("Gateway"), a portfolio company owned by a Blackstone-advised fund, to provide the services that EOM had previously provided to the Company's industrial properties. Beginning March 2019, the Company engaged Link Industrial Properties LLC ("Link"), a portfolio company owned by a Blackstone-advised fund, to provide the services that Gateway had previously provided to the Company's industrial properties.

The Company has engaged ShopCore Properties TRS Management LLC ("ShopCore"), a portfolio company owned by a Blackstone-advised fund, to provide, as applicable, operational services (including, without limitation, property management, construction management and leasing services), corporate support services (including, without limitation, accounting, information technology, legal, tax and human resources) and transaction support services for the Company's retail properties.

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The Company has engaged Revantage Corporate Services, LLC (“Revantage”), a portfolio company owned by a Blackstone-advised fund, to provide, as applicable, corporate support services (including, without limitation, accounting, legal, tax, treasury, valuation services, information technology and data management), and transaction support services to certain of the Company’s investments directly.

The Company issued incentive compensation awards to certain employees of the affiliate portfolio company service providers described above on January 1, 2019 that entitles them to receive an allocation of total return over a certain hurdle amount, as determined by the Company. The value of the award at January 1, 2019 was \$8.0 million and will be amortized over the four year service period. As of December 31, 2019, the total unrecognized compensation cost relating to the portfolio company incentive compensation awards was \$6.0 million and is expected to be recognized over a period of 3 years from December 31, 2019.

The 2018 portfolio company incentive compensation awards of \$4.7 million became payable on December 31, 2018 and, in January 2019, the Company issued approximately 0.4 million of fully vested Class I units in BREIT OP to certain employees of such companies. During the year ended December 31, 2019, certain employees of affiliate portfolio company service providers submitted 64,393 Class I units issued as part of the 2018 incentive compensation awards for repurchase resulting in a total repurchase of \$0.7 million.

None of Blackstone, the Adviser, or the affiliate portfolio company service providers receive any incentive compensation from the aforementioned arrangements.

The following table details the amounts incurred for such providers during the years ended December 31, 2019, 2018, and 2017 (\$ in thousands):

	Affiliate Service Provider Expenses For the Year Ended December 31,			Portfolio Company Incentive Compensation Awards For the Year Ended December 31,		
	2019	2018	2017	2019	2018	2017
Link	\$ 19,332	\$ —	\$ —	\$ 1,042	\$ —	\$ —
LivCor	18,464	7,885	1,279	308	2,708	—
BRE	7,250	940	116	624	640	—
Gateway	2,524	5,495	—	—	1,295	—
ShopCore	1,715	1,334	240	26	71	—
Revantage	1,295	649	—	—	—	—
EOM	104	—	881	—	—	—
Total	\$ 50,684	\$ 16,303	\$ 2,516	\$ 2,000	\$ 4,714	\$ —

Affiliate service provider expenses and portfolio company incentive compensation awards are included as a component of Rental Property Operating and Hotel Operating expense, as applicable, in the Company’s Consolidated Statements of Operations.

The following table details the transaction support service fees incurred for such providers (\$ in thousands):

	For the Year Ended December 31,	
	2019	2018
Link	\$3,460	\$ —
LivCor	2,990	1,491
ShopCore	610	252
EOM	30	—
Gateway	27	215
Revantage	—	9
Total	\$7,117	\$1,967

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Transaction support service fees were capitalized to Investments in Real Estate on the Company's Consolidated Balance Sheets. Neither Blackstone nor the Adviser receives any fees from the aforementioned arrangements.

Other

As of December 31, 2019 and 2018, the Adviser had advanced \$2.0 million and \$1.1 million, respectively, of expenses on the Company's behalf for general corporate expenses provided by unaffiliated third parties. Additionally, as of December 31, 2019 and 2018, the Company had \$42.1 million and \$3.4 million, respectively, of accrued repurchases of Class I shares due to the Adviser.

During the years ended December 31, 2019, 2018, and 2017, the Company engaged an affiliate of the Adviser to perform certain internal audit and compliance functions. For the years ended December 31, 2019, 2018, and 2017, the Company had incurred \$40,000, \$40,000 and \$30,000, respectively, of fees for such services.

Affiliate Title Service Provider

Blackstone owns Lexington National Land Services ("LNLS"), a title agent company. LNLS acts as an agent for one or more underwriters in issuing title policies and/or providing support services in connection with investments by the Company, Blackstone and their affiliates and related parties and third parties. LNLS focuses on transactions in rate-regulated states where the cost of title insurance is non-negotiable. LNLS will not perform services in non-regulated states for the Company, unless (i) in the context of a portfolio transaction that includes properties in rate-regulated states, (ii) as part of a syndicate of title insurance companies where the rate is negotiated by other insurers or their agents, (iii) when a third party is paying all or a material portion of the premium or (iv) when providing only support services to the underwriter. LNLS earns fees, which would have otherwise been paid to third parties, by providing title agency services and facilitating placement of title insurance with underwriters. Blackstone receives distributions from LNLS in connection with investments by the Company based on its equity interest in LNLS. In each case, there will be no related offset to the Company.

During the years ended December 31, 2019 and 2018, the Company paid LNLS \$14.8 million and \$4.6 million, respectively, for title services related to 43 and 16 investments, respectively, and such costs were capitalized to Investments in Real Estate or recorded as deferred financing costs, which is a reduction to Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities on the Company's Consolidated Balance Sheets.

Other

As of December 31, 2019, the Company had a receivable of \$3.6 million from Livcor, L.L.C. and such amount is included in Other Assets on the Company's Consolidated Balance Sheets.

As of December 31, 2019, the Company had a receivable of \$7.8 million from funds affiliated with the Adviser for post-closing settlements related to the Jupiter 12 Industrial Portfolio acquisition. Such amount is included in Other Assets on the Company's Consolidated Balance Sheets.

12. Leases

Lessee

Certain of the Company's investments in real estate are subject to ground leases. The Company's ground leases are classified as either operating leases or financing leases based on the characteristics of each lease. As of December 31, 2019, the Company had 15 ground leases classified as operating and two ground leases classified as financing. Each of the Company's ground leases were acquired as part of the acquisition of real estate and no incremental costs were incurred for such ground leases. The Company's ground leases are non-cancelable, and two of the Company's operating leases contain renewal options for additional 99 and 10 year terms.

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The following table presents the future lease payments due under the Company's ground leases as of December 31, 2019 (\$ in thousands):

	Operating Leases	Financing Leases
2020	\$ 3,916	\$ 2,991
2021	3,977	3,081
2022	4,088	3,174
2023	4,127	3,269
2024	4,180	3,367
Thereafter	<u>603,041</u>	<u>330,544</u>
Total undiscounted future lease payments	623,329	346,426
Difference between undiscounted cash flows and discounted cash flows	<u>(540,449)</u>	<u>(289,668)</u>
Total lease liability	<u>\$ 82,880</u>	<u>\$ 56,758</u>

The Company utilized its incremental borrowing rate, which was between 5% and 7%, to determine its lease liabilities. As of December 31, 2019, the weighted average remaining lease term of the Company's operating leases and financing leases was 57 years and 77 years, respectively.

The following table presents the future lease payments due under the Company's ground leases as of December 31, 2018, prior to the adoption of ASU 2016-02 (\$ in thousands):

Year	Future Commitments
2019	\$ 1,470
2020	1,508
2021	1,547
2022	1,586
2023	1,622
Thereafter	<u>460,055</u>
Total	<u>\$ 467,788</u>

Payments under the Company's ground leases primarily contain fixed payment components that may include periodic increases fixed to an index or periodic fixed percentage escalations. One of the Company's ground leases contains a variable component based on a percentage of revenue.

The following table summarizes the fixed and variable components of the Company's operating leases (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Fixed ground rent expense	\$ 2,042	\$ 256	\$ 160
Variable ground rent expense	<u>81</u>	<u>420</u>	<u>132</u>
Total cash portion of ground rent expense	2,123	676	292
Non-cash ground rent expense	4,892	1,458	151
Total operating lease costs	<u>\$ 7,015</u>	<u>\$ 2,134</u>	<u>\$ 443</u>

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The following table summarizes the fixed and variable components of the Company's financing leases (\$ in thousands):

	For the Year Ended		
	December 31,		
	2019	2018	2017
Interest on lease liabilities	\$2,228	\$—	\$—
Amortization of right-of-use assets	748	—	—
Total financing lease costs	<u>\$2,976</u>	<u>\$—</u>	<u>\$—</u>

Lease costs recognized during the prior periods are presented under the standard in effect prior to the Company's adoption of ASU 2016-02.

Lessor

The Company's rental revenue primarily consists of rent earned from operating leases at the Company's multifamily, industrial, retail, office, net lease and other properties. Leases at the Company's industrial, retail, and office properties generally include a fixed base rent and certain leases also contain a variable component. The variable component of the Company's operating leases at its industrial, retail, and office properties primarily consist of the reimbursement of operating expenses such as real estate taxes, insurance, and common area maintenance costs.

Rental revenue from the Company's lease at the Bellagio consists of a fixed annual rent that escalates annually throughout the term of the lease and the tenant is generally responsible for all property-related expenses, including taxes, insurance and maintenance. The Company assessed the classification of the Bellagio lease and determined the lease was an operating lease. The Company's assessment included the consideration of the present value of the lease payments over the lease term and the residual value of the assets under the lease.

Leases at the Company's industrial, retail, office, and net lease properties are generally longer term and may contain extension and termination options at the lessee's election. Rental revenue earned from leases at the Company's multifamily properties primarily consist of a fixed base rent and certain leases contain a variable component that allows for the pass-through of certain operating expenses such as utilities. Leases at the Company's multifamily and other properties are short term in nature, generally not greater than 12 months in length.

The following table details the components of operating lease income from leases in which the Company is the lessor (\$ in thousands):

	For the Year Ended December 31,		
	2019	2018	2017
Fixed lease payments	\$ 1,073,562	\$ 494,519	\$ 110,429
Variable lease payments	128,051	64,145	10,952
Rental revenue	<u>\$ 1,201,613</u>	<u>\$ 558,664</u>	<u>\$ 121,381</u>

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The following table presents the future minimum rents the Company expects to receive for its industrial, retail, office and net lease properties as of December 31, 2019 (\$ in thousands). Leases at the Company's multifamily and self-storage properties are short term, generally 12 months or less, and are not included.

<u>Year</u>	<u>Future Minimum Rents</u>
2020	\$ 834,551
2021	779,973
2022	698,106
2023	609,287
2024	530,915
Thereafter	9,366,852
Total	\$ 12,819,684

The following table presents the future minimum rents the Company expects to receive for its industrial and retail properties as of December 31, 2018, prior to the adoption of ASU 2016-02 (\$ in thousands):

<u>Year</u>	<u>Future Minimum Rents</u>
2019	\$ 238,043
2020	215,327
2021	185,419
2022	144,186
2023	102,609
Thereafter	285,981
Total	\$ 1,171,565

13. Segment Reporting

The Company operates in eight reportable segments: Industrial properties, Multifamily properties, Net Lease properties, Hotel properties, Retail properties, Office properties, Other properties and Real Estate Debt. The Company allocates resources and evaluates results based on the performance of each segment individually. The Company believes that Segment Net Operating Income is the key performance metric that captures the unique operating characteristics of each segment.

The following table sets forth the total assets by segment (\$ in thousands):

	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Industrial	\$ 10,564,172	\$ 3,966,796
Multifamily	9,695,916	5,396,457
Net Lease	4,271,196	—
Hotel	2,427,554	1,268,992
Retail	419,198	136,273
Office	138,912	—
Other Properties	145,411	—
Real estate debt	4,565,385	2,281,033
Other (Corporate)	812,079	187,607
Total assets	\$ 33,039,823	\$ 13,237,158

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The following table sets forth the financial results by segment for the year ended December 31, 2019 (\$ in thousands):

	<u>Industrial</u>	<u>Multifamily</u>	<u>Net Lease</u>	<u>Hotel</u>	<u>Retail</u>	<u>Office</u>	<u>Other Properties</u>	<u>Real Estate Debt</u>	<u>Total</u>
Revenues:									
Rental revenue	\$ 461,939	\$ 673,173	\$ 42,317	\$ —	\$15,869	\$ 2,124	\$ 6,191	\$ —	\$1,201,613
Hotel revenue	—	—	—	432,892	—	—	—	—	432,892
Other revenue	2,312	39,340	—	8,858	398	81	778	—	51,767
Total revenues	464,251	712,513	42,317	441,750	16,267	2,205	6,969	—	1,686,272
Expenses:									
Rental property operating	137,401	322,773	—	—	5,539	799	3,454	—	469,966
Hotel operating	—	—	—	304,710	—	—	—	—	304,710
Total expenses	137,401	322,773	—	304,710	5,539	799	3,454	—	774,676
Income from real estate debt	—	—	—	—	—	—	—	213,062	213,062
Segment net operating income	\$ 326,850	\$ 389,740	\$ 42,317	\$137,040	\$10,728	\$ 1,406	\$ 3,515	\$ 213,062	\$1,124,658
Depreciation and amortization	\$ (291,940)	\$ (427,209)	\$ (14,858)	\$ (72,765)	\$ (8,640)	\$ (1,253)	\$ (7,374)	\$ —	\$ (824,039)
Other income (expense):									
General and administrative									(18,170)
Management fee									(108,115)
Performance participation allocation									(141,396)
Net gain on dispositions of real estate									35,035
Interest income									3,041
Interest expense									(487,517)
Other income (expense)									2,260
Net loss									\$ (414,243)
Net loss attributable to non-controlling interests in third party joint ventures									\$ 5,671
Net loss attributable to non-controlling interests in BREIT OP									6,801
Net loss attributable to BREIT stockholders									\$ (401,771)

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The following table sets forth the financial results by segment for the year ended December 31, 2018 (\$ in thousands):

	<u>Industrial</u>	<u>Multifamily</u>	<u>Hotel</u>	<u>Retail</u>	<u>Real Estate Debt</u>	<u>Total</u>
Revenues:						
Rental revenue	\$ 203,084	\$ 345,619	\$ —	\$ 9,961	\$ —	\$ 558,664
Hotel revenue	—	—	138,433	—	—	138,433
Other revenue	578	22,945	2,485	153	—	26,161
Total revenues	<u>203,662</u>	<u>368,564</u>	<u>140,918</u>	<u>10,114</u>	<u>—</u>	<u>723,258</u>
Expenses:						
Rental property operating	62,824	176,800	—	3,469	—	243,093
Hotel operating	—	—	97,248	—	—	97,248
Total expenses	<u>62,824</u>	<u>176,800</u>	<u>97,248</u>	<u>3,469</u>	<u>—</u>	<u>340,341</u>
Income from real estate debt	—	—	—	—	55,323	55,323
Segment net operating income	<u>\$ 140,838</u>	<u>\$ 191,764</u>	<u>\$ 43,670</u>	<u>\$ 6,645</u>	<u>\$ 55,323</u>	<u>\$ 438,240</u>
Depreciation and amortization	\$ (116,206)	\$ (257,201)	\$ (27,944)	\$ (4,944)	\$ —	\$ (406,295)
Other income (expense):						
General and administrative						(10,982)
Management fee						(42,659)
Performance participation allocation						(37,484)
Interest income						410
Interest expense						(233,184)
Other income (expense)						489
Net loss						<u>\$(291,465)</u>
Net loss attributable to non-controlling interests in third party joint ventures						\$ 6,188
Net loss attributable to non-controlling interests in BREIT OP						4,221
Net loss attributable to BREIT stockholders						<u>\$(281,056)</u>

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The following table sets forth the financial results by segment for the year ended December 31, 2017 (\$ in thousands):

	<u>Industrial</u>	<u>Multifamily</u>	<u>Hotel</u>	<u>Retail</u>	<u>Real Estate Debt</u>	<u>Total</u>
Revenues:						
Rental revenue	\$ 30,846	\$ 86,322	\$ —	\$ 4,213	\$ —	\$ 121,381
Hotel revenue	—	—	29,916	—	—	29,916
Other revenue	12	6,589	—	34	—	6,635
Total revenues	<u>30,858</u>	<u>92,911</u>	<u>29,916</u>	<u>4,247</u>	<u>—</u>	<u>157,932</u>
Expenses:						
Rental property operating	9,265	40,831	—	1,019	—	51,115
Hotel operating	—	—	20,417	—	—	20,417
Total expenses	<u>9,265</u>	<u>40,831</u>	<u>20,417</u>	<u>1,019</u>	<u>—</u>	<u>71,532</u>
Income from real estate debt	—	—	—	—	17,749	17,749
Segment net operating income	<u>\$ 21,593</u>	<u>\$ 52,080</u>	<u>\$ 9,499</u>	<u>\$ 3,228</u>	<u>\$ 17,749</u>	<u>\$ 104,149</u>
Depreciation and amortization	\$ (17,063)	\$ (96,732)	\$(6,071)	\$(1,927)	\$ —	\$(121,793)
Other income (expense):						
General and administrative						(7,692)
Management fee						(8,867)
Performance participation allocation						(16,974)
Interest income						454
Interest expense						(36,884)
Other income (expense)						57
Net loss						<u>\$(87,550)</u>
Net loss attributable to non-controlling interests in third party joint ventures						\$ 1,292
Net loss attributable to non-controlling interests in BREIT OP						—
Net loss attributable to BREIT stockholders						<u>\$(86,258)</u>

14. Commitments and Contingencies

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of business. For the years ended December 31, 2019 and 2018, the Company was not involved in any material legal proceedings.

15. Quarterly Financial Information (Unaudited)

The following tables present the Company's quarterly results (\$ in thousands, except per share data):

<u>2019</u>	<u>March 31</u>	<u>June 30</u>	<u>September 30</u>	<u>December 31</u>
Total revenues	\$ 297,091	\$354,308	\$ 438,033	\$ 596,840
Net loss	(50,096)	(52,784)	(126,494)	(184,869)
Net loss attributable to BREIT stockholders	(46,846)	(50,704)	(123,171)	(181,050)
Net loss per share	(0.10)	(0.08)	(0.15)	(0.17)

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2018	March 31	June 30	September 30	December 31
Total revenues	\$ 109,684	\$152,226	\$ 200,162	\$ 261,186
Net loss	(49,638)	(51,944)	(58,763)	(131,120)
Net loss attributable to BREIT stockholders	(47,548)	(50,482)	(57,667)	(125,359)
Net loss per share	(0.23)	(0.19)	(0.17)	(0.30)
2017	March 31	June 30	September 30	December 31
Total revenues	\$ 2,444	\$ 28,339	\$ 48,904	\$ 78,245
Net loss	(1,267)	(16,701)	(31,847)	(37,735)
Net loss attributable to BREIT stockholders	(1,267)	(16,701)	(31,725)	(36,565)
Net loss per share	(0.03)	(0.22)	(0.28)	(0.24)

16. Subsequent Events

MGM Grand and Mandalay Bay Real Estate

Subsequent to December 31, 2019, we closed a transaction to form a new joint venture with MGM Growth Properties LLC (“MGP”) to acquire the Las Vegas real estate assets of the MGM Grand and Mandalay Bay for \$4.6 billion. MGP owns 50.1% of the joint venture, and we own 49.9%. At closing, we entered into a long-term triple net master lease with MGM Resorts International (“MGM”) which benefits from a full corporate guarantee of rent payments by MGM.

Acquisitions

Subsequent to December 31, 2019, the Company acquired an aggregate of \$2.7 billion of real estate (not including the MGM Grand and Mandalay Bay transaction described above) across eight separate transactions, exclusive of closing costs. The acquisitions were related to multifamily, industrial, and retail properties.

Subsequent to December 31, 2019, the Company purchased an aggregate of \$482.1 million of real estate debt.

Proceeds from the Issuance of Common Stock

As of March 24, 2020, the Company had sold an aggregate of 1,588,293,255 shares of its common stock (consisting of 643,054,511 Class S shares, 798,498,578 Class I shares, 46,710,253 Class T shares, and 100,029,913 Class D shares) in the Offering and otherwise resulting in net proceeds of \$17.5 billion to the Company as payment for such shares.

Coronavirus Outbreak

Subsequent to December 31, 2019, there was a global outbreak of a new strain of coronavirus, COVID-19 which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel, and limiting hours of operations of non-essential offices and retail centers. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Company’s performance and financial results, such as the potential negative impact to occupancy at its properties, the potential closure of certain of its hotel assets, financing arrangements, increased costs of operations, decrease in values of its investments in Real Estate Debt, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The Company is unable to estimate the impact the novel coronavirus will have on its financial results at this time.

Schedule III—Real Estate and Accumulated Depreciation as of December 31, 2019 (\$ in thousands)

Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(t)	Years Acquired	
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total			
Industrial Properties:												
Cold Storage Warehouse	Stockton, CA	(A)	\$ 14,488	\$ 50,262	\$ —	\$ —	\$ 14,488	\$ 50,262	\$ 64,750	\$ (2,891)	2	
Cold Storage Warehouse	Union City, CA	(A)	6,785	46,830	—	39	6,785	46,869	53,654	(2,151)	2	
Cold Storage Warehouse	Aberdeen, MD	(A)	5,789	38,820	—	—	5,789	38,820	44,609	(2,006)	2	
Cold Storage Warehouse	Atlanta, GA	(A)	3,134	30,130	—	1,528	3,134	31,658	34,792	(1,829)	2	
Cold Storage Warehouse	Austin, TX	(A)	3,132	19,010	—	2,532	3,132	21,542	24,674	(894)	2	
Cold Storage Warehouse	Stockton, CA	(A)	2,287	15,817	—	—	2,287	15,817	18,104	(891)	2	
Powered Shell Warehouse	Ashburn, VA		25,563	12,796	24,209	—	—	12,796	24,209	37,005	(326)	2
Powered Shell Warehouse	Ashburn, VA		25,561	12,555	23,343	—	—	12,555	23,343	35,898	(316)	2
Powered Shell Warehouse	Ashburn, VA		18,676	12,475	23,205	—	—	12,475	23,205	35,680	(314)	2
Powered Shell Warehouse	Manassas, VA		25,347	4,807	36,314	—	—	4,807	36,314	41,121	(491)	2
Powered Shell Warehouse	Manassas, VA		17,378	3,342	25,131	—	—	3,342	25,131	28,473	(341)	2
Powered Shell Warehouse	Manassas, VA		23,739	4,842	36,535	—	—	4,842	36,535	41,377	(494)	2
Powered Shell Warehouse	Manassas, VA		17,336	3,184	23,956	—	—	3,184	23,956	27,140	(325)	2
Powered Shell Warehouse	Sterling, VA		24,270	12,955	23,239	—	—	12,955	23,239	36,194	(43)	2
Powered Shell Warehouse	Sterling, VA		24,630	12,999	23,318	—	—	12,999	23,318	36,317	(43)	2
Warehouse	Stockton, CA	(B)	10,079	21,240	—	482	10,079	21,722	31,801	(2,538)	2	
Warehouse	Alpharetta, GA	(B)	998	7,705	—	17	998	7,722	8,720	(600)	2	
Warehouse	Lithia Springs, GA	(B)	1,105	8,687	—	—	1,105	8,687	9,792	(792)	2	
Warehouse	Austell, GA	(B)	5,344	97,862	—	1,343	5,344	99,205	104,549	(8,439)	2	
Warehouse	Austell, GA	(B)	1,336	5,478	—	171	1,336	5,649	6,985	(596)	2	
Warehouse	Austell, GA	(B)	1,342	5,761	—	174	1,342	5,935	7,277	(649)	2	
Warehouse	Lombard, IL	(B)	483	3,489	—	46	483	3,535	4,018	(299)	2	
Warehouse	Glendale Heights, IL	(B)	—	—	—	—	—	—	—	—	2	
Warehouse	Carol Stream, IL	(B)	1,184	4,511	—	—	1,184	4,511	5,695	(415)	2	
Warehouse	Elgin, IL	(B)	620	2,733	—	74	620	2,807	3,427	(260)	2	
Warehouse	Romeoville, IL	(B)	—	—	—	—	—	—	—	—	2	

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(I)	Year Acquire
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Elgin, IL	(B)		1,118	5,172	—	41	1,118	5,213	6,331	(418)	201
Warehouse Libertyville, IL	(B)		850	4,340	—	63	850	4,403	5,253	(435)	201
Warehouse Carol Stream, IL	(B)		757	6,727	—	—	757	6,727	7,484	(543)	201
Warehouse Addison, IL	(B)		858	5,683	—	1,995	858	7,678	8,536	(527)	201
Warehouse Carol Stream, IL	(B)		837	5,902	—	25	837	5,927	6,764	(506)	201
Warehouse Bensenville, IL	(B)		1,001	7,908	—	303	1,001	8,211	9,212	(655)	201
Warehouse Glendale Heights, IL	(B)		416	2,837	—	—	416	2,837	3,253	(249)	201
Warehouse Roselle, IL	(B)		1,166	6,812	—	—	1,166	6,812	7,978	(601)	201
Warehouse Hanover Park, IL	(B)		1,090	5,342	—	—	1,090	5,342	6,432	(498)	201
Warehouse Bolingbrook, IL	(B)		1,892	4,023	—	65	1,892	4,088	5,980	(408)	201
Warehouse Bolingbrook, IL	(B)		2,313	9,953	—	135	2,313	10,088	12,401	(918)	201
Warehouse Romeoville, IL	(B)		860	4,193	—	—	860	4,193	5,053	(336)	201
Warehouse Houston, TX	(B)		632	2,404	—	40	632	2,444	3,076	(213)	201
Warehouse Houston, TX	(B)		707	4,911	—	—	707	4,911	5,618	(430)	201
Warehouse Mechanicsburg, PA	(B)		1,467	21,649	—	—	1,467	21,649	23,116	(1,804)	201
Warehouse Middletown, PA	(B)		866	12,492	—	—	866	12,492	13,358	(1,016)	201
Warehouse Mechanicsburg, PA	(B)		399	2,984	—	5	399	2,989	3,388	(310)	201
Warehouse Grand Prairie, TX	(B)		1,027	5,762	—	—	1,027	5,762	6,789	(587)	201
Warehouse Dallas, TX	(B)		863	4,453	—	366	863	4,819	5,682	(435)	201
Warehouse Grand Prairie, TX	(B)		1,052	6,266	—	30	1,052	6,296	7,348	(608)	201
Warehouse Orlando, FL	(B)		937	5,149	—	20	937	5,169	6,106	(453)	201
Warehouse Orlando, FL	(B)		590	4,064	—	—	590	4,064	4,654	(320)	201
Warehouse Houston, TX	(B)		1,662	11,944	—	196	1,662	12,140	13,802	(1,002)	201
Warehouse Houston, TX	(B)		1,645	12,220	—	74	1,645	12,294	13,939	(971)	201
Warehouse Houston, TX	(B)		1,294	8,167	—	27	1,294	8,194	9,488	(658)	201
Warehouse Houston, TX	(B)		1,149	5,722	—	—	1,149	5,722	6,871	(505)	201
Warehouse Houston, TX	(B)		1,178	7,461	—	237	1,178	7,698	8,876	(613)	201
Warehouse Allen, TX	(B)		807	5,147	—	19	807	5,166	5,973	(506)	201
Warehouse Allen, TX	(B)		743	4,645	—	148	743	4,793	5,536	(443)	201
Warehouse Allen, TX	(B)		924	5,866	—	—	924	5,866	6,790	(551)	201
Warehouse Fairfield, NJ	(A)		1,232	2,755	—	3	1,232	2,758	3,990	(239)	201
Warehouse Fairfield, NJ	(A)		1,767	4,676	—	62	1,767	4,738	6,505	(352)	201
Warehouse Fairfield, NJ	(A)		3,223	4,180	—	6	3,223	4,186	7,409	(396)	201
Warehouse Fairfield, NJ	(A)		1,093	4,074	—	23	1,093	4,097	5,190	(306)	201
Warehouse Fairfield, NJ	(A)		1,101	1,674	—	59	1,101	1,733	2,834	(142)	201
Warehouse Fairfield, NJ	(A)		1,170	1,900	—	5	1,170	1,905	3,075	(164)	201
Warehouse Fairfield, NJ	(A)		4,219	5,936	—	33	4,219	5,969	10,188	(438)	201
Warehouse Fairfield, NJ	(A)		4,725	6,013	—	7	4,725	6,020	10,745	(456)	201
Warehouse Fairfield, NJ	(A)		2,131	2,408	—	6	2,131	2,414	4,545	(207)	201
Warehouse Fairfield, NJ	(A)		4,194	8,677	—	7	4,194	8,684	12,878	(655)	201
Warehouse Fairfield, NJ	(A)		843	1,375	—	8	843	1,383	2,226	(128)	201
Warehouse Marietta, GA	(C)		1,604	5,329	—	146	1,604	5,475	7,079	(232)	201
Warehouse Orlando, FL	(C)		3,052	15,804	—	119	3,052	15,923	18,975	(552)	201

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquired
			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements	Total		
Warehouse Jacksonville, FL		(C)	2,658	13,081	—	—	2,658	13,081	15,739	(476)	2018
Warehouse Olive Branch, MS		(C)	2,111	8,074	—	—	2,111	8,074	10,185	(312)	2018
Warehouse Charlotte, NC		(C)	404	1,747	—	517	404	2,264	2,668	(74)	2018
Warehouse Jacksonville, FL		(C)	1,676	4,982	—	—	1,676	4,982	6,658	(204)	2018
Warehouse Jacksonville, FL		(C)	2,735	9,996	—	1,348	2,735	11,344	14,079	(387)	2018
Warehouse Marietta, GA		(C)	1,348	4,339	—	—	1,348	4,339	5,687	(176)	2018
Warehouse Roswell, GA		(A)	1,422	7,407	—	—	1,422	7,407	8,829	(348)	2018
Warehouse Marietta, GA		(C)	968	4,017	—	—	968	4,017	4,985	(148)	2018
Warehouse Miami, FL		(C)	930	200	—	403	930	603	1,533	(15)	2018
Warehouse Miami, FL		(C)	1,703	4,155	—	7	1,703	4,162	5,865	(136)	2018
Warehouse Miami, FL		(C)	5,879	18,428	—	3,949	5,879	22,377	28,256	(705)	2018
Warehouse Orlando, FL		(C)	4,120	19,411	—	—	4,120	19,411	23,531	(690)	2018
Warehouse Orlando, FL		(C)	1,628	7,773	—	—	1,628	7,773	9,401	(261)	2018
Warehouse La Vergne, TN		(C)	2,857	11,214	—	144	2,857	11,358	14,215	(447)	2018
Warehouse Miami, FL		(C)	2,398	5,742	—	64	2,398	5,806	8,204	(192)	2018
Warehouse Miami, FL		(C)	2,461	6,351	—	21	2,461	6,372	8,833	(209)	2018
Warehouse Miami, FL		(C)	3,011	6,953	—	57	3,011	7,010	10,021	(234)	2018
Warehouse Miami, FL		(C)	1,628	3,619	—	5	1,628	3,624	5,252	(123)	2018
Warehouse Miami, FL		(C)	2,260	4,504	—	407	2,260	4,911	7,171	(156)	2018
Warehouse Orlando, FL		(C)	1,819	6,452	—	721	1,819	7,173	8,992	(267)	2018
Warehouse La Vergne, TN		(C)	5,425	19,245	—	—	5,425	19,245	24,670	(955)	2018
Warehouse Memphis, TN		(A)	1,100	3,028	—	—	1,100	3,028	4,128	(140)	2018
Warehouse Memphis, TN		(A)	626	2,620	—	—	626	2,620	3,246	(97)	2018
Warehouse Memphis, TN		(A)	1,182	5,431	—	—	1,182	5,431	6,613	(207)	2018
Warehouse Memphis, TN		(A)	339	696	—	—	339	696	1,035	(33)	2018
Warehouse Tampa, FL		(C)	2,110	8,670	—	20	2,110	8,690	10,800	(331)	2018
Warehouse Jacksonville, FL		(C)	868	10,261	—	—	868	10,261	11,129	(334)	2018
Warehouse Winston-Salem, NC		(A)	954	4,952	—	—	954	4,952	5,906	(195)	2018
Warehouse Orlando, FL		(C)	4,894	18,533	—	—	4,894	18,533	23,427	(666)	2018
Warehouse Newport News, VA		(C)	1,085	6,140	—	—	1,085	6,140	7,225	(223)	2018
Warehouse Port Wentworth, GA		(C)	380	16,575	—	451	380	17,026	17,406	(520)	2018
Warehouse Hampton, VA		(C)	2,064	12,393	—	—	2,064	12,393	14,457	(462)	2018
Warehouse Port Wentworth, GA			26,594	6,739	—	5,681	6,739	29,450	36,189	(910)	2018
Warehouse Memphis, TN		(C)	2,533	5,951	—	—	2,533	5,951	8,484	(314)	2018
Warehouse Memphis, TN		(C)	299	749	—	—	299	749	1,048	(36)	2018
Warehouse Memphis, TN		(C)	1,445	3,940	—	—	1,445	3,940	5,385	(193)	2018
Warehouse Memphis, TN		(C)	371	799	—	—	371	799	1,170	(40)	2018
Warehouse Memphis, TN		(C)	1,793	2,170	—	—	1,793	2,170	3,963	(140)	2018
Warehouse Orlando, FL		(C)	4,241	13,551	—	163	4,241	13,714	17,955	(522)	2018
Warehouse Winston-Salem, NC		(A)	510	3,338	—	—	510	3,338	3,848	(121)	2018

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Winston-Salem, NC		(A)	441	1,361	—	10	441	1,371	1,812	(68)	2018
Warehouse Winston-Salem, NC		(A)	857	6,272	—	—	857	6,272	7,129	(230)	2018
Warehouse Atlanta, GA		(A)	1,284	6,592	—	—	1,284	6,592	7,876	(257)	2018
Warehouse Atlanta, GA		(A)	1,096	9,351	—	18	1,096	9,369	10,465	(324)	2018
Warehouse Charlotte, NC		(C)	689	3,167	—	—	689	3,167	3,856	(125)	2018
Warehouse Wesley Chapel, FL		(A)	1,566	2,284	—	123	1,566	2,407	3,973	(130)	2018
Warehouse Wesley Chapel, FL		(A)	277	3,914	—	—	277	3,914	4,191	(136)	2018
Warehouse Wesley Chapel, FL		(A)	228	9,235	—	—	228	9,235	9,463	(288)	2018
Warehouse Davenport, FL		(C)	3,560	14,868	—	129	3,560	14,997	18,557	(511)	2018
Warehouse Davenport, FL		(C)	4,763	22,356	—	—	4,763	22,356	27,119	(793)	2018
Warehouse Davenport, FL		(C)	1,454	8,874	—	792	1,454	9,666	11,120	(407)	2018
Warehouse Orlando, FL		(C)	1,549	5,482	—	9	1,549	5,491	7,040	(187)	2018
Warehouse Wesley Chapel, FL		(A)	1,283	5,023	—	—	1,283	5,023	6,306	(191)	2018
Warehouse Wesley Chapel, FL		(A)	1,757	8,021	—	—	1,757	8,021	9,778	(313)	2018
Warehouse Orlando, FL		(C)	1,444	4,115	—	41	1,444	4,156	5,600	(145)	2018
Warehouse Orlando, FL		(C)	1,549	2,334	—	—	1,549	2,334	3,883	(93)	2018
Warehouse Richmond, VA		(A)	888	6,888	—	352	888	7,240	8,128	(255)	2018
Warehouse Richmond, VA		(A)	3,413	21,839	—	—	3,413	21,839	25,252	(804)	2018
Warehouse Memphis, TN		(C)	1,777	4,785	—	—	1,777	4,785	6,562	(219)	2018
Warehouse Memphis, TN		(C)	1,360	4,721	—	—	1,360	4,721	6,081	(195)	2018
Warehouse Memphis, TN		(C)	1,289	5,579	—	—	1,289	5,579	6,868	(237)	2018
Warehouse Memphis, TN		(C)	1,323	4,540	—	—	1,323	4,540	5,863	(195)	2018
Warehouse Memphis, TN		(C)	1,649	5,985	—	—	1,649	5,985	7,634	(249)	2018
Warehouse Piedmont, SC		(C)	1,165	4,802	—	9	1,165	4,811	5,976	(196)	2018
Warehouse Rural Hall, NC		(C)	1,226	8,023	—	1,184	1,226	9,207	10,433	(339)	2018
Warehouse Raleigh, NC		(C)	915	5,603	—	21	915	5,624	6,539	(203)	2018
Warehouse Raleigh, NC		(C)	749	6,459	—	—	749	6,459	7,208	(234)	2018
Warehouse Charlotte, NC		(C)	437	1,577	—	64	437	1,641	2,078	(78)	2018
Warehouse Rural Hall, NC		(C)	1,432	8,694	—	—	1,432	8,694	10,126	(339)	2018
Warehouse Sandston, VA		(C)	1,799	9,087	—	125	1,799	9,212	11,011	(357)	2018
Warehouse Charlotte, NC		(C)	302	3,195	—	—	302	3,195	3,497	(106)	2018
Warehouse Memphis, TN		(C)	2,312	5,978	—	52	2,312	6,030	8,342	(279)	2018
Warehouse Richmond, VA		(A)	515	5,380	—	19	515	5,399	5,914	(253)	2018
Warehouse Rural Hall, NC		(C)	1,971	9,903	—	—	1,971	9,903	11,874	(401)	2018
Warehouse Memphis, TN		(C)	2,207	6,846	—	51	2,207	6,897	9,104	(306)	2018
Warehouse Sandston, VA		(C)	897	3,903	—	—	897	3,903	4,800	(153)	2018
Warehouse Norcross, GA		(C)	973	5,466	—	—	973	5,466	6,439	(205)	2018
Warehouse Rural Hall, NC		(C)	416	2,489	—	—	416	2,489	2,905	(103)	2018
Warehouse Jacksonville, FL		(C)	1,163	5,239	—	—	1,163	5,239	6,402	(195)	2018
Warehouse Norcross, GA		(C)	748	4,333	—	—	748	4,333	5,081	(166)	2018
Warehouse Norcross, GA		(C)	674	2,730	—	—	674	2,730	3,404	(115)	2018
Warehouse Norcross, GA		(C)	840	4,012	—	—	840	4,012	4,852	(156)	2018
Warehouse Charlotte, NC		(C)	389	2,574	—	15	389	2,589	2,978	(95)	2018

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired	
			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building	Total			
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse Louisville, KY	(A)		3,607	10,097	—	—	1,334	3,607	11,431	15,038	(450)	2018
Warehouse Norcross, GA	(A)		1,074	4,347	—	—	—	1,074	4,347	5,421	(199)	2018
Warehouse Norcross, GA	(A)		368	2,026	—	—	2	368	2,028	2,396	(79)	2018
Warehouse Norcross, GA	(A)		336	1,763	—	—	—	336	1,763	2,099	(74)	2018
Warehouse Memphis, TN	—		2,757	5,480	—	—	—	2,757	5,480	8,237	(281)	2018
Warehouse Norcross, GA	(A)		733	4,521	—	—	25	733	4,546	5,279	(164)	2018
Warehouse Norcross, GA	(A)		562	2,308	—	—	—	562	2,308	2,870	(97)	2018
Warehouse Norcross, GA	(A)		397	2,235	—	—	—	397	2,235	2,632	(99)	2018
Warehouse Norcross, GA	(A)		429	2,046	—	—	4	429	2,050	2,479	(89)	2018
Warehouse Norcross, GA	(A)		563	875	—	—	83	563	958	1,521	(56)	2018
Warehouse Memphis, TN	(A)		2,060	6,344	—	—	507	2,060	6,851	8,911	(343)	2018
Warehouse Memphis, TN	(A)		1,839	8,067	—	—	—	1,839	8,067	9,906	(399)	2018
Warehouse Memphis, TN	(A)		2,110	5,437	—	—	—	2,110	5,437	7,547	(305)	2018
Warehouse Memphis, TN	(A)		1,168	7,233	—	—	53	1,168	7,286	8,454	(277)	2018
Warehouse Charlotte, NC	(C)		601	3,495	—	—	—	601	3,495	4,096	(130)	2018
Warehouse Richmond, VA	(C)		1,464	11,053	—	—	—	1,464	11,053	12,517	(403)	2018
Warehouse Kissimmee, FL	(C)		212	9,857	—	—	—	212	9,857	10,069	(330)	2018
Warehouse Jacksonville, FL	(C)		2,505	15,947	—	—	—	2,505	15,947	18,452	(578)	2018
Warehouse Orlando, FL	(C)		3,684	18,694	—	—	—	3,684	18,694	22,378	(705)	2018
Warehouse Jacksonville, FL	(C)		610	4,613	—	—	—	610	4,613	5,223	(163)	2018
Warehouse Miami, FL	(C)		954	2,593	—	—	10	954	2,603	3,557	(86)	2018
Warehouse Tucker, GA	(D)		879	3,391	—	—	—	879	3,391	4,270	(131)	2018
Warehouse Conyers, GA	(D)		634	4,435	—	—	—	634	4,435	5,069	(158)	2018
Warehouse Tucker, GA	(D)		505	3,056	—	—	5	505	3,061	3,566	(111)	2018
Warehouse Atlanta, GA	(D)		418	4,462	—	—	—	418	4,462	4,880	(154)	2018
Warehouse Atlanta, GA	(D)		634	6,064	—	—	—	634	6,064	6,698	(204)	2018
Warehouse Tucker, GA	(D)		1,199	3,713	—	—	230	1,199	3,943	5,142	(158)	2018
Warehouse Tucker, GA	(D)		762	3,039	—	—	—	762	3,039	3,801	(101)	2018
Warehouse Tucker, GA	(D)		1,167	4,070	—	—	—	1,167	4,070	5,237	(153)	2018
Warehouse Stockton, CA	(D)		11,025	73,084	—	—	—	11,025	73,084	84,109	(2,653)	2017
Warehouse Mechanicsburg, PA	(D)		1,184	10,393	—	—	858	1,184	11,251	12,435	(358)	2019
Warehouse Roseville State, MN	(D)		1,174	5,598	—	—	—	1,174	5,598	6,772	(136)	2019
Warehouse New Brighton, MN	(D)		1,828	5,281	—	—	77	1,828	5,358	7,186	(158)	2019
Warehouse St. Paul, MN	(D)		2,780	4,330	—	—	—	2,780	4,330	7,110	(120)	2019
Warehouse New Brighton, MN	(D)		2,088	6,555	—	—	—	2,088	6,555	8,643	(194)	2019
Warehouse New Brighton, MN	(D)		1,231	4,252	—	—	—	1,231	4,252	5,483	(106)	2019
Warehouse New Brighton, MN	(D)		1,385	5,934	—	—	—	1,385	5,934	7,319	(346)	2019
Warehouse New Brighton, MN	(D)		2,062	6,553	—	—	18	2,062	6,571	8,633	(160)	2019
Warehouse New Brighton, MN	(D)		431	1,927	—	—	—	431	1,927	2,358	(58)	2019
Warehouse New Brighton, MN	(D)		362	4,054	—	—	—	362	4,054	4,416	(105)	2019
Warehouse New Brighton, MN	(D)		1,611	3,909	—	—	130	1,611	4,039	5,650	(117)	2019
Warehouse New Brighton, MN	(D)		1,111	2,811	—	—	—	1,111	2,811	3,922	(77)	2019
Warehouse New Brighton, MN	(D)		790	2,478	—	—	—	790	2,478	3,268	(67)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse	New Brighton, MN	(D)	664	2,690	—	—	664	2,690	3,354	(64)	2019
Warehouse	New Brighton, MN	(D)	537	1,508	—	—	537	1,508	2,045	(36)	2019
Warehouse	Golden Valley, MN	(D)	1,466	10,577	—	40	1,466	10,617	12,083	(275)	2019
Warehouse	Golden Valley, MN	(D)	2,176	1,789	—	—	2,176	1,789	3,965	(76)	2019
Warehouse	Brooklyn Park, MN	(D)	2,616	10,434	—	39	2,616	10,473	13,089	(302)	2019
Warehouse	Minneapolis, MN	(D)	2,721	9,283	—	36	2,721	9,319	12,040	(215)	2019
Warehouse	Brooklyn Park, MN	(D)	1,505	3,969	—	—	1,505	3,969	5,474	(111)	2019
Warehouse	Crystal, MN	(D)	1,859	6,354	—	—	1,859	6,354	8,213	(179)	2019
Warehouse	Brooklyn Center, MN	(D)	1,679	4,694	—	—	1,679	4,694	6,373	(125)	2019
Warehouse	Minneapolis, MN	(D)	4,010	10,777	—	54	4,010	10,831	14,841	(272)	2019
Warehouse	Blaine, MN	(D)	4,514	3,456	—	—	4,514	3,456	7,970	(110)	2019
Warehouse	Blaine, MN	(D)	2,378	2,723	—	—	2,378	2,723	5,101	(77)	2019
Warehouse	Fridley, MN	(D)	2,043	5,005	—	—	2,043	5,005	7,048	(146)	2019
Warehouse	Burnsville, MN	(D)	1,729	3,780	—	—	1,729	3,780	5,509	(107)	2019
Warehouse	Burnsville, MN	(D)	1,935	6,614	—	—	1,935	6,614	8,549	(176)	2019
Warehouse	Eagan, MN	(D)	1,942	7,544	—	36	1,942	7,580	9,522	(168)	2019
Warehouse	Burnsville, MN	(D)	1,094	3,017	—	—	1,094	3,017	4,111	(80)	2019
Warehouse	Burnsville, MN	(D)	1,196	2,762	—	—	1,196	2,762	3,958	(83)	2019
Warehouse	Eagan, MN	(D)	1,302	4,099	—	—	1,302	4,099	5,401	(117)	2019
Warehouse	Eagan, MN	(D)	2,296	7,344	—	19	2,296	7,363	9,659	(197)	2019
Warehouse	Eagan, MN	(D)	2,121	4,488	—	6	2,121	4,494	6,615	(122)	2019
Warehouse	Eagan, MN	(D)	1,558	5,259	—	—	1,558	5,259	6,817	(139)	2019
Warehouse	Groveport, OH	(E)	4,606	43,877	—	203	4,606	44,080	48,686	(2,773)	2018
Warehouse	Plainfield, IN	(E)	4,956	30,461	—	203	4,956	30,664	35,620	(1,708)	2018
Warehouse	Addison, IL	(E)	6,603	32,142	—	615	6,603	32,757	39,360	(1,979)	2018
Warehouse	Crest Hill, IL	(E)	5,957	32,388	—	2,394	5,957	34,782	40,739	(2,069)	2018
Warehouse	Landover, MD	(E)	9,479	24,030	—	1,227	9,479	25,257	34,736	(1,474)	2018
Warehouse	Northlake, TX	(E)	3,898	34,109	—	203	3,898	34,312	38,210	(1,935)	2018
Warehouse	Glen Rock, PA	(E)	6,792	28,003	—	—	6,792	28,003	34,795	(1,917)	2018
Warehouse	Niles, IL	(E)	11,223	16,678	—	—	11,223	16,678	27,901	(988)	2018
Warehouse	Davenport, FL	(E)	3,126	22,481	—	78	3,126	22,559	25,685	(1,446)	2018
Warehouse	Clayton, FL	(E)	—	—	—	—	—	—	—	—	2018
Warehouse	Englewood, CO	(E)	7,097	17,420	—	—	7,097	17,420	24,517	(1,195)	2018
Warehouse	Englewood, CO	(E)	6,948	17,281	—	1	6,948	17,282	24,230	(1,182)	2018
Warehouse	Greenwood, IN	(E)	2,174	21,869	—	42	2,174	21,911	24,085	(1,385)	2018
Warehouse	Hodgkins, IL	(E)	7,040	21,744	—	—	7,040	21,744	28,784	(1,152)	2018
Warehouse	Lithia Springs, GA	(E)	5,594	18,685	—	27	5,594	18,712	24,306	(1,142)	2018
Warehouse	Englewood, CO	(E)	6,282	15,371	—	95	6,282	15,466	21,748	(1,012)	2018
Warehouse	Ontario, CA	(E)	5,766	16,688	—	112	5,766	16,800	22,566	(955)	2018
Warehouse	Puyallup, WA	(E)	3,611	18,207	—	—	3,611	18,207	21,818	(987)	2018

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements	Total		
Warehouse Carson, CA		(E)	15,959	7,447	—	—	15,959	7,447	23,406	(475)	2018
Warehouse Naperville, IL		(E)	4,125	17,768	—	—	4,125	17,768	21,893	(1,144)	2018
Warehouse Coppell, TX		(E)	1,841	14,694	—	1,829	1,841	16,523	18,364	(1,571)	2018
Warehouse Austell, GA		(E)	2,598	17,964	—	505	2,598	18,469	21,067	(1,029)	2018
Warehouse Winchester, VA		(E)	3,347	17,763	—	140	3,347	17,903	21,250	(992)	2018
Warehouse Hatfield, PA		(E)	2,431	16,102	—	150	2,431	16,252	18,683	(895)	2018
Warehouse Lebanon, IN		(E)	2,273	18,491	—	1,198	2,273	19,689	21,962	(1,109)	2018
Warehouse Rancho Cucamonga, CA		(E)	4,962	13,018	—	54	4,962	13,072	18,034	(756)	2018
Warehouse San Bernardino, CA		(E)	7,363	10,063	—	—	7,363	10,063	17,426	(577)	2018
Warehouse Mahwah, NJ		(E)	3,672	11,139	—	—	3,672	11,139	14,811	(667)	2018
Warehouse Irving, TX		(E)	3,858	14,623	—	23	3,858	14,646	18,504	(858)	2018
Warehouse Somerset, NJ		(E)	11,100	5,044	—	—	11,100	5,044	16,144	(641)	2018
Warehouse Tampa, FL		(E)	2,558	18,601	—	—	2,558	18,601	21,159	(1,022)	2018
Warehouse Houston, TX		(E)	1,918	14,391	—	414	1,918	14,805	16,723	(900)	2018
Warehouse Logan Township, NJ		(E)	3,713	13,206	—	—	3,713	13,206	16,919	(937)	2018
Warehouse Groveport, OH		(E)	2,455	14,574	—	1,326	2,455	15,900	18,355	(946)	2018
Warehouse Sunrise, FL		(E)	6,916	10,491	—	946	6,916	11,437	18,353	(681)	2018
Warehouse Mahwah, NJ		(E)	3,647	11,882	—	—	3,647	11,882	15,529	(682)	2018
Warehouse Winchester, VA		(E)	1,830	15,296	—	—	1,830	15,296	17,126	(944)	2018
Warehouse Fairburn, GA		(E)	1,034	15,747	—	—	1,034	15,747	16,781	(1,061)	2018
Warehouse West Chicago, IL		(E)	3,055	12,863	—	303	3,055	13,166	16,221	(800)	2018
Warehouse Rialto, CA		(E)	4,538	10,073	—	—	4,538	10,073	14,611	(591)	2018
Warehouse Grand Prairie, TX		(E)	2,915	13,886	—	1,496	2,915	15,382	18,297	(734)	2018
Warehouse Mahwah, NJ		(E)	4,226	9,939	—	—	4,226	9,939	14,165	(737)	2018
Warehouse Tampa, FL		(E)	3,171	11,017	—	—	3,171	11,017	14,188	(624)	2018
Warehouse Grand Prairie, TX		(E)	2,868	12,244	—	—	2,868	12,244	15,112	(713)	2018
Warehouse Irving, TX		(E)	2,663	7,457	—	13	2,663	7,470	10,133	(465)	2018
Warehouse Fort Worth, TX		(E)	1,744	11,298	—	—	1,744	11,298	13,042	(673)	2018
Warehouse West Chicago, IL		(E)	3,091	6,985	—	558	3,091	7,543	10,634	(635)	2018
Warehouse Alsip, IL		(E)	3,375	10,713	—	774	3,375	11,487	14,862	(664)	2018
Warehouse Plano, TX		(E)	1,640	10,542	—	—	1,640	10,542	12,182	(623)	2018
Warehouse Mahwah, NJ		(E)	4,357	8,369	—	—	4,357	8,369	12,726	(634)	2018
Warehouse Elkridge, MD		(E)	2,165	9,448	—	263	2,165	9,711	11,876	(539)	2018
Warehouse Naperville, IL		(E)	2,959	8,247	—	374	2,959	8,621	11,580	(703)	2018
Warehouse Chicago, IL		(E)	1,292	9,416	—	—	1,292	9,416	10,708	(533)	2018
Warehouse Simi Valley, CA		(E)	3,450	7,390	—	487	3,450	7,877	11,327	(489)	2018
Warehouse West Chicago, IL		(E)	2,631	6,142	—	—	2,631	6,142	8,773	(457)	2018
Warehouse Dallas, TX		(E)	2,874	8,296	—	—	2,874	8,296	11,170	(587)	2018
Warehouse Arlington Heights, IL		(E)	1,957	8,373	—	100	1,957	8,473	10,430	(455)	2018
Warehouse Tacoma, WA		(E)	2,380	10,368	—	—	2,380	10,368	12,748	(611)	2018
Warehouse Elkridge, MD		(E)	1,873	9,918	—	246	1,873	10,164	12,037	(749)	2018

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Oakland, NJ		(E)	1,725	8,336	—	—	1,725	8,336	10,061	(491)	2018
Warehouse Aurora, CO		(E)	2,185	8,706	—	14	2,185	8,720	10,905	(582)	2018
Warehouse Devens, MA		(E)	2,520	8,604	—	—	2,520	8,604	11,124	(654)	2018
Warehouse St. Charles, IL		(E)	2,255	7,559	—	—	2,255	7,559	9,814	(581)	2018
Warehouse Exton, PA		(E)	2,946	7,647	—	—	2,946	7,647	10,593	(549)	2018
Warehouse Carrollton, TX		(E)	1,382	9,429	—	—	1,382	9,429	10,811	(569)	2018
Warehouse Denver, CO		(E)	2,212	9,525	—	69	2,212	9,594	11,806	(572)	2018
Warehouse Phoenix, AZ		(E)	3,406	7,520	—	68	3,406	7,588	10,994	(540)	2018
Warehouse Landover, MD		(E)	2,848	6,215	—	106	2,848	6,321	9,169	(449)	2018
Warehouse San Bernardino, CA		(E)	5,325	6,349	—	—	5,325	6,349	11,674	(448)	2018
Warehouse Franklin Park, IL		(E)	3,254	7,017	—	103	3,254	7,120	10,374	(400)	2018
Warehouse Landover, MD		(E)	2,790	6,526	—	81	2,790	6,607	9,397	(448)	2018
Warehouse Houston, TX		(E)	1,207	8,299	—	812	1,207	9,111	10,318	(560)	2018
Warehouse Charlotte, NC		(E)	1,465	9,055	—	331	1,465	9,386	10,851	(545)	2018
Warehouse Houston, TX		(E)	1,481	8,418	—	2,308	1,481	10,726	12,207	(546)	2018
Warehouse Farmers Branch, TX		(E)	1,328	8,774	—	—	1,328	8,774	10,102	(543)	2018
Warehouse Batavia, IL		(E)	1,407	8,221	—	60	1,407	8,281	9,688	(610)	2018
Warehouse Houston, TX		(E)	1,179	7,848	—	785	1,179	8,633	9,812	(468)	2018
Warehouse Houston, TX		(E)	1,204	8,334	—	751	1,204	9,085	10,289	(540)	2018
Warehouse Farmers Branch, TX		(E)	1,174	7,951	—	—	1,174	7,951	9,125	(539)	2018
Warehouse Erlanger, KY		(E)	1,431	7,595	—	145	1,431	7,740	9,171	(506)	2018
Warehouse Grand Prairie, TX		(E)	1,582	8,328	—	174	1,582	8,502	10,084	(524)	2018
Warehouse Upper Chichester, PA		(E)	1,746	6,924	—	25	1,746	6,949	8,695	(427)	2018
Warehouse Baltimore, MD		(E)	1,001	6,016	—	4	1,001	6,020	7,021	(411)	2018
Warehouse Federal Way, WA		(E)	2,687	6,465	—	401	2,687	6,866	9,553	(440)	2018
Warehouse Carrollton, TX		(E)	1,336	7,407	—	—	1,336	7,407	8,743	(434)	2018
Warehouse San Diego, CA		(E)	3,284	6,130	—	—	3,284	6,130	9,414	(343)	2018
Warehouse Mahwah, NJ		(E)	2,812	5,786	—	—	2,812	5,786	8,598	(420)	2018
Warehouse Houston, TX		(E)	1,163	6,738	—	—	1,163	6,738	7,901	(432)	2018
Warehouse Erlanger, KY		(E)	925	5,934	—	158	925	6,092	7,017	(407)	2018
Warehouse Baltimore, MD		(E)	1,259	6,430	—	—	1,259	6,430	7,689	(423)	2018
Warehouse Auburn, WA		(E)	1,991	6,873	—	—	1,991	6,873	8,864	(391)	2018
Warehouse Largo, FL		(E)	2,052	5,554	—	—	2,052	5,554	7,606	(398)	2018
Warehouse Mechanicsburg, PA		(E)	1,257	5,981	—	—	1,257	5,981	7,238	(390)	2018
Warehouse Annapolis Junction, MD		(E)	1,227	5,022	—	1,141	1,227	6,163	7,390	(523)	2018
Warehouse San Bernardino, CA		(E)	2,023	5,767	—	—	2,023	5,767	7,790	(355)	2018
Warehouse Frederick, MD		(E)	1,008	5,549	—	—	1,008	5,549	6,557	(310)	2018

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Elk Grove Village, IL	(E)		3,150	3,193	—	10	3,150	3,203	6,353	(223)	2018
Warehouse Sanford, FL	(E)		1,137	5,628	—	—	1,137	5,628	6,765	(349)	2018
Warehouse Erlanger, KY	(E)		855	5,671	—	80	855	5,751	6,606	(354)	2018
Warehouse Carrollton, TX	(E)		956	5,467	—	—	956	5,467	6,423	(389)	2018
Warehouse Aurora, CO	(E)		1,116	5,455	—	—	1,116	5,455	6,571	(357)	2018
Warehouse Coppel, TX	(E)		799	4,848	—	1,800	799	6,648	7,447	(498)	2018
Warehouse Lakewood, WA	(E)		618	6,264	—	—	618	6,264	6,882	(362)	2018
Warehouse Wood Dale, IL	(E)		2,460	3,404	—	—	2,460	3,404	5,864	(214)	2018
Warehouse Addison, TX	(E)		928	5,880	—	—	928	5,880	6,808	(413)	2018
Warehouse Gurnee, IL	(E)		954	4,418	—	449	954	4,867	5,821	(301)	2018
Warehouse Aurora, CO	(E)		1,135	4,788	—	—	1,135	4,788	5,923	(302)	2018
Warehouse Sanford, FL	(E)		893	5,053	—	—	893	5,053	5,946	(325)	2018
Warehouse Baltimore, MD	(E)		905	4,454	—	334	905	4,788	5,693	(339)	2018
Warehouse Dallas, TX	(E)		1,432	4,942	—	—	1,432	4,942	6,374	(376)	2018
Warehouse Wood Dale, IL	(E)		2,312	3,814	—	—	2,312	3,814	6,126	(242)	2018
Warehouse Baltimore, MD	(E)		957	4,398	—	48	957	4,446	5,403	(360)	2018
Warehouse Simi Valley, CA	(E)		1,558	4,273	—	—	1,558	4,273	5,831	(259)	2018
Warehouse Baltimore, MD	(E)		913	3,281	—	—	913	3,281	4,194	(240)	2018
Warehouse Erlanger, KY	(E)		798	4,821	—	23	798	4,844	5,642	(295)	2018
Warehouse San Bernardino, CA	(E)		1,686	3,826	—	90	1,686	3,916	5,602	(248)	2018
Warehouse Erlanger, KY	(E)		628	5,117	—	143	628	5,260	5,888	(330)	2018
Warehouse Houston, TX	(E)		1,022	3,917	—	34	1,022	3,951	4,973	(262)	2018
Warehouse Grand Prairie, TX	(E)		1,606	3,708	—	118	1,606	3,826	5,432	(276)	2018
Warehouse Fort Lauderdale, FL	(E)		1,347	3,889	—	98	1,347	3,987	5,334	(230)	2018
Warehouse Garland, TX	(E)		907	4,097	—	—	907	4,097	5,004	(267)	2018
Warehouse Houston, TX	(E)		1,045	3,795	—	—	1,045	3,795	4,840	(228)	2018
Warehouse Rosedale, MD	(E)		1,214	3,140	—	12	1,214	3,152	4,366	(206)	2018
Warehouse Itasca, IL	(E)		981	3,751	—	—	981	3,751	4,732	(226)	2018
Warehouse Clearwater, FL	(E)		1,357	3,355	—	—	1,357	3,355	4,712	(209)	2018
Warehouse Tampa, FL	(E)		787	3,584	—	—	787	3,584	4,371	(252)	2018
Warehouse San Diego, CA	(E)		1,749	3,260	—	325	1,749	3,585	5,334	(212)	2018
Warehouse Elk Grove Village, IL	(E)		1,696	2,831	—	—	1,696	2,831	4,527	(190)	2018
Warehouse Wood Dale, IL	(E)		1,796	2,784	—	125	1,796	2,909	4,705	(202)	2018
Warehouse Fort Worth, TX	(E)		691	4,545	—	—	691	4,545	5,236	(333)	2018
Warehouse Suwanee, GA	(E)		305	4,057	—	255	305	4,312	4,617	(262)	2018
Warehouse Baltimore, MD	(E)		705	2,828	—	80	705	2,908	3,613	(197)	2018
Warehouse West Chicago, IL	(E)		1,308	2,906	—	—	1,308	2,906	4,214	(241)	2018
Warehouse San Bernardino, CA	(E)		1,513	2,665	—	179	1,513	2,844	4,357	(186)	2018
Warehouse West Chester, PA	(E)		769	2,626	—	—	769	2,626	3,395	(163)	2018
Warehouse Suwanee, GA	(E)		271	3,484	—	—	271	3,484	3,755	(206)	2018

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			Land and	Building and	Land and	Building and	Land and	Building and	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements	Total		
Warehouse Frederick, MD		(E)	593	3,222	—	32	593	3,254	3,847	(213)	2018
Warehouse Frederick, MD		(E)	425	2,522	—	584	425	3,106	3,531	(232)	2018
Warehouse Frederick, MD		(E)	441	2,526	—	85	441	2,611	3,052	(160)	2018
Warehouse Dallas, TX		(E)	903	2,774	—	—	903	2,774	3,677	(179)	2018
Warehouse Dallas, TX		(E)	757	2,352	—	—	757	2,352	3,109	(153)	2018
Warehouse Simi Valley, CA		(E)	813	2,740	—	14	813	2,754	3,567	(164)	2018
Warehouse Erlanger, KY		(E)	278	2,001	—	47	278	2,048	2,326	(126)	2018
Warehouse West Chicago, IL		(E)	719	2,247	—	—	719	2,247	2,966	(150)	2018
Warehouse Dallas, TX		(E)	800	2,484	—	24	800	2,508	3,308	(161)	2018
Warehouse Erlanger, KY		(E)	323	2,586	—	22	323	2,608	2,931	(166)	2018
Warehouse Jacksonville, FL		(B)	3,056	20,161	—	44	3,056	20,205	23,261	(1,201)	2017
Warehouse Jonesboro, GA		(B)	2,804	14,537	—	—	2,804	14,537	17,341	(1,111)	2017
Warehouse La Vergne, TN		(B)	3,574	16,037	—	210	3,574	16,247	19,821	(1,264)	2017
Warehouse Jacksonville, FL		(B)	2,261	15,933	—	—	2,261	15,933	18,194	(1,058)	2017
Warehouse Jacksonville, FL		(B)	3,291	22,985	—	29	3,291	23,014	26,305	(1,559)	2017
Warehouse Aurora, IL		(B)	17,424	43,812	—	—	17,424	43,812	61,236	(3,071)	2018
Warehouse Aurora, IL		(B)	8,455	34,026	—	—	8,455	34,026	42,481	(2,169)	2018
Warehouse Aurora, IL		(B)	10,116	23,150	—	—	10,116	23,150	33,266	(1,793)	2018
Warehouse Hebron, KY		(F)	1,551	10,318	—	—	1,551	10,318	11,869	(112)	2019
Warehouse Hebron, KY		(F)	1,106	4,903	—	—	1,106	4,903	6,009	(62)	2019
Warehouse Hebron, KY		(F)	2,056	7,744	—	—	2,056	7,744	9,800	(159)	2019
Warehouse Hebron, KY		(F)	1,181	9,455	—	—	1,181	9,455	10,636	(137)	2019
Warehouse Cincinnati, OH		(F)	2,937	27,172	—	—	2,937	27,172	30,109	(292)	2019
Warehouse Cincinnati, OH		(F)	1,114	8,004	—	—	1,114	8,004	9,118	(89)	2019
Warehouse West Chester, OH		(F)	947	5,888	—	—	947	5,888	6,835	(76)	2019
Warehouse West Chester, OH		(F)	812	3,623	—	38	812	3,661	4,473	(50)	2019
Warehouse Grove City, OH		(F)	1,532	14,716	—	—	1,532	14,716	16,248	(176)	2019
Warehouse Grove City, OH		(F)	1,364	10,919	—	—	1,364	10,919	12,283	(168)	2019
Warehouse Grove City, OH		(F)	1,501	11,155	—	—	1,501	11,155	12,656	(164)	2019
Warehouse Indianapolis, IN		(F)	1,775	5,410	—	—	1,775	5,410	7,185	(101)	2019
Warehouse Indianapolis, IN		(F)	2,828	10,418	—	—	2,828	10,418	13,246	(176)	2019
Warehouse Indianapolis, IN		(F)	3,613	15,816	—	—	3,613	15,816	19,429	(247)	2019
Warehouse Indianapolis, IN		(F)	1,904	5,350	—	—	1,904	5,350	7,254	(70)	2019
Warehouse Indianapolis, IN		(F)	1,248	3,266	—	—	1,248	3,266	4,514	(57)	2019
Warehouse Indianapolis, IN		(F)	5,841	15,477	—	—	5,841	15,477	21,318	(386)	2019
Warehouse Indianapolis, IN		(F)	1,244	4,790	—	—	1,244	4,790	6,034	(137)	2019
Warehouse Stone Mountain, GA		(G)	2,536	2,732	—	—	2,536	2,732	5,268	(107)	2019
Warehouse Stone Mountain, GA		(G)	2,520	2,000	—	—	2,520	2,000	4,520	(89)	2019
Warehouse Stone Mountain, GA		(G)	2,559	1,748	—	—	2,559	1,748	4,307	(49)	2019
Warehouse Stone Mountain, GA		(G)	4,677	4,419	—	—	4,677	4,419	9,096	(127)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse	Stone Mountain, GA	(G)	1,647	2,234	—	—	1,647	2,234	3,881	(81)	2019
Warehouse	Stone Mountain, GA	(G)	2,590	3,873	—	—	2,590	3,873	6,463	(95)	2019
Warehouse	Stone Mountain, GA	(G)	867	1,173	—	—	867	1,173	2,040	(31)	2019
Warehouse	Stone Mountain, GA	(G)	927	1,182	—	—	927	1,182	2,109	(37)	2019
Warehouse	Stone Mountain, GA	(G)	890	940	—	—	890	940	1,830	(26)	2019
Warehouse	Stone Mountain, GA	(G)	2,411	4,065	—	19	2,411	4,084	6,495	(108)	2019
Warehouse	Stone Mountain, GA	(G)	992	1,846	—	—	992	1,846	2,838	(49)	2019
Warehouse	Stone Mountain, GA	(G)	419	696	—	—	419	696	1,115	(18)	2019
Warehouse	Stone Mountain, GA	(G)	222	328	—	—	222	328	550	(10)	2019
Warehouse	Stone Mountain, GA	(G)	907	1,717	—	—	907	1,717	2,624	(43)	2019
Warehouse	Stone Mountain, GA	(G)	957	1,757	—	—	957	1,757	2,714	(45)	2019
Warehouse	Stone Mountain, GA	(G)	3,334	7,998	—	—	3,334	7,998	11,332	(182)	2019
Warehouse	Stone Mountain, GA	(G)	5,039	8,078	—	—	5,039	8,078	13,117	(211)	2019
Warehouse	Stone Mountain, GA	(G)	321	508	—	—	321	508	829	(15)	2019
Warehouse	Stone Mountain, GA	(G)	344	437	—	—	344	437	781	(11)	2019
Warehouse	Stone Mountain, GA	(G)	1,338	2,950	—	—	1,338	2,950	4,288	(73)	2019
Warehouse	Stone Mountain, GA	(G)	693	1,662	—	—	693	1,662	2,355	(49)	2019
Warehouse	Stone Mountain, GA	(G)	1,283	2,760	—	—	1,283	2,760	4,043	(88)	2019
Warehouse	Stone Mountain, GA	(G)	679	1,168	—	—	679	1,168	1,847	(23)	2019
Warehouse	Stone Mountain, GA	(G)	501	942	—	—	501	942	1,443	(24)	2019
Warehouse	Stone Mountain, GA	(G)	899	2,208	—	—	899	2,208	3,107	(51)	2019
Warehouse	Stone Mountain, GA	(G)	519	1,059	—	—	519	1,059	1,578	(21)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse	Stone Mountain, GA	(G)	670	1,157	—	—	670	1,157	1,827	(33)	2019
Warehouse	Stone Mountain, GA	(G)	482	811	—	—	482	811	1,293	(19)	2019
Warehouse	Stone Mountain, GA	(G)	1,046	2,271	—	—	1,046	2,271	3,317	(53)	2019
Warehouse	Stone Mountain, GA	(G)	1,455	3,673	—	—	1,455	3,673	5,128	(110)	2019
Warehouse	Stone Mountain, GA	(G)	1,678	4,341	—	—	1,678	4,341	6,019	(172)	2019
Warehouse	Stone Mountain, GA	(G)	205	338	—	—	205	338	543	(12)	2019
Warehouse	Stone Mountain, GA	(G)	420	1,356	—	—	420	1,356	1,776	(31)	2019
Warehouse	Stone Mountain, GA	(G)	418	464	—	—	418	464	882	(15)	2019
Warehouse	Stone Mountain, GA	(G)	760	627	—	—	760	627	1,387	(22)	2019
Warehouse	Stone Mountain, GA	(G)	2,083	4,557	—	—	2,083	4,557	6,640	(101)	2019
Warehouse	Stone Mountain, GA	(G)	620	562	—	—	620	562	1,182	(18)	2019
Warehouse	Tucker, GA	(G)	797	700	—	—	797	700	1,497	(18)	2019
Warehouse	Tucker, GA	(G)	625	935	—	—	625	935	1,560	(23)	2019
Warehouse	Tucker, GA	(G)	1,382	3,591	—	—	1,382	3,591	4,973	(102)	2019
Warehouse	Tucker, GA	(G)	1,781	2,845	—	—	1,781	2,845	4,626	(74)	2019
Warehouse	Tucker, GA	(G)	1,814	3,280	—	—	1,814	3,280	5,094	(82)	2019
Warehouse	Tucker, GA	(G)	1,940	3,395	—	15	1,940	3,410	5,350	(89)	2019
Warehouse	Tucker, GA	(G)	2,478	525	—	—	2,478	525	3,003	(32)	2019
Warehouse	Tucker, GA	(G)	515	276	—	—	515	276	791	(10)	2019
Warehouse	Tucker, GA	(G)	385	384	—	—	385	384	769	(11)	2019
Warehouse	Tucker, GA	(G)	1,940	4,198	—	—	1,940	4,198	6,138	(97)	2019
Warehouse	Tucker, GA	(G)	1,017	1,047	—	—	1,017	1,047	2,064	(32)	2019
Warehouse	Tucker, GA	(G)	1,597	2,995	—	—	1,597	2,995	4,592	(77)	2019
Warehouse	Tucker, GA	(G)	309	354	—	—	309	354	663	(13)	2019
Warehouse	Tucker, GA	(G)	473	1,049	—	—	473	1,049	1,522	(26)	2019
Warehouse	Tucker, GA	(G)	536	642	—	—	536	642	1,178	(16)	2019
Warehouse	Tucker, GA	(G)	2,382	4,121	—	—	2,382	4,121	6,503	(99)	2019
Warehouse	Tucker, GA	(G)	2,518	2,731	—	—	2,518	2,731	5,249	(74)	2019
Warehouse	Tucker, GA	(G)	296	469	—	—	296	469	765	(12)	2019
Warehouse	Tucker, GA	(G)	391	724	—	—	391	724	1,115	(20)	2019
Warehouse	Tucker, GA	(G)	478	834	—	—	478	834	1,312	(16)	2019
Warehouse	Tucker, GA	(G)	731	377	—	—	731	377	1,108	(13)	2019
Warehouse	Tucker, GA	(G)	817	1,270	—	—	817	1,270	2,087	(37)	2019
Warehouse	Tucker, GA	(G)	324	225	—	—	324	225	549	(10)	2019

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Tucker, GA		(G)	973	1,844	—	—	973	1,844	2,817	(48)	2019
Warehouse Denver, CO		(D)	1,141	6,265	—	—	1,141	6,265	7,406	(63)	2019
Warehouse Denver, CO		(D)	1,200	6,624	—	—	1,200	6,624	7,824	(68)	2019
Warehouse Denver, CO		(D)	2,172	14,053	—	—	2,172	14,053	16,225	(120)	2019
Warehouse Aurora, CO		(D)	1,457	7,862	—	114	1,457	7,976	9,433	(65)	2019
Warehouse Aurora, CO		(D)	1,288	8,523	—	—	1,288	8,523	9,811	(71)	2019
Warehouse Aurora, CO		(D)	1,442	8,481	—	—	1,442	8,481	9,923	(74)	2019
Warehouse Houston, TX		(D)	1,865	12,821	—	—	1,865	12,821	14,686	(125)	2019
Warehouse Houston, TX		(D)	1,342	9,229	—	—	1,342	9,229	10,571	(99)	2019
Warehouse Houston, TX		(D)	897	6,341	—	—	897	6,341	7,238	(62)	2019
Warehouse Houston, TX		(D)	1,915	12,028	—	—	1,915	12,028	13,943	(107)	2019
Warehouse Houston, TX		(D)	1,687	10,404	—	—	1,687	10,404	12,091	(98)	2019
Warehouse Houston, TX		(D)	1,700	11,419	—	20	1,700	11,439	13,139	(121)	2019
Warehouse Houston, TX		(D)	3,418	24,959	—	17	3,418	24,976	28,394	(241)	2019
Warehouse Houston, TX		(D)	1,639	5,993	—	—	1,639	5,993	7,632	(64)	2019
Warehouse San Antonio, TX		(D)	608	4,965	—	—	608	4,965	5,573	(37)	2019
Warehouse San Antonio, TX		(D)	336	2,432	—	—	336	2,432	2,768	(24)	2019
Warehouse San Antonio, TX		(D)	276	1,366	—	—	276	1,366	1,642	(14)	2019
Warehouse San Antonio, TX		(D)	767	6,325	—	—	767	6,325	7,092	(66)	2019
Warehouse San Antonio, TX		(D)	1,352	11,787	—	—	1,352	11,787	13,139	(110)	2019
Warehouse San Antonio, TX		(D)	806	5,974	—	1	806	5,975	6,781	(72)	2019
Warehouse San Antonio, TX		(D)	422	3,369	—	—	422	3,369	3,791	(60)	2019
Warehouse San Antonio, TX		(D)	639	4,778	—	—	639	4,778	5,417	(50)	2019
Warehouse San Antonio, TX		(D)	914	7,058	—	—	914	7,058	7,972	(61)	2019
Warehouse San Antonio, TX		(D)	759	5,713	—	—	759	5,713	6,472	(80)	2019
Warehouse Denver, CO		(D)	910	5,994	—	—	910	5,994	6,904	(51)	2019
Warehouse Denver, CO		(D)	3,570	23,626	—	—	3,570	23,626	27,196	(195)	2019
Warehouse Denver, CO		(D)	1,290	8,533	—	11	1,290	8,544	9,834	(75)	2019
Warehouse Aurora, CO		(D)	2,145	14,675	—	—	2,145	14,675	16,820	(131)	2019
Warehouse Aurora, CO		(D)	1,765	12,037	—	—	1,765	12,037	13,802	(105)	2019
Warehouse Aurora, CO		(D)	914	6,287	—	—	914	6,287	7,201	(52)	2019
Warehouse Aurora, CO		(D)	1,387	10,144	—	—	1,387	10,144	11,531	(85)	2019
Warehouse Denver, CO		(D)	2,182	13,525	—	—	2,182	13,525	15,707	(247)	2019
Warehouse Denver, CO		(D)	1,073	6,663	—	—	1,073	6,663	7,736	(120)	2019
Warehouse Denver, CO		(D)	6,000	35,892	—	106	6,000	35,998	41,998	(500)	2019
Warehouse Reno, NV		(D)	3,822	11,058	—	28	3,822	11,086	14,908	(177)	2019
Warehouse Reno, NV		(D)	1,884	6,848	—	—	1,884	6,848	8,732	(176)	2019
Warehouse Reno, NV		(D)	1,900	6,911	—	—	1,900	6,911	8,811	(177)	2019
Warehouse Reno, NV		(D)	1,499	4,176	—	47	1,499	4,223	5,722	(35)	2019
Warehouse Reno, NV		(D)	1,251	2,923	—	—	1,251	2,923	4,174	(25)	2019
Warehouse Reno, NV		(D)	631	1,546	—	—	631	1,546	2,177	(14)	2019
Warehouse Reno, NV		(D)	1,274	2,870	—	—	1,274	2,870	4,144	(26)	2019
Warehouse Reno, NV		(D)	648	1,666	—	—	648	1,666	2,314	(14)	2019
Warehouse Reno, NV		(D)	1,183	2,878	—	100	1,183	2,978	4,161	(70)	2019
Warehouse Reno, NV		(D)	2,241	4,479	—	—	2,241	4,479	6,720	(37)	2019

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			Land and	Building and	Land and	Building and	Land and	Building and	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse Reno, NV		(D)	3,672	9,435	—	—	3,672	9,435	13,107	(215)	2019
Warehouse Reno, NV		(D)	2,670	4,863	—	—	2,670	4,863	7,533	(130)	2019
Warehouse Reno, NV		(D)	2,216	4,928	—	—	2,216	4,928	7,144	(104)	2019
Warehouse Reno, NV		(D)	2,451	5,554	—	46	2,451	5,600	8,051	(112)	2019
Warehouse Reno, NV		(D)	2,015	3,847	—	32	2,015	3,879	5,894	(79)	2019
Warehouse Reno, NV		(D)	2,539	7,015	—	—	2,539	7,015	9,554	(61)	2019
Warehouse Reno, NV		(D)	2,895	5,674	—	—	2,895	5,674	8,569	(54)	2019
Warehouse Reno, NV		(D)	2,007	2,003	—	—	2,007	2,003	4,010	(20)	2019
Warehouse Reno, NV		(D)	2,939	6,071	—	13	2,939	6,084	9,023	(56)	2019
Warehouse Reno, NV		(D)	3,457	8,168	—	—	3,457	8,168	11,625	(153)	2019
Warehouse Reno, NV		(D)	2,980	7,056	—	—	2,980	7,056	10,036	(122)	2019
Warehouse Reno, NV		(D)	2,947	7,001	—	—	2,947	7,001	9,948	(121)	2019
Warehouse Reno, NV		(D)	2,263	2,591	—	18	2,263	2,609	4,872	(24)	2019
Warehouse San Antonio, TX		(D)	344	3,189	—	42	344	3,231	3,575	(29)	2019
Warehouse San Antonio, TX		(D)	407	3,706	—	—	407	3,706	4,113	(35)	2019
Warehouse San Antonio, TX		(D)	238	2,509	—	—	238	2,509	2,747	(21)	2019
Warehouse San Antonio, TX		(D)	512	4,670	—	—	512	4,670	5,182	(79)	2019
Warehouse San Antonio, TX		(D)	169	1,710	—	—	169	1,710	1,879	(16)	2019
Warehouse San Antonio, TX		(D)	212	1,504	—	—	212	1,504	1,716	(14)	2019
Warehouse San Antonio, TX		(D)	467	2,517	—	21	467	2,538	3,005	(26)	2019
Warehouse El Paso, TX		(D)	1,153	4,579	—	—	1,153	4,579	5,732	(38)	2019
Warehouse El Paso, TX		(D)	1,849	5,877	—	325	1,849	6,202	8,051	(183)	2019
Warehouse El Paso, TX		(D)	590	5,240	—	—	590	5,240	5,830	(126)	2019
Warehouse El Paso, TX		(D)	926	8,160	—	—	926	8,160	9,086	(199)	2019
Warehouse El Paso, TX		(D)	539	4,767	—	—	539	4,767	5,306	(110)	2019
Warehouse El Paso, TX		(D)	674	5,957	—	—	674	5,957	6,631	(142)	2019
Warehouse El Paso, TX		(D)	758	6,794	—	—	758	6,794	7,552	(161)	2019
Warehouse El Paso, TX		(D)	975	8,462	—	—	975	8,462	9,437	(74)	2019
Warehouse El Paso, TX		(D)	424	3,718	—	—	424	3,718	4,142	(33)	2019
Warehouse El Paso, TX		(D)	533	4,632	—	—	533	4,632	5,165	(39)	2019
Warehouse El Paso, TX		(D)	1,270	7,997	—	72	1,270	8,069	9,339	(74)	2019
Warehouse El Paso, TX		(D)	828	6,543	—	—	828	6,543	7,371	(122)	2019
Warehouse Grand Prairie, TX		(D)	1,840	9,890	—	56	1,840	9,946	11,786	(118)	2019
Warehouse Arlington, TX		(D)	603	3,171	—	64	603	3,235	3,838	(29)	2019
Warehouse Arlington, TX		(D)	1,139	7,141	—	—	1,139	7,141	8,280	(59)	2019
Warehouse Arlington, TX		(D)	1,054	6,454	—	—	1,054	6,454	7,508	(63)	2019
Warehouse Arlington, TX		(D)	1,230	7,085	—	35	1,230	7,120	8,350	(60)	2019
Warehouse Arlington, TX		(D)	617	3,469	—	—	617	3,469	4,086	(35)	2019
Warehouse Arlington, TX		(D)	624	3,417	—	29	624	3,446	4,070	(38)	2019
Warehouse Grand Prairie, TX		(D)	353	2,529	—	—	353	2,529	2,882	(28)	2019
Warehouse Grand Prairie, TX		(D)	339	2,560	—	14	339	2,574	2,913	(30)	2019
Warehouse Dallas, TX		(D)	1,204	6,060	—	77	1,204	6,137	7,341	(59)	2019
Warehouse Fort Worth, TX		(D)	3,455	26,591	—	—	3,455	26,591	30,046	(224)	2019
Warehouse Fort Worth, TX		(D)	1,936	12,303	—	—	1,936	12,303	14,239	(109)	2019
Warehouse Fort Worth, TX		(D)	5,181	39,971	—	299	5,181	40,270	45,451	(314)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquired
			Land and	Building and	Land and	Building and	Land and	Building and	Total		
			Land	Building	Land	Building	Land	Building			
Warehouse Fort Worth, TX		(D)	5,074	37,098	—	—	5,074	37,098	42,172	(328)	2019
Warehouse Irving, TX		(H)	875	31,181	—	—	875	31,181	32,056	(393)	2019
Warehouse Irving, TX		(H)	517	18,989	—	—	517	18,989	19,506	(214)	2019
Warehouse Hanover, MD		(H)	4,767	27,566	—	—	4,767	27,566	32,333	(236)	2019
Warehouse Frederick, MD		(H)	5,371	12,508	—	22	5,371	12,530	17,901	(207)	2019
Warehouse Frederick, MD		(H)	5,816	15,008	—	—	5,816	15,008	20,824	(245)	2019
Warehouse Frederick, MD		(H)	6,983	4,464	—	13	6,983	4,477	11,460	(116)	2019
Warehouse Alexandria, VA		(H)	4,432	17,495	—	18	4,432	17,513	21,945	(380)	2019
Warehouse Lockbourne, OH		(H)	7,278	73,541	—	—	7,278	73,541	80,819	(724)	2019
Warehouse Lenexa, KS		(H)	1,020	7,713	—	92	1,020	7,805	8,825	(125)	2019
Warehouse Florence, KY		(H)	1,378	8,574	—	—	1,378	8,574	9,952	(73)	2019
Warehouse Florence, GA		(H)	464	2,737	—	314	464	3,051	3,515	(25)	2019
Warehouse Florence, GA		(H)	1,186	6,896	—	—	1,186	6,896	8,082	(81)	2019
Warehouse New Hope, MN		(H)	2,022	6,249	—	—	2,022	6,249	8,271	(68)	2019
Warehouse New Hope, MN		(H)	1,880	6,080	—	—	1,880	6,080	7,960	(61)	2019
Warehouse Eden Prairie, MN		(H)	1,377	7,171	—	—	1,377	7,171	8,548	(93)	2019
Warehouse Glenn Dale, MD		(H)	7,614	5,510	—	126	7,614	5,636	13,250	(66)	2019
Warehouse Ashland, VA		(H)	566	7,345	—	—	566	7,345	7,911	(177)	2019
Warehouse Ashland, VA		(H)	579	7,321	—	515	579	7,836	8,415	(117)	2019
Warehouse Chester, VA		(H)	1,504	10,823	—	—	1,504	10,823	12,327	(166)	2019
Warehouse Chester, VA		(H)	1,594	12,734	—	—	1,594	12,734	14,328	(221)	2019
Warehouse Chester, VA		(H)	1,732	11,642	—	5	1,732	11,647	13,379	(156)	2019
Warehouse Chester, VA		(H)	862	3,711	—	—	862	3,711	4,573	(61)	2019
Warehouse Chester, VA		(H)	1,159	13,316	—	—	1,159	13,316	14,475	(215)	2019
Warehouse Chester, VA		(H)	1,072	12,311	—	—	1,072	12,311	13,383	(199)	2019
Warehouse Chesapeake, VA		(H)	3,434	19,890	—	123	3,434	20,013	23,447	(200)	2019
Warehouse Chesapeake, VA		(H)	1,099	8,819	—	—	1,099	8,819	9,918	(102)	2019
Warehouse Chesapeake, VA		(H)	2,107	8,957	—	76	2,107	9,033	11,140	(82)	2019
Warehouse Chesapeake, VA		(H)	1,886	15,959	—	72	1,886	16,031	17,917	(280)	2019
Warehouse Chesapeake, VA		(H)	2,377	16,613	—	—	2,377	16,613	18,990	(157)	2019
Warehouse Chesapeake, VA		(H)	1,123	6,407	—	—	1,123	6,407	7,530	(99)	2019
Warehouse Hampton, VA		(H)	4,125	20,294	—	—	4,125	20,294	24,419	(411)	2019
Warehouse Hampton, VA		(H)	2,592	7,121	—	31	2,592	7,152	9,744	(158)	2019
Warehouse Hampton, VA		(H)	1,412	5,441	—	81	1,412	5,522	6,934	(122)	2019
Warehouse Marietta, GA		(H)	1,306	8,488	—	—	1,306	8,488	9,794	(67)	2019
Warehouse Marietta, GA		(H)	1,040	6,779	—	—	1,040	6,779	7,819	(54)	2019
Warehouse Lawrenceville, GA		(H)	769	4,744	—	—	769	4,744	5,513	(38)	2019
Warehouse Lawrenceville, GA		(H)	781	4,931	—	—	781	4,931	5,712	(39)	2019
Warehouse Orlando, FL		(H)	3,146	19,718	—	189	3,146	19,907	23,053	(158)	2019
Warehouse Orlando, FL		(H)	1,900	11,958	—	—	1,900	11,958	13,858	(95)	2019
Warehouse Orlando, FL		(H)	2,943	18,634	—	159	2,943	18,793	21,736	(159)	2019
Warehouse Orlando, FL		(H)	901	5,676	—	—	901	5,676	6,577	(46)	2019
Warehouse Tampa, FL		(H)	2,811	15,921	—	—	2,811	15,921	18,732	(128)	2019
Warehouse Atlanta, GA		(H)	1,619	17,944	—	—	1,619	17,944	19,563	(296)	2019
Warehouse McDonough, GA		(H)	3,897	50,607	—	—	3,897	50,607	54,504	(621)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Improvements	Building and Improvements	Land and Improvements	Building and Improvements	Land and Improvements	Building and Improvements	Total		
Warehouse Swanee, GA		(H)	1,191	6,529	—	—	1,191	6,529	7,720	(84)	2019
Warehouse Kennesaw, GA		(H)	784	7,102	—	—	784	7,102	7,886	(125)	2019
Warehouse Kennesaw, GA		(H)	662	6,002	—	—	662	6,002	6,664	(106)	2019
Warehouse Lakeland, FL		(H)	1,573	16,074	—	—	1,573	16,074	17,647	(374)	2019
Warehouse Lakeland, FL		(H)	760	9,465	—	28	760	9,493	10,253	(219)	2019
Warehouse McDonough, GA		(H)	6,583	92,969	—	—	6,583	92,969	99,552	(909)	2019
Warehouse Orlando, FL		(H)	691	3,827	—	—	691	3,827	4,518	(33)	2019
Warehouse Orlando, FL		(H)	798	3,590	—	—	798	3,590	4,388	(31)	2019
Warehouse Orlando, FL		(H)	735	4,416	—	—	735	4,416	5,151	(36)	2019
Warehouse Orlando, FL		(H)	864	4,212	—	—	864	4,212	5,076	(35)	2019
Warehouse Orlando, FL		(H)	765	4,280	—	—	765	4,280	5,045	(36)	2019
Warehouse Orlando, FL		(H)	1,211	6,371	—	56	1,211	6,427	7,638	(50)	2019
Warehouse Orlando, FL		(H)	1,141	5,641	—	—	1,141	5,641	6,782	(48)	2019
Warehouse Orlando, FL		(H)	1,203	6,587	—	—	1,203	6,587	7,790	(54)	2019
Warehouse Orlando, FL		(H)	1,295	7,497	—	—	1,295	7,497	8,792	(61)	2019
Warehouse Orlando, FL		(H)	8,897	37,911	—	1,140	8,897	39,051	47,948	(415)	2019
Warehouse Tampa, FL		(H)	489	1,781	—	—	489	1,781	2,270	(14)	2019
Warehouse Tampa, FL		(H)	1,534	8,500	—	—	1,534	8,500	10,034	(218)	2019
Warehouse Tampa, FL		(H)	435	2,430	—	—	435	2,430	2,865	(61)	2019
Warehouse Tampa, FL		(H)	825	6,061	—	—	825	6,061	6,886	(50)	2019
Warehouse Tampa, FL		(H)	838	6,304	—	5	838	6,309	7,147	(52)	2019
Warehouse Tampa, FL		(H)	1,234	3,861	—	—	1,234	3,861	5,095	(32)	2019
Warehouse Tampa, FL		(H)	939	4,361	—	—	939	4,361	5,300	(34)	2019
Warehouse Tampa, FL		(H)	949	4,995	—	—	949	4,995	5,944	(39)	2019
Warehouse Tampa, FL		(H)	328	3,384	—	35	328	3,419	3,747	(28)	2019
Warehouse Tampa, FL		(H)	348	3,681	—	19	348	3,700	4,048	(31)	2019
Warehouse Lakeland, FL		(H)	1,765	18,029	—	—	1,765	18,029	19,794	(156)	2019
Warehouse Tampa, FL		(H)	1,434	6,347	—	50	1,434	6,397	7,831	(58)	2019
Warehouse Tampa, FL		(H)	1,755	12,076	—	—	1,755	12,076	13,831	(101)	2019
Warehouse Tampa, FL		(H)	1,352	5,760	—	—	1,352	5,760	7,112	(48)	2019
Warehouse Tampa, FL		(H)	943	2,998	—	—	943	2,998	3,941	(24)	2019
Warehouse Tampa, FL		(H)	1,481	6,753	—	52	1,481	6,805	8,286	(55)	2019
Warehouse Tampa, FL		(H)	1,733	9,922	—	—	1,733	9,922	11,655	(81)	2019
Warehouse Tampa, FL		(H)	687	5,039	—	—	687	5,039	5,726	(39)	2019
Warehouse Tampa, FL		(H)	2,432	6,326	—	18	2,432	6,344	8,776	(112)	2019
Warehouse Tampa, FL		(H)	603	3,593	—	9	603	3,602	4,205	(58)	2019
Warehouse Tampa, FL		(H)	562	2,644	—	72	562	2,716	3,278	(42)	2019
Warehouse Orlando, FL		(H)	1,893	7,633	—	—	1,893	7,633	9,526	(195)	2019
Warehouse Orlando, FL		(H)	2,431	12,051	—	—	2,431	12,051	14,482	(258)	2019
Warehouse Orlando, FL		(H)	1,862	8,683	—	—	1,862	8,683	10,545	(73)	2019
Warehouse Orlando, FL		(H)	1,932	10,485	—	—	1,932	10,485	12,417	(89)	2019
Warehouse Orlando, FL		(H)	2,281	10,943	—	—	2,281	10,943	13,224	(91)	2019
Warehouse Orlando, FL		(H)	5,043	26,535	—	—	5,043	26,535	31,578	(628)	2019
Warehouse Orlando, FL		(H)	3,509	22,120	—	—	3,509	22,120	25,629	(178)	2019
Warehouse Orlando, FL		(H)	1,664	9,596	—	—	1,664	9,596	11,260	(80)	2019

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			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Ball Ground, GA	(H)		2,988	2,196	—	—	2,988	2,196	5,184	(26)	201 ¹
Warehouse Benicia, CA	(H)		6,132	—	—	—	6,132	—	6,132	—	201 ¹
Warehouse Reading, PA	(H)		272	8,180	—	—	272	8,180	8,452	(140)	201 ¹
Warehouse Reading, PA	(H)		497	17,111	—	—	497	17,111	17,608	(291)	201 ¹
Warehouse The Colony, TX	(H)		11,646	—	—	1	11,646	1	11,647	—	201 ¹
Warehouse Chester, VA	(H)		8,072	—	—	—	8,072	—	8,072	—	201 ¹
Warehouse Minneapolis, MN	(H)		2,178	7,490	—	2	2,178	7,492	9,670	(83)	201 ¹
Warehouse Elkwood, VA	(H)		1,548	7,990	—	—	1,548	7,990	9,538	(202)	201 ¹
Warehouse West Chester, OH	(H)		2,009	10,872	—	—	2,009	10,872	12,881	(102)	201 ¹
Warehouse Harrison, OH	(H)		1,177	6,574	—	—	1,177	6,574	7,751	(72)	201 ¹
Warehouse Harrison, OH	(H)		1,103	1,379	—	—	1,103	1,379	2,482	(28)	201 ¹
Warehouse Bridgewater, NJ	(H)		12,005	37,225	—	17	12,005	37,242	49,247	(343)	201 ¹
Warehouse Bridgewater, NJ	(H)		1,831	4,428	—	—	1,831	4,428	6,259	(53)	201 ¹
Warehouse Whippany, NJ	(H)		3,416	10,264	—	148	3,416	10,412	13,828	(104)	201 ¹
Warehouse Joliet, IL	(H)		4,811	21,868	—	21	4,811	21,889	26,700	(241)	201 ¹
Warehouse Joliet, IL	(H)		6,390	29,626	—	—	6,390	29,626	36,016	(350)	201 ¹
Warehouse Joliet, IL	(H)		3,179	—	—	—	3,179	—	3,179	—	201 ¹
Warehouse Joliet, IL	(H)		630	—	—	—	630	—	630	—	201 ¹
Warehouse Rochelle, IL	(H)		3,648	28,007	—	127	3,648	28,134	31,782	(335)	201 ¹
Warehouse Romeoville, IL	(H)		921	4,659	—	—	921	4,659	5,580	(96)	201 ¹
Warehouse Burr Ridge, IL	(H)		2,673	8,591	—	39	2,673	8,630	11,303	(75)	201 ¹
Warehouse Lincolnshire, IL	(H)		1,059	4,159	—	—	1,059	4,159	5,218	(33)	201 ¹
Warehouse Vernon Hills, IL	(H)		2,283	10,356	—	—	2,283	10,356	12,639	(167)	201 ¹
Warehouse Bolingbrook, IL	(H)		3,078	12,386	—	—	3,078	12,386	15,464	(167)	201 ¹
Warehouse Bolingbrook, IL	(H)		2,006	11,960	—	—	2,006	11,960	13,966	(151)	201 ¹
Warehouse Middletown, PA	(H)		3,227	37,526	—	251	3,227	37,777	41,004	(501)	201 ¹
Warehouse Harrisburg, PA	(H)		5,660	43,333	—	—	5,660	43,333	48,993	(357)	201 ¹
Warehouse Lemoyne, PA	(H)		6,979	67,439	—	—	6,979	67,439	74,418	(1,083)	201 ¹
Warehouse Carlisle, PA	(H)		6,851	40,448	—	—	6,851	40,448	47,299	(543)	201 ¹
Warehouse Carlisle, PA	(H)		6,992	36,972	—	—	6,992	36,972	43,964	(467)	201 ¹
Warehouse Mountain Top, PA	(H)		4,382	23,560	—	—	4,382	23,560	27,942	(443)	201 ¹
Warehouse Mechanicsburg, PA	(H)		1,102	9,727	—	72	1,102	9,799	10,901	(236)	201 ¹
Warehouse Mechanicsburg, PA	(H)		3,916	27,686	—	243	3,916	27,929	31,845	(748)	201 ¹
Warehouse Mechanicsburg, PA	(H)		1,431	9,601	—	10	1,431	9,611	11,042	(249)	201 ¹
Warehouse Independence, KY	(H)		1,892	13,243	—	—	1,892	13,243	15,135	(180)	201 ¹
Warehouse Fairfield, OH	(H)		1,721	9,206	—	—	1,721	9,206	10,927	(92)	201 ¹
Warehouse Shawnee, KS	(H)		2,179	11,911	—	169	2,179	12,080	14,259	(149)	201 ¹
Warehouse Hebron, OH	(H)		2,309	19,211	—	—	2,309	19,211	21,520	(486)	201 ¹
Warehouse Erlanger, KY	(H)		672	5,139	—	32	672	5,171	5,843	(84)	201 ¹
Warehouse Florence, KY	(H)		1,710	13,371	—	—	1,710	13,371	15,081	(208)	201 ¹
Warehouse Florence, KY	(H)		1,750	19,285	—	1,584	1,750	20,869	22,619	(445)	201 ¹
Warehouse Florence, KY	(H)		764	1,613	—	—	764	1,613	2,377	(34)	201 ¹
Warehouse Florence, KY	(H)		782	1,833	—	—	782	1,833	2,615	(38)	201 ¹

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			Land and	Building and	Land and	Building and	Land and	Building and	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements	Total		
Warehouse Florence, KY		(H)	785	4,932	—	—	785	4,932	5,717	(122)	2019
Warehouse Mounds View, MN		(H)	366	3,810	—	17	366	3,827	4,193	(90)	2019
Warehouse Mounds View, MN		(H)	1,464	13,392	—	—	1,464	13,392	14,856	(376)	2019
Warehouse Mounds View, MN		(H)	738	7,051	—	—	738	7,051	7,789	(168)	2019
Warehouse Mounds View, MN		(H)	1,406	5,279	—	—	1,406	5,279	6,685	(46)	2019
Warehouse Plymouth, MN		(H)	3,247	6,024	—	179	3,247	6,203	9,450	(121)	2019
Warehouse Eagan, MN		(H)	2,716	14,630	—	—	2,716	14,630	17,346	(138)	2019
Warehouse West Chester, OH		(H)	1,590	10,320	—	9	1,590	10,329	11,919	(266)	2019
Warehouse West Chester, OH		(H)	1,342	8,382	—	—	1,342	8,382	9,724	(132)	2019
Warehouse Romeoville, IL		(H)	7,625	17,104	—	1,530	7,625	18,634	26,259	(147)	2019
Warehouse Romeoville, IL		(H)	2,358	16,127	—	—	2,358	16,127	18,485	(131)	2019
Warehouse Coppell, TX		(L)	14,809	56,730	—	—	14,809	56,730	71,539	(543)	2019
Warehouse DFW Airport, TX		(H)	349	12,858	—	—	349	12,858	13,207	(116)	2019
Warehouse DFW Airport, TX		(H)	438	15,373	—	—	438	15,373	15,811	(139)	2019
Warehouse DFW Airport, TX		(H)	348	12,563	—	—	348	12,563	12,911	(108)	2019
Warehouse Dallas, TX		(G)	1,297	10,933	—	—	1,297	10,933	12,230	(81)	2019
Warehouse Carrollton, TX		(G)	1,840	9,599	—	17	1,840	9,616	11,456	(92)	2019
Warehouse Carrollton, TX		(G)	1,648	6,793	—	15	1,648	6,808	8,456	(59)	2019
Warehouse Allen, KY		(G)	2,933	18,579	—	—	2,933	18,579	21,512	(307)	2019
Warehouse Dallas, TX		(G)	5,571	41,168	—	118	5,571	41,286	46,857	(571)	2019
Warehouse El Paso, TX		(G)	883	8,760	—	—	883	8,760	9,643	(157)	2019
Warehouse El Paso, TX		(G)	1,338	10,012	—	—	1,338	10,012	11,350	(191)	2019
Warehouse El Paso, TX		(G)	519	4,170	—	—	519	4,170	4,689	(84)	2019
Warehouse El Paso, TX		(G)	1,007	8,060	—	—	1,007	8,060	9,067	(154)	2019
Warehouse El Paso, TX		(G)	1,367	12,476	—	6	1,367	12,482	13,849	(233)	2019
Warehouse El Paso, TX		(G)	1,631	11,722	—	—	1,631	11,722	13,353	(216)	2019
Warehouse North Las Vegas, NV		(G)	9,777	57,617	—	16	9,777	57,633	67,410	(479)	2019
Warehouse Jeffersonville, IN		(G)	5,735	36,458	—	—	5,735	36,458	42,193	(319)	2019
Warehouse Elgin, IL		(G)	1,788	10,789	—	—	1,788	10,789	12,577	(169)	2019
Warehouse Broadview, IL		(G)	4,403	5,962	—	—	4,403	5,962	10,365	(51)	2019
Warehouse North Aurora, IL		(G)	1,718	6,938	—	3	1,718	6,941	8,659	(112)	2019
Warehouse Schaumburg, IL		(G)	2,639	7,761	—	—	2,639	7,761	10,400	(74)	2019
Warehouse New Berlin, WI		(G)	1,143	8,597	—	—	1,143	8,597	9,740	(129)	2019
Warehouse Aurora, IL		(G)	1,454	7,700	—	—	1,454	7,700	9,154	(183)	2019
Warehouse Aurora, IL		(G)	686	3,311	—	60	686	3,371	4,057	(42)	2019
Warehouse Bedford Park, IL		(G)	8,125	9,767	—	22	8,125	9,789	17,914	(155)	2019
Warehouse Bedford Park, IL		(G)	3,764	17,610	—	—	3,764	17,610	21,374	(246)	2019
Warehouse Bensenville, IL		(G)	2,003	8,149	—	10	2,003	8,159	10,162	(67)	2019
Warehouse Bedford Park, IL		(G)	3,256	11,031	—	—	3,256	11,031	14,287	(106)	2019
Warehouse Middletown, PA		(G)	4,459	51,911	—	25	4,459	51,936	56,395	(710)	2019
Warehouse Addison, IL		(G)	628	1,001	—	29	628	1,030	1,658	(11)	2019
Warehouse Addison, IL		(G)	1,149	1,846	—	22	1,149	1,868	3,017	(18)	2019
Warehouse Fremont, OH		(G)	567	7,357	—	—	567	7,357	7,924	(130)	2019
Warehouse Fremont, OH		(G)	474	5,812	—	—	474	5,812	6,286	(112)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Warehouse Fremont, OH	(G)		191	1,461	—	—	191	1,461	1,652	(11)	2019
Warehouse Fremont, OH	(G)		226	1,455	—	—	226	1,455	1,681	(11)	2019
Warehouse Indianapolis, IN	(G)		635	1,335	—	—	635	1,335	1,970	(13)	2019
Warehouse Indianapolis, IN	(G)		290	655	—	—	290	655	945	(6)	2019
Warehouse Indianapolis, IN	(G)		1,242	3,274	—	—	1,242	3,274	4,516	(33)	2019
Warehouse Indianapolis, IN	(G)		730	2,336	—	1	730	2,337	3,067	(22)	2019
Warehouse Indianapolis, IN	(G)		849	1,970	—	—	849	1,970	2,819	(20)	2019
Warehouse Indianapolis, IN	(G)		882	2,357	—	—	882	2,357	3,239	(23)	2019
Warehouse Indianapolis, IN	(G)		526	1,284	—	—	526	1,284	1,810	(13)	2019
Warehouse Indianapolis, IN	(G)		1,554	5,286	—	—	1,554	5,286	6,840	(51)	2019
Warehouse Indianapolis, IN	(G)		369	701	—	—	369	701	1,070	(7)	2019
Warehouse Sauk Village, IL	(G)		1,822	8,843	—	100	1,822	8,943	10,765	(125)	2019
Warehouse Columbus, OH	(G)		850	5,210	—	—	850	5,210	6,060	(51)	2019
Warehouse Columbus, OH	(G)		809	4,254	—	—	809	4,254	5,063	(33)	2019
Warehouse Columbus, OH	(G)		814	4,594	—	—	814	4,594	5,408	(44)	2019
Warehouse Columbus, OH	(G)		703	5,022	—	—	703	5,022	5,725	(39)	2019
Warehouse Columbus, OH	(G)		619	4,390	—	—	619	4,390	5,009	(35)	2019
Warehouse Columbus, OH	(G)		1,281	6,406	—	—	1,281	6,406	7,687	(49)	2019
Warehouse Columbus, OH	(G)		1,184	10,712	—	—	1,184	10,712	11,896	(86)	2019
Warehouse Columbus, OH	(G)		1,392	8,357	—	—	1,392	8,357	9,749	(72)	2019
Warehouse Columbus, OH	(G)		875	3,958	—	—	875	3,958	4,833	(69)	2019
Warehouse Plainfield, IN	(G)		6,165	42,337	—	—	6,165	42,337	48,502	(545)	2019
Warehouse Indianapolis, IN	(G)		2,671	7,987	—	—	2,671	7,987	10,658	(64)	2019
Warehouse Indianapolis, IN	(G)		4,827	27,999	—	—	4,827	27,999	32,826	(650)	2019
Warehouse Louisville, KY	(G)		1,882	13,721	—	—	1,882	13,721	15,603	(172)	2019
Warehouse Louisville, KY	(G)		2,392	19,106	—	18	2,392	19,124	21,516	(258)	2019
Warehouse Groveport, OH	(G)		3,065	26,553	—	—	3,065	26,553	29,618	(281)	2019
Warehouse San Bernardino, CA	(G)		4,053	124,288	—	—	4,053	124,288	128,341	(1,040)	2019
Warehouse York, PA	(I)		14,330	105,771	—	—	14,330	105,771	120,101	(894)	2019
Warehouse Kennesaw, GA	(I)		1,901	15,871	—	—	1,901	15,871	17,772	(153)	2019
Warehouse DeSoto, TX	(I)		8,135	76,018	—	—	8,135	76,018	84,153	(678)	2019
Warehouse Indianapolis, IN	(I)		4,111	21,788	—	—	4,111	21,788	25,899	(250)	2019
Warehouse Hanover Park, IL	(I)		4,707	34,315	—	—	4,707	34,315	39,022	(450)	2019
Warehouse Joliet, IL	(I)		9,172	49,191	—	—	9,172	49,191	58,363	(427)	2019
Warehouse Garland, TX	(I)		2,515	16,087	—	—	2,515	16,087	18,602	(207)	2019
Warehouse Hanover Park, IL	(I)		2,663	9,508	—	—	2,663	9,508	12,171	(180)	2019
Warehouse Bolingbrook, IL	(I)		3,105	24,504	—	42	3,105	24,546	27,651	(290)	2019
Warehouse Joliet, IL	(I)		4,534	25,549	—	—	4,534	25,549	30,083	(294)	2019
Warehouse Elgin, IL	(I)		2,437	14,505	—	—	2,437	14,505	16,942	(166)	2019
Warehouse Carol Stream, IL	(I)		3,385	6,796	—	—	3,385	6,796	10,181	(75)	2019
Warehouse Hanover Park, IL	(I)		4,433	22,731	—	—	4,433	22,731	27,164	(361)	2019
Warehouse Braselton, GA	(J)		6,808	70,501	—	—	6,808	70,501	77,309	(598)	2019
Warehouse Atlanta, GA	(J)		3,876	22,104	—	—	3,876	22,104	25,980	(174)	2019
Warehouse Bedford Park, IL	(J)		6,773	20,325	—	1	6,773	20,326	27,099	(234)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation (I) Ac	
			Land and Land	Building and Building	Land and Land	Building and Building	Land and Land	Building and Building	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements			
Warehouse	Melrose Park, IL	(J)	3,568	11,536	—	7	3,568	11,543	15,111	(137)	
Warehouse	Kutztown, IL	(J)	10,017	41,567	—	—	10,017	41,567	51,584	(370)	
Warehouse	Dallas, TX	(J)	7,885	40,311	—	—	7,885	40,311	48,196	(380)	
Warehouse	Dallas, TX	(J)	6,683	24,880	—	—	6,683	24,880	31,563	(272)	
Warehouse	Louisville, KY	(J)	2,611	14,870	—	—	2,611	14,870	17,481	(260)	
Warehouse	Fairburn, GA	(J)	3,672	22,803	—	—	3,672	22,803	26,475	(206)	
Warehouse	Houston, TX	(J)	2,323	11,491	—	42	2,323	11,533	13,856	(189)	
Warehouse	North Las Vegas, NV	(J)	14,730	80,458	—	—	14,730	80,458	95,188	(640)	
Warehouse	Indianapolis, IN	(J)	5,206	24,991	—	266	5,206	25,257	30,463	(223)	
Warehouse	Dallas, TX	(J)	7,302	51,914	—	—	7,302	51,914	59,216	(511)	
Warehouse	Louisville, KY	(J)	1,910	9,700	—	—	1,910	9,700	11,610	(80)	
Warehouse	Louisville, KY	(J)	891	6,379	—	—	891	6,379	7,270	(132)	
Warehouse	Louisville, KY	(J)	1,925	10,498	—	—	1,925	10,498	12,423	(169)	
Warehouse	North Las Vegas, NV	(J)	11,297	53,947	—	—	11,297	53,947	65,244	(436)	
Warehouse	San Antonio, TX	—	330	—	—	—	330	—	330	—	
Warehouse	San Antonio, TX	—	330	—	—	—	330	—	330	—	
Warehouse	San Antonio, TX	—	330	—	—	—	330	—	330	—	
Warehouse	Austin, TX	—	268	—	—	—	268	—	268	—	
Warehouse	Lenexa, KS	(I)	755	5,743	—	—	755	5,743	6,498	(87)	
Warehouse	Elk Grove Village, IL	(I)	2,885	10,771	—	—	2,885	10,771	13,656	(85)	
Warehouse	Erlanger, KY	(J)	1,694	56,827	—	—	1,694	56,827	58,521	(477)	
Warehouse	San Diego, CA	—	27,662	—	—	—	27,662	—	27,662	(5)	
Warehouse	Pooler, GA	—	3,896	20,283	—	—	3,896	20,283	24,179	(420)	
Warehouse	Durham, NC	(K)	2,164	12,665	—	—	2,164	12,665	14,829	(155)	
Warehouse	Durham, NC	(K)	2,117	12,202	—	—	2,117	12,202	14,319	(134)	
Total Industrial Properties:			\$ 1,798,472	\$ 8,125,309	\$ —	\$ 70,696	\$ 1,798,472	\$ 8,196,005	\$ 9,994,477	\$ (246,358)	
Multifamily Properties:											
Mid Rise											
Apartment	Atlanta, GA	\$	130,000	\$ —	\$ 171,709	\$ 116	\$ 3,397	\$ 116	\$ 175,106	\$ 175,222	(16,900)
High Rise											
Apartment	Orlando, FL		63,600	10,030	97,652	26	7,313	10,056	104,965	115,021	(9,954)
Garden Style											
Apartment	Addison, TX		36,140	9,382	37,786	43	1,632	9,425	39,418	48,843	(3,568)
Garden Style											
Apartment	Orlando, FL		43,225	11,567	57,128	187	4,278	11,754	61,406	73,160	(5,594)
Garden Style											
Apartment	Palm Beach Gardens, FL		69,777	24,422	73,818	395	5,630	24,817	79,448	104,265	(7,376)
Garden Style											
Apartment	Gurnee, IL		41,340	10,899	42,850	426	3,937	11,325	46,787	58,112	(4,371)

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(l)	Year Acquir
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Garden Style Apartments Lenexa, KS		20,767	2,156	28,655	149	1,450	2,305	30,105	32,410	(2,801)	20
Garden Style Apartments Mesa, AZ		26,455	9,358	30,007	208	916	9,566	30,923	40,489	(3,550)	20
Garden Style Apartments Henderson, NV		37,783	4,745	47,195	33	729	4,778	47,924	52,702	(4,605)	20
Garden Style Apartments Las Vegas, NV		37,487	6,071	46,952	14	635	6,085	47,587	53,672	(4,630)	20
Garden Style Apartments Las Vegas, NV		46,110	6,593	51,158	4	819	6,597	51,977	58,574	(4,944)	20
Garden Style Apartments Las Vegas, NV		33,704	6,632	37,909	96	1,324	6,728	39,233	45,961	(3,537)	20
Garden Style Apartments Las Vegas, NV		26,281	5,569	29,208	91	1,569	5,660	30,777	36,437	(2,857)	20
Garden Style Apartments Las Vegas, NV		75,400	17,565	80,840	212	1,059	17,777	81,899	99,676	(7,972)	20
Garden Style Apartments Gilbert, AZ		40,484	16,489	53,056	48	461	16,537	53,517	70,054	(4,432)	20
Garden Style Apartments Gilbert, AZ		48,129	15,574	54,663	28	55	15,602	54,718	70,320	(4,437)	20
Garden Style Apartments Dallas, TX		47,600	16,678	47,939	39	505	16,717	48,444	65,161	(3,947)	20
Garden Style Apartments Richardson, TX		(K)	11,754	49,788	50	791	11,804	50,579	62,383	(4,019)	20
Garden Style Apartments Modesto, CA		24,500	2,765	33,720	85	2,130	2,850	35,850	38,700	(2,754)	20
Garden Style Apartments Flagstaff, AZ		18,413	3,344	30,331	67	1,016	3,411	31,347	34,758	(2,491)	20
Garden Style Apartments Olympia, WA		23,235	3,940	27,206	35	1,195	3,975	28,401	32,376	(2,409)	20
Garden Style Apartments Gilbert, AZ		33,232	10,679	28,170	69	1,792	10,748	29,962	40,710	(2,348)	20
Garden Style Apartments Jacksonville, FL		43,727	11,548	55,009	501	4,535	12,049	59,544	71,593	(4,775)	20
Garden Style Apartments Jacksonville, FL		23,215	4,034	28,288	73	880	4,107	29,168	33,275	(2,258)	20
Garden Style Apartments Jacksonville, FL		22,798	3,996	29,314	80	913	4,076	30,227	34,303	(2,319)	20
Garden Style Apartments San Antonio, TX		27,202	8,248	29,020	277	3,652	8,525	32,672	41,197	(2,849)	20
Garden Style Apartments Nashville, TN		20,987	3,910	20,056	441	1,463	4,351	21,519	25,870	(1,727)	20
Garden Style Apartments Grand Prairie, TX		16,503	3,514	18,039	271	2,263	3,785	20,302	24,087	(1,520)	20

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Garden Style Apartments	Sumner, TN	23,357	2,222	32,374	55	337	2,277	32,711	34,988	(2,427)	2017
Garden Style Apartments	Louisville, KY	8,352	1,285	11,025	96	1,108	1,381	12,133	13,514	(922)	2017
Garden Style Apartments	North Richland Hills, TX	15,277	3,566	20,889	207	107	3,773	20,996	24,769	(1,417)	2017
Garden Style Apartments	Mansfield, TX	26,013	3,810	32,854	74	1,826	3,884	34,680	38,564	(2,698)	2017
Garden Style Apartments	Austin, TX	49,733	8,371	52,576	1,056	2,329	9,427	54,905	64,332	(4,094)	2017
Garden Style Apartments	Round Rock, TX	20,502	3,851	25,309	66	1,316	3,917	26,625	30,542	(2,073)	2017
Garden Style Apartments	Murfreesboro, TN	24,457	2,674	29,863	90	1,254	2,764	31,117	33,881	(2,291)	2017
Garden Style Apartments	San Antonio, TX	13,308	2,454	14,742	92	904	2,546	15,646	18,192	(1,201)	2017
Garden Style Apartments	Buda, TX	20,704	3,809	23,117	77	498	3,886	23,615	27,501	(1,947)	2017
Garden Style Apartments	Fair Oaks Ranch, TX	22,565	4,629	27,813	17	465	4,646	28,278	32,924	(1,948)	2017
Garden Style Apartments	San Marcos, TX	—	3,147	21,147	123	638	3,270	21,785	25,055	(1,596)	2017
Garden Style Apartments	Louisville, KY	8,045	2,205	13,227	127	1,181	2,332	14,408	16,740	(1,004)	2017
Garden Style Apartments	Louisville, KY	10,952	2,118	14,118	22	121	2,140	14,239	16,379	(941)	2017
Garden Style Apartments	Louisville, KY	9,067	1,680	12,500	10	555	1,690	13,055	14,745	(863)	2017
Garden Style Apartments	Nashville, TN	5,492	1,795	12,033	102	533	1,897	12,566	14,463	(840)	2017
Garden Style Apartments	Carrollton, TX	5,557	3,393	9,871	106	1,287	3,499	11,158	14,657	(782)	2017
Garden Style Apartments	Louisville, KY	—	295	1,927	6	41	301	1,968	2,269	(135)	2017
Garden Style Apartments	Hillsboro, OR	62,732	9,176	81,990	—	110	9,176	82,100	91,276	(6,011)	2017
Garden Style Apartments	Las Vegas, NV	33,897	14,447	34,871	89	1,733	14,536	36,604	51,140	(3,035)	2017
Garden Style Apartments	Las Vegas, NV	41,177	14,801	46,622	53	1,806	14,854	48,428	63,282	(3,990)	2017
Garden Style Apartments	Thornton, CO	44,325	9,711	47,052	553	2,708	10,264	49,760	60,024	(3,684)	2017
Garden Style Apartments	Everett, WA	47,705	19,105	46,552	305	3,203	19,410	49,755	69,165	(4,194)	2017

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(I)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Garden Style Apartments	Miami, FL	95,299	28,419	103,131	306	177	28,725	103,308	132,033	(8,461)	2017
Garden Style Apartments	Sacramento, CA	99,990	19,181	124,339	193	2,772	19,374	127,111	146,485	(8,066)	2018
Garden Style Apartments	Tumwater, WA	53,049	16,515	57,382	76	3,829	16,591	61,211	77,802	(4,288)	2018
Garden Style Apartments	Las Vegas, NV	46,940	23,755	43,057	78	1,808	23,833	44,865	68,698	(3,160)	2018
Garden Style Apartments	University Place, WA	32,672	9,427	37,072	30	2,053	9,457	39,125	48,582	(2,474)	2018
Garden Style Apartments	Milwaukie, OR	26,835	8,306	30,319	102	1,136	8,408	31,455	39,863	(2,105)	2018
Garden Style Apartments	Liberty Lake, WA	29,904	5,501	31,785	152	2,927	5,653	34,712	40,365	(2,231)	2018
Garden Style Apartments	Randolph, MA	86,191	16,236	108,066	161	1,699	16,397	109,765	126,162	(6,362)	2018
Garden Style Apartments	Orlando, FL	36,881	7,989	48,397	271	2,722	8,260	51,119	59,379	(3,055)	2018
Garden Style Apartments	Jacksonville, FL	37,338	8,186	43,909	144	1,150	8,330	45,059	53,389	(2,779)	2018
Garden Style Apartments	Gresham, OR	33,458	4,825	49,266	142	1,083	4,967	50,349	55,316	(2,996)	2018
Garden Style Apartments	Turlock, CA	23,301	2,241	35,067	6	1,084	2,247	36,151	38,398	(2,034)	2018
Garden Style Apartments	Las Vegas, NV	47,190	22,388	47,128	181	1,982	22,569	49,110	71,679	(3,294)	2018
Garden Style Apartments	Phoenix, AZ	29,728	8,738	37,766	60	1,429	8,798	39,195	47,993	(2,693)	2018
Garden Style Apartments	Glendale, AZ	40,671	12,242	49,800	3	120	12,245	49,920	62,165	(3,704)	2018
Garden Style Apartments	Glendale, AZ	25,610	6,505	32,193	45	1,357	6,550	33,550	40,100	(1,833)	2018
Garden Style Apartments	Tempe, AZ	42,703	11,457	52,606	96	1,693	11,553	54,299	65,852	(3,006)	2018
Garden Style Apartments	Phoenix, AZ	35,043	9,847	42,718	119	2,149	9,966	44,867	54,833	(2,460)	2018
Garden Style Apartments	Chandler, AZ	29,600	7,521	36,794	24	1,386	7,545	38,180	45,725	(2,079)	2018
Garden Style Apartments	Surprise, AZ	44,982	10,845	55,009	39	2,400	10,884	57,409	68,293	(3,319)	2018
Garden Style Apartments	Peoria, AZ	22,745	4,833	27,719	35	1,410	4,868	29,129	33,997	(1,488)	2018
Garden Style Apartments	Las Vegas, NV	44,687	4,630	59,893	147	1,604	4,777	61,497	66,274	(2,330)	2018

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Garden Style Apartments Phoenix, AZ		39,179	11,626	46,444	84	19	11,710	46,463	58,173	(1,800)	2
Garden Style Apartments Moreno Valley, CA		61,710	9,483	82,211	1	206	9,484	82,417	91,901	(2,688)	2
Garden Style Apartments Temecula, CA		43,300	6,541	82,161	33	42	6,574	82,203	88,777	(2,551)	2
Garden Style Santa Fe Springs, Apartments CA		28,220	10,795	44,758	19	85	10,814	44,843	55,657	(1,340)	2
Garden Style Apartments S. Petersburg, FL		43,506	12,618	50,172	60	1,027	12,678	51,199	63,877	(1,525)	2
Garden Style Apartments Orlando, FL		39,260	8,422	59,988	63	122	8,485	60,110	68,595	(1,800)	2
Garden Style Apartments Lewisville, TX		31,169	5,777	40,840	20	209	5,797	41,049	46,846	(1,354)	2
Garden Style Apartments Englewood, CO		45,500	6,685	65,881	66	85	6,751	65,966	72,717	(1,860)	2
Garden Style Apartments Centennial, CO		35,037	6,492	44,555	68	1,276	6,560	45,831	52,391	(1,439)	2
Garden Style Apartments Hillsboro, OR		32,299	7,011	45,819	4	310	7,015	46,129	53,144	(1,363)	2
Garden Style Apartments Portland, OR		18,200	4,006	24,748	—	123	4,006	24,871	28,877	(724)	2
Garden Style Apartments Charlotte, NC		35,463	8,328	43,217	59	800	8,387	44,017	52,404	(1,581)	2
Garden Style Apartments Woodstock, GA		34,856	8,236	42,166	12	278	8,248	42,444	50,692	(1,291)	2
Garden Style Apartments Ladson, SC		24,500	6,512	35,603	28	452	6,540	36,055	42,595	(1,248)	2
Garden Style Apartments Hopkinton, MA		38,675	9,298	52,822	15	176	9,313	52,998	62,311	(1,634)	2
Garden Style Apartments Henderson, NV		64,844	13,651	81,360	93	105	13,744	81,465	95,209	(1,667)	2
Garden Style Apartments Henderson, NV		63,205	12,949	74,610	107	173	13,056	74,783	87,839	(2,031)	2
Garden Style Apartments Henderson, NV		49,374	9,009	55,495	42	148	9,051	55,643	64,694	(1,484)	2
Garden Style Apartments Las Vegas, NV		(K)	17,312	72,129	—	—	17,312	72,129	89,441	(452)	2
Garden Style Apartments Orlando, FL		51,986	10,521	62,358	22	65	10,543	62,423	72,966	(1,560)	2
Garden Style Apartments Lithia Springs, GA		26,046	6,054	31,725	2	208	6,056	31,933	37,989	(877)	2
Garden Style Apartments Las Vegas, NV		37,700	12,345	41,864	90	604	12,435	42,468	54,903	(1,225)	2

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Garden Style Apartments	Charlotte, NC	33,000	7,280	31,350	50	780	7,330	32,130	39,460	(760)	2019
Garden Style Apartments	Charlotte, NC	46,600	9,181	56,344	41	455	9,222	56,799	66,021	(888)	2019
Garden Style Apartments	Phoenix, AZ	51,000	18,229	56,120	23	821	18,252	56,941	75,193	(1,064)	2019
Garden Style Apartments	Corona Hills, CA	62,833	14,083	80,264	5	1,188	14,088	81,452	95,540	(2,070)	2019
Garden Style Apartments	Moreno Valley, CA	45,475	10,070	58,439	5	710	10,075	59,149	69,224	(1,409)	2019
Garden Style Apartments	Lakeland, FL	41,800	8,788	49,612	18	1,652	8,806	51,264	60,070	(1,247)	2019
Garden Style Apartments	Peoria, AZ	46,150	11,935	55,630	22	135	11,957	55,765	67,722	(1,819)	2019
Garden Style Apartments	Kennewick, WA	20,131	2,755	24,092	172	1,137	2,927	25,229	28,156	(679)	2019
Garden Style Apartments	Richland, WA	23,254	2,725	27,396	51	1,145	2,776	28,541	31,317	(746)	2019
Garden Style Apartments	Woodland, CA	19,226	3,201	29,394	—	137	3,201	29,531	32,732	(587)	2019
Garden Style Apartments	Puyallup, WA	61,384	14,387	71,631	41	2,209	14,428	73,840	88,268	(1,445)	2019
Garden Style Apartments	Orlando, FL	51,810	8,559	60,029	96	2,783	8,655	62,812	71,467	(1,387)	2019
Garden Style Apartments	Charlotte, NC	(L)	12,883	86,351	65	242	12,948	86,593	99,541	(1,754)	2019
Garden Style Apartments	Chandler, AZ	55,278	17,512	62,049	1	4	17,513	62,053	79,566	(376)	2019
Garden Style Apartments	Ocoee, FL	63,292	17,226	76,229	—	—	17,226	76,229	93,455	(173)	2019
Garden Style Apartments	Huntersville, NC	38,430	8,868	48,880	—	—	8,868	48,880	57,748	(111)	2019
Garden Style Apartments	Arlington, TX	34,000	13,290	35,267	—	—	13,290	35,267	48,557	(80)	2019
Garden Style Apartments	Orlando, FL	35,400	5,197	48,490	—	—	5,197	48,490	53,687	(95)	2019
Garden Style Apartments	Oviedo, FL	38,878	7,594	49,002	—	—	7,594	49,002	56,596	(103)	2019
Garden Style Apartments	Largo, FL	45,600	8,822	56,744	1	3	8,823	56,747	65,570	(433)	2019
Garden Style Apartments	Tampa, FL	37,375	8,514	45,818	—	—	8,514	45,818	54,332	(302)	2019
Garden Style Apartments	Westminster, CO	54,625	6,235	72,861	24	112	6,259	72,973	79,232	(1,451)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized		Gross Amounts at which			Accumulated Depreciation(1)	Year Acquired
			Land and	Building and	Subsequent to	Building and	Carried at the Close of Period				
			Land	Building	Land	Building	Land and	Building and	Total		
Garden Style Apartments Westminster, CO		52,723	6,523	66,313	—	32	6,523	66,345	72,868	(1,422)	20
Garden Style Apartments Loveland, CO		36,127	5,020	42,672	—	31	5,020	42,703	47,723	(930)	20
Garden Style Apartments Raleigh, NC		(K)	5,151	34,409	52	30	5,203	34,439	39,642	(870)	20
Garden Style Apartments Jacksonville, FL		(K)	4,327	41,150	1	60	4,328	41,210	45,538	(979)	20
Garden Style Apartments Henderson, NV		44,050	8,205	49,247	34	40	8,239	49,287	57,526	(1,047)	20
Garden Style Apartments Oregon City, OR		(L)	34,849	29,218	2	—	34,851	29,218	64,069	(430)	20
Garden Style Apartments Garner, NC		—	6,181	43,921	—	—	6,181	43,921	50,102	(257)	20
Garden Style Apartments Northglenn, CO		(L)	14,198	126,170	1	5	14,199	126,175	140,374	(1,253)	20
Garden Style Apartments Las Vegas, NV		51,900	16,341	60,038	—	30	16,341	60,068	76,409	(392)	20
Garden Style Apartments Las Vegas, NV		42,500	10,559	50,075	—	42	10,559	50,117	60,676	(337)	20
Garden Style Apartments Las Vegas, NV		35,500	9,308	43,490	—	32	9,308	43,522	52,830	(288)	20
Garden Style Apartments Las Vegas, NV		23,500	6,257	27,266	2	24	6,259	27,290	33,549	(179)	20
Garden Style Apartments Miami, FL		66,226	17,618	82,333	26	38	17,644	82,371	100,015	(1,813)	20
Garden Style Apartments Miami, FL		69,753	17,721	81,590	80	57	17,801	81,647	99,448	(1,804)	20
Garden Style Apartments Dunwoody, GA		27,400	2,837	39,187	3	15	2,840	39,202	42,042	(728)	20
Garden Style Apartments Atlanta, GA		34,000	3,332	50,184	5	41	3,337	50,225	53,562	(928)	20
Garden Style Apartments Atlanta, GA		35,000	4,203	51,699	1	19	4,204	51,718	55,922	(963)	20
Garden Style Apartments Phoenix, AZ		72,818	18,048	78,354	9	26	18,057	78,380	96,437	(1,330)	20
Garden Style Apartments Savannah, GA		28,925	5,613	35,434	22	7	5,635	35,441	41,076	(917)	20
Garden Style Apartments Glendale, AZ		23,217	9,359	31,129	—	—	9,359	31,129	40,488	(217)	20
Garden Style Apartments Austin, TX		—	10,358	51,589	—	—	10,358	51,589	61,947	(118)	20
Garden Style Apartments Raleigh, NC		—	12,329	63,193	—	—	12,329	63,193	75,522	(553)	20
Student Housing	Tempe, AZ	97,149	14,180	111,719	2	201	14,182	111,920	126,102	(4,809)	20

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Ye: Acqu
			Land and	Building and	Land and	Building and	Land and	Building and	Total		
			Improvements	Improvements	Improvements	Improvements	Improvements	Improvements	Total		
Student Housing	Tuscaloosa, AL	65,931	16,579	74,404	—	428	16,579	74,832	91,411	(3,281)	2
Student Housing	Tucson, AZ	67,269	5,956	82,701	—	90	5,956	82,791	88,747	(3,550)	2
Student Housing	State College, PA	65,018	8,422	76,294	13	1,036	8,435	77,330	85,765	(3,455)	2
Student Housing	Blacksburg, VA	64,532	12,698	71,693	101	257	12,799	71,950	84,749	(3,283)	2
Student Housing	State College, PA	51,294	8,456	59,511	—	267	8,456	59,778	68,234	(2,690)	2
Student Housing	Orlando, FL	48,066	4,854	60,003	69	243	4,923	60,246	65,169	(2,671)	2
Student Housing	Charlottesville, VA	47,130	175	70,119	—	504	175	70,623	70,798	(3,029)	2
Student Housing	Boulder, CO	42,221	9,300	47,270	38	83	9,338	47,353	56,691	(2,100)	2
Student Housing	Greenville, NC	45,961	8,458	45,948	69	87	8,527	46,035	54,562	(2,040)	2
Student Housing	Tucson, AZ	39,290	5,128	57,842	—	23	5,128	57,865	62,993	(2,488)	2
Student Housing	Kent, OH	36,477	3,052	41,735	13	203	3,065	41,938	45,003	(1,853)	2
Student Housing	Riverside, CA	29,818	3,966	40,159	—	298	3,966	40,457	44,423	(1,723)	2
Student Housing	Louisville, KY	34,266	10,401	31,231	46	51	10,447	31,282	41,729	(1,415)	2
Student Housing	Charlottesville, VA	6,071	1,809	6,385	—	38	1,809	6,423	8,232	(284)	2
Student Housing	Boulder, CO	26,742	8,330	26,688	—	109	8,330	26,797	35,127	(1,187)	2
Student Housing	Auburn, AL	21,924	3,835	28,175	—	—	3,835	28,175	32,010	(1,246)	2
Student Housing	Berkeley, CA	12,552	4,584	16,540	6	64	4,590	16,604	21,194	(735)	2
Student Housing	Charlottesville, VA	15,237	3,134	17,545	—	97	3,134	17,642	20,776	(760)	2
Student Housing	Athens, GA	46,200	4,931	68,771	4	335	4,935	69,106	74,041	(3,011)	2
Manufactured Housing Community	Phoenix, AZ	18,185	29,613	739	347	17	29,960	756	30,716	(830)	2
Manufactured Housing Community	Mesa, AZ	14,742	22,145	782	28	316	22,173	1,098	23,271	(932)	2
Manufactured Housing Community	Apache Junction, AZ	13,996	19,276	266	49	1,716	19,325	1,982	21,307	(900)	2
Manufactured Housing Community	Mesa, AZ	9,608	17,180	423	30	1	17,210	424	17,634	(653)	2
Manufactured Housing Community	Apache Junction, AZ	10,307	14,542	236	8	4	14,550	240	14,790	(466)	2
Manufactured Housing Community	Mesa, AZ	5,906	8,476	438	17	—	8,493	438	8,931	(337)	2
Manufactured Housing Community	Indio, CA	7,035	7,220	193	94	29	7,314	222	7,536	(357)	2
Manufactured Housing Community	San Marcos, CA	5,509	6,236	309	104	32	6,340	341	6,681	(298)	2
Manufactured Housing Community	Mesa, AZ	5,920	7,820	461	71	14	7,891	475	8,366	(327)	2
Manufactured Housing Community	Indio, CA	5,929	6,540	113	12	55	6,552	168	6,720	(424)	2
Manufactured Housing Community	Apache Junction, AZ	3,077	6,400	249	7	2	6,407	251	6,658	(300)	2

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(I)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Manufactured Housing Community	Apache Junction, AZ	3,194	8,146	219	—	2	8,146	221	8,367	(320)	2018
Manufactured Housing Community	Apache Junction, AZ	2,195	6,793	206	5	6	6,798	212	7,010	(285)	2018
Manufactured Housing Community	Apache Junction, AZ	2,459	4,163	149	26	8	4,189	157	4,346	(219)	2018
Manufactured Housing Community	Mesa, AZ	6,077	8,763	164	11	1	8,774	165	8,939	(502)	2018
Manufactured Housing Community	Cottonwood, AZ	2,230	3,313	81	16	—	3,329	81	3,410	(175)	2018
Manufactured Housing Community	Cottonwood, AZ	4,541	5,238	244	67	12	5,305	256	5,561	(376)	2018
Manufactured Housing Community	Chandler, AZ	3,334	4,293	78	35	3	4,328	81	4,409	(156)	2018
Manufactured Housing Community	Apache Junction, AZ	2,298	3,835	61	16	—	3,851	61	3,912	(139)	2018
Manufactured Housing Community	Desert Hot Springs, CA	12,342	15,223	707	103	65	15,326	772	16,098	(850)	2018
Manufactured Housing Community	Apache Junction, AZ	5,637	7,527	289	30	13	7,557	302	7,859	(314)	2018
Manufactured Housing Community	Apache Junction, AZ	2,471	5,503	365	11	5	5,514	370	5,884	(292)	2018
Manufactured Housing Community	Las Vegas, NV	6,075	7,682	220	39	91	7,721	311	8,032	(327)	2018
Manufactured Housing Community	Tavares, FL	5,864	4,390	1,244	6	7	4,396	1,251	5,647	(338)	2018
Manufactured Housing Community	Apache Junction, AZ	4,032	5,163	25	3	—	5,166	25	5,191	(204)	2019
Manufactured Housing Community	Peoria, AZ	4,466	8,878	1,229	7	—	8,885	1,229	10,114	(348)	2019
Manufactured Housing Community	Glendale, AZ	11,196	20,791	1,354	11	43	20,802	1,397	22,199	(552)	2019
Manufactured Housing Community	Mesa, AZ	5,564	8,589	1,280	99	92	8,688	1,372	10,060	(387)	2019
Manufactured Housing Community	Phoenix, AZ	6,495	8,996	500	7	—	9,003	500	9,503	(298)	2019
Manufactured Housing Community	Naples, FL	—	3,664	383	—	9	3,664	392	4,056	(53)	2019
Manufactured Housing Community	Waldorf, MD	4,754	5,741	656	13	28	5,754	684	6,438	(117)	2019
Manufactured Housing Community	Winter Haven, FL	8,369	11,585	381	—	11	11,585	392	11,977	(103)	2019
Manufactured Housing Community	Tarpon Springs, FL	7,547	8,980	491	5	181	8,985	672	9,657	(315)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Ye: Acq
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Manufactured Housing Community	Chandler, AZ	—	12,110	321	—	—	12,110	321	12,431	(188)	2
Manufactured Housing Community	Phoenix, AZ	—	9,757	189	—	—	9,757	189	9,946	(187)	2
Manufactured Housing Community	Chandler, AZ	—	5,532	584	—	—	5,532	584	6,116	(102)	2
Total Multifamily Properties:		\$ 6,003,839	\$ 1,737,286	\$ 7,695,295	\$ 13,179	\$ 146,101	\$ 1,750,465	\$ 7,841,396	\$9,591,861	\$ (376,063)	
Net Lease Properties:											
Bellagio	Las Vegas, NV	\$ 3,010,000	\$ 1,453,421	\$ 2,760,936	\$ —	\$ —	\$ 1,453,421	\$ 2,760,936	\$4,214,357	\$ (14,836)	2
Total Net Lease Properties:		\$ 3,010,000	\$ 1,453,421	\$ 2,760,936	\$ —	\$ —	\$ 1,453,421	\$ 2,760,936	\$4,214,357	\$ (14,836)	
Hotel Properties:											
Full Service Hotel	Atlanta, GA	\$ 243,700	\$ 30,482	\$ 289,353	\$ —	\$ 99	\$ 30,482	\$ 289,452	\$ 319,934	\$ (3,184)	2
Full Service Hotel	San Antonio, TX	202,500	84,221	474,529	350	10,775	84,571	485,304	569,875	(36,639)	2
Select Service Hotel	Davis, CA	20,500	526	24,778	14	717	540	25,495	26,035	(5,257)	2
Select Service Hotel	San Jose, CA	26,654	10,746	36,138	58	1,767	10,804	37,905	48,709	(5,749)	2
Select Service Hotel	Oldsmar, FL	10,300	2,088	13,234	17	316	2,105	13,550	15,655	(2,047)	2
Select Service Hotel	Oldsmar, FL	6,800	1,069	8,724	—	683	1,069	9,407	10,476	(1,413)	2
Select Service Hotel	Temple Terrace, FL	10,000	2,706	12,351	87	502	2,793	12,853	15,646	(3,009)	2
Select Service Hotel	Lake Mary, FL	10,000	1,941	10,979	3	109	1,944	11,088	13,032	(1,891)	2
Select Service Hotel	Atlanta, GA	21,200	5,714	26,296	—	219	5,714	26,515	32,229	(3,688)	2
Select Service Hotel	Worcester, MA	14,200	1,646	20,149	15	712	1,661	20,861	22,522	(3,120)	2
Select Service Hotel	Worcester, MA	10,900	738	14,663	—	130	738	14,793	15,531	(1,611)	2
Select Service Hotel	Chelsea, MA	24,700	1,825	37,505	—	21	1,825	37,526	39,351	(3,704)	2
Select Service Hotel	Orlando, FL	21,700	2,836	19,097	—	—	2,836	19,097	21,933	(2,094)	2
Select Service Hotel	Orlando, FL	18,830	2,786	18,706	10	9	2,796	18,715	21,511	(1,979)	2
Select Service Hotel	Henderson, NV	11,000	1,764	15,784	—	104	1,764	15,888	17,652	(1,539)	2
Select Service Hotel	Henderson, NV	10,400	1,576	14,188	4	85	1,580	14,273	15,853	(1,340)	2

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(D)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Select Service Hotel	Phoenix, AZ	12,400	3,265	14,456	—	52	3,265	14,508	17,773	(1,711)	2018
Select Service Hotel	Tampa, FL	8,300	1,746	11,796	—	343	1,746	12,139	13,885	(1,048)	2018
Select Service Hotel	Rohnert Park, CA	16,300	2,538	26,306	—	1,808	2,538	28,114	30,652	(1,897)	2018
Select Service Hotel	Reno, NV	17,300	2,462	31,127	5	520	2,467	31,647	34,114	(2,292)	2018
Select Service Hotel	Salt Lake City, UT	10,100	983	16,534	—	1,214	983	17,748	18,731	(1,020)	2018
Select Service Hotel	Federal Way, WA	21,840	2,894	30,395	—	21	2,894	30,416	33,310	(1,666)	2018
Select Service Hotel	Reno, NV	10,482	1,705	14,754	—	917	1,705	15,671	17,376	(1,743)	2018
Select Service Hotel	Salt Lake City, UT	33,603	4,204	40,065	—	32	4,204	40,097	44,301	(2,097)	2018
Select Service Hotel	Salt Lake City, UT	12,563	8,743	16,725	2	87	8,745	16,812	25,557	(1,024)	2018
Select Service Hotel	Salt Lake City, UT	20,709	3,592	24,007	8	28	3,600	24,035	27,635	(1,902)	2018
Select Service Hotel	Chicago,, IL	31,425	14,792	26,563	—	53	14,792	26,616	41,408	(457)	2019
Select Service Hotel	Arlington, VA	68,500	55,827	43,821	—	6	55,827	43,827	99,654	(590)	2019
Select Service Hotel	Kailua-Kona, HI	52,918	4,804	94,476	—	3,343	4,804	97,819	102,623	(4,501)	2019
Select Service Hotel	Longmont, CO	3,280	1,779	7,670	10	—	1,789	7,670	9,459	(118)	2019
Select Service Hotel	Miramar, FL	14,251	2,556	12,326	8	20	2,564	12,346	14,910	(199)	2019
Select Service Hotel	Salt Lake City, UT	13,565	1,248	19,229	—	—	1,248	19,229	20,477	(279)	2019
Select Service Hotel	Durham, NC	14,936	2,809	12,407	9	—	2,818	12,407	15,225	(190)	2019
Select Service Hotel	West Palm Beach, FL	13,291	1,004	9,628	—	1	1,004	9,629	10,633	(151)	2019
Select Service Hotel	Fort Walton Beach, FL	12,401	1,966	8,214	13	36	1,979	8,250	10,229	(124)	2019
Select Service Hotel	West Palm Beach, FL	12,743	1,651	8,083	—	8	1,651	8,091	9,742	(139)	2019
Select Service Hotel	Denver, CO	11,853	3,950	10,417	—	197	3,950	10,614	14,564	(208)	2019
Select Service Hotel	Clearwater, FL	11,167	2,648	8,186	—	13	2,648	8,199	10,847	(138)	2019

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(l)	Year Acquired
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Select Service Hotel	Longmont, CO	8,025	1,759	10,115	10	—	1,769	10,115	11,884	(147)	2019
Select Service Hotel	Novi, MI	11,030	3,014	14,185	25	4	3,039	14,189	17,228	(221)	2019
Select Service Hotel	Plantation, FL	15,141	1,675	12,110	9	5	1,684	12,115	13,799	(209)	2019
Select Service Hotel	Miramar, FL	15,415	2,447	12,381	—	—	2,447	12,381	14,828	(199)	2019
Select Service Hotel	Salt Lake City, UT	7,275	906	11,131	—	12	906	11,143	12,049	(165)	2019
Select Service Hotel	Silver Spring, MD	15,415	3,310	11,947	9	—	3,319	11,947	15,266	(185)	2019
Select Service Hotel	Longmont, CO	5,325	1,640	8,540	10	—	1,650	8,540	10,190	(128)	2019
Select Service Hotel	Austin, TX	13,839	6,316	14,808	3	68	6,319	14,876	21,195	(254)	2019
Select Service Hotel	San Antonio, TX	3,289	1,638	7,271	—	17	1,638	7,288	8,926	(109)	2019
Select Service Hotel	San Antonio, TX	7,575	3,069	7,501	3	13	3,072	7,514	10,586	(120)	2019
Select Service Hotel	Oak Brook, IL	17,265	—	21,829	13	3	13	21,832	21,845	(319)	2019
Select Service Hotel	Bloomington, IN	15,141	—	24,783	—	1	—	24,784	24,784	(354)	2019
Select Service Hotel	Glendale, AZ	10,183	4,776	12,590	—	—	4,776	12,590	17,366	(80)	2019
Select Service Hotel	Glendale, AZ	7,374	3,821	10,838	—	—	3,821	10,838	14,659	(70)	2019
Select Service Hotel	Colorado Springs, CO	7,000	4,258	9,733	—	—	4,258	9,733	13,991	(62)	2019
Select Service Hotel	Colorado Springs, CO	8,000	4,434	12,588	—	—	4,434	12,588	17,022	(72)	2019
Select Service Hotel	Colorado Springs, CO	(K)	3,985	6,823	—	—	3,985	6,823	10,808	(47)	2019
Select Service Hotel	Colorado Springs, CO	(K)	4,735	6,842	—	—	4,735	6,842	11,577	(45)	2019
Select Service Hotel	Colorado Springs, CO	(K)	3,185	12,941	—	—	3,185	12,941	16,126	(78)	2019
Select Service Hotel	Colorado Springs, CO	(K)	5,930	10,342	—	—	5,930	10,342	16,272	(60)	2019
Select Service Hotel	Scottsdale, AZ	(K)	5,384	11,639	—	—	5,384	11,639	17,023	(76)	2019
Total Hotel Properties:		\$ 1,254,603	\$ 346,112	\$ 1,774,596	\$ 695	\$ 25,070	\$ 346,807	\$ 1,799,666	\$2,146,473	\$ (104,758)	

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Year Acquir
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Retail											
Properties:											
Open Air Shopping Center	Philadelphia, PA	\$ 32,000	\$ 19,335	\$ 31,757	\$ —	\$ 1,648	\$ 19,335	\$ 33,405	\$ 52,740	\$ (3,735)	20
Open Air Shopping Center	Burbank, CA	27,390	24,100	18,316	149	900	24,249	19,216	43,465	(2,403)	20
Open Air Shopping Center	Miami, FL	20,250	17,085	14,996	22	—	17,107	14,996	32,103	(1,059)	20
Open Air Shopping Center	Brooklyn, NY	80,400	73,427	49,391	—	—	73,427	49,391	122,818	(141)	20
Open Air Shopping Center	Simi Valley, CA	23,600	22,282	13,400	—	—	22,282	13,400	35,682	(400)	20
Open Air Shopping Center	Pacoima, CA	31,200	38,015	9,103	—	—	38,015	9,103	47,118	(113)	20
Open Air Shopping Center	Signal Hill, CA	38,550	32,808	14,722	—	—	32,808	14,722	47,530	(149)	20
Total Retail Properties:		\$ 253,390	\$ 227,052	\$ 151,685	\$ 171	\$ 2,548	\$ 227,223	\$ 154,233	\$381,456	\$ (8,000)	
Office											
Properties:											
Office	Emeryville, CA	75,900	29,226	86,600	—	2,172	29,226	88,772	117,998	(619)	20
Total Office Properties:		\$ 75,900	\$ 29,226	\$ 86,600	\$ —	\$ 2,172	\$ 29,226	\$ 88,772	\$117,998	\$ (619)	
Other											
Properties:											
Self Storage	Miami, FL	\$ 10,143	\$ 2,955	\$ 10,622	\$ —	\$ 54	\$ 2,955	\$ 10,676	\$ 13,631	\$ (152)	20
Self Storage	Fort Pierce, FL	5,903	1,619	7,147	—	—	1,619	7,147	8,766	(122)	20
Self Storage	Fort Myers, FL	3,914	1,456	4,214	—	—	1,456	4,214	5,670	(68)	20
Self Storage	Winter Haven, FL	4,266	1,546	4,393	—	—	1,546	4,393	5,939	(99)	20
Self Storage	Dundee, FL	4,067	1,165	5,773	—	34	1,165	5,807	6,972	(87)	20
Self Storage	Fayetteville, NC	4,611	1,408	6,092	—	—	1,408	6,092	7,500	(95)	20
Self Storage	Fayetteville, NC	4,406	1,067	5,836	—	—	1,067	5,836	6,903	(90)	20
Self Storage	Hope Mills, NC	3,959	1,821	4,821	—	—	1,821	4,821	6,642	(83)	20
Self Storage	Vinton, VA	4,291	1,177	5,228	—	5	1,177	5,233	6,410	(81)	20
Self Storage	Raleigh, NC	3,728	1,094	4,344	—	—	1,094	4,344	5,438	(67)	20
Self Storage	Apex, NC	3,473	1,077	3,522	—	—	1,077	3,522	4,599	(55)	20
Self Storage	Raleigh, NC	2,744	1,000	1,637	—	—	1,000	1,637	2,637	(25)	20
Self Storage	Tallahassee, FL	6,715	3,092	7,174	—	—	3,092	7,174	10,266	(123)	20
Self Storage	Tallahassee, FL	2,942	705	3,735	—	—	705	3,735	4,440	(57)	20
Self Storage	Pensacola, FL	4,534	324	6,445	—	—	324	6,445	6,769	(93)	20
Self Storage	Neptune, NJ	7,111	1,997	8,606	—	—	1,997	8,606	10,603	(135)	20
Self Storage	Staten Island, NY	4,732	4,233	2,681	—	6	4,233	2,687	6,920	(40)	20
Self Storage	Chattanooga, TN	5,225	1,377	6,244	—	276	1,377	6,520	7,897	(95)	20
Self Storage	Belcamp, MD	5,001	791	6,503	—	3	791	6,506	7,297	(94)	20

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Description	Location	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amounts at which Carried at the Close of Period			Accumulated Depreciation(1)	Net Book Value(2)
			Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Land and Land Improvements	Building and Building Improvements	Total		
Self Storage	Summerville, SC	3,306	3,117	2,225	—	20	3,117	2,245	5,362	(34)	
Self Storage	Moncks Corner, SC	2,929	1,043	1,499	—	—	1,043	1,499	2,542	(25)	
Total Other Properties:		\$ 98,000	\$ 34,064	\$ 108,741	\$ —	\$ 398	\$ 34,064	\$ 109,139	\$ 143,203	\$ (1,720)	
Portfolio Total		\$ 10,924,826	\$ 5,625,633	\$ 20,703,162	\$ 14,045	\$ 246,985	\$ 5,639,678	\$ 20,950,147	\$26,589,825	\$ (752,354)	

- (1) Refer to Note 2 to our consolidated financial statements for details of depreciable lives.
- (2) As of December 31, 2019, the aggregate cost basis for tax purposes was \$27.2 billion.
- (A) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$330.0 million. As of December 31, 2019, the Company had \$165.0 million outstanding under such facility.
- (B) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$464.2 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$232.1 million.
- (C) Certain of the Company's industrial properties collateralize a mortgage totaling \$471.5 million. As of December 31, 2019, such mortgage had a total outstanding balance of \$471.5 million.
- (D) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$836.1 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$543.1 million.
- (E) Certain of the Company's industrial properties collateralize a \$1.1 billion mortgage and a \$0.2 billion mezzanine loan. As of December 31, 2019, such mortgage and mezzanine loan had a total outstanding balance of \$1.3 billion.
- (F) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$142.9 million. As of December 31, 2019, the Company had \$71.4 million outstanding under such facility.
- (G) Certain of the Company's industrial properties collateralize a term loan and secured revolving credit facility totaling \$679.0 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$601.5 million.
- (H) Certain of the Company's industrial properties collateralize a mortgage loan totaling \$1.2 billion and a \$400 million secured revolving credit facility. As of December 31, 2019, such mortgage loan and secured revolving credit facility had a total outstanding balance of \$1.6 billion.
- (I) Certain of the Company's industrial properties collateralize a mortgage totaling \$445.0 million. As of December 31, 2019, such mortgage had a total outstanding balance of \$445.0 million.
- (J) Certain of the Company's industrial properties collateralize a mortgage totaling \$385.0 million. As of December 31, 2019, such term loan and secured revolving credit facility had a total outstanding balance of \$385.0 million.
- (K) Certain of the Company's multifamily, industrial and hotel properties collateralize a secured revolving credit facility with a maximum capacity of \$300.0 million. As of December 31, 2019, the Company had \$171.8 million outstanding under such facility.
- (L) Three of the Company's multifamily properties collateralize a term loan and secured revolving credit facility totaling \$210.0 million. As of December 31, 2019, the Company had \$210.0 million outstanding under such facility.

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The total included on Schedule III does not include Furniture, Fixtures and Equipment totaling \$377.6 million. Accumulated Depreciation does not include \$53.4 million of accumulated depreciation related to Furniture, Fixtures and Equipment.

The following table summarizes activity for real estate and accumulated depreciation for the year ended December 31, 2019 (\$ in thousands):

	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Real Estate:		
Balance at the beginning of year	\$ 10,351,841	\$ 3,389,601
Additions during the year:		
Land and land improvements	3,719,256	1,387,724
Building and building improvements	12,714,877	5,574,516
Dispositions during the year:		
Land and land improvements	(11,959)	—
Building and building improvements	(33,287)	—
Assets held for sale	(150,903)	—
Balance at the end of the year	<u>\$ 26,589,825</u>	<u>\$ 10,351,841</u>
Accumulated Depreciation:		
Balance at the beginning of year	\$ (257,011)	\$ (44,184)
Accumulated depreciation	(507,550)	(212,827)
Dispositions	1,657	—
Assets held for sale	10,550	—
Balance at the end of the year	<u>\$ (752,354)</u>	<u>\$ (257,011)</u>

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 000-55931

Blackstone

Blackstone Real Estate Income Trust, Inc.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

81-0696966
(I.R.S. Employer
Identification No.)

345 Park Avenue
New York, NY
(Address of principal executive offices)

10154
(Zip code)

Registrant's telephone number, including area code: (212) 583-5000

Securities registered pursuant to Section 12(b) of the Act: None

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
----------------------------	------------------------------	--

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 12, 2020, the issuer had the following shares outstanding: 686,427,047 shares of Class S common stock, 892,193,666 shares of Class I common stock, 46,094,888 shares of Class T common stock, and 119,127,868 shares of Class D common stock.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except per share data)

	September 30, 2020	December 31, 2019
Assets		
Investments in real estate, net	\$ 28,869,214	\$ 26,326,868
Investments in unconsolidated entities	814,134	—
Investments in real estate debt	4,965,677	4,523,260
Cash and cash equivalents	240,022	204,269
Restricted cash	468,567	905,433
Other assets	1,675,194	1,079,993
Total assets	\$ 37,032,808	\$ 33,039,823
Liabilities and Equity		
Mortgage notes, term loans, and secured revolving credit facilities, net	\$ 17,579,032	\$ 16,929,659
Secured financings on investments in real estate debt	2,392,945	3,092,137
Unsecured revolving credit facilities	—	—
Due to affiliates	623,036	690,143
Accounts payable, accrued expenses, and other liabilities	1,205,826	1,692,087
Total liabilities	21,800,839	22,404,026
Commitments and contingencies	—	—
Redeemable non-controlling interests	27,941	21,149
Preferred stock, \$0.01 par value per share, 100,000 shares authorized; no shares issued and outstanding as of September 30, 2020 and December 31, 2019	—	—
Common stock — Class S shares, \$0.01 par value per share, 3,000,000 shares authorized; 662,034 and 530,813 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	6,620	5,308
Common stock — Class I shares, \$0.01 par value per share, 6,000,000 shares authorized; 859,364 and 474,279 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	8,593	4,743
Common stock — Class T shares, \$0.01 par value per share, 500,000 shares authorized; 45,052 and 39,767 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	450	398
Common stock — Class D shares, \$0.01 par value per share, 500,000 shares authorized; 109,596 and 84,657 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	1,096	847
Additional paid-in capital	17,726,921	11,716,721
Accumulated deficit and cumulative distributions	(2,873,756)	(1,422,885)
Total stockholders' equity	14,869,924	10,305,132
Non-controlling interests attributable to third party joint ventures	142,702	157,795
Non-controlling interests attributable to BREIT OP unitholders	191,402	151,721
Total equity	15,204,028	10,614,648
Total liabilities and equity	\$ 37,032,808	\$ 33,039,823

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Operations (Unaudited)
(in thousands, except per share data)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues				
Rental revenue	\$ 562,053	\$ 290,453	\$ 1,647,865	\$ 750,322
Hotel revenue	56,038	132,036	205,291	301,653
Other revenue	17,280	15,544	49,844	37,457
Total revenues	<u>635,371</u>	<u>438,033</u>	<u>1,903,000</u>	<u>1,089,432</u>
Expenses				
Rental property operating	193,306	121,591	548,729	310,613
Hotel operating	60,339	89,951	204,168	204,468
General and administrative	5,430	4,548	19,025	12,607
Management fee	57,619	29,858	160,544	69,522
Performance participation allocation	—	56,322	—	106,383
Impairment of investments in real estate	6,217	—	12,343	—
Depreciation and amortization	332,599	204,653	1,008,756	505,986
Total expenses	<u>655,510</u>	<u>506,923</u>	<u>1,953,565</u>	<u>1,209,579</u>
Other income (expense)				
Income from unconsolidated entities	25,073	—	63,678	—
Income (loss) from investments in real estate debt	206,046	52,568	(317,212)	166,035
Net gains on dispositions of real estate	100,070	6,481	100,441	36,167
Interest income	122	1,763	2,102	2,260
Interest expense	(174,193)	(116,037)	(539,276)	(310,903)
Loss on extinguishment of debt	(5,258)	—	(6,495)	—
Other income (expense)	(9,252)	(2,379)	(29,022)	(2,786)
Total other income (expense)	<u>142,608</u>	<u>(57,604)</u>	<u>(725,784)</u>	<u>(109,227)</u>
Net income (loss)	<u>\$ 122,469</u>	<u>\$ (126,494)</u>	<u>\$ (776,349)</u>	<u>\$ (229,374)</u>
Net loss attributable to non-controlling interests in third party joint ventures	\$ 593	\$ 1,305	\$ 1,796	\$ 4,311
Net (income) loss attributable to non-controlling interests in BREIT OP	<u>(1,790)</u>	<u>2,018</u>	<u>10,177</u>	<u>4,342</u>
Net income (loss) attributable to BREIT's stockholders	<u>\$ 121,272</u>	<u>\$ (123,171)</u>	<u>\$ (764,376)</u>	<u>\$ (220,721)</u>
Net income (loss) per share of common stock — basic and diluted	<u>\$ 0.07</u>	<u>\$ (0.15)</u>	<u>\$ (0.49)</u>	<u>\$ (0.34)</u>
Weighted-average shares of common stock outstanding, basic and diluted	<u>1,651,693</u>	<u>819,055</u>	<u>1,545,984</u>	<u>647,730</u>

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(in thousands, except per share data)

	Par Value				Additional Paid-In Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Non-controlling Interests Attributable to Third Party Joint Ventures	Non-controlling Interests Attributable to BREIT OP Unitholders	Total Equity
	Common Stock Class S	Common Stock Class I	Common Stock Class T	Common Stock Class D						
Balance at June 30, 2020	\$ 6,322	\$ 8,200	\$ 440	\$ 1,032	\$16,952,056	\$(2,749,989)	\$14,218,061	\$ 159,459	\$ 191,993	\$14,569,513
Common stock issued	312	565	15	68	1,021,753	—	1,022,713	—	—	1,022,713
Offering costs	—	—	—	—	(35,098)	—	(35,098)	—	—	(35,098)
Distribution reinvestment	54	52	3	9	128,911	—	129,029	—	—	129,029
Common stock/units repurchased	(68)	(225)	(8)	(13)	(332,425)	—	(332,739)	—	(152)	(332,891)
Amortization of compensation awards	—	1	—	—	99	—	100	—	(31)	69
Net income (loss) (\$263 loss allocated to redeemable non-controlling interests)	—	—	—	—	—	121,272	121,272	(328)	1,788	122,732
Distributions declared on common stock (\$0.1586 gross per share)	—	—	—	—	—	(245,039)	(245,039)	—	—	(245,039)
Contributions from non-controlling interests	—	—	—	—	—	—	—	223	1,270	1,493
Distributions and redemptions to non-controlling interests	—	—	—	—	(1,946)	—	(1,946)	(16,652)	(3,466)	(22,064)
Allocation to redeemable non-controlling interests	—	—	—	—	(6,429)	—	(6,429)	—	—	(6,429)
Balance at September 30, 2020	<u>\$ 6,620</u>	<u>\$ 8,593</u>	<u>\$ 450</u>	<u>\$ 1,096</u>	<u>\$17,726,921</u>	<u>\$(2,873,756)</u>	<u>\$14,869,924</u>	<u>\$ 142,702</u>	<u>\$ 191,402</u>	<u>\$15,204,028</u>

	Par Value				Additional Paid-In Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Non-controlling Interests Attributable to Third Party Joint Ventures	Non-controlling Interests Attributable to BREIT OP Unitholders	Total Equity
	Common Stock Class S	Common Stock Class I	Common Stock Class T	Common Stock Class D						
Balance at June 30, 2019	\$ 3,812	\$ 2,286	\$ 319	\$ 529	\$ 6,969,300	\$(845,511)	\$ 6,130,735	\$ 113,725	\$ 131,915	\$ 6,376,375
Common stock issued	638	1,251	45	160	2,342,048	—	2,344,142	—	—	2,344,142
Offering costs	—	—	—	—	(59,354)	—	(59,354)	—	—	(59,354)
Distribution reinvestment	32	21	3	4	67,817	—	67,877	—	—	67,877
Common stock/units repurchased	(18)	(29)	(1)	(2)	(55,172)	—	(55,222)	—	(648)	(55,870)
Amortization of compensation awards	—	1	—	—	99	—	100	—	500	600
Net loss (\$732 allocated to redeemable non-controlling interests)	—	—	—	—	—	(123,171)	(123,171)	(625)	(1,966)	(125,762)
Distributions declared on common stock (\$0.1594 gross per share)	—	—	—	—	—	(119,241)	(119,241)	—	—	(119,241)
Contributions from non-controlling interests	—	—	—	—	—	—	—	1,995	425	2,420
Distributions to non-controlling interests	—	—	—	—	—	—	—	(23,022)	(2,079)	(25,101)
Allocation to redeemable non-controlling interests	—	—	—	—	(2,434)	—	(2,434)	—	—	(2,434)
Balance at September 30, 2019	<u>\$ 4,464</u>	<u>\$ 3,530</u>	<u>\$ 366</u>	<u>\$ 691</u>	<u>\$ 9,262,304</u>	<u>\$(1,087,923)</u>	<u>\$ 8,183,432</u>	<u>\$ 92,073</u>	<u>\$ 128,147</u>	<u>\$ 8,403,652</u>

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(in thousands, except per share data)

	<u>Par Value</u>				Additional Paid-in Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Non- controlling Interests Attributable to Third Party Joint Ventures	Non- controlling Interests Attributable to BREIT OP Unitholders	Total Equity
	Common Stock Class S	Common Stock Class I	Common Stock Class T	Common Stock Class D						
Balance at December 31, 2019	\$ 5,308	\$ 4,743	\$ 398	\$ 847	\$11,716,721	\$(1,422,885)	\$10,305,132	\$ 157,795	\$ 151,721	\$10,614,648
Common stock issued	1,555	4,278	75	282	6,968,348	—	6,974,538	—	—	6,974,538
Offering costs	—	—	—	—	(161,478)	—	(161,478)	—	—	(161,478)
Distribution reinvestment	153	140	9	24	356,869	—	357,195	—	—	357,195
Common stock/units repurchased	(396)	(571)	(32)	(57)	(1,145,159)	—	(1,146,215)	—	(1,907)	(1,148,122)
Amortization of compensation awards	—	3	—	—	297	—	300	—	969	1,269
Net loss (\$1,273 allocated to redeemable non-controlling interests)	—	—	—	—	—	(764,376)	(764,376)	(536)	(10,164)	(775,076)
Distributions declared on common stock (\$0.4755 gross per share)	—	—	—	—	—	(686,495)	(686,495)	—	—	(686,495)
Contributions from non-controlling interests	—	—	—	—	—	—	—	11,394	61,163	72,557
Distributions and redemptions to non-controlling interests	—	—	—	—	(1,946)	—	(1,946)	(25,951)	(10,380)	(38,277)
Allocation to redeemable non-controlling interests	—	—	—	—	(6,731)	—	(6,731)	—	—	(6,731)
Balance at September 30, 2020	<u>\$ 6,620</u>	<u>\$ 8,593</u>	<u>\$ 450</u>	<u>\$ 1,096</u>	<u>\$17,726,921</u>	<u>\$(2,873,756)</u>	<u>\$14,869,924</u>	<u>\$ 142,702</u>	<u>\$ 191,402</u>	<u>\$15,204,028</u>

	<u>Par Value</u>				Additional Paid-in Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Non- controlling Interests Attributable to Third Party Joint Ventures	Non- controlling Interests Attributable to BREIT OP Unitholders	Total Equity
	Common Stock Class S	Common Stock Class I	Common Stock Class T	Common Stock Class D						
Balance at December 31, 2018	\$ 2,770	\$ 1,083	\$ 233	\$ 304	\$ 4,327,444	\$(587,548)	\$ 3,744,286	\$ 75,592	\$ 95,076	\$ 3,914,954
Common stock issued	1,662	2,482	134	381	5,150,713	—	5,155,372	—	—	5,155,372
Offering costs	—	—	—	—	(213,228)	—	(213,228)	—	—	(213,228)
Distribution reinvestment	84	46	7	9	161,625	—	161,771	—	—	161,771
Common stock/units repurchased	(52)	(84)	(8)	(3)	(160,672)	—	(160,819)	—	(718)	(161,537)
Amortization of compensation awards	—	3	—	—	297	—	300	—	1,500	1,800
Net loss (\$1,083 allocated to redeemable non-controlling interests)	—	—	—	—	—	(220,721)	(220,721)	(3,631)	(3,939)	(228,291)
Distributions declared on common stock (\$0.4764 gross per share)	—	—	—	—	—	(279,654)	(279,654)	—	—	(279,654)
Contributions from non-controlling interests	—	—	—	—	—	—	—	47,938	41,888	89,826
Distributions to non-controlling interests	—	—	—	—	—	—	—	(27,826)	(5,660)	(33,486)
Allocation to redeemable non-controlling interests	—	—	—	—	(3,875)	—	(3,875)	—	—	(3,875)
Balance at September 30, 2019	<u>\$ 4,464</u>	<u>\$ 3,530</u>	<u>\$ 366</u>	<u>\$ 691</u>	<u>\$ 9,262,304</u>	<u>\$(1,087,923)</u>	<u>\$ 8,183,432</u>	<u>\$ 92,073</u>	<u>\$ 128,147</u>	<u>\$ 8,403,652</u>

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (776,349)	\$ (229,374)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Management fee	160,544	69,522
Performance participation allocation	—	106,383
Depreciation and amortization	1,008,756	505,986
Impairment of investments in real estate	12,343	—
Net gains on dispositions of real estate	(100,441)	(36,167)
Loss on extinguishment of debt	6,495	—
Unrealized (gain) loss on changes in fair value of financial instruments	484,332	(53,025)
Income from unconsolidated entities	(63,678)	—
Distributions from unconsolidated entities	57,856	—
Other items	(23,996)	7,131
Change in assets and liabilities:		
(Increase) / decrease in other assets	(69,800)	(95,832)
Increase / (decrease) in due to affiliates	(1,222)	4,802
Increase / (decrease) in accounts payable, accrued expenses, and other liabilities	34,611	93,940
Net cash provided by operating activities	729,451	373,366
Cash flows from investing activities:		
Acquisitions of real estate	(3,246,297)	(9,827,563)
Capital improvements to real estate	(230,749)	(135,645)
Proceeds from disposition of real estate	385,269	74,568
Pre-acquisition costs and deposits	(58,274)	(9,991)
Investment in unconsolidated entities	(808,312)	—
Purchase of investments in real estate debt	(1,177,967)	(1,623,503)
Proceeds from settlement of investments in real estate debt	363,175	329,445
Purchase of real estate-related equity securities	(703,695)	—
Sale of real estate-related equity securities	102,932	—
Net cash used in investing activities	(5,373,918)	(11,192,689)
Cash flows from financing activities:		
Proceeds from issuance of common stock	6,014,033	4,913,617
Offering costs paid	(71,135)	(53,548)
Subscriptions received in advance	217,461	560,444
Repurchase of common stock	(996,873)	(82,878)
Repurchase of management fee shares	(112,664)	(72,711)
Redemption of redeemable non-controlling interest	(83,625)	(35,435)
Redemption of affiliate service provider incentive compensation awards	(1,755)	(718)
Borrowings from mortgage notes, term loans, and secured revolving credit facilities	6,207,729	10,036,847
Repayments from mortgage notes, term loans, and secured revolving credit facilities	(5,849,236)	(4,692,644)
Borrowings under repurchase agreements	1,898,018	1,152,366
Settlement of repurchase agreements	(2,616,391)	(219,755)

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	Nine Months Ended September 30,	
	2020	2019
Borrowings from affiliate line of credit	175,000	1,883,000
Repayments on affiliate line of credit	(175,000)	(1,883,000)
Borrowings from unsecured revolving credit facilities	130,000	240,000
Repayments on unsecured revolving credit facilities	(130,000)	(240,000)
Payment of deferred financing costs	(41,721)	(94,726)
Contributions from non-controlling interests	22,503	50,400
Distributions and redemptions to non-controlling interests	(41,202)	(31,325)
Distributions	(301,788)	(94,659)
Net cash provided by financing activities	4,243,354	11,335,275
Net change in cash and cash equivalents and restricted cash	(401,113)	515,952
Cash and cash equivalents and restricted cash, beginning of period	1,109,702	306,613
Cash and cash equivalents and restricted cash, end of period	\$ 708,589	\$ 822,565
Reconciliation of cash and cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	\$ 240,022	\$ 155,674
Restricted cash	468,567	666,891
Total cash and cash equivalents and restricted cash	\$ 708,589	\$ 822,565
Non-cash investing and financing activities:		
Assumption of mortgage notes in conjunction with acquisitions of real estate	\$ 224,123	\$ 1,146,823
Assumption of other liabilities in conjunction with acquisitions of real estate	\$ 257	\$ 66,629
Issuance of BREIT OP units as consideration for acquisitions of real estate	\$ —	\$ 36,749
Recognition of financing lease liability	\$ —	\$ 56,008
Assumed operating ground lease liabilities	\$ —	\$ 47,393
Accrued pre-acquisition costs	\$ 1,203	\$ 868
Contributions from non-controlling interests	\$ —	\$ 2,520
Accrued capital expenditures and acquisition related costs	\$ 7,168	\$ 7,187
Accrued distributions	\$ 27,754	\$ 23,380
Accrued stockholder servicing fee due to affiliate	\$ 94,245	\$ 160,604
Redeemable non-controlling interest issued as settlement of performance participation allocation	\$ 141,396	\$ 37,484
Exchange of redeemable non-controlling interest for Class I shares	\$ 9,228	\$ 11,620
Exchange of redeemable non-controlling interest for Class I or Class B units	\$ 48,543	\$ —
Allocation to redeemable non-controlling interest	\$ 6,731	\$ 3,875
Distribution reinvestment	\$ 357,195	\$ 161,771
Accrued common stock repurchases	\$ 71,047	\$ 5,330
Accrued common stock repurchases due to affiliate	\$ 18,937	\$ —
Issuance of BREIT OP units as settlement of affiliate incentive compensation awards	\$ —	\$ 4,714
Payable for investments in real estate debt	\$ 1,065	\$ 185,074

See accompanying notes to condensed consolidated financial statements.

Blackstone Real Estate Income Trust, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Business Purpose

Blackstone Real Estate Income Trust, Inc. (“BREIT” or the “Company”) invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, in real estate debt. The Company is the sole general partner of BREIT Operating Partnership, L.P., a Delaware limited partnership (“BREIT OP”). BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a wholly-owned subsidiary of The Blackstone Group Inc. (together with its affiliates, “Blackstone”), owns a special limited partner interest in BREIT OP. Substantially all of the Company’s business is conducted through BREIT OP. The Company and BREIT OP are externally managed by BX REIT Advisors L.L.C. (the “Adviser”). The Adviser is part of the real estate group of Blackstone, a leading global investment manager, which serves as the Company’s sponsor. The Company was formed on November 16, 2015 as a Maryland corporation and qualifies as a real estate investment trust (“REIT”) for U.S. federal income tax purposes.

As of September 30, 2020, the Company had received net proceeds of \$19.6 billion from selling shares in the Offering, as defined below, and selling unregistered shares of the Company’s common stock. The Company had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. The Company subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock, consisting of up to \$10.0 billion in shares in its primary offering and up to \$2.0 billion in shares pursuant to its distribution reinvestment plan (the “Current Offering” and with the Initial Offering, the “Offering”). The Company intends to sell any combination of four classes of shares of its common stock, with a dollar value up to the maximum aggregate amount of the Current Offering. The share classes have different upfront selling commissions, dealer manager fees and ongoing stockholder servicing fees. The Company intends to continue selling shares on a monthly basis.

As of September 30, 2020, the Company owned 1,182 properties and had 241 positions in real estate debt investments. The Company currently operates in eight reportable segments: Multifamily, Industrial, Net Lease, Hotel, Retail, Office and Other Properties, and Investments in Real Estate Debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other Properties includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas (“Bellagio”) and the unconsolidated interest in the MGM Grand and Mandalay Bay joint venture, as further described in Note 4 – Investments in Unconsolidated Entities. Financial results by segment are reported in Note 14 – Segment Reporting.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The condensed consolidated financial statements, including the condensed notes thereto, are unaudited and exclude some of the disclosures required in audited financial statements. Management believes it has made all necessary adjustments, consisting of only normal recurring items, so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC.

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The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the balance sheet. The ongoing novel coronavirus (“COVID-19”) pandemic and restrictions on non-essential businesses have caused disruption in the U.S. and global economies. Despite significant market rebounds across many asset classes, the continued rapid development of this situation and uncertainty regarding potential economic recovery precludes any prediction as to the ultimate adverse impact of COVID-19 on financial market and economic conditions. The estimates and assumptions underlying these condensed consolidated financial statements are based on the information available as of September 30, 2020, including judgments about the financial market and economic conditions which may change over time. Actual results may ultimately differ materially from those estimates.

The accompanying condensed consolidated financial statements include the accounts of the Company, the Company’s subsidiaries and joint ventures in which the Company has a controlling interest. For consolidated joint ventures, the non-controlling partner’s share of the assets, liabilities and operations of the joint ventures is included in non-controlling interests as equity of the Company. The non-controlling partner’s interest is generally computed as the joint venture partner’s ownership percentage. Certain of the joint ventures formed by the Company provide the other partner a profits interest based on certain internal rate of return hurdles being achieved. Any profits interest due to the other partner is reported within non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation.

The Company consolidates partially owned entities in which it has a controlling financial interest. In determining whether the Company has a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, the Company considers whether the entity is a variable interest entity (“VIE”) and whether it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has (i) the power to direct the most significant activities impacting the economic performance of the VIE and (ii) the obligation to absorb losses or receive benefits significant to the VIE. BREIT OP and each of the Company’s joint ventures are considered to be a VIE. The Company consolidates these entities, excluding its equity method investment, because it has the ability to direct the most significant activities of the entities such as purchases, dispositions, financings, budgets, and overall operating plans. In July 2020, the Company acquired the remaining 10.0% interest in one of its consolidated VIEs for \$19.3 million. As of September 30, 2020, the joint venture is no longer a VIE.

As of September 30, 2020, the total assets and liabilities of the Company’s consolidated VIEs, excluding BREIT OP, were \$10.8 billion and \$7.7 billion, respectively, compared to \$9.5 billion and \$6.6 billion as of December 31, 2019. Such amounts are included on the Company’s Condensed Consolidated Balance Sheets.

Certain of the Company’s joint ventures are accounted for under the equity method of accounting as the requirements for consolidation are not met. Investments in unconsolidated entities are initially recorded at cost and subsequently adjusted for the Company’s pro-rata share of net income, contributions, and distributions. The Company’s investments in unconsolidated entities are periodically assessed for impairment and an impairment loss is recorded when the fair value of the investment falls below the carrying value and such decline is determined to be other-than-temporary.

As of September 30, 2020, the Company’s investment in the joint venture which owns the real estate of the MGM Grand and Mandalay Bay is not consolidated. Refer to Note 4 for additional details on the Company’s investments in unconsolidated entities.

The Company reclassified dead deal costs, which primarily consisted of a forfeited investment deposit, during the three months ended March 31, 2020, from General and Administrative Expenses to Other Income (Expense) on the Condensed Consolidated Statements of Operations. Such reclassification had no effect on Total Revenues or Net Loss on the Condensed Consolidated Statements of Operations or classification in the Condensed Consolidated Statements of Cash Flows.

Fair Value Measurements

Under normal market conditions, the fair value of an investment is the amount that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). Additionally, there is a hierarchal framework that prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and the state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following levels within the fair value hierarchy:

Level 1 — quoted prices are available in active markets for identical investments as of the measurement date. The Company does not adjust the quoted price for these investments.

Level 2 — quoted prices are available in markets that are not active or model inputs are based on inputs that are either directly or indirectly observable as of the measurement date.

Level 3 — pricing inputs are unobservable and include instances where there is minimal, if any, market activity for the investment. These inputs require significant judgment or estimation by management or third parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Valuation of assets measured at fair value

The Company's investments in real estate debt are reported at fair value. As of September 30, 2020 and December 31, 2019, the Company's investments in real estate debt consisted of commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities ("RMBS"), which are mortgage-related fixed income securities, corporate bonds, term loans, and mezzanine loans of real estate-related companies. The Company determines the fair value of its investments in real estate debt by generally utilizing third-party pricing service providers and broker-dealer quotations on the basis of last available bid price.

In determining the fair value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models to determine the reported price. The pricing service providers' internal models for securities such as real estate debt generally consider the attributes applicable to a particular class of the security (e.g., credit rating, seniority), current market data, and estimated cash flows for each class and incorporate deal collateral performance such as prepayment speeds and default rates, as available.

Certain of the Company's investments in real estate debt, such as mezzanine loans, are unlikely to have readily available market quotations. In such cases, the Company will generally determine the initial value based on the acquisition price of such investment if acquired by the Company or the par value of such investment if originated by the Company. Following the initial measurement, the Company will determine fair value by utilizing or reviewing certain of the following (i) market yield data, (ii) discounted cash flow modeling, (iii) collateral asset performance, (iv) local or macro real estate performance, (v) capital market conditions, (vi) debt yield or loan-to-value ratios and (vii) borrower financial condition and performance.

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The Company's investments in equity securities of public real estate-related companies are classified as trading securities and reported at fair value. As such, the resulting unrealized gains and losses are recorded as a component of Other Income (Expense) on the Company's Condensed Consolidated Statements of Operations. In determining the fair value of public equity securities, the Company utilizes the closing price of such securities in the principal market in which the security trades (Level 1 inputs). During September 2020, the Company made an investment in a preferred equity security, which is reflected at its initial investment as of September 30, 2020 (Level 2 inputs). The Company believes the transaction price provides the most observable indication of fair value as of September 30, 2020 given the transaction closed in last month of the quarter and there were no significant changes in market conditions. As of September 30, 2020 the Company's \$572.8 million of equity securities were recorded as a component of Other Assets on the Company's Condensed Consolidated Balance Sheets. The Company did not own equity securities as of December 31, 2019.

The following table summarizes our assets measured at fair value on a recurring basis (\$ in thousands):

	September 30, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments in real estate debt	\$ —	\$ 4,846,533	\$ 119,144	\$ 4,965,677	\$ —	\$ 4,389,184	\$ 134,076	\$ 4,523,260
Equity securities	332,849	240,000	—	572,849	—	—	—	—
Total	\$ 332,849	\$ 5,086,533	\$ 119,144	\$ 5,538,526	\$ —	\$ 4,389,184	\$ 134,076	\$ 4,523,260

The following table details our assets measured at fair value on a recurring basis using Level 3 inputs (\$ in thousands):

	Investments in Real Estate Debt
Balance as of December 31, 2019	\$ 134,076
Included in net income	
Accretion included in interest income	260
Unrealized gain (loss) included in income (loss) from investments in real estate debt	(15,192)
Balance as of September 30, 2020	\$ 119,144

The following table contains the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy (\$ in thousands):

	Fair Value	Valuation Technique	Unobservable Input	Rate	Impact to Valuation from an Increase in Input
Investments in real estate debt	\$119,144	Discounted cash flow	Yield	10.5%	Decrease

Valuation of assets measured at fair value on a nonrecurring basis

Certain of the Company's assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments, such as when there is evidence of impairment, and therefore measured at fair value on a nonrecurring basis. The Company reviews its real estate properties for impairment each quarter or when there is an event of change in circumstances that could indicate the carrying amount of the real estate value may not be recoverable.

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As part of the Company's quarterly impairment review procedures, one of the Company's hotel assets was deemed to be impaired resulting in a \$6.2 million impairment charge during the three months ended September 30, 2020. During the nine months ended September 30, 2020, two of the Company's hotel assets were deemed to be impaired, resulting in \$12.3 million of impairment charges. Refer to Note 3 for additional details of the impairments.

The Company estimated the fair value of the impaired properties using a discounted cash flow analysis that utilized Level 3 inputs. The key assumptions utilized during the three months ended September 30, 2020 were the discount rate (8.7%) and the exit capitalization rate (9.9%). The key assumptions utilized during the nine months ended September 30, 2020 were the discount rate (weighted average of 8.7%) and the exit capitalization rate (weighted average of 7.8%). There are inherent uncertainties in making these estimates such as macroeconomic conditions.

Valuation of liabilities not measured at fair value

As of September 30, 2020, the fair value of the Company's mortgage notes, term loans, and secured revolving credit facilities, secured financings on investments in real estate debt, and unsecured revolving credit facilities was approximately \$34.5 million above carrying value. As of December 31, 2019, the fair value of the Company's mortgage notes, term loans, and secured revolving credit facilities, secured financings on real estate debt, and unsecured revolving credit facilities was approximately \$54.9 million above carrying value. Fair value of the Company's indebtedness is estimated by modeling the cash flows required by the Company's debt agreements and discounting them back to the present value using the appropriate discount rate. Additionally, the Company considers current market rates and conditions by evaluating similar borrowing agreements with comparable loan-to-value ratios and credit profiles. The inputs used in determining the fair value of the Company's indebtedness are considered Level 3.

Recent Accounting Pronouncements

In April 2020, the Financial Accounting Standards Board ("FASB") staff issued a question and answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. In accordance with the Lease Modification Q&A, the Company has made a policy election to not account for concessions as a lease modification if the total cash flows after the lease concessions are substantially the same, or less than, the cash flows in the original lease. However, if in the future, a concession is granted that modifies the terms and significantly alters the cash flows of the original lease, the Company will account for the changes as a lease modification. The Company has granted concessions as a result of the pandemic to certain tenants to defer rental payments until a later date. The Company continued to recognize rental revenue for such tenants during the period, while also considering any necessary bad debt reserves. As of October 31, 2020, the Company has granted \$9.1 million of rental deferral requests.

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting". ASU 2020-04 provides optional expedients and exceptions to GAAP requirements for modifications on debt instruments, leases, derivatives, and other contracts, related to the expected market transition from LIBOR, and certain other floating rate benchmark indices, or collectively, IBORs, to alternative reference rates. ASU 2020-04 generally considers contract modifications related to reference rate reform to be an event that does not require contract remeasurement at the modification date nor a reassessment of a previous accounting determination. The guidance in ASU 2020-04 is optional and may be elected over time, through December 31, 2022, as reference rate reform activities occur. Once ASU 2020-04 is elected, the guidance must be applied prospectively for all eligible contract modifications. The Company has not adopted any of the optional expedients or exceptions as of September 30, 2020, but will continue to evaluate the possible adoption of any such expedients or exceptions during the effective period as circumstances evolve.

3. Investments in Real Estate

Investments in real estate, net consisted of the following (\$ in thousands):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Building and building improvements	\$ 23,302,061	\$ 20,950,147
Land and land improvements	6,506,128	5,639,678
Furniture, fixtures and equipment	439,981	377,645
Right of use asset - operating leases(1)	114,535	114,011
Right of use asset - financing leases(1)	56,008	56,008
Total	30,418,713	27,137,489
Accumulated depreciation and amortization	(1,549,499)	(810,621)
Investments in real estate, net	<u>\$ 28,869,214</u>	<u>\$ 26,326,868</u>

(1) Refer to Note 13 for additional details on the Company's leases.

Acquisitions

During the nine months ended September 30, 2020, the Company acquired interests in 16 real estate investments for \$3.5 billion, which were comprised of 80 industrial, 34 multifamily, six retail and 15 self-storage properties categorized as other.

The following table provides further details of the properties acquired during the nine months ended September 30, 2020 (\$ in thousands):

<u>Segments</u>	<u>Number of Transactions</u>	<u>Number of Properties</u>	<u>Sq. Feet (in thousands)/ Units/ Keys</u>	<u>Purchase Price(1)</u>
Multifamily properties	7	34	12,569 units	\$ 2,103,526
Industrial properties	6	80	11,776 sq. ft.	972,404
Retail properties	1	6	689 sq. ft.	287,392
Other properties	2	15	997 sq. ft.	114,395
	<u>16</u>	<u>135</u>		<u>\$ 3,477,717</u>

(1) Purchase price is inclusive of acquisition-related costs.

The following table summarizes the purchase price allocation for the properties acquired during the nine months ended September 30, 2020 (\$ in thousands):

	<u>Amount</u>
Building and building improvements	\$ 2,329,887
Land and land improvements	935,344
Furniture, fixtures and equipment	44,329
In-place lease intangibles	183,885
Above-market lease intangibles	6,915
Below-market lease intangibles	(23,192)
Other	549
Total purchase price	3,477,717
Assumed mortgage notes(1)	224,123
Net purchase price	<u>\$ 3,253,594</u>

(1) Refer to Note 6 for additional details on the Company's mortgage notes.

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The weighted-average amortization periods for the acquired in-place lease intangibles, above-market lease intangibles and below-market lease intangibles of the properties acquired during the nine months ended September 30, 2020 were three, seven and four years, respectively.

Impairment

The Company reviews its real estate investments for impairment each quarter or when there is an event or change in circumstances that indicates an impaired value. If the GAAP depreciated cost basis of a real estate investment exceeds the undiscounted cash flows of such real estate investment, the investment is considered impaired and the GAAP depreciated cost basis is reduced to the fair value of the investment. During the three months ended September 30, 2020 the Company recognized a \$6.2 million impairment charge on one of its hotel properties. During the nine months ended September 30, 2020, the Company recognized a \$12.3 million impairment charge on two of its hotel properties. The impairment charges were a result of updates to the undiscounted cash flow assumptions to account for a decrease in occupancy, future cash flows, and the terminal value as a result of the COVID-19 pandemic. If the effects of the COVID-19 pandemic continue to adversely impact economic and market conditions or if the Company's expected holding period for assets change, subsequent tests for impairment could result in additional impairment charges in the future. Certain investments within the Company's portfolio, specifically its hotel assets, are more susceptible to future impairment considerations due to the significant declines in occupancy as a result of extended closures, decreases in travel and uncertainty around future cash flows. The Company can provide no assurance that material impairment charges with respect to the Company's investments in real estate and unconsolidated entities will not occur during future periods. Accordingly, the Company will continue to monitor circumstances and events in future periods to determine whether any additional impairment charges are warranted. During the three and nine months ended September 30, 2019, the Company did not recognize an impairment charge.

Dispositions

The following tables provide details of the dispositions during the three and nine months ended September 30, 2020 and 2019 (\$ in thousands):

Segments	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	Number of Properties	Net Proceeds	Net Gain	Number of Properties	Net Proceeds	Net Gain
Multifamily properties(1)	6	\$ 246,244	\$ 64,885	6	\$ 246,244	\$ 64,885
Hotel properties	1	134,537	35,185	1	134,537	35,185
Industrial properties	—	—	—	1	4,488	371
	<u>7</u>	<u>\$ 380,781</u>	<u>\$100,070</u>	<u>8</u>	<u>\$ 385,269</u>	<u>\$100,441</u>

Segments	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019		
	Number of Properties	Net Proceeds	Net Gain	Number of Properties	Net Proceeds	Net Gain
Hotel properties(2)	—	\$ —	\$ —	—	\$ 44,292	\$ 29,686
Industrial properties	1	30,276	6,481	1	30,276	6,481
	<u>1</u>	<u>\$ 30,276</u>	<u>\$ 6,481</u>	<u>1</u>	<u>\$ 74,568</u>	<u>\$ 36,167</u>

- (1) In March 2020, a buyer of five of the Company's multifamily properties terminated an initial agreement to acquire the five properties and forfeited the associated deposit in the amount of \$8.0 million. The buyer subsequently entered into a new agreement to acquire the same five properties, and the sale closed during the three months ended September 30, 2020. For purposes of the Condensed Consolidated Statement of Cash Flows, the Company reclassified the forfeited deposit from operating activities to investing activities and is included in Net Proceeds above.

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- (2) During the nine months ended September 30, 2019, the Company sold the parking garage attached to the Hyatt Place San Jose property. The sale did not include the Hyatt Place San Jose hotel or the land parcels under the hotel.

Properties Held for Sale

As of September 30, 2020, one multifamily property was classified as held for sale. Subsequent to September 30, 2020, the property was sold. As of December 31, 2019, six properties were classified as held for sale. One property was sold in January 2020 and five properties were sold in July 2020 as described above. The held for sale assets and liabilities are components of Other Assets and Other Liabilities, respectively, on the Condensed Consolidated Balance Sheets.

The following table is a summary of the assets and liabilities of the Company's properties classified as held for sale (\$ in thousands):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Assets:		
Investments in real estate, net	\$ 36,877	\$ 141,344
Other assets	267	2,035
Total assets	<u>\$ 37,144</u>	<u>\$ 143,379</u>
Liabilities:		
Mortgage notes	\$ 27,112	\$ 104,314
Other liabilities	1,086	4,097
Total liabilities	<u>\$ 28,198</u>	<u>\$ 108,411</u>

4. Investments in Unconsolidated Entities

On February 14, 2020, the Company closed a transaction to form a new joint venture with MGM Growth Properties LLC ("MGP") to acquire the Las Vegas real estate assets of the MGM Grand and Mandalay Bay for \$4.6 billion (the "BREIT MGP JV"). MGP owns 50.1% of the joint venture, and the Company owns 49.9%. At closing, the joint venture entered into a long-term triple net master lease agreement with MGM Resorts International ("MGM"), which provides the joint venture with a full corporate guarantee of rent payments by MGM. The lease has an initial annual rent of \$292.0 million with an initial term of 30 years with two 10-year extension options for MGM. The lease agreement provides that the rent will escalate 2% annually for the first 15 years and then the greater of (i) 2% or (ii) the increase in the consumer price index during the prior year, subject to a cap of 3%.

The following table provides a summarized balance sheet of the BREIT MGP JV along with a reconciliation to the Company's equity investment in unconsolidated entities (\$ in thousands):

Total assets	<u>September 30, 2020</u> \$ 4,614,202
Total liabilities	(3,001,555)
Total equity of BREIT MGP JV	<u>1,612,647</u>
MGP's share	807,936
BREIT's share	804,711
BREIT outside basis	9,423
BREIT net investment in BREIT MGP JV	<u>\$ 814,134</u>

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The following table provides summarized operating data of the BREIT MGP JV along with a reconciliation to the Company's income from unconsolidated entities (\$ in thousands):

	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2020
Total revenue	\$ 98,682	\$ 247,800
Net income of BREIT MGP JV	50,320	127,799
MGP's share	25,210	64,027
BREIT's share	25,110	63,772
Amortization of BREIT outside basis	(37)	(94)
BREIT net income from BREIT MGP JV	<u>\$ 25,073</u>	<u>\$ 63,678</u>

5. Investments in Real Estate Debt

The following tables detail the Company's investments in real estate debt (\$ in thousands):

September 30, 2020						
Type of Security/Loan	Number of Positions	Weighted Average Coupon(1)	Weighted Average Maturity Date(2)	Face Amount/ Notional(3)	Cost Basis	Fair Value
CMBS - floating	138	L+2.7%	1/5/2025	\$ 3,212,846	\$ 3,193,384	\$ 2,914,116
CMBS - fixed	54	4.0%	4/18/2028	1,022,626	991,867	933,104
Corporate bonds	15	5.0%	2/28/2027	231,249	229,821	222,315
CMBS - zero coupon	4	N/A	1/2/2027	236,090	134,960	136,476
RMBS - fixed	14	4.4%	12/9/2031	28,462	28,635	27,695
CMBS - interest only	5	2.3%	10/10/2026	2,258,809	21,748	21,726
Total real estate securities	230	3.1%	12/18/2025	N/M	4,600,415	4,255,432
Term loans	10	L+3.0%	3/15/2022	598,533	562,778	591,101
Mezzanine loans	1	L+6.9%	12/15/2024	134,750	134,338	119,144
Total real estate loans	11	L+3.7%	8/31/2022	733,283	697,116	710,245
Total investments in real estate debt	241	3.2%	6/29/2025	N/M	\$ 5,297,531	\$ 4,965,677

December 31, 2019						
Type of Security/Loan	Number of Positions	Weighted Average Coupon(1)	Weighted Average Maturity Date(2)	Face Amount/ Notional(3)	Cost Basis	Fair Value
CMBS - floating	122	L+2.7%	1/29/2025	\$ 2,907,080	\$ 2,899,556	\$ 2,906,952
CMBS - fixed	43	4.2%	6/26/2027	850,738	829,403	831,970
Corporate bonds	12	5.2%	2/16/2027	276,302	276,496	288,111
CMBS - zero coupon	4	N/A	12/30/2026	236,090	127,219	136,027
RMBS - fixed	9	4.3%	7/9/2028	29,315	29,506	29,448
CMBS - interest only	5	2.3%	10/2/2026	2,261,480	23,564	23,547
Total real estate securities	195	4.2%	10/15/2025	N/M	4,185,744	4,216,055
Term loans	7	L+2.9%	8/30/2024	175,239	173,466	173,129
Mezzanine loans	1	L+6.9%	12/15/2024	134,750	134,078	134,076
Total real estate loans	8	L+4.6%	10/16/2024	309,989	307,544	307,205
Total investments in real estate debt	203	4.4%	9/21/2025	N/M	\$ 4,493,288	\$ 4,523,260

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- (1) The term “L” refers to the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, EURIBOR and Sterling Overnight Index Average, as applicable to each security and loan.
- (2) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS and RMBS, the underlying collateral.
- (3) Represents notional amount for interest-only positions.

The following table details the collateral type of the properties securing the Company’s investments in real estate debt (\$ in thousands):

Collateral(1)	September 30, 2020				December 31, 2019			
	Number of Positions	Cost Basis	Fair Value	Percentage Based on Fair Value	Number of Positions	Cost Basis	Fair Value	Percentage Based on Fair Value
Hospitality	84	\$2,199,573	\$1,960,694	40%	75	\$2,252,556	\$2,259,102	50%
Multifamily	71	991,973	1,015,850	21%	61	596,184	613,470	14%
Office	38	766,733	715,184	14%	37	793,782	794,881	18%
Industrial	24	669,778	656,682	13%	14	375,975	378,147	8%
Diversified	17	314,077	297,011	6%	10	219,215	219,798	5%
Other	5	238,202	201,398	4%	5	238,202	240,558	5%
Net Lease	1	99,820	102,942	2%	—	—	—	—%
Retail	1	17,375	15,916	—%	1	17,374	17,304	—%
Total	241	\$5,297,531	\$4,965,677	100%	203	\$4,493,288	\$4,523,260	100%

- (1) Multifamily investments in real estate debt are collateralized by various forms of rental housing including single-family homes and apartments.

The following table details the credit rating of the Company’s investments in real estate debt (\$ in thousands):

Credit Rating	September 30, 2020				December 31, 2019			
	Number of Positions	Cost Basis	Fair Value	Percentage Based on Fair Value	Number of Positions	Cost Basis	Fair Value	Percentage Based on Fair Value
BB	79	\$1,632,234	\$1,503,362	30%	72	\$1,598,930	\$1,610,643	36%
Not rated	38	1,177,793	1,149,268	23%	33	764,941	773,791	17%
B	52	1,220,773	1,130,536	23%	40	906,609	909,587	20%
BBB	51	883,408	812,313	16%	45	885,891	891,272	20%
A	15	341,495	331,143	7%	10	319,031	320,140	7%
CCC	3	32,429	29,665	1%	—	—	—	—%
AAA	2	8,608	8,600	—%	2	9,554	9,550	—%
AA	1	791	790	—%	1	8,332	8,277	—%
Total	241	\$5,297,531	\$4,965,677	100%	203	\$4,493,288	\$4,523,260	100%

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The Company's investments in real estate debt included CMBS and loans collateralized by properties owned by Blackstone-advised investment vehicles and CMBS collateralized by loans originated or acquired by Blackstone-advised investment vehicles. The following table details the Company's affiliate investments in real estate debt (\$ in thousands):

	Fair Value		Interest Income			
	September 30,	December 31,	Three Months Ended		Nine Months Ended	
	2020	2019	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	2019	2020	2019
CMBS collateralized by properties	\$ 1,725,919	\$ 1,418,056	\$ 13,799	\$ 13,580	\$ 44,812	\$ 37,950
Loans collateralized by properties	528,298	134,076	5,968	—	12,868	—
CMBS collateralized by loans	128,043	155,978	1,089	2,012	4,046	6,199
Total	\$ 2,382,260	\$ 1,708,110	\$ 20,856	\$ 15,592	\$ 61,726	\$ 44,149

For additional information regarding the Company's investments in affiliated CMBS, see Note 5 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The terms and conditions of such affiliated CMBS held as of September 30, 2020 are consistent with the terms described in such Note.

As of September 30, 2020 and December 31, 2019, the Company's investments in real estate debt also included \$174.3 million and \$186.8 million, respectively, of CMBS collateralized by pools of commercial real estate debt, a portion of which included certain of the Company's mortgage notes. The Company recognized \$5.0 million and \$7.5 million of interest income related to such CMBS during the three and nine months ended September 30, 2020, respectively. The Company recognized \$1.7 million and \$5.0 million of interest income related to such CMBS during the three and nine months ended September 30, 2019, respectively.

During the three and nine months ended September 30, 2020, the Company recorded a net unrealized gain of \$186.9 million and a net unrealized loss of \$361.8 million, respectively, related to investments in real estate debt. During the three and nine months ended September 30, 2019, the Company recorded a net unrealized gain of \$13.2 million and \$65.0 million, respectively, related to investments in real estate debt. Such unrealized gains and losses were recorded as a component of Income from Investments in Real Estate Debt on the Company's Condensed Consolidated Statements of Operations. The unrealized gains recognized during the three months ended September 30, 2020 were the result of a continued recovery in pricing across the Company's real estate debt portfolio from the significant declines in March 2020. The COVID-19 pandemic caused significant market pricing and liquidity dislocation in March 2020, causing a broad-based market decline impacting the unrealized value of certain of the Company's investments in real estate debt.

During the three and nine months ended September 30, 2020, the Company recognized a net realized loss of \$6.5 million and \$11.2 million, respectively, due to the sale or paydowns of certain of the Company's investments in real estate debt. During the three and nine months ended September 30, 2019, the Company recognized a realized gain of \$0.4 million and \$0.3 million, respectively, due to the sale of certain of the Company's investments in real estate debt.

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6. Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities

The following table is a summary of the mortgage notes, term loans, and secured revolving credit facilities secured by the Company's properties (\$ in thousands):

Indebtedness	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)	Maximum Facility Size	Principal Balance Outstanding(3)	
				September 30, 2020	December 31, 2019
<i>Fixed rate loans:</i>					
Fixed rate mortgages	3.8%	7/15/2027	N/A	\$ 12,713,738	\$ 12,424,717
Mezzanine loan	—	—		—	195,878
Total fixed rate loans	3.8%	7/15/2027		12,713,738	12,620,595
<i>Variable rate loans:</i>					
Floating rate mortgages	L+1.8%	2/8/2026	N/A	3,209,340	1,826,435
Variable rate term loans	L+1.7%	2/11/2024	N/A	1,639,495	1,533,561
Variable rate secured revolving credit facilities	—	—	\$ 2,339,495	—	1,063,837
Variable rate mezzanine loans	L+4.3%	4/9/2025	N/A	142,200	—
Total variable rate loans	L+1.8%	6/5/2025		4,991,035	4,423,833
Total loans secured by the Company's properties	3.3%	2/18/2027		17,704,773	17,044,428
Premium on assumed debt, net				9,758	10,794
Deferred financing costs, net				(135,499)	(125,563)
Mortgage notes, term loans, and secured revolving credit facilities, net				\$ 17,579,032	\$ 16,929,659

(1) The term "L" refers to the one-month LIBOR.

(2) For loans where the Company, at its sole discretion, has extension options, the maximum maturity date has been assumed.

(3) The majority of the Company's mortgages contain yield or spread maintenance provisions.

The following table presents the future principal payments due under the Company's mortgage notes, term loans, and secured revolving credit facilities as of September 30, 2020 (\$ in thousands):

Year	Amount
2020 (remaining)	\$ 1,790
2021	49,102
2022	553,191
2023	495,174
2024	2,895,943
2025	3,675,311
Thereafter	10,034,262
Total	\$ 17,704,773

During the three and nine months ended September 30, 2020, the Company paid off certain of its loans at carrying value in conjunction with the sale of the underlying property or a refinancing. As such, the Company incurred a realized loss on extinguishment of debt of \$5.3 million and \$6.5 million for the three and nine months ended September 30, 2020, respectively, resulting from the acceleration of related deferred financing costs, prepayment penalties and transactions costs, which are recorded on the Company's Condensed Consolidated Statements of Operations.

The Company is subject to various financial and operational covenants pursuant to certain of the executed mortgage notes, term loans, and secured revolving credit facilities agreements. These covenants require the Company, to maintain certain financial ratios, which may include leverage, debt yield, and debt service coverage, among others. As of September 30, 2020, the Company believes it was in compliance with all of its loan covenants. The Company's continued compliance with these covenants depends on many factors and could be impacted by current or future economic conditions associated with the COVID-19 pandemic.

7. Secured Financings on Investments in Real Estate Debt

The Company has entered into master repurchase agreements with Citigroup Global Markets Inc. (the "Citi MRA"), Royal Bank of Canada (the "RBC MRA"), Bank of America Merrill Lynch (the "BAML MRA"), Morgan Stanley Bank, N.A. (the "MS MRA"), MUFG Securities EMEA PLC (the "MUFG MRA"), and Barclays Bank PLC (the "Barclays MRA") to provide the Company with additional financing capacity secured by certain of the Company's investments in real estate debt. The terms of the Citi MRA, RBC MRA, BAML MRA, MS MRA, and MUFG MRA provide the lenders the ability to determine the size and terms of the financing provided based upon the particular collateral pledged by the Company from time-to-time and may require us to provide additional margin in the form of cash, securities or other forms of collateral should the market value of the pledged collateral decline. The Barclays MRA has a maximum facility size of \$750.0 million and repurchase agreements under the Barclays MRA have longer dated maturity compared to the Company's other master repurchase agreements. Additionally, the Barclays MRA contains specific spread and advance rate provisions based on the rating of the underlying investments in real estate debt. The Company is in compliance with all financial covenants of the Barclays MRA.

During April 2020, the Company entered into an asset-specific Total Return Swap ("TRS") and sale of a financial asset, collectively accounted for as a secured financing with Deutsche Bank (the "DB Secured Financing") in the amount of \$252.7 million. The DB Secured Financing is secured by one of the Company's term loans and bears interest equal to the three-month EURIBOR plus 1.8% per annum. Additionally, as part of the DB Secured Financing, the Company is responsible for providing in cash, the equivalent of any decline in value on the underlying collateral. The DB Secured Financing is denominated in euro, therefore any foreign exchange is recorded as a component of Income (Loss) from Investments in Real Estate Debt on the Company's Condensed Consolidated Statements of Operations.

During July 2020, the Company entered into a TRS with Citibank, N.A. (the "Citi Term Loan TRS") in order to finance certain of the Company's term loans. The Citi Term Loan TRS bears interest equal to the three-month or one-month USD LIBOR plus a spread, dependent upon the collateral. Additionally, as part of the Citi Term Loan TRS, the Company is responsible for providing, in cash, the equivalent of any decline in value on the underlying collateral.

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The following tables are a summary of the Company's secured financings on investments in real estate debt (\$ in thousands):

September 30, 2020					
Indebtedness	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
RBC MRA	3/20/2021	CMBS/Corporate bonds	\$1,678,005	\$ 1,172,595	None
Barclays MRA	9/29/2021	CMBS	1,160,359	750,000	None
DB Secured Financing	4/2/2022	Term Loan	409,154	263,866	None
Citi MRA	3/30/2021	CMBS/RMBS	265,697	170,412	None
Citi Term Loan TRS	7/9/2021	Term Loans	55,527	36,072	None
			<u>\$3,568,742</u>	<u>\$ 2,392,945</u>	

December 31, 2019					
Indebtedness	Weighted Average Maturity Date(1)	Security Interests	Collateral Assets(2)	Outstanding Balance	Prepayment Provisions
RBC MRA	6/23/2020	CMBS/Corporate bonds	\$1,980,951	\$ 1,561,642	None
Barclays MRA	9/29/2021	CMBS	981,652	750,000	None
MS MRA	2/1/2020	CMBS	636,734	508,510	None
Citi MRA	1/14/2020	CMBS/Corporate bonds	266,406	205,762	None
MUFG MRA	4/30/2020	CMBS	86,332	62,561	None
BAML MRA	1/24/2020	CMBS/Corporate bonds	4,807	3,662	None
			<u>\$3,956,882</u>	<u>\$ 3,092,137</u>	

- (1) Subsequent to quarter end, the Company rolled its repurchase agreement contracts expiring in October 2020 into new contracts.
(2) Represents the fair value of the Company's investments in real estate debt that serve as collateral.

The weighted average interest rate of the Company's secured financings was 1.6% (L+1.6%) and 3.0% (L+ 1.3%) as of September 30, 2020 and December 31, 2019, respectively. The term "L" refers to the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR and EURIBOR, as applicable to each secured financing.

8. Unsecured Revolving Credit Facilities

The Company is party to an unsecured line of credit with multiple banks. The line of credit expires on February 22, 2023 and may be extended for one year. Interest under the line of credit is determined based on one-month U.S. dollar-denominated LIBOR plus 2.5%. As of September 30, 2020, the capacity of the unsecured line of credit was \$1.3 billion. As of September 30, 2020 and December 31, 2019, the Company had a \$30.0 million letter of credit outstanding, which reduced the available capacity of the unsecured line of credit. There were no other outstanding borrowings on the line of credit as of September 30, 2020 and December 31, 2019.

The Company also maintains a \$150.0 million unsecured line of credit with an affiliate of Blackstone of which there was no outstanding balance as of September 30, 2020 and December 31, 2019. For additional information regarding the affiliate line of credit, see Note 8 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

9. Related Party Transactions

Due to Affiliates

The following table details the components of due to affiliates (\$ in thousands):

	September 30, 2020	December 31, 2019
Accrued stockholder servicing fee(1)	\$ 572,784	\$ 478,539
Accrued management fee	19,869	13,873
Accrued affiliate service provider expenses	4,606	6,037
Advanced organization and offering costs	4,602	6,136
Performance participation allocation	—	141,396
Other	21,175	44,162
Total	\$ 623,036	\$ 690,143

- (1) The Company accrues the full amount of the future stockholder servicing fees payable to the Dealer Manager for Class S, Class T, and Class D shares up to the 8.75% of gross proceeds limit at the time such shares are sold. The Dealer Manager has entered into agreements with the selected dealers distributing the Company's shares in the Offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and dealer manager fee and all or a portion of the stockholder servicing fees received by the Dealer Manager to such selected dealers.

Management Fee

The Adviser is entitled to an annual management fee equal to 1.25% of the Company's NAV, payable monthly, as compensation for the services it provides to the Company. The management fee can be paid, at the Adviser's election, in cash, shares of common stock, or BREIT OP units. The Adviser has elected to receive the management fee in shares of the Company's common stock to date. During the three and nine months ended September 30, 2020, the Company incurred management fees of \$57.6 million and \$160.5 million, respectively. During the three and nine months ended September 30, 2019, the Company incurred management fees of \$29.9 million and \$69.5 million, respectively.

During the nine months ended September 30, 2020 and 2019, the Company issued 13,006,077 and 5,288,447, respectively, unregistered Class I shares to the Adviser as payment for management fees. The Company also had a payable of \$19.9 million and \$13.9 million related to the management fees as of September 30, 2020 and December 31, 2019, respectively, which is included in Due to Affiliates on the Company's Condensed Consolidated Balance Sheets. During October 2020, the Adviser was issued 1,778,962 unregistered Class I shares as payment for the \$19.9 million management fees accrued as of September 30, 2020. The shares issued to the Adviser for payment of the management fee were issued at the applicable NAV per share at the end of each month for which the fee was earned. During the nine months ended September 30, 2020, the Adviser submitted 8,418,835 Class I shares for repurchase resulting in a total repurchase of \$89.5 million. During the nine months ended September 30, 2019, the Adviser submitted 6,614,229 Class I shares for repurchase resulting in a total repurchase of \$72.7 million.

Accrued affiliate service provider expenses and incentive compensation awards

For further details on the Company's relationships with its affiliated service providers, see Note 11 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The Company issued incentive compensation awards to certain employees of affiliate portfolio company service providers on January 1, 2020 that entitles them to receive an allocation of total return

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over a certain hurdle amount, as determined by the Company (the “2020 Awards”). The Company has determined the value of the 2020 Awards to be zero. Additionally, the Company issued similar incentive compensation awards to certain employees of affiliate portfolio company service providers on January 1, 2019 (the “2019 Awards”). The value of the 2019 Awards at January 1, 2019 was \$8.0 million and will be amortized over the four year service period, as adjusted for forfeitures. As of September 30, 2020, the total unrecognized compensation cost relating to the portfolio company incentive compensation awards was \$3.8 million and is expected to be recognized over a period of 2.3 years from September 30, 2020. None of Blackstone, the Adviser, or the affiliate portfolio company service providers receive any incentive compensation from the aforementioned arrangements.

The following tables detail the amounts incurred for affiliate service providers during the three and nine months ended September 30, 2020 and 2019 (\$ in thousands):

	Affiliate Service Provider Expenses Three Months Ended September 30,		Affiliate Service Provider Incentive Compensation Awards Three Months Ended September 30,		Capitalized Transaction Support Services Three Months Ended September 30,	
	2020	2019	2020	2019	2020	2019
	Link Industrial Properties L.L.C.	\$ 13,312	\$ 5,305	\$ (16)	\$ 261	\$ 2,373
LivCor, L.L.C.	7,150	4,937	(5)	77	772	1,203
BRE Hotels and Resorts LLC	4,012	1,223	(9)	156	—	—
ShopCore Properties TRS Management LLC	1,411	460	(1)	6	107	300
Revantage Corporate Services, L.L.C.	440	348	—	—	—	—
Equity Office Management, L.L.C.	170	—	—	—	—	—
Gateway Industrial Properties L.L.C.	—	—	—	—	—	—
Total	<u>\$ 26,495</u>	<u>\$ 12,273</u>	<u>\$ (31)</u>	<u>\$ 500</u>	<u>\$ 3,252</u>	<u>\$ 5,365</u>

	Affiliate Service Provider Expenses Nine Months Ended September 30,		Affiliate Service Provider Incentive Compensation Awards Nine Months Ended September 30,		Capitalized Transaction Support Services Nine Months Ended September 30,	
	2020	2019	2020	2019	2020	2019
	Link Industrial Properties L.L.C.	\$ 39,334	\$ 8,417	\$ 505	\$ 546	\$ 2,926
LivCor, L.L.C.	19,474	13,363	149	231	2,533	2,124
BRE Hotels and Resorts LLC	11,661	2,964	303	468	—	—
ShopCore Properties TRS Management LLC	3,532	1,161	12	19	422	315
Revantage Corporate Services, L.L.C.	1,397	881	—	—	—	—
Equity Office Management, L.L.C.	465	—	—	—	—	—
Gateway Industrial Properties L.L.C.	—	2,524	—	236	—	27
Total	<u>\$ 75,863</u>	<u>\$ 29,310</u>	<u>\$ 969</u>	<u>\$ 1,500</u>	<u>\$ 5,881</u>	<u>\$ 7,328</u>

Affiliate service provider expenses and incentive compensation awards are included as a component of Rental Property Operating and Hotel Operating expense, as applicable, in the Company’s Condensed Consolidated Statements of Operations. Transaction support service fees were capitalized to Investments in Real Estate on the Company’s Condensed Consolidated Balance Sheets. Neither Blackstone nor the Adviser receives any fees from the aforementioned arrangements.

Performance Participation Allocation

The Special Limited Partner holds a performance participation interest in BREIT OP that entitles it to receive an allocation of BREIT OP's total return to its capital account. Total return is defined as distributions paid or accrued plus the change in NAV. Under the BREIT OP agreement, the annual total return will be allocated solely to the Special Limited Partner after the other unit holders have received a total return of 5% (after recouping any loss carryforward amount) and such allocation will continue until the allocation between the Special Limited Partner and all other unit holders is equal to 12.5% and 87.5%, respectively. Thereafter, the Special Limited Partner will receive an allocation of 12.5% of the annual total return. The allocation of the performance participation interest is ultimately determined at the end of each calendar year and will be paid in cash or Class I units of BREIT OP, at the election of the Special Limited Partner. During the three and nine months ended September 30, 2020, the Company recognized no Performance Participation Allocation expense in the Company's Condensed Consolidated Statements of Operations as the performance hurdle was not achieved as of September 30, 2020. During the three and nine months ended September 30, 2019, the Company recognized \$56.3 million and \$106.4 million, respectively, of Performance Participation Allocation expense as the performance hurdle was achieved as of September 30, 2019.

In January 2020, the Company issued approximately 11.7 million Class I units and 0.7 million Class B units in BREIT OP to the Special Limited Partner as payment for the 2019 performance participation allocation. Such units were issued at the NAV per unit as of December 31, 2019. Subsequent to the Class I and Class B units being issued, 7.3 million of such units were redeemed for \$83.6 million and 0.8 million of such units were exchanged for unregistered Class I shares in the Company. As of September 30, 2020, Blackstone and its employees, including the Company's executive officers, continue to own an aggregate of \$225.9 million worth of shares of the Company and Class I and Class B units in BREIT OP. The remaining Class I units held by the Special Limited Partner are included in Redeemable Non-Controlling Interest on the Company's Condensed Consolidated Balance Sheets.

Other

As of September 30, 2020, and December 31, 2019, the Company had \$18.9 million and \$42.1 million, respectively, of accrued repurchases of Class I shares due to the Adviser. Additionally, as of September 30, 2020 and December 31, 2019, the Adviser had advanced \$2.2 million and \$2.0 million, respectively, of expenses on the Company's behalf for general corporate expenses provided by unaffiliated third parties.

Affiliate Title Service Provider

During the nine months ended September 30, 2020, the Company paid Lexington National Land Services \$2.6 million for title services related to 20 investments and such costs were capitalized to Investments in Real Estate or recorded as deferred financing costs, which is a reduction to Mortgage Notes, Term Loans, and Secured Revolving Credit Facilities on the Company's Condensed Consolidated Balance Sheets. For additional information regarding this affiliate relationship, see Note 11 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Captive Insurance Company

On July 28, 2020, the Company became a member of a captive insurance company owned by the Company and other funds and accounts managed by Blackstone. A Blackstone affiliate provides oversight and management services to the captive and receives fees based on a percentage of premiums retained by it. The fees and expenses of the captive, including insurance premiums and fees paid to the Blackstone affiliate to manage it, are borne by the Company and the other Blackstone-managed funds and accounts pro rata based on estimates of insurance premiums that would have been payable for each party's respective properties, as benchmarked by third parties.

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During the three and nine months ended September 30, 2020, the Company contributed capital to the captive in amount equal to \$28.4 million and \$28.4 million, respectively, for insurance premiums and its pro rata share of other expenses. Of these amounts, \$0.5 million and \$0.5 million, respectively, were attributable to the fee paid to a Blackstone affiliate to provide oversight and management services. The capital contributed and fees paid to the captive are in place of insurance premiums and fees previously paid to third parties. The Company did not contribute any capital to the captive for the three and nine months ended September 30, 2019.

Other

As of September 30, 2020 and December 31, 2019, the Company had a receivable of \$3.9 million and \$3.6 million, respectively, from Livcor, L.L.C. and such amounts are included in Other Assets on the Company's Condensed Consolidated Balance Sheets.

10. Other Assets and Other Liabilities

The following table summarizes the components of other assets (\$ in thousands):

	September 30, 2020	December 31, 2019
Real estate intangibles, net	\$ 603,706	\$ 665,342
Equity securities	572,849	—
Straight-line rent receivable	126,271	38,287
Receivables, net	118,873	101,106
Prepaid expenses	54,829	28,334
Pre-acquisition costs	48,588	9,861
Deferred leasing costs, net	42,862	28,792
Held for sale assets	37,144	143,379
Deferred financing costs, net	23,736	28,494
Other	46,336	36,398
Total	<u>\$ 1,675,194</u>	<u>\$ 1,079,993</u>

The following table summarizes the components of accounts payable, accrued expenses, and other liabilities (\$ in thousands):

	September 30, 2020	December 31, 2019
Subscriptions received in advance	\$ 217,461	\$ 796,729
Real estate taxes payable	171,174	100,767
Intangible liabilities, net	132,745	136,954
Accounts payable and accrued expenses	115,183	126,565
Right of use lease liability - operating leases	84,654	82,880
Distribution payable	83,964	56,210
Repurchases payable	71,047	11,021
Prepaid rental income	66,783	87,479
Right of use lease liability - financing leases	57,484	56,758
Tenant security deposits	50,800	46,533
Accrued interest expense	46,264	50,279
Held for sale liabilities	28,198	108,411
Other	80,069	31,501
Total	<u>\$ 1,205,826</u>	<u>\$ 1,692,087</u>

11. Intangibles

The gross carrying amount and accumulated amortization of the Company's intangible assets and liabilities consisted of the following (\$ in thousands):

	September 30, 2020	December 31, 2019
Intangible assets:		
In-place lease intangibles	\$ 903,040	\$ 811,254
Above-market lease intangibles	49,360	42,483
Other	26,741	26,400
Total intangible assets	979,141	880,137
Accumulated amortization:		
In-place lease amortization	(347,590)	(200,629)
Above-market lease amortization	(18,102)	(10,977)
Other	(9,743)	(3,189)
Total accumulated amortization	(375,435)	(214,795)
Intangible assets, net	\$ 603,706	\$ 665,342
Intangible liabilities:		
Below-market lease intangibles	\$ 190,067	\$ 167,032
Total intangible liabilities	190,067	167,032
Accumulated amortization:		
Below-market lease amortization	(57,322)	(30,078)
Total accumulated amortization	(57,322)	(30,078)
Intangible liabilities, net	\$ 132,745	\$ 136,954

The estimated future amortization on the Company's intangibles for each of the next five years and thereafter as of September 30, 2020 is as follows (\$ in thousands):

	In-place Lease Intangibles	Above-market Lease Intangibles	Below-market Lease Intangibles
2020 (remaining)	\$ 104,416	\$ 4,852	\$ (15,740)
2021	139,689	8,341	(30,341)
2022	98,444	5,766	(24,937)
2023	63,606	3,483	(20,136)
2024	46,115	2,666	(15,488)
2025	35,221	2,062	(11,386)
Thereafter	67,959	4,088	(14,717)
	\$ 555,450	\$ 31,258	\$ (132,745)

12. Equity and Redeemable Non-controlling Interest

Authorized Capital

As of September 30, 2020, the Company had the authority to issue 10,100,000,000 shares, consisting of the following:

Classification	Number of Shares (in thousands)	Par Value
Preferred Stock	100,000	\$ 0.01
Class S Shares	3,000,000	\$ 0.01
Class I Shares	6,000,000	\$ 0.01
Class T Shares	500,000	\$ 0.01
Class D Shares	500,000	\$ 0.01
Total	10,100,000	

Common Stock

The following tables detail the movement in the Company's outstanding shares of common stock (in thousands):

	Three Months Ended September 30, 2020				
	Class S	Class I	Class T	Class D	Total
June 30, 2020	632,208	820,813	43,957	103,162	1,600,140
Common stock issued	31,168	55,788	1,471	6,772	95,199
Distribution reinvestment	5,465	5,278	343	865	11,951
Common stock repurchased	(6,807)	(22,552)	(719)	(1,203)	(31,281)
Independent directors' restricted stock grant(1)	—	37	—	—	37
September 30, 2020	662,034	859,364	45,052	109,596	1,676,046

	Nine Months Ended September 30, 2020				
	Class S	Class I	Class T	Class D	Total
December 31, 2019	530,813	474,279	39,767	84,657	1,129,516
Common stock issued	155,466	428,070	7,459	28,210	619,205
Distribution reinvestment	15,396	14,098	992	2,396	32,882
Common stock repurchased	(39,641)	(57,120)	(3,166)	(5,667)	(105,594)
Independent directors' restricted stock grant(1)	—	37	—	—	37
September 30, 2020	662,034	859,364	45,052	109,596	1,676,046

- (1) The independent directors' restricted stock grant represents \$0.1 million of the annual compensation paid to each of the independent directors. The grant is amortized over the one-year service period of such grant.

Share and Unit Repurchases

For the three months ended September 30, 2020, the Company repurchased 31,281,214 shares of common stock and 13,907 BREIT OP units representing a total of \$332.8 million. For the nine months ended September 30, 2020, the Company repurchased 105,593,735 shares of common stock and 7,484,350 BREIT OP units representing a total of \$1.2 billion. The Company had no unfulfilled repurchase requests during the three or nine months ended September 30, 2020.

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Distributions

The Company generally intends to distribute substantially all of its taxable income, which does not necessarily equal net income as calculated in accordance with GAAP, to its stockholders each year to comply with the REIT provisions of the Internal Revenue Code.

Each class of common stock receives the same gross distribution per share. The net distribution varies for each class based on the applicable stockholder servicing fee, which is deducted from the monthly distribution per share and paid directly to the applicable distributor.

The following tables detail the aggregate distributions declared for each applicable class of common stock for the three and nine months ended September 30, 2020:

	Three Months Ended September 30, 2020			
	Class S	Class I	Class T	Class D
Aggregate gross distributions declared per share of common stock	\$ 0.1586	\$ 0.1586	\$ 0.1586	\$ 0.1586
Stockholder servicing fee per share of common stock	(0.0233)	—	(0.0230)	(0.0068)
Net distributions declared per share of common stock	<u>\$ 0.1353</u>	<u>\$ 0.1586</u>	<u>\$ 0.1356</u>	<u>\$ 0.1518</u>

	Nine Months Ended September 30, 2020			
	Class S	Class I	Class T	Class D
Aggregate gross distributions declared per share of common stock	\$ 0.4755	\$ 0.4755	\$ 0.4755	\$ 0.4755
Stockholder servicing fee per share of common stock	(0.0696)	—	(0.0687)	(0.0203)
Net distributions declared per share of common stock	<u>\$ 0.4059</u>	<u>\$ 0.4755</u>	<u>\$ 0.4068</u>	<u>\$ 0.4552</u>

Redeemable Non-controlling Interest

In connection with its performance participation interest, the Special Limited Partner holds Class I units in BREIT OP. See Note 9 for further details of the Special Limited Partner's performance participation interest. Because the Special Limited Partner has the ability to redeem its Class I units for Class I shares in the Company or cash, at the election of the Special Limited Partner, the Company has classified these Class I units as Redeemable Non-controlling Interest in mezzanine equity on the Company's Condensed Consolidated Balance Sheets.

The following table summarizes the redeemable non-controlling interest activity related to the Special Limited Partner for the nine months ended September 30, 2020 (\$ in thousands):

	Amount
December 31, 2019	\$ 272
Settlement of 2019 performance participation allocation	141,396
Repurchases	(83,625)
Conversion to Class I and Class B units	(48,543)
Conversion to Class I shares	(9,228)
GAAP income allocation	(13)
Distributions	(10)
Fair value allocation	17
September 30, 2020	<u>\$ 266</u>

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In addition to the Special Limited Partner's interest noted above, certain of the Company's third party joint ventures also have a redeemable non-controlling interest in such joint ventures. As of September 30, 2020, \$27.7 million related to such third party joint ventures was included in Redeemable Non-controlling Interests on the Company's Condensed Consolidated Balance Sheets.

The Redeemable Non-controlling Interests are recorded at the greater of their carrying amount, adjusted for their share of the allocation of income or loss and distributions, or their redemption value, which is equivalent to fair value, of such interests at the end of each measurement period. Accordingly, the Company recorded an allocation adjustment of \$6.4 million and \$6.7 million during the three and nine months ended September 30, 2020, respectively, between Additional Paid-in Capital and Redeemable Non-controlling Interest.

13. Leases

Lessee

Certain of the Company's investments in real estate are subject to ground leases. The Company's ground leases are classified as either operating leases or financing leases based on the characteristics of each lease. As of September 30, 2020, the Company had 15 ground leases classified as operating and two ground leases classified as financing.

Each of the Company's ground leases were acquired as part of the acquisition of real estate and no incremental costs were incurred for such ground leases. The Company's ground leases are non-cancelable, and two of the Company's operating leases contain renewal options for additional 99 and 10 year terms.

The following table presents the future lease payments due under the Company's ground leases as of September 30, 2020 (\$ in thousands):

	Operating Leases	Financing Leases
2020 (remaining)	\$ 1,039	\$ 759
2021	3,982	3,081
2022	4,093	3,174
2023	4,132	3,269
2024	4,183	3,367
2025	4,423	3,468
Thereafter	599,932	327,054
Total undiscounted future lease payments	621,784	344,172
Difference between undiscounted cash flows and discounted cash flows	(537,130)	(286,688)
Total lease liability	<u>\$ 84,654</u>	<u>\$ 57,484</u>

The Company utilized its incremental borrowing rate, which was between 5% and 7%, to determine its lease liabilities. As of September 30, 2020, the weighted average remaining lease term of the Company's operating leases and financing leases was 56 years and 76 years, respectively.

Payments under the Company's ground leases primarily contain fixed payment components that may include periodic increases fixed to an index or periodic fixed percentage escalations. One of the Company's ground leases contains a variable component based on a percentage of revenue.

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The following table summarizes the fixed and variable components of the Company's operating leases (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Fixed ground rent expense	\$ 1,000	\$ 390	\$ 3,026	\$ 1,108
Variable ground rent expense	—	—	18	21
Total cash portion of ground rent expense	1,000	390	3,044	1,129
Non-cash ground rent expense	1,656	1,091	5,090	3,275
Total operating lease costs	<u>\$ 2,656</u>	<u>\$ 1,481</u>	<u>\$ 8,134</u>	<u>\$ 4,404</u>

The following table summarizes the fixed and variable components of the Company's financing leases (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest on lease liabilities	\$ 759	\$ 737	\$ 2,233	\$ 1,491
Amortization of right-of-use assets	239	243	748	504
Total financing lease costs	<u>\$ 998</u>	<u>\$ 980</u>	<u>\$ 2,981</u>	<u>\$ 1,995</u>

Lessor

The Company's rental revenue primarily consists of rent earned from operating leases at the Company's multifamily, industrial, retail, office, net lease and other properties. Leases at the Company's industrial, retail, and office properties generally include a fixed base rent and certain leases also contain a variable component. The variable component of the Company's operating leases at its industrial, retail, and office properties primarily consist of the reimbursement of operating expenses such as real estate taxes, insurance, and common area maintenance costs. Rental revenue earned from leases at the Company's multifamily properties primarily consist of a fixed base rent and certain leases contain a variable component that allows for the pass-through of certain operating expenses such as utilities. During the nine months ended September 30, 2020, the Company changed its presentation for the payment of leasing commissions in the Condensed Consolidated Statement of Cash Flows to investing activities from operating activities to better align with how the Company assesses its overall investments in its properties. The Company does not believe the change in presentation to be material as the Company had \$19.7 million of leasing commissions during the nine months ended September 30, 2020.

Rental revenue from the Company's lease at the Bellagio consists of a fixed annual rent that escalates annually throughout the term of the lease and the tenant is generally responsible for all property-related expenses, including taxes, insurance and maintenance. The Company assessed the classification of the Bellagio lease and determined the lease was an operating lease. The Company's assessment included the consideration of the present value of the lease payments over the lease term and the residual value of the assets under the lease.

Leases at the Company's industrial, retail, office, and net lease properties are generally longer term and may contain extension and termination options at the lessee's election. Leases at the Company's multifamily and other properties are short term in nature, generally not greater than 12 months in length.

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The following table details the components of operating lease income from leases in which the Company is the lessor (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Fixed lease payments	\$ 509,188	\$ 262,043	\$ 1,492,519	\$ 674,780
Variable lease payments	52,865	28,410	155,346	75,542
Rental revenue	<u>\$ 562,053</u>	<u>\$ 290,453</u>	<u>\$ 1,647,865</u>	<u>\$ 750,322</u>

The Company increased the reserve for bad debt expense in the amount of \$10.9 million and \$30.2 million for the three and nine months ended September 30, 2020, respectively, primarily as a result of COVID-19. The bad debt reserve represents the amount of rental revenue the Company anticipates it will not be able to collect from its tenants and is included in Rental Revenue on the Company's Condensed Consolidated Statements of Operations.

The following table presents the undiscounted future minimum rents the Company expects to receive for its industrial, net lease, retail and office properties as of September 30, 2020 (\$ in thousands). Leases at the Company's multifamily and self-storage properties are short term, generally 12 months or less, and are therefore not included.

Year	Future Minimum Rents
2020 (remaining)	\$ 233,705
2021	903,539
2022	818,373
2023	714,351
2024	624,682
2025	556,912
Thereafter	9,102,733
Total	<u>\$ 12,954,295</u>

14. Segment Reporting

The Company operates in eight reportable segments: Multifamily, Industrial, Net Lease, Hotel, Retail, Office, and Other properties and Real Estate Debt. The Company allocates resources and evaluates results based on the performance of each segment individually. The Company believes that Segment Net Operating Income is the key performance metric that captures the unique operating characteristics of each segment.

The following table sets forth the total assets by segment (\$ in thousands):

	September 30, 2020	December 31, 2019
Multifamily	\$ 11,421,928	\$ 9,695,916
Industrial	11,199,187	10,564,172
Net lease	5,054,612	4,271,196
Hotel	2,227,264	2,427,554
Retail	707,605	419,198
Office	132,303	138,912
Other properties	257,458	145,411
Investments in real estate debt	5,723,230	4,565,385
Other (Corporate)	309,221	812,079
Total assets	<u>\$ 37,032,808</u>	<u>\$ 33,039,823</u>

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The following table sets forth the financial results by segment for the three months ended September 30, 2020 (\$ in thousands):

	Multifamily	Industrial	Net Lease	Hotel	Retail	Office	Other Properties	Investments in Real Estate Debt	Total
Revenues:									
Rental revenue	\$ 244,691	\$ 213,302	\$ 82,795	\$ —	\$13,594	\$ 3,130	\$ 4,541	\$ —	\$ 562,053
Hotel revenue	—	—	—	56,038	—	—	—	—	56,038
Other revenue	13,026	1,479	—	1,738	255	96	686	—	17,280
Total revenues	257,717	214,781	82,795	57,776	13,849	3,226	5,227	—	635,371
Expenses:									
Rental property operating	122,266	62,002	156	—	5,163	1,101	2,618	—	193,306
Hotel operating	—	—	—	60,339	—	—	—	—	60,339
Total expenses	122,266	62,002	156	60,339	5,163	1,101	2,618	—	253,645
Income from unconsolidated entities	—	—	25,073	—	—	—	—	—	25,073
Income from investments in real estate debt	—	—	—	—	—	—	—	206,046	206,046
Segment net operating income (loss)	\$ 135,451	\$ 152,779	\$107,712	\$ (2,563)	\$ 8,686	\$ 2,125	\$ 2,609	\$ 206,046	\$ 612,845
Depreciation and amortization	\$ (133,696)	\$ (135,978)	\$ (28,667)	\$ (22,296)	\$ (7,978)	\$ (1,588)	\$ (2,396)	\$ —	\$ (332,599)
General and administrative	—	—	—	—	—	—	—	—	(5,430)
Management fee	—	—	—	—	—	—	—	—	(57,619)
Performance participation allocation	—	—	—	—	—	—	—	—	—
Impairment of investments in real estate	—	—	—	—	—	—	—	—	(6,217)
Net gains on dispositions of real estate	—	—	—	—	—	—	—	—	100,070
Interest income	—	—	—	—	—	—	—	—	122
Interest expense	—	—	—	—	—	—	—	—	(174,193)
Loss on extinguishment of debt	—	—	—	—	—	—	—	—	(5,258)
Other income (expense)	—	—	—	—	—	—	—	—	(9,252)
Net income									\$ 122,469
Net loss attributable to non-controlling interests in third party joint ventures									\$ 593
Net income attributable to non-controlling interests in BREIT OP									(1,790)
Net income attributable to BREIT stockholders									\$ 121,272

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The following table sets forth the financial results by segment for the three months ended September 30, 2019 (\$ in thousands):

	<u>Multifamily</u>	<u>Industrial</u>	<u>Hotel</u>	<u>Retail</u>	<u>Other Properties</u>	<u>Investments in Real Estate Debt</u>	<u>Total</u>
Revenues:							
Rental revenue	\$ 183,429	\$ 100,759	\$ —	\$ 3,723	\$ 2,542	\$ —	\$ 290,453
Hotel revenue	—	—	132,036	—	—	—	132,036
Other revenue	11,639	1,355	2,142	91	317	—	15,544
Total revenues	195,068	102,114	134,178	3,814	2,859	—	438,033
Expenses:							
Rental property operating	90,149	28,813	—	1,387	1,242	—	121,591
Hotel operating	—	—	89,951	—	—	—	89,951
Total expenses	90,149	28,813	89,951	1,387	1,242	—	211,542
Income (loss) from investments in real estate debt	—	—	—	—	—	52,568	52,568
Segment net operating income	\$ 104,919	\$ 73,301	\$ 44,227	\$ 2,427	\$ 1,617	\$ 52,568	\$ 279,059
Depreciation and amortization	\$ (128,043)	\$ (52,720)	\$ (19,003)	\$ (1,938)	\$ (2,949)	\$ —	\$ (204,653)
General and administrative							(4,548)
Management fee							(29,858)
Performance participation allocation							(56,322)
Net gains on dispositions of real estate							6,481
Interest income							1,763
Interest expense							(116,037)
Other income (expense)							(2,379)
Net loss							<u>\$(126,494)</u>
Net loss attributable to non-controlling interests in third party joint ventures							\$ 1,305
Net loss attributable to non-controlling interests in BREIT OP							2,018
Net loss attributable to BREIT stockholders							<u>\$(123,171)</u>

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The following table sets forth the financial results by segment for the nine months ended September 30, 2020 (\$ in thousands):

	Multifamily	Industrial	Net Lease	Hotel	Retail	Office	Other Properties	Investments in Real Estate Debt	Total
Revenues:									
Rental revenue	\$ 713,603	\$ 624,282	\$248,384	\$ —	\$ 40,516	\$ 9,078	\$ 12,002	\$ —	\$ 1,647,865
Hotel revenue	—	—	—	205,291	—	—	—	—	205,291
Other revenue	39,118	3,477	—	4,575	761	316	1,597	—	49,844
Total revenues	752,721	627,759	248,384	209,866	41,277	9,394	13,599	—	1,903,000
Expenses:									
Rental property operating	342,062	183,220	270	—	12,914	3,202	7,061	—	548,729
Hotel operating	—	—	—	204,168	—	—	—	—	204,168
Total expenses	342,062	183,220	270	204,168	12,914	3,202	7,061	—	752,897
Income from unconsolidated entities	—	—	63,678	—	—	—	—	—	63,678
Income (loss) from investments in real estate debt	—	—	—	—	—	—	—	(317,212)	(317,212)
Segment net operating income (loss)	\$ 410,659	\$ 444,539	\$311,792	\$ 5,698	\$ 28,363	\$ 6,192	\$ 6,538	\$ (317,212)	\$ 896,569
Depreciation and amortization	\$ (406,617)	\$ (412,900)	\$ (85,862)	\$ (67,842)	\$ (24,787)	\$ (4,671)	\$ (6,077)	\$ —	\$ (1,008,756)
General and administrative	—	—	—	—	—	—	—	—	(19,025)
Management fee	—	—	—	—	—	—	—	—	(160,544)
Performance participation allocation	—	—	—	—	—	—	—	—	—
Impairment of investments in real estate	—	—	—	—	—	—	—	—	(12,343)
Net gains on dispositions of real estate	—	—	—	—	—	—	—	—	100,441
Interest income	—	—	—	—	—	—	—	—	2,102
Interest expense	—	—	—	—	—	—	—	—	(539,276)
Loss on extinguishment of debt	—	—	—	—	—	—	—	—	(6,495)
Other income (expense)	—	—	—	—	—	—	—	—	(29,022)
Net loss									\$ (776,349)
Net loss attributable to non-controlling interests in third party joint ventures									\$ 1,796
Net loss attributable to non-controlling interests in BREIT OP									10,177
Net loss attributable to BREIT stockholders									\$ (764,376)

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The following table sets forth the financial results by segment for the nine months ended September 30, 2019 (\$ in thousands):

	Multifamily	Industrial	Hotel	Retail	Other Properties	Investments in Real Estate Debt	Total
Revenues:							
Rental revenue	\$ 470,570	\$ 267,428	\$ —	\$ 9,782	\$ 2,542	\$ —	\$ 750,322
Hotel revenue	—	—	301,653	—	—	—	301,653
Other revenue	28,288	1,667	6,944	241	317	—	37,457
Total revenues	498,858	269,095	308,597	10,023	2,859	—	1,089,432
Expenses:							
Rental property operating	225,745	79,870	—	3,756	1,242	—	310,613
Hotel operating	—	—	204,468	—	—	—	204,468
Total expenses	225,745	79,870	204,468	3,756	1,242	—	515,081
Income (loss) from investments in real estate debt	—	—	—	—	—	166,035	166,035
Segment net operating income	\$ 273,113	\$ 189,225	\$104,129	\$ 6,267	\$ 1,617	\$ 166,035	\$ 740,386
Depreciation and amortization	\$ (303,208)	\$ (145,145)	\$ (49,686)	\$ (4,998)	\$ (2,949)	\$ —	\$ (505,986)
General and administrative	—	—	—	—	—	—	(12,607)
Management fee	—	—	—	—	—	—	(69,522)
Performance participation allocation	—	—	—	—	—	—	(106,383)
Net gains on dispositions of real estate	—	—	—	—	—	—	36,167
Interest income	—	—	—	—	—	—	2,260
Interest expense	—	—	—	—	—	—	(310,903)
Other income (expense)	—	—	—	—	—	—	(2,786)
Net loss	—	—	—	—	—	—	\$ (229,374)
Net loss attributable to non-controlling interests in third party joint ventures	—	—	—	—	—	—	\$ 4,311
Net loss attributable to non-controlling interests in BREIT OP	—	—	—	—	—	—	4,342
Net loss attributable to BREIT stockholders	—	—	—	—	—	—	\$ (220,721)

15. Commitments and Contingencies

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of business. As of September 30, 2020 and December 31, 2019, the Company was not involved in any material legal proceedings.

16. Subsequent Events

Simply Self Storage

Subsequent to September 30, 2020, the Company entered into an agreement to acquire Simply Self Storage, a fully integrated self-storage platform that owns and operates 101 storage assets for \$1.2 billion, exclusive of closing costs. The Company expects the closing of the acquisition to occur by year end.

Acquisitions

Subsequent to September 30, 2020, the Company acquired an aggregate of \$801.8 million of real estate, exclusive of closing costs, across eight separate transactions.

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Subsequent to September 30, 2020, the Company purchased an aggregate of \$35.9 million of investments in real estate debt.

Proceeds from the Issuance of Common Stock

Subsequent to September 30, 2020, the Company had received net proceeds of \$918.0 million from the issuance of its common stock.

Repurchases

Subsequent to September 30, 2020, the Company repurchased \$103.2 million of shares of our common stock/units.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References herein to "Blackstone Real Estate Income Trust," "BREIT," the "Company," "we," "us," or "our" refer to Blackstone Real Estate Income Trust, Inc. and its subsidiaries unless the context specifically requires otherwise.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto appearing elsewhere in this quarterly report on Form 10-Q.

Forward-Looking Statements

This quarterly report on Form 10-Q contains 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, "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," "identified" or other similar words or the negatives thereof. These may include our financial projections and 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. We believe these factors also include but are not limited to those described under the section entitled "Risk Factors" in our prospectus and our Annual Report on form 10-K for the year ended December 31, 2019, and any such updated factors included in our 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 our 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.

Overview

BREIT invests primarily in stabilized income-oriented commercial real estate in the United States and, to a lesser extent, real estate debt. We are the sole general partner of BREIT Operating Partnership L.P. ("BREIT OP"), a Delaware limited partnership, and we own all or substantially all of our assets through BREIT OP. We are externally managed by BX REIT Advisors L.L.C. (the "Adviser"). The Adviser is part of the real estate group of The Blackstone Group Inc. ("Blackstone"), a leading investment manager, which serves as our sponsor. We currently operate our business in eight reportable segments: Multifamily, Industrial, Net Lease, Hotel, Retail, Office and Other Properties, and Investments in Real Estate Debt. Multifamily includes various forms of rental housing including apartments, student housing and manufactured housing. Other includes self-storage properties. Net Lease includes the real estate assets of The Bellagio Las Vegas ("Bellagio") and the unconsolidated interest in the MGM Grand and Mandalay Bay joint venture.

BREIT is a public unlisted, perpetual life real estate investment trust ("REIT") that qualifies as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") for U.S. federal income tax. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

As of November 12, 2020, we had received net proceeds of \$20.5 billion from the sale of shares of our common stock. We have contributed the net proceeds to BREIT OP in exchange for a corresponding number of Class S, Class I, Class T, and Class D units. BREIT OP has primarily used the net proceeds to make investments in real estate and real estate debt as further described below under "— Portfolio". We intend to continue selling shares on a monthly basis.

Recent Developments

The ongoing novel coronavirus (“COVID-19”) pandemic and restrictions on non-essential businesses have caused disruption in the U.S. and global economies. Despite significant market rebounds across many asset classes, the continued rapid development of this situation and uncertainty regarding potential economic recovery precludes any prediction as to the ultimate adverse impact of COVID-19 on financial market and economic conditions.

The outbreak of COVID-19 and its impact on the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our financial condition and results of operations. We expect that these impacts are likely to continue to some extent as the outbreak persists and potentially even longer. The rapid development and fluidity of this situation preclude any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. For additional discussion with respect to the potential impact of the COVID-19 pandemic on our liquidity and capital resources, see “Liquidity and Capital Resources” below.

In accordance with local government guidance and social distancing recommendations, the majority of the employees of our Adviser have been working remotely. The Adviser’s technology infrastructure has proven to be robust and capable of supporting this model. The Adviser has implemented rigorous protocols for remote work, including increased cadence of group calls and updates, and frequent communication across leadership and working levels. The Adviser is leveraging technology to ensure its teams stay connected and productive, and that its culture remains strong even in these unusual circumstances. The Adviser continues to operate under normal course across investment, asset management and corporate support functions.

In mid-July, the Adviser’s U.S. offices began a phased reopening, consistent with local government guidelines, on a voluntary basis with social distancing and other safety protocols in place. The Adviser continues to closely monitor applicable public health and government guidance.

Impact of COVID-19—Results of Operations

Beginning in April 2020, rent collections at our real estate assets were impacted by COVID-19. As of October 31, 2020, rent collections for revenue recognized during the three months ended September 30, 2020 at our multifamily, industrial, net lease, retail and office properties were an average of 1.0% lower compared to a typical quarter. Based on rent collections and other factors, we reserved \$10.9 million of bad debt expense for the three months ended September 30, 2020. We continue to monitor rent collections, noting October rent collections for our multifamily, industrial, net lease, retail and office properties were 2.8% lower compared to a typical month.

Certain of our tenants impacted by the COVID-19 pandemic have requested rental assistance. As a result, we have granted \$9.1 million of rent deferral, representing 0.7% of total rental revenue for the period from April 1, 2020 through October 31, 2020. It is expected that the deferred rent will generally be paid back over a period of three to twelve months.

Beginning in March 2020 and continuing through the end of the third quarter, our hotel segment experienced a material decrease in occupancy, ADR, and RevPAR due to the full closure of our two full-service hotels and our select service property located in Hawaii, along with a material decrease in occupancy at our other select service hotels. These conditions impacted the performance of our hotel assets beginning in March 2020 with the most

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significant decline in performance during April and May as these hotels remained closed or were impacted by reduced capacity as quarantines and travel restrictions were in place. Although we have begun to see a modest rebound in our hotel portfolio beginning in June 2020 as certain states began easing quarantines and travel restrictions, hotel performance continues to be significantly below historical levels. While our select service property located in Hawaii remains closed, our full-service hotels re-opened ahead of expectations during June and July, however occupancy remains limited. Since the end of the quarter, we continue to see a modest rebound in our hotel performance. See “—Results of Operations – Same Property Results of Operations”. Additionally, during the three months ended September 30, 2020, we recorded a \$6.2 million GAAP impairment loss on one of our hotel properties. The impairment charge aligns the GAAP carrying value of the hotel with the fair value already recorded within the September 30, 2020 Net Asset Value. For additional information see “—Portfolio – Impact of COVID-19 – Impairment Analysis” below.

The COVID-19 pandemic caused significant market pricing and liquidity dislocation in March 2020, causing a broad-based market decline across securities including commercial mortgage-backed securities (“CMBS”). Although our securities recovered some of the price declines during the second and third quarters, the pandemic continues to have an impact on our investments in real estate debt, which consist mostly of single asset, single borrower CMBS with assets and borrowers that the Adviser believes to be of high quality. See “—Results of Operations – Income (Loss) on Investments in Real Estate Debt”.

For additional discussion with respect to the potential impact of the COVID-19 pandemic on our NAV and liquidity and capital resources see “—Impact of COVID-19 on Our NAV” and “—Liquidity and Capital Resources” below.

Please refer to Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019 and our prospectus dated April 21, 2020 and filed with the SEC, as supplemented, for additional disclosure relating to material trends or uncertainties that may impact our business.

Q3 2020 Highlights

Operating Results:

- Declared monthly net distributions totaling \$245.0 million for the three months ended September 30, 2020, resulting in quarterly average annualized distribution rates of 5.0% for Class S, 5.9% for Class I, 5.1% for Class T, and 5.7% for Class D.(1)
- Year-to-date total return through September 30, 2020, without upfront selling commissions, was 1.3% for Class S, 1.9% for Class I, 1.5% for Class T, and 2.0% for Class D shares. Year-to-date total return through September 30, 2020 assuming full upfront selling commissions was -2.1% for Class S, -2.0% for Class T, and 0.5% for Class D shares.(2)
- Inception-to-date total return through September 30, 2020 without upfront selling commissions of 8.0% for Class S, 8.8% for Class I, 8.1% for Class T, and 8.8% for Class D shares. Inception-to-date total return through September 30, 2020 assuming maximum upfront selling commissions of 7.0% for Class S, 6.9% for Class T shares and 8.3% for Class D. (2)

Investments:

- Acquired three industrial, two multifamily and 13 self-storage properties classified as other across four transactions with a total purchase price of \$308.3 million, inclusive of closing costs, during the three months ended September 30, 2020. The acquisitions are consistent with our strategy of acquiring diversified, income-producing, commercial real estate assets concentrated in high growth markets across the U.S.

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- Subsequent to September 30, 2020, we entered into an agreement to acquire Simply Self Storage, a fully integrated self-storage platform that owns and operates 101 storage assets for \$1.2 billion, excluding closing costs. The transaction is expected to close before year end.
- Sold six multifamily and one hotel property for net proceeds of \$380.8 million which resulted in a realized gain of \$100.1 million.
- Made 29 investments in real estate debt with a total cost basis of \$226.1 million consisting of CMBS, residential mortgage-backed securities (“RMBS”), corporate bonds and term loans.

Capital Activity and Financings:

- Raised \$1.1 billion of proceeds during the three months ended September 30, 2020 from the sale of our common stock. Repurchased \$332.7 million of our common stock during the three months ended September 30, 2020.
- Closed or assumed an aggregate \$56.2 million in property-level financing, paid down \$150.0 million on our existing revolving credit facilities and increased the financings secured by our investments in real estate debt by \$23.3 million during the three months ended September 30, 2020.

Overall Portfolio:

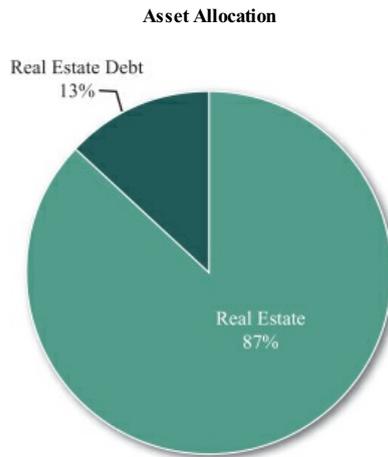
- Our 1,182 properties as of September 30, 2020 consisted of Multifamily (39% based on fair value), Industrial (37%), Net Lease (15%), Hotel (6%), Retail (2%), Office (<1%), and Other (<1%), and our portfolio of real estate was concentrated in the following regions: West (42%), South (32%), East (15%), and Midwest (11%).
- Investments in real estate debt as of September 30, 2020 were diversified by credit rating — BB (30% based on fair value), Not Rated (23%), B (23%), BBB (16%), A (7%), CCC (1%), AAA (<1%), and AA (<1%) and collateral backing — Hospitality (40%), Multifamily (21%), Office (14%), Industrial (13%), Diversified (6%), Other (4%), Net Lease (2%), and Retail (<1%).

-
- (1) The annualized distribution rate is calculated as the current month’s distribution annualized and divided by the prior month’s net asset value, which is inclusive of all fees and expenses. Management believes the annualized distribution rate is a useful measure of the overall investment performance of our shares.
 - (2) Total return is calculated as the change in NAV per share during the respective periods plus any distributions per share declared in the period and assumes any distributions are reinvested in accordance with our distribution reinvestment plan. Management believes total return is a useful measure of the overall investment performance of our shares.

Portfolio

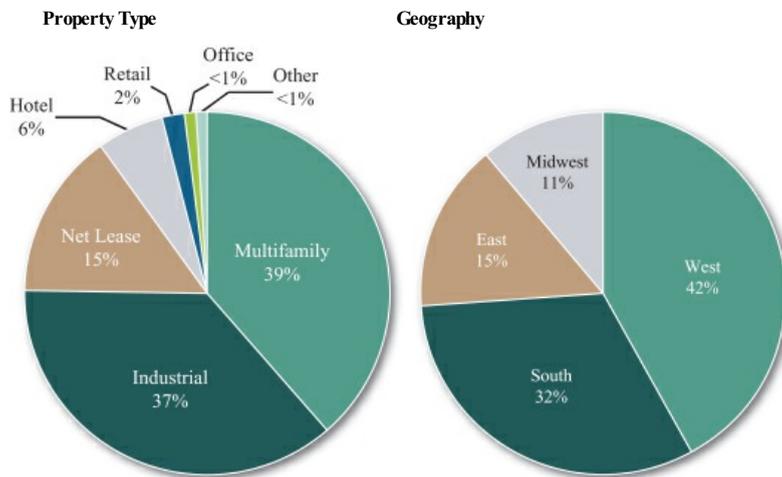
Summary of Portfolio

The following chart outlines the allocation of our investments in real estate(4) and real estate debt based on fair value as of September 30, 2020:



Real Estate Investments

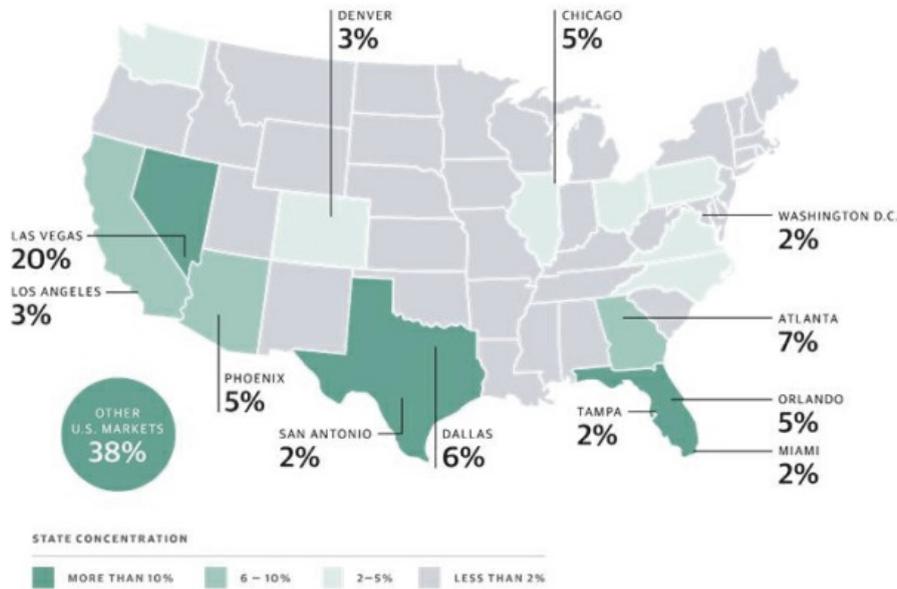
The following charts further describe the diversification of our investments in real estate(1) based on fair value as of September 30, 2020:



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(1) Investments in real estate includes our direct property investments, unconsolidated investments, and equity in public and private real estate-related companies. “Geography” weighting is measured as the asset value of real estate properties, excluding the value of any third party interests in such real estate properties, and unconsolidated investments for each geographical category (South, East, West, Midwest) against the total asset value of all (i) real estate properties, excluding the value of any third party interests in such real estate properties, and (ii) unconsolidated investments.

The following map identifies the top markets of our portfolio composition in real properties based on fair value as of September 30, 2020:



The select markets that are named represent all metropolitan statistical areas (“MSAs”) in which BREIT has at least a 2% weighting. BREIT is invested in additional MSAs which are not named above. Shading reflects the concentration of all real estate properties and unconsolidated investments in each state. Weighting is measured as the asset value of real estate properties and unconsolidated investments for each market against the total asset value of all (i) real estate properties, excluding the value of any third party interests in such real estate properties, and (ii) unconsolidated investments.

As of September 30, 2020, we had acquired 1,182 properties resulting in a diversified portfolio of income producing assets primarily consisting of Multifamily and Industrial properties, and to a lesser extent Net Lease, Hotel, Retail, Office and Other properties, concentrated in growth markets across the U.S.

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The following table provides a summary of our portfolio as of September 30, 2020:

Segment	Number of Properties	Sq. Feet (in thousands)/ Units/Keys	Occupancy Rate(1)	Average Effective Annual Base Rent Per Leased Square Foot/Units/Keys(2)	Gross Asset Value(3) (\$ in thousands)	Segment Revenue(4)	Percentage of Total Revenues
Multifamily(5)	227	73,587 units	94%	\$14,177	\$ 12,986,617	\$ 752,721	38%
Industrial	844	138,637 sq. ft.	95%	\$4.97	12,528,184	627,759	32%
Net lease	3	24,748 sq. ft.	N/A	N/A	5,101,178	312,062	16%
Hotel	58	9,669 keys	49%	\$140.08/\$68.52	1,969,326	209,866	11%
Retail	13	1,933 sq. ft.	97%	\$23.23	669,373	41,277	2%
Office	1	228 sq. ft.	95%	\$29.05	126,807	9,394	— %
Other	36	2,344 sq. ft.	91%	\$11.05	276,158	13,599	1%
Total	1,182				\$ 33,657,643	\$1,966,678	100%

- (1) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of September 30, 2020. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of September 30, 2020. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the nine months ended September 30, 2020. The occupancy rate for our hotel investments includes paid occupied rooms for the 12 months ended September 30, 2020. Hotels owned less than 12 months are excluded from the average occupancy rate calculation.
- (2) For industrial, manufactured housing, retail, office and self-storage properties, average effective annual base rent represents the annualized September 30, 2020 base rent per leased square foot or unit and excludes tenant recoveries, straight-line rent and above -market and below-market lease amortization. For student housing and other multifamily properties, average effective annual base rent represents the base rent for the three months ended September 30, 2020, per leased unit and excludes tenant recoveries, straight-line rent and above -market and below-market lease amortization. For hotel properties, average effective annual base rent represents Average Daily Rate (“ADR”) and Revenue Per Available Room (“RevPAR”), respectively, for the 12 months ended September 30, 2020. Hotels owned less than 12 months are excluded from the ADR and RevPAR calculations.
- (3) Based on fair value as of September 30, 2020.
- (4) Segment revenue is presented for the nine months ended September 30, 2020. Net lease segment revenue includes income from unconsolidated entities.
- (5) Multifamily includes various forms of rental housing such as apartments, manufactured and student housing. Multifamily units include manufactured housing sites and student housing beds.

Real Estate

The following table provides information regarding our portfolio of real properties as of September 30, 2020:

Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/ Keys(2)	Occupancy Rate(3)
<i>Multifamily:</i>						
TA Multifamily Portfolio	6	Various	April 2017	100%	2,514 units	93%
Emory Point	1	Atlanta, GA	May 2017	100%	750 units	86%
Nevada West Multifamily	3	Las Vegas, NV	May 2017	100%	972 units	96%
Mountain Gate & Trails Multifamily	2	Las Vegas, NV	June 2017	100%	539 units	95%
Elysian West Multifamily	1	Las Vegas, NV	July 2017	100%	466 units	96%
Gilbert Multifamily	2	Gilbert, AZ	Sept. 2017	90%	748 units	96%
Domain & GreenVue Multifamily	2	Dallas, TX	Sept. 2017	100%	803 units	95%
ACG II Multifamily	4	Various	Sept. 2017	94%	932 units	95%
Olympus Multifamily	3	Jacksonville, FL	Nov. 2017	95%	1,032 units	93%

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/ Keys(2)	Occupancy Rate(3)
Ambergleng West Multifamily	1	Hillsboro, OR	Nov. 2017	100%	396 units	92%
Aston Multifamily Portfolio	20	Various	Various	100%	4,584 units	96%
Talavera and Flamingo Multifamily	2	Las Vegas, NV	Dec. 2017	100%	674 units	97%
Walden Pond & Montair Multifamily Portfolio	2	Everett, WA & Thornton, CO	Dec. 2017	95%	635 units	95%
Signature at Kendall Multifamily	1	Miami, FL	Dec. 2017	100%	546 units	97%
The Boulevard	1	Phoenix, AZ	April 2018	100%	294 units	95%
Blue Hills Multifamily	1	Boston, MA	May 2018	100%	472 units	93%
Wave Multifamily Portfolio	6	Various	May 2018	100%	2,199 units	96%
ACGIII Multifamily	2	Gresham, OR & Turlock, CA	May 2018	95%	475 units	94%
Carroll Florida Multifamily	2	Jacksonville & Orlando, FL	May 2018	100%	716 units	95%
Solis at Flamingo	1	Las Vegas, NV	June 2018	95%	524 units	97%
Velaire at Aspera	1	Phoenix, AZ	July 2018	100%	286 units	94%
Coyote Multifamily Portfolio	6	Phoenix, AZ	Aug. 2018	100%	1,752 units	95%
Avanti Apartments	1	Las Vegas, NV	Dec. 2018	100%	414 units	97%
Gilbert Heritage Apartments	1	Phoenix, AZ	Feb. 2019	90%	256 units	95%
Roman Multifamily Portfolio	14	Various	Feb. 2019	100%	3,743 units	96%
Elevation Plaza Del Rio	1	Phoenix, AZ	April 2019	90%	333 units	96%
Courtney at Universal Multifamily	1	Orlando, FL	April 2019	100%	355 units	94%
Citymark Multifamily 2-Pack	2	Various	April 2019	95%	608 units	97%
Tri-Cities Multifamily 2-Pack	2	Richland & Kennewick, WA	April 2019	95%	428 units	97%
Raider Multifamily Portfolio	4	Las Vegas, NV	Various	100%	1,514 units	96%
Bridge II Multifamily Portfolio	6	Various	Various	100%	2,363 units	95%
Miami Doral 2-Pack	2	Miami, FL	May 2019	100%	720 units	91%
Davis Multifamily 2-Pack	2	Various	May 2019	100%	454 units	98%
Slate Savannah	1	Savannah, GA	May 2019	90%	272 units	95%
Amara at MetroWest	1	Orlando, FL	May 2019	95%	411 units	94%
Colorado 3-Pack	3	Denver & Fort Collins, CO	May 2019	100%	855 units	95%
Edge Las Vegas	1	Las Vegas, NV	June 2019	95%	296 units	95%
ACGIV Multifamily	2	Various	June 2019	95%	606 units	95%
Perimeter Multifamily 3-Pack	3	Atlanta, GA	June 2019	100%	691 units	92%
Anson at the Lakes	1	Charlotte, NC	June 2019	100%	694 units	95%
San Valiente Multifamily	1	Phoenix, AZ	July 2019	95%	604 units	95%
Edgewater at the Cove	1	Oregon City, OR	Aug. 2019	100%	244 units	92%
Haven 124 Multifamily	1	Denver, CO	Sept. 2019	100%	562 units	95%
Villages at McCullers Walk Multifamily	1	Raleigh, NC	Oct. 2019	100%	412 units	96%
Canopy at Citrus Park Multifamily	1	Largo, FL	Oct. 2019	90%	318 units	95%
Ridge Multifamily Portfolio	4	Las Vegas, NV	Oct. 2019	90%	1,220 units	96%
Charleston on 66th Multifamily	1	Tampa, FL	Nov. 2019	95%	258 units	95%
Evolve at Timber Creek Multifamily	1	Garner, NC	Nov. 2019	100%	304 units	97%
Solis at Towne Center Multifamily	1	Glendale, AZ	Nov. 2019	100%	240 units	95%
Arches at Hidden Creek Multifamily	1	Chandler, AZ	Nov. 2019	98%	432 units	92%
Terra Multifamily	1	Austin, TX	Dec. 2019	100%	372 units	95%
Arium Multifamily Portfolio	5	Various	Dec. 2019	100%	1,684 units	95%
Easton Gardens Multifamily	1	Columbus, OH	Feb. 2020	95%	1,064 units	94%
Acorn Multifamily Portfolio	21	Various	Feb. & May 2020	98%	8,309 units	94%
Indigo West Multifamily	1	Orlando, FL	March 2020	100%	456 units	94%
The Sixes Multifamily	1	Holly Springs, GA	Sept. 2020	100%	340 units	97%
Highroads MH	3	Phoenix, AZ	April 2018	99%	265 units	95%
Evergreen Minari MH	2	Phoenix, AZ	June 2018	99%	115 units	94%

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/ Keys(2)	Occupancy Rate(3)
Southwest MH	14	Various	June 2018	99%	3,065 units	77%
Hidden Springs MH	1	Desert Hot Springs, CA	July 2018	99%	317 units	86%
SVPAC MH	2	Phoenix, AZ	July 2018	99%	234 units	93%
Royal Vegas MH	1	Las Vegas, NV	Oct. 2018	99%	176 units	76%
Riverest MH	1	Tavares, FL	Dec. 2018	99%	130 units	87%
Angler MH Portfolio	5	Phoenix, AZ	April 2019	99%	940 units	86%
Florida MH 4-Pack	4	Various	April & July 2019	99%	795 units	75%
Impala MH	3	Phoenix & Chandler, AZ	July 2019	99%	333 units	98%
Clearwater MH	2	Clearwater, FL	March & Aug. 2020	99%	207 units	98%
Legacy MH Portfolio	7	Various	April 2020	99%	1,896 units	84%
May Manor MH	1	Lakeland, FL	June 2020	99%	297 units	84%
EdR Student Housing Portfolio	20	Various	Sept. 2018	95%	10,676 units	91%
Total Multifamily	227				73,587 units	
<i>Industrial:</i>						
Stockton Industrial Park	1	Stockton, CA	Feb. 2017	100%	878 sq. ft.	86%
HS Industrial Portfolio	36	Various	April 2017	100%	5,838 sq. ft.	97%
Fairfield Industrial Portfolio	11	Fairfield, NJ	Sept. 2017	100%	578 sq. ft.	100%
Southeast Industrial Portfolio	5	Various	Nov. 2017	100%	1,927 sq. ft.	97%
Kraft Chicago Industrial Portfolio	3	Aurora, IL	Jan. 2018	100%	1,693 sq. ft.	100%
Canyon Industrial Portfolio	145	Various	March 2018	100%	21,174 sq. ft.	95%
HP Cold Storage Industrial Portfolio	6	Various	May 2018	100%	2,252 sq. ft.	100%
Meridian Industrial Portfolio	106	Various	Nov. 2018	99%	14,011 sq. ft.	94%
Stockton Distribution Center	1	Stockton, CA	Dec. 2018	100%	987 sq. ft.	100%
Summit Industrial Portfolio	8	Atlanta, GA	Dec. 2018	100%	631 sq. ft.	92%
4500 Westport Drive	1	Harrisburg, PA	Jan. 2019	100%	179 sq. ft.	100%
Morgan Savannah	1	Savannah, GA	April 2019	100%	357 sq. ft.	100%
Minneapolis Industrial Portfolio	34	Minneapolis, MN	April 2019	100%	2,460 sq. ft.	93%
Atlanta Industrial Portfolio	61	Atlanta, GA	May 2019	100%	3,779 sq. ft.	93%
D.C. Powered Shell Warehouse Portfolio	9	Ashburn & Manassas, VA	June 2019	90%	1,471 sq. ft.	100%
Patriot Park	2	Durham, NC	Sept. 2019	100%	323 sq. ft.	100%
Denali Industrial Portfolio	18	Various	Sept. 2019	100%	4,098 sq. ft.	100%
Jupiter 12 Industrial Portfolio	315	Various	Sept. 2019	100%	63,965 sq. ft.	94%
2201 Main Street	1	San Diego, CA	Oct. 2019	100%	260 sq. ft.	N/A
Triangle Industrial Portfolio	37	Greensboro, NC	Jan. 2020	100%	2,783 sq. ft.	91%
Midwest Industrial Portfolio	27	Various	Feb. 2020	100%	5,940 sq. ft.	94%
Pancal Industrial Portfolio	12	Various	Feb. & April 2020	100%	2,109 sq. ft.	100%
Grainger Distribution Center	1	Jacksonville, FL	March 2020	100%	297 sq. ft.	100%
Diamond Industrial	1	Rico Rivera, CA	Aug. 2020	100%	243 sq. ft.	100%
Inland Empire Industrial Portfolio	2	Etiwanda & Fontana, CA	Sept. 2020	100%	404 sq. ft.	100%
Total Industrial	844				138,637 sq. ft.	
<i>Net Lease:</i>						
Bellagio Net Lease	1	Las Vegas, NV	Nov. 2019	95%	8,507 sq. ft.	N/A
MGM Grand Net Lease	1	Las Vegas, NV	Feb. 2020	49.9%	6,917 sq. ft.	N/A
Mandalay Bay Net Lease	1	Las Vegas, NV	Feb. 2020	49.9%	9,324 sq. ft.	N/A
Total Net Lease	3				24,748 sq. ft.	

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Segment and Investment	Number of Properties	Location	Acquisition Date	Ownership Interest(1)	Sq. Feet (in thousands)/ Units/ Keys(2)	Occupancy Rate(3)
<i>Hotel:</i>						
Hyatt Place UC Davis	1	Davis, CA	Jan. 2017	100%	127 keys	54%
Hyatt Place San Jose Downtown	1	San Jose, CA	June 2017	100%	240 keys	45%
Florida Select-Service 4-Pack	4	Tampa & Orlando, FL	July 2017	100%	476 keys	54%
Hyatt House Downtown Atlanta	1	Atlanta, GA	Aug. 2017	100%	150 keys	57%
Boston/Worcester Select-Service 3-Pack	3	Boston & Worcester, MA	Oct. 2017	100%	374 keys	49%
Henderson Select-Service 2-Pack	2	Henderson, NV	May 2018	100%	228 keys	59%
Orlando Select-Service 2-Pack	2	Orlando, FL	May 2018	100%	254 keys	59%
Corporex Select Service Portfolio	5	Various	Aug. 2018	100%	601 keys	52%
JW Marriott San Antonio Hill Country Resort	1	San Antonio, TX	Aug. 2018	100%	1,002 keys	38%
Hampton Inn & Suites Federal Way	1	Seattle, WA	Oct. 2018	100%	142 keys	49%
Staybridge Suites Reno	1	Reno, NV	Nov. 2018	100%	94 keys	71%
Salt Lake City Select Service 3 Pack	3	Salt Lake City, UT	Nov. 2018	60%	454 keys	54%
Courtyard Kona	1	Kailua-Kona, HI	March 2019	100%	452 keys	43%
Raven Select Service Portfolio	21	Various	June 2019	100%	2,555 keys	55%
Urban 2-Pack	1	Chicago, IL	July 2019	100%	337 keys	34%
Hyatt Regency Atlanta	1	Atlanta, GA	Sept. 2019	100%	1,260 keys	41%
RHW Portfolio	9	Various	Nov. 2019	100%	923 keys	N/A
Total Hotel	58				9,669 keys	
<i>Retail:</i>						
Bakers Centre	1	Philadelphia, PA	March 2017	100%	237 sq. ft.	100%
Plaza Del Sol Retail	1	Burbank, CA	Oct. 2017	100%	166 sq. ft.	100%
Vista Center	1	Miami, FL	Aug. 2018	100%	91 sq. ft.	93%
El Paseo Simi Valley	1	Simi Valley, CA	June 2019	100%	109 sq. ft.	97%
Towne Center East	1	Signal Hill, CA	Sept. 2019	100%	163 sq. ft.	100%
Plaza Pacoima	1	Pacoima, CA	Oct. 2019	100%	204 sq. ft.	100%
Canarsie Plaza	1	Brooklyn, NY	Dec. 2019	100%	274 sq. ft.	98%
SoCal Grocery Portfolio	6	Various	Jan. 2020	100%	689 sq. ft.	95%
Total Retail	13				1,933 sq. ft.	
<i>Office:</i>						
EmeryTech Office	1	Emeryville, CA	Oct. 2019	100%	228 sq. ft.	95%
Total Office	1				228 sq. ft.	
<i>Other:</i>						
East Coast Storage Portfolio	21	Various	Aug. 2019	98%	1,347 sq. ft.	94%
Phoenix Storage 2-Pack	2	Phoenix, AZ	March 2020	98%	111 sq. ft.	95%
Cactus Storage Portfolio	13	Various	Sept. 2020	98%	886 sq. ft.	87%
Total Other	36				2,344 sq. ft.	
Total Investments in Real Estate	1,182					

- (1) Certain of the joint venture agreements entered into by the Company provide the seller or the other partner a profits interest based on certain internal rate of return hurdles being achieved. Such investments are consolidated by us and any profits interest due to the other partner is reported within non-controlling interests. The table includes properties owned by an unconsolidated entity.
- (2) Multifamily includes various forms of rental housing such as apartments, student housing and manufactured housing. Multifamily units include manufactured housing sites and student housing beds.
- (3) The occupancy rate for our industrial, retail and office investments includes all leased square footage as of September 30, 2020. The occupancy rate for our self-storage and manufactured housing investments includes occupied square footage and occupied units, respectively, as of September 30, 2020. The occupancy rate for our student housing and other multifamily investments is defined as the percentage of actual rent divided by gross potential rent (defined as actual rent for occupied units and market rent for vacant units) for the three months ended September 30, 2020. The occupancy rate for our hotel investments is the average occupancy rate for the 12 months ended September 30, 2020. The occupancy rate for hotels owned less than 12 months is not included.

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Subsequent to September 30, 2020, we acquired an aggregate of \$801.8 million of real estate, exclusive of closing costs, across eight separate transactions.

Impact of COVID-19 – Impairment Analysis

We review our real estate investments for impairment each quarter or when there is an event or change in circumstances that indicates an impaired value. If the GAAP depreciated cost basis of a real estate investment exceeds the undiscounted cash flows of such real estate investment, the investment is considered impaired and the GAAP depreciated cost basis is reduced to the fair value of the investment. During the three and nine months ended September 30, 2020, we recognized impairment charges on a GAAP basis of \$6.2 million and \$12.3 million, respectively, on one hotel property and two hotel properties, respectively, within our portfolio. The GAAP impairment charge was a result of updates to the undiscounted cash flow assumptions to account for a decrease in occupancy, future cash flows, and the terminal value as a result of the COVID-19 pandemic. The impairment charge aligns the GAAP carrying value of the hotels with the fair value already recorded within the September 30, 2020 Net Asset Value. If the effects of the COVID-19 pandemic continue to adversely impact economic and market conditions or if our expected holding period for assets changes, subsequent tests for impairment could result in additional impairment charges in the future. Certain investments within our portfolio, specifically our hotel assets, are more susceptible to future impairment considerations due to the significant declines in occupancy as a result of extended closures and uncertainty around future cash flows. We can provide no assurance that material impairment charges with respect to our investments in real estate and unconsolidated entities will not occur during future periods. Accordingly, we will continue to monitor circumstances and events in future periods to determine whether any additional impairment charges are warranted.

Lease Expirations

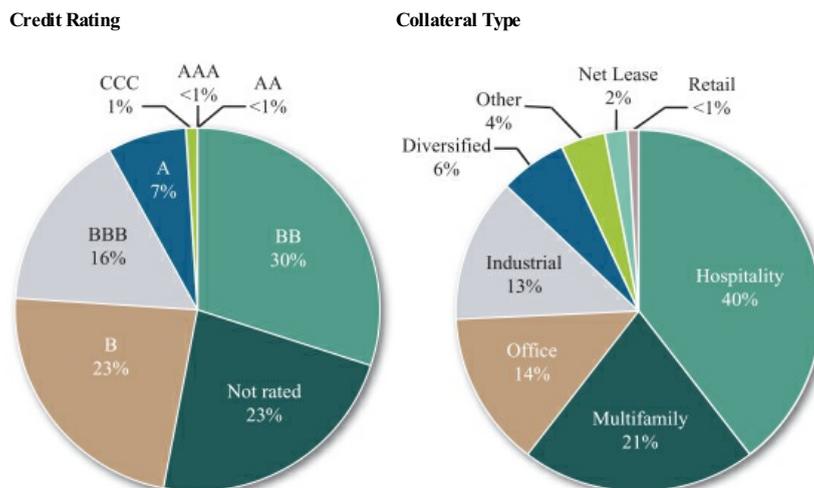
The following schedule details the expiring leases at our consolidated industrial, net lease, retail, and office properties by annualized base rent and square footage as of September 30, 2020 (\$ and square feet data in thousands). The table below excludes our multifamily and self-storage properties as substantially all leases at such properties expire within 12 months:

<u>Year</u>	<u>Number of Expiring Leases</u>	<u>Annualized Base Rent(1)</u>	<u>% of Total Annualized Base Rent Expiring</u>	<u>Square Feet</u>	<u>% of Total Square Feet Expiring</u>
2020 (remaining)	102	\$ 20,411	2%	3,460	2%
2021	475	96,519	10%	19,666	14%
2022	539	113,157	12%	21,748	16%
2023	448	108,528	12%	22,030	16%
2024	365	78,907	8%	14,957	11%
2025	278	65,691	7%	11,846	9%
2026	121	69,255	7%	14,635	11%
2027	95	43,533	5%	8,590	6%
2028	70	29,334	3%	4,453	3%
2029	49	28,118	3%	4,017	3%
Thereafter	74	296,322	31%	12,574	9%
Total	<u>2,616</u>	<u>\$ 949,775</u>	<u>100%</u>	<u>137,976</u>	<u>100%</u>

- (1) Annualized base rent is determined from the annualized September 30, 2020 base rent per leased square foot of the applicable year and excludes tenant recoveries, straight-line rent and above-market and below-market lease amortization.

Investments in Real Estate Debt

The following charts further describe the diversification of our investments in real estate debt by credit rating and collateral type based on fair value as of September 30, 2020:



Subsequent to September 30, 2020, we purchased an aggregate of \$35.9 million of real estate debt.

As of September 30, 2020, our investments in real estate debt consisted of 201 investments in CMBS, 15 corporate bond investments, 11 loans, and 14 investments in RMBS. The following table details our investments in real estate debt as of September 30, 2020 (\$ in thousands):

Type of Security/Loan	September 30, 2020					
	Number of Positions	Weighted Average(1) Coupon	Weighted Average(2) Maturity Date	Face Amount(3) Notional	Cost Basis	Fair Value
CMBS—floating	138	L+2.7%	1/5/2025	\$ 3,212,846	\$ 3,193,384	\$ 2,914,116
CMBS—fixed	54	4.0%	4/18/2028	1,022,626	991,867	933,104
Corporate bonds	15	5.0%	2/28/2027	231,249	229,821	222,315
CMBS—zero coupon	4	N/A	1/2/2027	236,090	134,960	136,476
RMBS—fixed	14	4.4%	12/9/2031	28,462	28,635	27,695
CMBS—interest only	5	2.3%	10/10/2026	2,258,809	21,748	21,726
Total real estate securities	230	3.1%	12/18/2025	N/M	4,600,415	4,255,432
Term loans	10	L+3.0%	3/15/2022	598,533	562,778	591,101
Mezzanine loans	1	L+6.9%	12/15/2024	134,750	134,338	119,144
Total real estate loans	11	L+3.7%	8/31/2022	733,283	697,116	710,245
Total investments in real estate debt	241	3.2%	6/29/2025	N/M	\$ 5,297,531	\$ 4,965,677

(1) The term “L” refers to the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, EURIBOR and Sterling Overnight Index Average, as applicable to each security and loan.

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- (2) Weighted average maturity date is based on the fully extended maturity date of the instrument or, in the case of CMBS and RMBS, the underlying collateral.
- (3) Represents notional amount for CMBS interest only positions.

Affiliate Service Providers

For details regarding our affiliate service providers, see Note 12 to our condensed consolidated financial statements included herein and Note 11 to the consolidated finance statements included in our Annual Report on form 10-K for the year ended December 31, 2019.

Results of Operations

The following table sets forth information regarding our consolidated results of operations (\$ in thousands):

	Three Months Ended September 30,		2020 vs. 2019 \$	Nine Months Ended September 30,		2020 vs. 2019 \$
	2020	2019		2020	2019	
Revenues						
Rental revenue	\$ 562,053	\$ 290,453	\$ 271,600	\$ 1,647,865	\$ 750,322	\$ 897,543
Hotel revenue	56,038	132,036	(75,998)	205,291	301,653	(96,362)
Other revenue	17,280	15,544	1,736	49,844	37,457	12,387
Total revenues	635,371	438,033	197,338	1,903,000	1,089,432	813,568
Expenses						
Rental property operating	193,306	121,591	71,715	548,729	310,613	238,116
Hotel operating	60,339	89,951	(29,612)	204,168	204,468	(300)
General and administrative	5,430	4,548	882	19,025	12,607	6,418
Management fee	57,619	29,858	27,761	160,544	69,522	91,022
Performance participation allocation	—	56,322	(56,322)	—	106,383	(106,383)
Impairment of investments in real estate	6,217	—	6,217	12,343	—	12,343
Depreciation and amortization	332,599	204,653	127,946	1,008,756	505,986	502,770
Total expenses	655,510	506,923	148,587	1,953,565	1,209,579	743,986
Other income (expense)						
Income from unconsolidated entities	25,073	—	25,073	63,678	—	63,678
Income (loss) from investments in real estate debt	206,046	52,568	153,478	(317,212)	166,035	(483,247)
Net gains on dispositions of real estate	100,070	6,481	93,589	100,441	36,167	64,274
Interest income	122	1,763	(1,641)	2,102	2,260	(158)
Interest expense	(174,193)	(116,037)	(58,156)	(539,276)	(310,903)	(228,373)
Loss on extinguishment of debt	(5,258)	—	(5,258)	(6,495)	—	(6,495)
Other income (expense)	(9,252)	(2,379)	(6,873)	(29,022)	(2,786)	(26,236)
Total other income (expense)	142,608	(57,604)	200,212	(725,784)	(109,227)	(616,557)
Net income (loss)	\$ 122,469	\$ (126,494)	\$ 248,963	\$ (776,349)	\$ (229,374)	\$ (546,975)
Net loss attributable to non-controlling interests in third party joint ventures	\$ 593	\$ 1,305	\$ (712)	\$ 1,796	\$ 4,311	\$ (2,515)
Net (income) loss attributable to non-controlling interests in BREIT OP	(1,790)	2,018	(3,808)	10,177	4,342	5,835
Net income (loss) attributable to BREIT stockholders	\$ 121,272	\$ (123,171)	\$ 244,443	\$ (764,376)	\$ (220,721)	\$ (543,655)
Net income (loss) per share of common stock — basic and diluted	\$ 0.07	\$ (0.15)	\$ 0.22	\$ (0.49)	\$ (0.34)	\$ (0.15)

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Revenues, Rental Property Operating and Hotel Operating Expenses

Due to the significant amount of acquisitions of real estate and investments in real estate debt we have made since September 30, 2019, our revenues and operating expenses for the three and nine months ended September 30, 2020 and 2019 are not comparable. Additionally, as discussed in the recent developments section, our portfolio has been impacted by COVID-19. See below for a discussion of the properties in our portfolio that were owned for both the full three and nine months ended September 30, 2020 and 2019.

General and Administrative Expenses

During the three and nine months ended September 30, 2020, general and administrative expenses increased \$0.9 million and \$6.4 million, respectively, compared to the corresponding periods in 2019. The increase is primarily due to various corporate level expenses related to the increased size of our portfolio.

Management Fee

During the three and nine months ended September 30, 2020, the management fee increased \$27.8 million and \$91.0 million, respectively, compared to the corresponding periods in 2019. The increase was primarily due to the \$8.5 billion growth of our NAV from September 30, 2019 to September 30, 2020.

Performance Participation Allocation

During the three and nine months ended September 30, 2020, the unrealized performance participation allocation was zero due to the performance hurdle not being achieved. For the three and nine months ended September 30, 2019 the performance participation allocation accrual was \$56.3 million and \$106.4 million, respectively.

Impairment of Investments in Real Estate

During the three and nine months ended September 30, 2020, we recognized impairment charges of \$6.2 million and \$12.3 million, respectively, on one and two of our hotel properties, respectively. We did not recognize any impairment during the corresponding periods in 2019. For additional information see —Portfolio – Impact of COVID-19 – Impairment Analysis” above.

Depreciation and Amortization

During the three and nine months ended September 30, 2020, depreciation and amortization increased \$127.9 million and \$502.8 million, respectively, compared to the corresponding periods in 2019. The increase was driven by the growth in our portfolio, which increased from 1,022 properties as of September 30, 2019 to 1,182 properties as of September 30, 2020.

Income from Unconsolidated Entities

During the three and nine months ended September 30, 2020, we recorded \$25.1 million and \$63.7 million, respectively, of income from unconsolidated entities. We did not have any unconsolidated investments during the corresponding periods in 2019.

Income (Loss) from Investments in Real Estate Debt

During the three months ended September 30, 2020, income from our investments in real estate debt increased \$153.5 million compared to the corresponding period in 2019. The increase was primarily attributable to \$186.9 million of unrealized gains during the three months ended September 30, 2020 compared to \$13.2 million of unrealized gains during the corresponding period in 2019. During the nine months ended September 30, 2020,

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income from our investments in real estate debt decreased \$483.2 million compared to the corresponding period in 2019. This decrease is primarily attributable to \$421.5 million of unrealized losses during the nine months ended September 30, 2020 compared to \$65.0 million of unrealized gains during the corresponding period in 2019. Although we continued to see a recovery in pricing across securities during the second and third quarter of 2020, the COVID-19 pandemic caused significant market pricing and liquidity dislocation in March 2020, causing a broad-based market decline impacting the unrealized value of certain of our investments in real estate debt.

Net Gains on Dispositions of Real Estate

During the three and nine months ended September 30, 2020, net gains on dispositions of real estate increased \$93.6 million and \$64.3 million, respectively, as compared to the corresponding periods in 2019. During the three months ended September 30, 2020, we recorded \$100.1 million of net gains from the sales of six multifamily properties and one hotel property compared to a \$6.5 million net gain from the disposition of one industrial property during the corresponding period in 2019. During the nine months ended September 30, 2020, we recorded \$100.4 million of net gains from the sales of six multifamily properties, one industrial property and one hotel property, whereas during the nine months ended September 30, 2019 we recorded \$36.2 million of net gains from the disposition of one industrial property and the sale of the parking garage attached to the Hyatt Place San Jose Downtown.

Interest Expense

During the three and nine months ended September 30, 2020, interest expense increased \$58.2 million and \$228.4 million, respectively, compared to the corresponding periods in 2019. The increase was primarily due to the growth in our real estate portfolio and investments in real estate debt and the related indebtedness of such investments.

Other Income (Expense)

During the three months ended September 30, 2020, other income (expense) decreased \$6.9 million compared to the corresponding period in 2019. The decrease was primarily due to \$15.4 million of unrealized losses on our investments in equity securities offset by \$5.8 million of dividends earned on our investments in equity securities. During the nine months ended September 30, 2020, other income (expense) decreased \$26.2 million compared to the corresponding period in 2019. The decrease was primarily due to a \$20.8 million forfeited deposit related to a transaction we decided not to pursue and \$40.6 million of unrealized losses on our investments in equity securities, partially offset by \$13.9 million of dividends earned on our investments in equity securities, \$12.7 million of realized gains on our investments in equity securities and \$8.0 million of income earned from the forfeiture of a deposit on a portfolio of properties whereby the purchase and sale agreement was terminated by the potential buyer.

Same Property Results of Operations

We evaluate our consolidated results of operations on a same property basis, which allows us to analyze our property operating results excluding acquisitions 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 that have not achieved stabilized occupancy (defined as 90% or greater for properties other than hotels) and properties held for sale are excluded from same property results and are considered non-same property. We do not consider our investments in real estate debt segment to be same property.

For the three months ended September 30, 2020 and 2019, our same property portfolio consisted of 426 industrial, 158 multifamily, 47 hotel, and four retail properties. For the nine months ended September 30, 2020 and 2019, our same property portfolio consisted of 322 industrial, 98 multifamily, 25 hotel, and three retail properties.

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Same property operating results are measured by calculating same property net operating income (“NOI”). Same property NOI is a supplemental non-GAAP disclosure of our operating results that we believe is meaningful as it enables management to evaluate the impact of occupancy, rents, leasing activity, and other controllable property operating results at our real estate. We define same property NOI as operating revenues less operating expenses, which exclude (i) impairment of investments in real estate (ii) depreciation and amortization, (iii) interest expense, and (iv) other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fee, (c) performance participation allocation, (d) affiliate incentive compensation awards, (e) income from unconsolidated entities, (f) income (loss) from investments in real estate debt, (g) net gains on dispositions of real estate, (h) interest income, (i) loss on extinguishment of debt, and (j) other income (expense).

Our same property NOI may not be comparable to that of other REITs and should not be considered to be more relevant or accurate in evaluating our operating performance than the current GAAP methodology used in calculating net income (loss).

The following table reconciles GAAP net income (loss) attributable to BREIT stockholders to same property NOI for the three and nine months ended September 30, 2020 and 2019 (\$ in thousands):

	Three Months Ended		2020 vs. 2019	Nine Months Ended		2020 vs. 2019
	September 30,			September 30,		
	2020	2019	\$	2020	2019	\$
Net income (loss) attributable to BREIT stockholders	\$ 121,272	\$ (123,171)	\$ 244,443	\$ (764,376)	\$ (220,721)	\$ (543,655)
Adjustments to reconcile to same property NOI						
General and administrative	5,430	4,548	882	19,025	12,607	6,418
Management fee	57,619	29,858	27,761	160,544	69,522	91,022
Performance participation allocation	—	56,322	(56,322)	—	106,383	(106,383)
Affiliate incentive compensation awards	(31)	500	(531)	969	1,500	(531)
Impairment of investments in real estate	6,217	—	6,217	12,343	—	12,343
Depreciation and amortization	332,599	204,653	127,946	1,008,756	505,986	502,770
Income from unconsolidated entities	(25,073)	—	(25,073)	(63,678)	—	(63,678)
(Income) loss from investments in real estate debt	(206,046)	(52,568)	(153,478)	317,212	(166,035)	483,247
Net gains on dispositions of real estate	(100,070)	(6,481)	(93,589)	(100,441)	(36,167)	(64,274)
Interest income	(122)	(1,763)	1,641	(2,102)	(2,260)	158
Interest expense	174,193	116,037	58,156	539,276	310,903	228,373
Loss on extinguishment of debt	5,258	—	5,258	6,495	—	6,495
Other (income) expense	9,252	2,379	6,873	29,022	2,786	26,236
Net loss attributable to non—controlling interests in third party joint ventures	(593)	(1,305)	712	(1,796)	(4,311)	2,515
Net income (loss) attributable to non-controlling interests in BREIT OP	1,790	(2,018)	3,808	(10,177)	(4,342)	(5,835)
NOI	381,695	226,991	154,704	1,151,072	575,851	575,221
Non-same property NOI	210,029	10,550	199,479	755,473	110,025	645,448
Same property NOI	\$ 171,666	\$ 216,441	\$ (44,775)	\$ 395,599	\$ 465,826	\$ (70,227)

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The following table details the components of same property NOI for the three months ended September 30, 2020 and 2019 (\$ in thousands):

	Three Months Ended		2020 vs. 2019	
	September 30,			
	2020	2019	\$	%
Same property NOI				
Rental revenue	\$266,309	\$269,081	\$ (2,772)	(1)%
Hotel revenue	43,859	116,537	(72,678)	(62)%
Other revenue	11,986	14,462	(2,476)	(17)%
Total revenues	322,154	400,080	(77,926)	(19)%
Rental property operating	105,979	105,155	824	1%
Hotel operating	44,509	78,484	(33,975)	(43)%
Total expenses	150,488	183,639	(33,151)	(18)%
Same property NOI	<u>\$171,666</u>	<u>\$216,441</u>	<u>\$(44,775)</u>	<u>(21)%</u>

Same Property – Rental Revenue

Same property rental revenue decreased \$2.8 million for the three months ended September 30, 2020 compared to the corresponding period in 2019. The decrease was due to a \$5.4 million increase in our bad debt reserve, primarily as a result of COVID-19, partially offset by a \$2.0 million increase in base rental revenue and a \$0.6 million increase in tenant reimbursement income. Our bad debt reserve represents the amount of rental revenue we anticipate we will not be able to collect from our tenants.

The following table details the changes in base rental revenue period over period (\$ in thousands):

	Three Months Ended		2020 vs. 2019		Change in Average Effective Annual Base Rent Per Leased Square Foot/Unit(1)
	September 30,		Change in Base Rental Revenue	Change in Occupancy Rate	
	2020	2019			
Multifamily	\$ 165,748	\$ 163,456	\$ 2,292	— %	+2%
Industrial	76,105	76,546	(441)	(1)%	— %
Retail	3,135	3,028	107	— %	+3%
Total base rental revenue	\$ 244,988	\$ 243,030	\$ 1,958		

- (1) The annualized base rent per leased square foot or unit for the three months ended September 30, 2020 and 2019 includes straight-line rent and above-market and below-market lease amortization.

Same Property – Hotel Revenue

Same property hotel revenue decreased \$72.7 million for the three months ended September 30, 2020 compared to the corresponding period in 2019. ADR for the hotels in our same property portfolio decreased from \$155 to \$117 while occupancy decreased 39% and RevPAR decreased from \$127 to \$50 during the three months ended September 30, 2020 compared to the corresponding period in 2019. The decrease can be attributed to significantly reduced occupancy at our hotels as a result of the COVID-19 pandemic.

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Same Property – Other Revenue

Same property other revenue decreased \$2.5 million for the three months ended September 30, 2020 compared to the corresponding period in 2019. The decrease was primarily due to lower non-recurring lease related fees such as late fees, lease termination fees, and other miscellaneous fees at our industrial and multifamily properties and decreased golf course revenues at our full-service hotel in San Antonio, Texas as a result of the decreased occupancy due to the COVID-19 pandemic.

Same Property – Rental Property Operating Expenses

Same property rental property operating expenses increased \$0.8 million during the three months ended September 30, 2020, compared to the corresponding period in 2019. The increase in rental property operating expenses for the three months ended September 30, 2020 was primarily the result of increased real estate taxes and COVID-19 related expenses at our multifamily properties. The increase was partially offset by a decrease real estate taxes at our industrial properties and a decrease in general operating expenses at our student housing properties due to students leaving campus during the COVID-19 pandemic.

Same Property – Hotel Operating Expenses

Same property hotel operating expenses decreased \$34.0 million during the three months ended September 30, 2020, compared to the corresponding period in 2019. The decrease in hotel operating expenses was primarily the result of reduced occupancy at our hotels as a result of the COVID-19 pandemic.

The following table details the components of same property NOI for the nine months ended September 30, 2020 and 2019 (\$ in thousands):

	Nine Months Ended September 30,		2020 vs. 2019	
	2020	2019	\$	%
Same property NOI				
Rental revenue	\$ 581,257	\$ 579,420	\$ 1,837	— %
Hotel revenue	105,594	241,486	(135,892)	(56)%
Other revenue	26,192	28,582	(2,390)	(8)%
Total revenues	713,043	849,488	(136,445)	(16)%
Rental property operating	218,855	221,973	(3,118)	(1)%
Hotel operating	98,589	161,689	(63,100)	(39)%
Total expenses	317,444	383,662	(66,218)	(17)%
Same property NOI	<u>\$ 395,599</u>	<u>\$ 465,826</u>	<u>\$ (70,227)</u>	<u>(15)%</u>

Same Property – Rental Revenue

Same property rental revenue increased \$1.8 million for the nine months ended September 30, 2020 compared to the corresponding period in 2019. The increase was due to a \$11.8 million increase in base rental revenue and a \$0.5 million increase in tenant reimbursement income partially offset by a \$10.5 million increase in bad debt expense, primarily a result of COVID-19.

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The following table details the changes in base rental revenue period over period (\$ in thousands):

	Nine Months Ended		2020 vs. 2019		
	September 30,		Change in Base Rental Revenue	Change in Occupancy Rate	Change in Average Effective Annual Base Rent Per Leased Square Foot/Unit(1)
	2020	2019			
Multifamily	\$ 331,048	\$ 321,854	\$ 9,194	— %	+3%
Industrial	190,764	188,384	2,380	(1)%	+2%
Retail	7,462	7,202	260	+1%	+2%
Total base rental revenue	\$ 529,274	\$ 517,440	\$ 11,834		

(1) The annualized base rent per leased square foot or unit for the nine months ended September 30, 2020 and 2019 includes straight-line rent and above-market and below-market lease amortization.

Same Property – Hotel Revenue

Same property hotel revenue decreased \$135.9 million for the nine months ended September 30, 2020 compared to the corresponding period in 2019. ADR for the hotels in our same property portfolio decreased from \$172 to \$144 while occupancy decreased 38% and RevPAR decreased from \$138 to \$61 during the nine months ended September 30, 2020 compared to the corresponding period in 2019. The decreases can be attributed to the closure of our full-service hotel in San Antonio, Texas from March 26, 2020 through June 15, 2020 and significantly reduced occupancy at our select-service hotels as a result of the COVID-19 pandemic.

Same Property – Other Revenue

Same property other revenue decreased \$2.4 million for the nine months ended September 30, 2020 compared to the corresponding period in 2019. The decrease in other revenue was primarily due to decreased golf course revenues during the closure of our full-service hotel in San Antonio, Texas from March 26, 2020 through June 15, 2020 as a result of the COVID-19 pandemic.

Same Property – Rental Property Operating Expenses

Same property rental property operating expenses decreased \$3.1 million during the nine months ended September 30, 2020, compared to the corresponding period in 2019. The decrease in rental property operating expenses for the nine months ended September 30, 2020 was primarily the result of a decrease in general operating expenses due to students at our student housing properties leaving campus during the COVID-19 pandemic and decreased general operating expenses at our industrial and retail properties.

Same Property – Hotel Operating Expenses

Same property hotel operating expenses decreased \$63.1 million during the nine months ended September 30, 2020, compared to the corresponding period in 2019. The decrease in hotel operating expenses was primarily the result of closures of our full-service hotel in San Antonio, Texas from March 26, 2020 through June 15, 2020 and reduced occupancy at our select-service hotels as a result of the COVID-19 pandemic.

Non-same Property NOI

Due to our substantial fundraising and continued deployment of the net proceeds raised into new property acquisitions, non-same property NOI is not comparable period over period. We expect the non-same property

NOI variance period over period to continue as we raise more proceeds from selling shares of our common stock and invest in additional new property acquisitions. Additionally, as discussed in the recent developments section, our portfolio has been impacted by COVID-19.

Funds from Operations, Adjusted Funds from Operations and Funds Available for Distribution

We believe funds from operations (“FFO”) is a meaningful supplemental non-GAAP operating metric. Our condensed consolidated financial statements are presented under historical cost accounting which, among other things, requires depreciation of real estate investments to be calculated on a straight-line basis. As a result, our operating results imply that the value of our real estate investments will decrease evenly over a set time period. However, we believe that the value of real estate investments will fluctuate over time based on market conditions and as such, depreciation under historical cost accounting may be less informative. FFO is a standard REIT industry metric defined by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO, as defined by NAREIT and presented below, is calculated as net income or loss (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”)), excluding (i) gains or losses from sales of depreciable real property, (ii) impairment write-downs on depreciable real property, plus (iii) real estate-related depreciation and amortization, and (iv) similar adjustments for non-controlling interests and unconsolidated entities.

We also believe that adjusted FFO (“AFFO”) is a meaningful non-GAAP supplemental disclosure of our operating results. AFFO further adjusts FFO in order for our operating results to reflect the specific characteristics of our business by adjusting for items we believe are not related to our core operations. Our adjustments to FFO to arrive at AFFO include removing the impact of (i) straight-line rental income and expense, (ii) amortization of above- and below-market lease intangibles, (iii) amortization of mortgage premium/discount, (iv) unrealized (gains) losses on financial instruments, (v) forfeited investment deposits (vi) amortization of restricted stock awards, (vii) non-cash performance participation allocation or other non-cash incentive compensation even if repurchased by us, (viii) gain or loss on involuntary conversion, (ix) realized (gains) losses on extinguishment of debt, and (x) similar adjustments for non-controlling interests and unconsolidated entities.

We also believe funds available for distribution (“FAD”) is an additional meaningful non-GAAP supplemental disclosure that provides useful information for considering our operating results and certain other items relative to the amount of our distributions by removing the impact of certain non-cash items from our operating results. FAD is calculated as AFFO excluding (i) realized gains (losses) on investments in real estate debt and (ii) management fee paid in shares or BREIT OP units even if repurchased by us, and including deductions for (iii) recurring tenant improvements, leasing commissions, and other capital projects, (iv) stockholder servicing fees paid during the period, and (v) similar adjustments for non-controlling interests and unconsolidated entities. FAD is not indicative of cash available to fund our cash needs and does not represent cash flows from operating activities in accordance with GAAP, as it excludes adjustments for working capital items and actual cash receipts from interest income recognized on investments in real estate debt. Cash flows from operating activities in accordance with GAAP would generally be adjusted for such items. Furthermore, FAD is adjusted for stockholder servicing fees and recurring tenant improvements, leasing commissions, and other capital expenditures, which are not considered when determining cash flows from operating activities in accordance with GAAP.

FFO, AFFO, and FAD should not be considered to be more relevant or accurate than the GAAP methodology in calculating net income (loss) or in evaluating our operating performance. In addition, FFO, AFFO, and FAD should not be considered as alternatives to net income (loss) as indications of our performance or as alternatives to cash flows from operating activities as indications of our liquidity, but rather should be reviewed in conjunction with these and other GAAP measurements. Further, FFO, AFFO, and FAD are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders.

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The following table presents a reconciliation of FFO, AFFO and FAD to net loss attributable to BREIT stockholders (\$ in thousands):

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net income (loss) attributable to BREIT stockholders	\$ 121,272	\$ (123,171)	\$ (764,376)	\$ (220,721)
Adjustments to arrive at FFO:				
Real estate depreciation and amortization	343,058	204,653	1,035,104	505,986
Impairment of investments in real estate	6,217	—	12,343	—
Net gains on dispositions of real estate	(100,070)	(6,481)	(100,441)	(36,167)
Amount attributable to non-controlling interests for above adjustments	(8,102)	(6,692)	(29,664)	(19,321)
FFO attributable to BREIT stockholders	362,375	68,309	152,966	229,777
Adjustments to arrive at AFFO:				
Straight-line rental income and expense	(37,285)	(1,804)	(114,273)	(5,532)
Amortization of above- and below-market lease intangibles	(5,133)	(2,532)	(13,237)	(6,254)
Amortization of mortgage premium/discount	(299)	(55)	(871)	(58)
Unrealized (gains) losses from changes on financial instruments (1)	(164,123)	(7,533)	484,332	(53,025)
Net forfeited investment deposits	—	—	12,750	—
Amortization of restricted stock awards	100	100	300	300
Non-cash performance participation allocation	—	56,322	—	106,383
Non-cash incentive compensation awards to affiliated service providers	(31)	500	969	1,500
Gain on involuntary conversion	(90)	—	(270)	(1,389)
Loss on extinguishment of debt	5,258	—	6,495	—
Amount attributable to non-controlling interests for above adjustments	3,564	(1,049)	(1,464)	(965)
AFFO attributable to BREIT stockholders	164,336	112,258	527,697	270,737
Adjustments to arrive at FAD:				
Management fee paid in shares	57,619	29,858	160,544	69,522
Recurring tenant improvements, leasing commissions and other capital expenditures(2)	(32,152)	(23,092)	(85,901)	(43,927)
Stockholder servicing fees	(17,043)	(11,548)	(48,111)	(28,755)
Realized losses (gains) on financial instruments	20,387	(713)	8,410	(688)
Amount attributable to non-controlling interests for above adjustments	(596)	(102)	(1,114)	(539)
FAD attributable to BREIT stockholders	<u>\$ 192,551</u>	<u>\$ 106,661</u>	<u>\$ 561,525</u>	<u>\$ 266,350</u>

- (1) Unrealized (gains) losses from changes on financial instruments primarily relates to mark-to-market changes on both our investments in real estate debt and our investments in equity securities.
- (2) Recurring tenant improvements and leasing commissions are generally related to second-generation leases and other capital expenditures required to maintain our investments. Other capital expenditures exclude underwritten tenant improvements, leasing commissions and capital expenditures in conjunction with acquisitions and projects that we believe will enhance the value of our investments.

Net Asset Value

The purchase price per share for each class of our common stock will generally equal our prior month's NAV per share, as determined monthly, plus applicable selling commissions and dealer manager fees. Our NAV for each class of shares is based on the net asset values of our investments (including investments in real estate debt), the addition of any other assets (such as cash on hand) and the deduction of any liabilities, including the allocation/accrual of any performance participation, and any stockholder servicing fees applicable to such class of shares.

For more information on our Net Asset Value Calculation and Valuation Guidelines please refer to our prospectus. Please also refer to Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019 and our prospectus dated April 21, 2020 and filed with the SEC, as supplemented for additional disclosure relating to material trends or uncertainties that may impact our business.

For the quarter ended September 30, 2020, BREIT's Class S NAV per share increased \$0.46, from \$10.74 as of June 30, 2020 to \$11.20 as of September 30, 2020. BREIT's Class I NAV per share increased from \$10.71 to \$11.17, BREIT's Class D NAV per share increased from \$10.60 to \$11.05 and BREIT's Class T NAV per share increased from \$10.56 to \$11.00. This price movement was driven by (i) increases in the value of our industrial and multifamily properties as investors seek income-producing real estate with solid fundamentals in a low interest rate environment, and (ii) mark-to-market increases in our real estate debt portfolio as pricing across securities, including CMBS, continued to recover from significant declines in March, which were partially offset by mark-to-market increases in our liabilities given a reduction in financing rates on our real estate properties.

Our total NAV presented in the following tables includes the NAV of our Class S, Class T, Class D, and Class I common stockholders, as well as partnership interests of BREIT OP held by parties other than us. The following table provides a breakdown of the major components of our total NAV as of September 30, 2020 (\$ and shares/units in thousands):

Components of NAV	September 30, 2020
Investments in real estate	\$ 32,826,503
Investments in real estate debt	4,965,677
Investments in unconsolidated entities	831,140
Cash and cash equivalents	240,022
Restricted cash	468,567
Other assets	861,444
Mortgage notes, term loans, and revolving credit facilities, net	(17,640,606)
Secured financings on investments in real estate debt	(2,392,945)
Subscriptions received in advance	(217,461)
Other liabilities	(716,314)
Accrued performance participation allocation	—
Management fee payable	(19,869)
Accrued stockholder servicing fees (1)	(5,804)
Non-controlling interests in joint ventures	(236,212)
Net Asset Value	\$ 18,964,142
Number of outstanding shares/units	1,697,827

(1) Stockholder servicing fees only apply to Class S, Class T, and Class D shares. See Reconciliation of Stockholders' Equity to NAV below for an explanation of the difference between the \$ 5.8 million accrued for purposes of our NAV and the \$572.8 million accrued under U.S. GAAP.

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The following table provides a breakdown of our total NAV and NAV per share by share class as of September 30, 2020 (\$ and shares in thousands, except per share data):

NAV Per Share	Class S Shares	Class I Shares	Class T Shares	Class D Shares	Third-party Operating Partnership Units (1)	Total
Monthly NAV	\$ 7,415,795	\$ 9,597,915	\$ 495,793	\$ 1,211,380	\$ 243,259	\$ 18,964,142
Number of outstanding shares/units	662,034	859,364	45,052	109,596	21,781	1,697,827
NAV Per Share/Unit as of September 30, 2020	\$ 11.2015	\$ 11.1686	\$ 11.0048	\$ 11.0532	\$ 11.1686	

- (1) Includes the partnership interests of BREIT OP held by the Special Limited Partner, Class B unitholders, and other BREIT OP interests held by parties other than the Company.

Set forth below are the weighted averages of the key assumptions in the discounted cash flow methodology used in the September 30, 2020 valuations, based on property types. Once we own more than one office property we will include the key assumptions for such property type.

Property Type	Discount Rate	Exit Capitalization Rate
Multifamily	7.5%	5.3%
Industrial	7.0%	5.5%
Net Lease	7.7%	6.7%
Hotel	9.2%	9.5%
Retail	7.7%	6.5%
Other	7.2%	6.8%

These assumptions are determined by the Adviser and reviewed by our independent valuation advisor. A change in these assumptions would impact the calculation of the value of our property investments. For example, assuming all other factors remain unchanged, the changes listed below would result in the following effects on our investment values:

Input	Hypothetical Change	Multifamily Investment Values	Industrial Investment Values	Net Lease Investment Values	Hotel Investment Values	Retail Investment Values	Other Investment Values
Discount Rate	0.25% decrease	+1.9%	+1.7%	+1.8%	+1.9%	+1.8%	+1.8%
(weighted average)	0.25% increase	(1.8%)	(2.1%)	(1.7%)	(1.8%)	(1.8%)	(1.7%)
Exit Capitalization Rate	0.25% decrease	+3.1%	+2.9%	+2.1%	+1.5%	+2.3%	+2.1%
(weighted average)	0.25% increase	(2.8%)	(3.1%)	(1.9%)	(1.4%)	(2.1%)	(2.0%)

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The following table reconciles stockholders' equity and BREIT OP partners' capital per our condensed consolidated balance sheet to our NAV (\$ in thousands):

	<u>September 30, 2020</u>
Stockholders' equity	\$ 14,869,924
Non-controlling interests attributable to BREIT OP	191,402
Redeemable non-controlling interest	266
Total partners' capital of BREIT OP under U.S. GAAP	15,061,592
Adjustments:	
Accrued stockholder servicing fee	566,980
Organization and offering costs	4,602
Unrealized net real estate and debt appreciation	1,029,280
Accumulated depreciation and amortization	2,301,688
NAV	<u>\$ 18,964,142</u>

The following details the adjustments to reconcile GAAP stockholders' equity and total partners' capital of BREIT OP to our NAV:

- Accrued stockholder servicing fee represents the accrual for the full cost of the stockholder servicing fee for Class S, Class T, and Class D shares. Under GAAP, we accrued the full cost of the stockholder servicing fee payable over the life of each share (assuming such share remains outstanding the length of time required to pay the maximum stockholder servicing fee) as an offering cost at the time we sold the Class S, Class T, and Class D shares. Refer to Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2019 for further details of the GAAP treatment regarding the stockholder servicing fee. For purposes of NAV we recognize the stockholder servicing fee as a reduction of NAV on a monthly basis when such fee is paid.
- The Adviser agreed to advance certain organization and offering costs on our behalf through December 31, 2017. Such costs are being reimbursed to the Adviser pro-rata basis over 60 months beginning January 1, 2018. Under GAAP, organization costs are expensed as incurred and offering costs are charged to equity as such amounts are incurred. For NAV, such costs will be recognized as a reduction to NAV as they are reimbursed ratably over 60 months.
- Under GAAP, the affiliate incentive compensation awards are valued as of grant date and compensation expense is recognized over the service period on a straight-line basis with an offset to equity resulting in no impact to Stockholders' Equity. For purposes of NAV, we value the awards based on the performance of the applicable period and deduct such value from NAV.
- Our investments in real estate are presented under historical cost in our GAAP consolidated financial statements. Additionally, our mortgage notes, term loans, secured and unsecured revolving credit facilities, and repurchase agreements ("Debt") are presented at their carrying value in our consolidated GAAP financial statements. As such, any increases or decreases in the fair market value of our investments in real estate or our Debt are not included in our GAAP results. For purposes of determining our NAV, our investments in real estate and our Debt are recorded at fair value.
- In addition, we depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Such depreciation and amortization is not recorded for purposes of determining our NAV.

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Distributions

Beginning March 31, 2017, we declared monthly distributions for each class of our common stock which are generally paid 20 days after month-end. We have paid distributions consecutively each month since such time. Each class of our common stock received the same gross distribution per share, which was \$0.4755 per share for the nine months ended September 30, 2020. The net distribution varies for each class based on the applicable stockholder servicing fee, which is deducted from the monthly distribution per share and paid directly to the applicable distributor. The table below details the net distribution for each of our share classes for the nine months ended September 30, 2020:

	<u>Class S Shares</u>	<u>Class I Shares</u>	<u>Class T Shares</u>	<u>Class D Shares</u>
January 31, 2020	\$0.0451	\$0.0534	\$0.0452	\$ 0.0510
February 28, 2020	0.0451	0.0529	0.0452	0.0506
March 31, 2020	0.0451	0.0529	0.0452	0.0506
April 30, 2020	0.0451	0.0524	0.0452	0.0503
May 31, 2020	0.0451	0.0527	0.0452	0.0505
June 30, 2020	0.0451	0.0526	0.0452	0.0504
July 31, 2020	0.0451	0.0529	0.0452	0.0506
August 31, 2020	0.0451	0.0529	0.0452	0.0506
September 30, 2020	<u>0.0451</u>	<u>0.0528</u>	<u>0.0452</u>	<u>0.0506</u>
Total	<u>\$0.4059</u>	<u>\$0.4755</u>	<u>\$0.4068</u>	<u>\$ 4.552</u>

The following tables summarize our distributions declared during the three and nine months ended September 30, 2020 and 2019 (\$ in thousands):

	<u>Three Months Ended September 30, 2020</u>		<u>Three Months Ended September 30, 2019</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Distributions				
Payable in cash	\$114,329	47%	\$ 45,894	38%
Reinvested in shares	130,710	53%	73,347	62%
Total distributions	<u>\$245,039</u>	<u>100%</u>	<u>\$119,241</u>	<u>100%</u>
Sources of Distributions				
Cash flows from operating activities	\$245,039	100%	\$119,241	100%
Offering proceeds	—	— %	—	— %
Total sources of distributions	<u>\$245,039</u>	<u>100%</u>	<u>\$119,241</u>	<u>100%</u>
Cash flows from operating activities	\$252,656		\$179,897	
Funds from Operations(1)	\$362,375		\$ 68,309	
Adjusted Funds from Operations(1)	\$164,336		\$112,258	
Funds Available for Distribution(1)	\$192,551		\$106,661	

	Nine Months Ended September 30, 2020		Nine Months Ended September 30, 2019	
	Amount	Percentage	Amount	Percentage
Distributions				
Payable in cash	\$317,527	46%	\$104,674	37%
Reinvested in shares	368,968	54%	174,980	63%
Total distributions	<u>\$686,495</u>	<u>100%</u>	<u>\$279,654</u>	<u>100%</u>
Sources of Distributions				
Cash flows from operating activities	\$686,495	100%	\$279,654	100%
Offering proceeds	—	— %	—	— %
Total sources of distributions	<u>\$686,495</u>	<u>100%</u>	<u>\$279,654</u>	<u>100%</u>
Cash flows from operating activities	\$729,451		\$373,366	
Funds from Operations(1)	\$152,966		\$229,777	
Adjusted Funds from Operations(1)	\$527,697		\$270,737	
Funds Available for Distribution(1)	\$561,525		\$266,350	

(1) Please see “—Funds from Operations and Adjusted Funds from Operations and Funds Available for Distribution” above for descriptions of Funds from Operations (FFO), Adjusted Funds from Operations (AFFO), and Funds Available for Distribution (FAD), for reconciliations of them to GAAP net loss attributable to BREIT stockholders, and for considerations on how to review these metrics.

Through September 30, 2020, our distributions have been funded entirely from cash flows from operations.

Liquidity and Capital Resources

The global outbreak of COVID-19 continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. While the long-term impact of COVID-19 to our business is not yet fully known, we believe we are well positioned from a liquidity perspective with \$4.2 billion of immediate liquidity as of November 12, 2020, made up of \$3.6 billion of undrawn line of credit capacity and \$0.6 billion of cash on hand.

Our primary needs for liquidity and capital resources are to fund our investments, make distributions to our stockholders, repurchase shares of our common stock pursuant to our share repurchase plan, operating expenses, capital expenditures, margin calls under our reverse repurchase agreements, and to pay debt service on our outstanding indebtedness we may incur. Our operating expenses include, among other things, fees and expenses related to managing our properties and other investments, the management fee we pay to the Adviser (to the extent the Adviser elects to receive the management fee in cash), the performance participation allocation that BREIT OP pays to the Special Limited Partner (to the extent the Special Limited Partner elects to receive the performance participation allocation in cash), and general corporate expenses. We do not have any office or personnel expenses as we do not have any employees.

Our cash needs for acquisitions and other capital investments will be funded primarily from the sale of shares of our common stock and through the assumption or incurrence of debt. During the second quarter, we experienced a decline in net proceeds received from the sale of shares of our common stock compared to recent quarters as a result of COVID-19. However, subsequent to June 30, 2020, we have started to see an increase in net proceeds received from the sale of shares of our common stock compared to the second quarter. In addition, in March 2020 we experienced an elevated level of repurchases under our repurchase plan. We continue to believe that our current liquidity position is sufficient to meet our expected investment activity. Other potential future sources of capital include secured or unsecured financings from banks or other lenders and proceeds from the sale of assets. If necessary, we may use financings or other sources of capital in the event of unforeseen significant capital expenditures.

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As of September 30, 2020, our indebtedness included loans secured by our properties, master repurchase agreements with Barclays Bank PLC (the “Barclays MRA”), Royal Bank of Canada (the “RBC MRA”), and Citigroup Global Markets Inc. (the “Citi MRA”) secured by our investments in real estate debt, and unsecured lines of credit.

During April 2020, we entered into an asset-specific Total Return Swap (“TRS”) and sale of a financial asset, collectively accounted for as a secured financing with Deutsche Bank (the “DB Secured Financing”) in the amount of \$252.7 million. The DB Secured Financing is secured by one of our term loans and bears interest equal to the three-month EURIBOR plus 1.8% per annum. Additionally, as part of the DB Secured Financing, we are responsible for providing in cash, the equivalent of any decline in value on the underlying collateral. The DB Secured Financing is denominated in euro, therefore any foreign exchange is recorded as a component of Income (Loss) from Investments in Real Estate Debt on our Condensed Consolidated Statements of Operations

During July 2020, we entered into a TRS with Citibank, N.A. (the “Citi Term Loan TRS”) in order to finance certain of our term loans. The Citi Term Loan TRS bears interest equal to the three-month or one-month USD LIBOR plus a spread, dependent upon the collateral. Additionally, as part of the Citi Term Loan TRS, we are responsible for providing, in cash, the equivalent of any decline in value on the underlying collateral.

The following table is a summary of our indebtedness as of September 30, 2020 (\$ in thousands):

Indebtedness	Weighted Average Interest Rate(1)	Weighted Average Maturity Date(2)(3)	Maximum Facility Size	Principal Balance as of	
				September 30, 2020	December 31, 2019
Fixed rate loans:					
Fixed rate mortgages	3.8%	7/15/2027	N/A	\$ 12,713,738	\$ 12,424,717
Mezzanine loan	—	—	—	—	195,878
Total fixed rate loans	3.8%	7/15/2027	—	12,713,738	12,620,595
Variable rate loans:					
Floating rate mortgages	L+1.8%	2/8/2026	N/A	3,209,340	1,826,435
Variable rate term loans	L+1.7%	2/11/2024	N/A	1,639,495	1,533,561
Variable rate secured revolving credit facilities	—	—	\$ 2,339,495	—	1,063,837
Variable rate mezzanine loans	L+4.3%	4/9/2025	N/A	142,200	—
Total variable rate loans	L+1.8%	6/5/2025	—	4,991,035	4,423,833
Total loans secured by our properties	3.3%	2/18/2027	—	17,704,773	17,044,428
Secured financings on investments in real estate debt:					
Barclays MRA	—	9/29/2021	750,000	750,000	750,000
Other MRAs(4)	—	3/21/2021	N/A	1,343,007	2,342,137
DB Secured Financing	—	4/2/2022	N/A	263,866	—
Citi Term Loan TRS	—	7/9/2021	—	36,072	—
Total secured financings on investments real estate debt(5)	1.6%	—	—	2,392,945	3,092,137
Unsecured loans:					
Unsecured variable rate revolving credit facility	L+2.5%	2/22/2023	1,275,000	—	—
Affiliate line of credit	L+2.5%	1/22/2021	150,000	—	—
Total unsecured loans	—	—	1,425,000	—	—
Total indebtedness	—	—	—	\$ 20,097,718	\$ 20,136,565

(1) The term “L” refers to the one-month LIBOR with respect to loans secured by our properties and unsecured loans.

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- (2) For loans where we, at our sole discretion, have extension options, the maximum maturity date has been assumed.
- (3) Subsequent to quarter end, we rolled our repurchase agreement contracts expiring in October 2020 into new contracts.
- (4) Includes RBC MRA and Citi MRA.
- (5) Weighted average interest rate based on L+1.6%, whereby “L” refers to the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR and EURIBOR, as applicable to each secured financing.

We had registered with the Securities and Exchange Commission (the “SEC”) an offering of up to \$5.0 billion in shares of common stock (the “Initial Offering”) and accepted aggregate gross offering proceeds of \$4.9 billion during the period January 1, 2017 to January 1, 2019. We subsequently registered with the SEC a follow-on offering of up to \$12.0 billion in shares of common stock (in any combination of purchases of Class S, Class I, Class T, and Class D shares of our common stock), consisting of up to \$10.0 billion in shares in our primary offering and up to \$2.0 billion in shares pursuant to our distribution reinvestment plan, which we began using to offer shares of our common stock in January 2019 (the “Current Offering” and with the Initial Offering, the “Offering”). The share classes have different upfront selling commissions and ongoing stockholder servicing fees.

As of November 12, 2020, we had received net proceeds of \$9.6 billion from selling an aggregate of 864,744,069 shares of our common stock in the Current Offering (consisting of 446,607,769 Class S shares, 297,500,515 Class I shares, 27,907,772 Class T shares, and 92,728,013 Class D shares).

Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents and restricted cash (\$ in thousands):

	Nine Months Ended	
	September 30,	
	2020	2019
Cash flows provided by operating activities	\$ 729,451	\$ 373,366
Cash flows used in investing activities	(5,373,918)	(11,192,689)
Cash flows provided by financing activities	4,243,354	11,335,275
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ (401,113)	\$ 515,952

Cash flows provided by operating activities increased \$0.4 billion during the nine months ended September 30, 2020 compared to the corresponding period in 2019 due to increased cash flows from the operations of the investments in real estate and income on our investments in real estate debt.

Cash flows used in investing activities decreased \$5.8 billion during the nine months ended September 30, 2020 compared to the corresponding period in 2019 primarily due to a net decrease of \$6.5 billion in the acquisitions of and capital improvements to real estate investments, a net decrease of \$0.4 billion in our investments in real estate debt, an increase of \$0.3 billion in proceeds from dispositions of real estate. This decrease was partially offset by an increase of \$0.8 billion for our investment in unconsolidated entities and a net increase of \$0.6 billion related to our investments in real estate-related equity securities.

Cash flows provided by financing activities decreased \$7.1 billion during the nine months ended September 30, 2020 compared to the corresponding period in 2019 primarily due to a net decrease in borrowings of \$6.6 billion, an increase of \$1.0 billion in repurchases of common stock, a decrease of \$0.3 billion in subscriptions received in advance and a \$0.2 billion increase in distributions. The decrease was partially offset by an increase of \$1.1 billion from the issuance of our common stock.

Critical Accounting Policies

The preparation of the financial statements in accordance with GAAP involves significant judgments and assumptions and requires estimates about matters that are inherently uncertain. These judgments will affect our reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. With different estimates or assumptions, materially different amounts could be reported in our condensed consolidated financial statements. We consider our accounting policies over investments in real estate and lease intangibles, investments in real estate debt, and revenue recognition to be our critical accounting policies. See Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2019 for further descriptions of such accounting policies.

Recent Accounting Pronouncements

See Note 2 — “Summary of Significant Accounting Policies” to our condensed consolidated financial statements in this quarterly report on Form 10-Q for a discussion concerning recent accounting pronouncements.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

The following table aggregates our contractual obligations and commitments with payments due subsequent to September 30, 2020 (\$ in thousands).

Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Indebtedness(1)	\$ 23,956,001	\$ 2,790,853	\$ 2,379,057	\$ 6,950,703	\$ 11,835,388
Ground leases	965,956	7,007	14,596	15,311	929,042
Organizational and offering costs	4,602	2,045	2,557	—	—
Other	5,995	2,398	3,597	—	—
Total	\$ 24,932,554	\$ 2,802,303	\$ 2,399,807	\$ 6,966,014	\$ 12,764,430

(1) The allocation of our indebtedness includes both principal and interest payments based on the current maturity date and interest rates in effect at September 30, 2020.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Indebtedness

We are exposed to interest rate risk with respect to our variable-rate indebtedness, whereas an increase in interest rates would directly result in higher interest expense costs. We seek to manage our exposure to interest rate risk by utilizing a mix of fixed and floating rate financings with staggered maturities and through interest rate protection agreements to fix or cap a portion of our variable rate debt. As of September 30, 2020, the outstanding principal balance of our variable rate indebtedness was \$7.4 billion and consisted of mortgage notes, term loans, secured and unsecured revolving credit facilities, and repurchase agreements.

Certain of our mortgage notes, term loans, secured and unsecured revolving credit facilities and repurchase agreements are variable rate and indexed to one-month U.S. Dollar denominated LIBOR, three-month U.S. Dollar denominated LIBOR, six-month U.S. Dollar denominated LIBOR, three-month GBP denominated LIBOR, or three-month Euro denominated LIBOR (collectively, the “Reference Rates”). For the three and nine months ended September 30, 2020, a 10% increase in the Reference Rates would have resulted in increased interest expense of \$0.3 million and \$2.7 million, respectively.

Certain jurisdictions are currently reforming or phasing out their Interbank Offered Rates, or IBORS, including, without limitation, the London Interbank Offered Rate and Euro Interbank Offered Rate. The timing of the anticipated reforms or phase-outs vary by jurisdiction, with most of the reforms or phase-outs currently scheduled to take effect at the end of calendar year 2021. We are evaluating the operational impact of such changes on existing transactions and contractual arrangements and managing transition efforts. Refer to “Part I. Item 1A. Risk Factors — Risks Related to Debt Financing — Changes to, or the elimination of, LIBOR may adversely affect interest expense related to borrowings under our credit facilities and real estate-related investments” of our Annual Report on Form 10-K for the year ended December 31, 2019.

Investments in Real Estate Debt

As of September 30, 2020, we held \$5.0 billion of investments in real estate debt. Our investments in real estate debt are primarily floating-rate and indexed to the Reference Rates and as such, exposed to interest rate risk. Our net income will increase or decrease depending on interest rate movements. While we cannot predict factors which may or may not affect interest rates, for the three and nine months ended September 30, 2020, a 10% increase or decrease in the Reference Rates would have resulted in an increase or decrease to income from investments in real estate debt of \$0.1 million and \$0.4 million, respectively.

We may also be exposed to market risk with respect to our investments in real estate debt due to changes in the fair value of our investments. We seek to manage our exposure to market risk with respect to our investments in real estate debt by making investments in securities backed by different types of collateral and varying credit ratings. The fair value of our investments may fluctuate, thus the amount we will realize upon any sale of our investments in real estate debt is unknown. As of September 30, 2020, the fair value at which we may sell our investments in real estate debt is not known, but a 10% change in the fair value of our investments in real estate debt may result in a change in the carrying value of our investments in real estate debt of \$496.6 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this quarterly report on Form 10-Q was made under the supervision and with the participation of our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer

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(“CFO”). Based upon this evaluation, our CEO and CFO have concluded that as of the end of the period covered by this report our disclosure controls and procedures (a) were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and (b) included, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

There have been no changes in our “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the period covered by this quarterly report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of September 30, 2020, we were not involved in any material legal proceedings.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019 and under the heading "Risk Factors" in our [prospectus](#) dated April 21, 2020, as supplemented.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

During the three months ended September 30, 2020, we sold equity securities that were not registered under the Securities Act as described below. As described in Note 12 to our condensed consolidated financial statements, the Adviser is entitled to an annual management fee payable monthly in cash, shares of common stock, or BREIT OP Units, in each case at the Adviser's election. For the three months ended September 30, 2020, the Adviser elected to receive its management fee in Class I shares and we issued 3,483,258 unregistered Class I shares to the Adviser in satisfaction of the management fee for July and August 2020. Additionally, we issued 1,778,962 unregistered Class I shares to the Adviser in October 2020 in satisfaction of the September 2020 management fee.

We have also sold Class I shares to feeder vehicles primarily created to hold Class I shares that offers interests in such feeder vehicles to non-U.S. persons. The offer and sale of Class I shares to the feeder vehicles was exempt from the registration provisions of the Securities Act, by virtue of Section 4(a)(2) and Regulation S thereunder. During the three months ended September 30, 2020, we received \$0.3 billion from selling 28.6 million unregistered Class I shares to such vehicles. We intend to use the net proceeds from such sales for the purposes set forth in the prospectus for our Current Offering and in a manner within the investment guidelines approved by our board of directors, who serve as fiduciaries to our stockholders.

Share Repurchases

Under our share repurchase plan, to the extent we choose to repurchase shares in any particular month, we will only repurchase shares as of the opening of the last calendar day of that month (each such date, a "Repurchase Date"). Repurchases will be made at the transaction price in effect on the Repurchase Date (which will generally be equal to our prior month's NAV per share), except that shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price (an "Early Repurchase Deduction") subject to certain limited exceptions. Settlements of share repurchases will generally be made within three business days of the Repurchase Date. The Early Repurchase Deduction will not apply to shares acquired through our distribution reinvestment plan.

The aggregate NAV of total repurchases of Class S shares, Class I shares, Class T shares and Class D shares (including repurchases at certain non-U.S. investor access funds primarily created to hold shares of the Company but excluding any Early Repurchase Deduction applicable to the repurchased shares) is limited to no more than 2% of our aggregate NAV per month based on the aggregate NAV of the prior month and no more than 5% of our aggregate NAV per calendar quarter based on the average of the aggregate NAV per month over the prior three months.

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In the event that we determine to repurchase some but not all of the shares submitted for repurchase during any month, shares submitted for repurchase during such month will be repurchased on a pro rata basis. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase plan, as applicable.

Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares in any particular month than have been requested to be repurchased, or none at all. Further, our board of directors may make exceptions to, 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. Material modifications, including any amendment to the 2% monthly or 5% quarterly limitations on repurchases, to and suspensions of the share repurchase plan will be promptly disclosed to stockholders in a prospectus supplement (or post-effective amendment if required by the Securities Act) or special or periodic report filed by us. Material modifications will also be disclosed on our website. In addition, we may determine to suspend the share repurchase plan due to regulatory changes, changes in law or if we become aware of undisclosed material information that we believe should be publicly disclosed before shares are repurchased. Once the share repurchase plan is suspended, our board of directors must affirmatively authorize the recommencement of the plan before stockholder requests will be considered again.

If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests.

During the three months ended September 30, 2020, we repurchased shares of our common stock in the following amounts, which represented all of the share repurchase requests received for the same period.

Month of:	Total Number of Shares Repurchased(1)	Repurchases as a Percentage of NAV(2)	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares Pending Repurchase Pursuant to Publicly Announced Plans or Programs(3)
July 2020	5,834,909	0.4%	10.67	5,834,909	—
August 2020	17,220,791	1.0%	10.49	15,520,764	—
September 2020	8,225,513	0.5%	10.91	6,492,460	—
Total	31,281,213	N/M	\$ 10.64	27,848,133	—

- (1) Includes 3,433,081 Class I common shares previously issued to the Adviser as payment for the management fee. The shares were repurchased at the then current transaction price resulting in a total repurchase of \$37.2 million. As of September 30, 2020, the Adviser owned 6,922,591 of our Class I common shares.
- (2) Represents aggregate NAV of the shares repurchased under our share repurchase plan over aggregate NAV of all shares outstanding, in each case, based on the NAV as of the last calendar day of the prior month.
- (3) All repurchase requests under our share repurchase plan were satisfied.

The Special Limited Partner continues to hold 23,788 Class I units in BREIT OP. The redemption of Class I units, Class B units and shares held by the Adviser acquired as payment of the Adviser's management fee are not considered part of our share repurchase plan.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

31.1*	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 +	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 +	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.SCH	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith.

+ This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACKSTONE REAL ESTATE INCOME TRUST, INC.

November 12, 2020
Date

/s/ Frank Cohen
Frank Cohen
Chief Executive Officer
(Principal Executive Officer)

November 12, 2020
Date

/s/ Paul D. Quinlan
Paul D. Quinlan
Chief Financial Officer and Treasurer
(Principal Financial Officer)

November 12, 2020
Date

/s/ Paul Kolodziej
Paul Kolodziej
Chief Accounting Officer
(Principal Accounting Officer)

Annex C

Explanatory Note

This Annex C is being included solely to provide the required audited combined statement of revenues and certain operating expenses under Rule 3-14 of Regulation S-X with respect to the Jupiter 12 Industrial Portfolio acquired by Blackstone Real Estate Income Trust, Inc. (the "Company" or "BREIT"), which was considered a significant asset acquisition. Additionally, this Annex C presents the required pro forma financial information reflecting the impact of the Jupiter 12 Industrial Portfolio acquisition on the Company. The Company qualifies as a real estate investment trust for federal income tax purposes and as such, the estimated taxable operations results are excluded from this report.

The Company's results with respect to the Jupiter 12 Industrial Portfolio may be materially different from those expressed in this Annex C due to various factors, including but not limited to those discussed in the Company's prospectus.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Blackstone Real Estate Income Trust, Inc.
New York, New York

We have audited the accompanying Combined Statement of Revenues and Certain Operating Expenses of the Jupiter 12 Industrial Portfolio (the "Portfolio") for the year ended December 31, 2018, and the related notes (the "Historical Summary"). The properties within the Portfolio are under common ownership and management.

Management's Responsibility for the Historical Summary

Management is responsible for the preparation and fair presentation of the Historical Summary in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Historical Summary that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Historical Summary based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Summary. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Historical Summary, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Portfolio's preparation and fair presentation of the Historical Summary in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Historical Summary.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Portfolio for the year ended December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2 to the Historical Summary, which describes that the accompanying Historical Summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the Current Report on Form 8-K/A of Blackstone Real Estate Income Trust, Inc.) and is not intended to be a complete presentation of the Portfolio's revenues and expenses. Our opinion is not modified with respect to this matter.

/s/ Deloitte & Touche LLP

December 12, 2019

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Jupiter 12 Industrial Portfolio
Combined Statements of Revenues and Certain Operating Expenses for the Six Months Ended June 30, 2019 (Unaudited) and the Year Ended December 31, 2018
(in thousands)

	Six Months Ended June 30, 2019 (Unaudited)	Year Ended December 31, 2018
Revenues		
Rental revenue	\$ 180,511	\$ 332,915
Other revenue	<u>1,900</u>	<u>3,324</u>
Total revenues	182,411	336,239
Certain Operating Expenses		
Rental property operating	<u>50,577</u>	<u>91,774</u>
Total certain operating expenses	<u>50,577</u>	<u>91,774</u>
Revenues in Excess of Certain Operating Expenses	<u>\$ 131,834</u>	<u>\$ 244,465</u>

See accompanying notes to combined statements of revenues and certain operating expenses.

Jupiter 12 Industrial Portfolio
Notes to the Combined Statements of Revenues and Certain Operating Expenses for the Six Months Ended June 30, 2019 (Unaudited) and the Year Ended December 31, 2018

1. Organization

On September 26, 2019, Blackstone Real Estate Income Trust, Inc. (“BREIT” or the “Company”) acquired a 64 million square foot, income-oriented, high-quality 95% leased industrial portfolio in well-located, in-fill locations (the “Jupiter 12 Industrial Portfolio”). The Jupiter 12 Industrial Portfolio was acquired from entities related to GLP Pte. Ltd. and other unaffiliated third parties (collectively, the “Seller”) as part of a larger 179 million square foot transaction alongside Blackstone Real Estate Partners funds, an affiliate of the Company’s sponsor, for approximately \$5.3 billion, excluding closing costs. The acquisition of the Jupiter 12 Industrial Portfolio was funded through a combination of \$695.0 million of assumed debt, \$2.8 billion of new mortgage debt secured by the Jupiter 12 Industrial Portfolio, and available cash. As of September 30, 2019, the Jupiter 12 Industrial Portfolio was 95% occupied by 745 tenants including e-commerce and logistics companies such as Amazon, FedEx, and DHL, as well as Starbucks, Wayfair, and Whirlpool. The Jupiter 12 Industrial Portfolio consists of 316 industrial properties primarily located in Dallas/Fort Worth (14% of square footage), Chicago (12%), Central Pennsylvania (9%), Atlanta (8%), and Central Florida (8%).

2. Basis of Presentation

The combined statements of revenues and certain operating expenses (the “Historical Summary”) have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (the “SEC”) for inclusion in a Current Report on Form 8-K/A of the Company, and with the provisions of SEC Rule 3-14 of Regulation S-X, which require certain information with respect to real estate operations to be included with certain filings with the SEC. The Historical Summary includes the combined historical revenues and certain operating expenses of the Jupiter 12 Industrial Portfolio, exclusive of items which may not be comparable to the proposed future operations of the Jupiter 12 Industrial Portfolio subsequent to its acquisition by BREIT. Material amounts that would not be directly attributable to future operating results of the Jupiter 12 Industrial Portfolio are excluded, and the financial statements are not intended to be a complete presentation of the Jupiter 12 Industrial Portfolio’s revenues and expenses. Items excluded consist primarily of interest expense, depreciation and amortization expense, and the amortization of above or below market leases recorded in conjunction with the original purchase price accounting.

The Historical Summary for the six months ended June 30, 2019 is unaudited. In the opinion of management, the unaudited interim period includes all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the Jupiter 12 Industrial Portfolio’s results of operations. The results of operations for the unaudited interim period presented are not necessarily indicative of full year results of operations.

3. Summary of Significant Accounting Policies

Revenue Recognition—The Jupiter 12 Industrial Portfolio leases its operating properties to tenants under agreements that are generally classified as operating leases. The Jupiter 12 Industrial Portfolio recognizes the total minimum lease payments provided for under the leases on a straight-line basis over the lease term. Rental revenue includes amounts due from tenants for costs related to common area maintenance, real estate taxes, and other recoverable costs included in lease agreements, as primarily all of the Jupiter 12 Industrial Portfolio’s leases are triple net, and are recognized as revenue in the same period the related expenses are incurred.

Expense Recognition—Property operating expenses represent the direct expenses of operating the Jupiter 12 Industrial Portfolio and include real estate taxes, repairs and maintenance, and other property expenses that are expected to continue in the ongoing operations of the Jupiter 12 Industrial Portfolio. Real estate taxes comprise

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\$27.8 million of total property operating expense for the six months ended June 30, 2019 and \$49.2 million of total property operating expense for the year ended December 31, 2018. Expenditures for repairs and maintenance are expensed as incurred.

Use of Estimates-The preparation of the Historical Summary in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and certain expenses during the reporting periods presented. The estimates, judgments and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from those estimates under different assumptions and conditions.

4. Future Minimum Rents

The future minimum rents to be received under non-cancelable tenant operating leases as of December 31, 2018 is summarized as follows (\$ in thousands):

Years ending December 31:	
2019	\$ 319,179
2020	357,975
2021	311,574
2022	255,970
2023	196,161
Thereafter	403,236
Total	\$ 1,844,095

The Jupiter 12 Industrial Portfolio is subject to the usual business risks associated with the collection of the above scheduled rents.

In addition to minimum rents, the leases typically provide for tenant reimbursements, which reimburse the Jupiter 12 Industrial Portfolio for real estate taxes, insurance and other property operating expenses. These reimbursements are not included in the table above.

Leases can also provide for additional rent based on increases in the Consumer Price Index. Such amounts are not included in the table above.

5. Future Minimum Ground Rents

The following table presents the future lease payments due under the Company’s ground leases as of December 31, 2018 (\$ in thousands):

Years ending December 31:	
2019	\$ 2,394
2020	2,434
2021	2,501
2022	2,575
2023	2,578
Thereafter	139,713
Total	\$ 152,195

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6. Tenant Concentrations

No tenant comprised more than 10% of the Jupiter 12 Industrial Portfolio's rental revenue for the six months ended June 30, 2019 or the year ended December 31, 2018.

7. Commitments and Contingencies

The Jupiter 12 Industrial Portfolio is presently not subject to material litigation nor, to management's knowledge, is any material litigation threatened against the Jupiter 12 Industrial Portfolio.

8. Subsequent Events

Management has evaluated subsequent events through December 12, 2019, the date the Historical Summary was available to be issued. No material subsequent events have occurred since June 30, 2019 that require recognition or disclosure in the Historical Summary.

Unaudited Pro Forma Condensed Consolidated Financial Statement

The unaudited pro forma condensed consolidated financial statement below should be read in conjunction with the Company's financial statements and notes thereto presented in our Annual Report on Form 10-K for the year ended December 31, 2019 in Annex A. The unaudited pro forma income statement is not necessarily indicative of what the actual operating results would have been had the Jupiter 12 Industrial Portfolio acquisition and sale of the Company's common stock occurred on January 1, 2019, nor is it indicative of our future operating results.

The Jupiter 12 Industrial Portfolio is included in the Company's consolidated balance sheet as disclosed on Form 10-K for the period ended December 31, 2019 in Annex A. As such, the Company has not included a pro forma balance sheet for the acquisition of the Jupiter 12 Industrial Portfolio.

Blackstone Real Estate Income Trust, Inc.
Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2019
(Unaudited, in thousands except share and per share data)

	BREIT Historical (a)	Jupiter 12 Industrial Portfolio Acquisition	Pro-forma Adjustments	BREIT Pro forma
Revenues				
Rental revenue	\$1,201,613	\$ 263,285(b)	\$ 14,029(c)	\$1,478,927
Hotel revenue	432,892	—	—	432,892
Other revenue	51,767	3,951(b)	—	55,718
Total revenues	<u>1,686,272</u>	<u>267,236</u>	<u>14,029</u>	<u>1,967,537</u>
Expenses				
Rental property operating	469,966	74,368(b)	1,511(d)	545,845
Hotel operating	304,710	—	—	304,710
General and administrative	18,170	—	—	18,170
Management fee	108,115	—	14,267(e)	122,382
Performance participation allocation	141,396	—	9,827(f)	151,223
Depreciation and amortization	824,039	—	224,918(g)	1,048,957
Total expenses	<u>1,866,396</u>	<u>74,368</u>	<u>250,523</u>	<u>2,191,287</u>
Other income (expense)				
Income from real estate debt	213,062	—	—	213,062
Net gain on dispositions of real estate	35,035	—	—	35,035
Interest income	3,041	—	—	3,041
Interest expense	(487,517)	—	(95,468)(h)	(582,985)
Other income (expense)	2,260	—	—	2,260
Total other income (expense)	<u>(234,119)</u>	<u>—</u>	<u>(95,468)</u>	<u>(329,587)</u>
Net loss	<u>\$ (414,243)</u>	<u>\$ 192,868</u>	<u>\$ (331,962)</u>	<u>\$ (553,337)</u>
Net loss attributable to non-controlling interests in third-party joint ventures	5,671	—	—	5,671
Net loss attributable to non-controlling interests in BREIT OP	6,801	—	2,350(i)	9,151
Net loss attributable to BREIT stockholders	<u>\$ (401,771)</u>	<u>\$ 192,868</u>	<u>\$ (329,612)</u>	<u>\$ (538,515)</u>
Net loss per share of common stock-basic and diluted	<u>\$ (0.54)</u>			<u>\$ (0.63)</u>
Weighted-average shares of common stock outstanding, basic and diluted	<u>748,841</u>			<u>850,504(j)</u>

Blackstone Real Estate Income Trust, Inc.
Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2019
(Unaudited)

- (a) Historical financial information obtained from BREIT's Annual Report on Form 10-K for the year ended December 31, 2019.
- (b) Represents the operating results attributable to the Jupiter 12 Industrial Portfolio for the period January 1, 2019 through September 25, 2019, the period prior to the Company's acquisition of the Jupiter 12 Industrial Portfolio. The operating results attributable to the Jupiter 12 Industrial Portfolio for the period from September 26, 2019 through December 31, 2019 are included in the Company's historical operating results for the year ended December 31, 2019.
- (c) The Company recognizes rental revenue for operating leases on a straight-line basis over the life of the related lease, including any rent steps or abatement provisions. An adjustment in the amount of \$5.1 million is made to reflect rental revenue on a straight-line basis as if the Company had acquired the Jupiter 12 Industrial Portfolio as of January 1, 2019. In addition, the Company records acquired above-market and below-market leases at their fair value and recognizes the related amortization as an adjustment to rental revenue. As such, an adjustment to increase revenue in the amount of \$8.9 million is made to reflect rental revenue as if the Company had acquired the Jupiter 12 Industrial Portfolio as of January 1, 2019.
- (d) The Company has engaged Link Industrial Properties Holdco LLC, a portfolio company owned by a Blackstone-advised fund, to provide services in connection with its investment in the Jupiter 12 Industrial Portfolio. For further details of the services provided by Link, see the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The pro forma adjustment for such services is \$4.0 million.

The pro forma adjustment also includes a decrease of \$2.7 million to reflect the current third-party management contracts for the Jupiter 12 Industrial Portfolio and an increase of \$0.6 million in insurance expense due to increased premiums. The remainder of the adjustment relates to a decrease of \$0.4 million made to reflect ground rent expense on a straight-line basis as if the Company had acquired the Jupiter 12 Industrial Portfolio on January 1, 2019.

The adjustments were made as if the contracts were in place during the year ended December 31, 2019.

- (e) The Company is externally managed by the Adviser. The Adviser is entitled to an annual management fee equal to 1.25% of the Company's NAV, payable monthly, as compensation for the services it provides to the Company. The pro forma adjustment includes \$14.3 million to reflect the management fee as if the Company had acquired the Jupiter 12 Industrial Portfolio as of January 1, 2019 and contributed to management fees for the period from January 1, 2019 through September 25, 2019.
- (f) The Company is the sole general partner of the Operating Partnership, and substantially all of the Company's business is conducted through BREIT OP. BREIT Special Limited Partner L.P., a wholly-owned subsidiary of The Blackstone Group, holds a performance participation interest in BREIT OP that entitles it to receive an allocation of BREIT OP's total return to its capital account. For further details see the Company's 2019 Annual Report on Form 10-K for the year ended December 31, 2019. The pro forma adjustment includes \$9.8 million to reflect the performance participation allocation expense as if the Company had acquired the Jupiter 12 Industrial Portfolio on January 1, 2019 and contributed to the total return of BREIT OP from January 1, 2019 through September 25, 2019.
- (g) Represents depreciation and amortization expense on the Jupiter 12 Industrial Portfolio for the period from January 1, 2019 through September 25, 2019. The Company records depreciation and amortization on a

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straight-line basis. The following table details the depreciation and amortization expense for the period from January 1, 2019 through September 25, 2019 (\$ in thousands):

	Jupiter 12 Industrial Portfolio
Depreciation Expense	\$ 130,692
Amortization Expense	94,226
Total	<u>\$ 224,918</u>

- (h) Represents the interest expense, and the related amortization of deferred financing costs, on the Company's borrowings utilized in order to acquire the Jupiter 12 Industrial Portfolio for the period January 1, 2019 through September 25, 2019. The following table details the pro forma interest expense adjustments by borrowing for the period from January 1, 2019 through September 25, 2019 (\$ in thousands):

	Jupiter 12 Industrial Portfolio
\$2.8 billion mortgage loan	\$ 68,697
\$695 million assumed debt	19,595
Amortization of deferred financing costs	7,176
Pro forma adjustment to interest expense	<u>\$ 95,468</u>

An increase or decrease of 1/8% on the interest rate used to calculate interest expense on the Company's borrowings would impact interest expense by approximately \$1.4 million for the year ended December 31, 2019.

- (i) Represents the operating results attributable to the Jupiter 12 Industrial Portfolio and the related pro forma adjustments for the period from January 1, 2019 through September 25, 2019 that were allocated to non-controlling interests.
- (j) The available cash utilized in the acquisition of the Jupiter 12 Industrial Portfolio consisted of net proceeds received from the sale of certain of the Company's shares. The pro forma weighted average shares assume that such shares had been issued on January 1, 2019.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934**

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Blackstone Real Estate Income Trust, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box)

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

2020 PROXY STATEMENT

Blackstone Real Estate Income Trust BREIT



Blackstone

Real Estate
Income Trust

Blackstone

Real Estate
Income Trust

Dear Stockholders:

You are cordially invited to attend the 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of Blackstone Real Estate Income Trust, Inc., a Maryland corporation (the “Company”), which will be held at 9:00 a.m., Eastern Daylight Time, on Wednesday, June 17, 2020, at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017. At the Annual Meeting, stockholders will be asked to consider and vote upon:

- the election of seven director nominees listed in the Proxy Statement;
- the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2020; and
- such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Details concerning those matters to come before stockholders at the Annual Meeting are described in this Proxy Statement.

For the 2020 Annual Meeting, the Company will make a charitable donation for every stockholder that votes. This year, we will make contributions to the Navy SEAL Foundation. The Navy SEAL Foundation is a non-profit organization that provides support and assistance to the Naval Special Warfare community and its families. The Navy SEAL Foundation provides a comprehensive set of programs specifically designed to improve health and welfare, build and enhance resiliency, empower and educate families and provide critical support during times of illness, injury, loss and transition.

Management and the Board of Directors unanimously recommend that you vote FOR all nominees for directors listed in the Proxy Statement and FOR the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2020.

It is important that your shares be represented at the Annual Meeting and voted in accordance with your wishes. Whether or not you plan to attend the meeting, we urge you to complete a proxy as promptly as possible — by Internet, telephone or mail — so that your shares will be voted at the Annual Meeting. This will not limit your right to vote in person or to attend the meeting.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 17, 2020:

Our Proxy Statement, form of proxy card and 2019 Annual Report to stockholders are also available at www.proxyvote.com/BREIT, and can be accessed by using the 16-digit control number and following the instructions located on the enclosed proxy card.

On behalf of the Board of Directors and management, I thank you for your continuing support.

Sincerely,

/s/ Frank Cohen

Frank Cohen

Chairman of the Board and Chief Executive Officer

April 6, 2020

Blackstone

Real Estate
Income Trust

Notice of 2020 Annual Meeting of Stockholders and Proxy Statement

Date & Time:

Wednesday, June 17, 2020
at 9:00 a.m.
Eastern Daylight Time

Location:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Record Date:

March 25, 2020

To our Stockholders:

We hereby notify you that Blackstone Real Estate Income Trust, Inc., a Maryland corporation (the “Company”), is holding its 2020 Annual Meeting of Stockholders (the “Annual Meeting”) at 9:00 a.m., Eastern Daylight Time, on Wednesday, June 17, 2020, at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017. As part of our precautions regarding COVID-19, we are planning for the possibility that the Annual Meeting may be held solely by means of remote communication. If we take this step, we will announce the decision to do so in advance, and details on how to participate will be available at www.breit.com or via a filing with the Securities and Exchange Commission.

At the Annual Meeting, stockholders will be asked to consider and vote upon:

1. the election of seven director nominees listed in the Proxy Statement;
2. the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2020; and
3. such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

You can vote your shares of common stock at the Annual Meeting and any adjournments or postponements thereof if the Company’s records show that you were a stockholder of record as of the close of business on March 25, 2020, the record date for the Annual Meeting.

To express our appreciation for your participation, the Company will make a charitable donation to the Navy SEAL Foundation on behalf of every stockholder that votes.

Stockholders, whether or not they expect to be present at the Annual Meeting, are requested to authorize a proxy to vote their shares electronically via the Internet, by telephone or by completing and returning the proxy card. Voting instructions are printed on your proxy card and included in the accompanying Proxy Statement. Any person giving a proxy has the power to revoke it at any time prior to the Annual Meeting and stockholders who are present at the Annual Meeting may withdraw their proxies and vote in person.

Sincerely,

/s/ Leon Volchyok

Leon Volchyok
Chief Legal Officer, Chief Compliance Officer and Secretary

April 6, 2020

**Vote by
Internet**



**Vote by
Phone**



**Vote by
Mail**



**Vote in
Person**



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The words “Blackstone Real Estate Income Trust,” “BREIT,” “we,” “our,” “us,” and the “Company” refer to Blackstone Real Estate Income Trust, Inc., together with its consolidated subsidiaries, including BREIT Operating Partnership L.P. (the “Operating Partnership”), a Delaware limited partnership of which we are the general partner, unless the context requires otherwise. The terms “BX REIT Advisors” and the “Adviser” each refer to BX REIT Advisors L.L.C., our adviser. The Adviser is part of the real estate group (“Blackstone Real Estate”) of The Blackstone Group Inc. (together with its affiliates, “Blackstone”), a leading global investment manager. Blackstone Real Estate serves as our sponsor.

Proposal 1 — Election of Directors

There are currently seven members of the Board of Directors. On March 12, 2020, the Board of Directors, upon recommendation of its Nominating and Corporate Governance Committee, unanimously nominated the seven directors listed below for re-election to the Board of Directors at the Annual Meeting. All of the nominees are willing to serve as directors but, if any of them should decline or be unable to act as a director, the individuals designated in the proxy cards as proxies will exercise the discretionary authority provided to vote for the election of such substitute nominee selected by our Board of Directors, unless the Board of Directors acts to reduce the size of the Board of Directors in accordance with our bylaws. The Board of Directors has no reason to believe that any such nominees will be unable or unwilling to serve.

Nominees for Election as Directors

The name, principal occupation for the last five years, selected biographical information and the period of service as our director of each of the nominees are set forth below.

Frank Cohen

Chairman of the Board and Chief Executive Officer



Age: 47

Director Since: 2016

Committees:

None

Biographical Information:

Mr. Cohen has been Chairman of the Board and the Chief Executive Officer of the Company since July 2016. He is a Senior Managing Director with Blackstone based in New York. He is the Global Head of Core+ Real Estate and a member of the Blackstone Real Estate Investment Committee. Since joining Blackstone in 1996, Mr. Cohen has been involved in over \$100 billion of real estate transactions. He has been involved with many of Blackstone's notable investments, including Equity Office Properties, CarrAmerica Realty, Trizec Properties and IndCor Properties.

Qualifications:

Mr. Cohen received a BA from Northwestern University, where he graduated from the Honors Program in Mathematical Methods in the Social Sciences, with a double major in political science. He serves as a director for several private Blackstone portfolio companies, including EQ Properties, and served as a director for Hudson Pacific Properties (NYSE: HPP) from 2015 until 2017. He is also a Trustee of the Urban Land Institute and serves on the Advisory Board of Governors for NAREIT, on the Board of the Regional Plan Association and on the WCAS Board of Visitors at Northwestern University. Mr. Cohen is a valuable member of our Board of Directors because of his vast real estate experience, his history with Blackstone and his leadership of Blackstone Real Estate's Global Core+ business.

A.J. Agarwal

President and Director



Age: 53

Director Since: 2015

Committees:

None

Biographical Information:

Mr. Agarwal has been a director and the President of the Company since December 2015. He is a Senior Managing Director in Blackstone Real Estate and leads Blackstone's U.S. Core+ real estate business. Prior to launching and leading Blackstone's Core+ real estate business in 2014, Mr. Agarwal was co-head of U.S. Acquisitions for Blackstone's opportunistic real estate business and oversaw more than \$15 billion of equity commitments and \$50 billion of transactions across all real estate asset classes. In addition to leading the Brixmor and Extended Stay Hotels IPOs, he was directly involved with and led investments across all sectors, including Blackstone's investment in malls through General Growth Properties, limited service hotels through Apple REIT 6 and Extended Stay Hotels, luxury hotels through Hotel del Coronado, shopping centers through Brixmor and multiple other grocery-anchored portfolios, and office buildings such as One Market Plaza in San Francisco. Mr. Agarwal joined Blackstone in 1992 and is a member of Blackstone's Real Estate Investment Committee. Mr. Agarwal has served as a board member, President and Senior Managing Director at BRE Select Hotels Corp since May 2013.

Qualifications:

Mr. Agarwal graduated from Princeton University, where he graduated magna cum laude and Phi Beta Kappa, and received his MBA from Stanford University Graduate School of Business. Mr. Agarwal is a valuable member of our Board of Directors because of his vast real estate and investment experience, his history with Blackstone and his leadership and oversight of Blackstone Real Estate's U.S. Core+ business.

Wesley LePatner

Chief Operating Officer and Director



Age: 38

Director Since: 2016

Committees:

None

Biographical Information:

Mrs. LePatner has been a director and the Chief Operating Officer of the Company since July 2016. She is a Senior Managing Director with Blackstone Real Estate and serves as the Global Chief Operating Officer of the Core+ business and as a member of the Blackstone Real Estate Investment Committee. Mrs. LePatner also serves as the Chair of the Women's Initiative at Blackstone. Before joining Blackstone in 2014, Mrs. LePatner spent 11 years at Goldman Sachs, most recently as a Managing Director and the Chief Operating Officer of the Real Estate Investment Group within the Asset Management Division. Prior to that, Mrs. LePatner worked in Goldman Sachs' Real Estate Principal Investment Area and the Real Estate Investment Banking Group.

Qualifications:

Mrs. LePatner received a BA from Yale University, summa cum laude and Phi Beta Kappa. Mrs. LePatner is a valuable member of our Board of Directors because of her extensive real estate experience, her history with Blackstone and her leadership of Blackstone Real Estate's Global Core+ business.

Raymond J. Beier

Independent Director



Age: 63

Director Since: 2016

Committees:

Affiliate Transaction, Audit (Chair), and Compensation

Biographical Information:

Mr. Beier has been a director of the Company since July 2016. He was a partner in the financial services practice at PricewaterhouseCoopers LLP, having been with the firm from 1993 to 2016. Mr. Beier has extensive experience in financial reporting matters relating to mergers, acquisitions and corporate finance transactions. Mr. Beier served in a variety of roles at PricewaterhouseCoopers LLP, including as a member of the National Office leadership team responsible for its strategic policy and analysis group and as a senior partner in the transaction services group. Mr. Beier also served on various PricewaterhouseCoopers committees, including the Global Private Equity Committee and the Extended Leadership Committee.

Qualifications:

Mr. Beier received a BS in Accounting, summa cum laude, from the University of Minnesota — Duluth and an MBA from the University of Minnesota — Carlson School of Management. Mr. Beier also serves on the Chancellor's Advisory Board at the University of Minnesota — Duluth. Mr. Beier is a valuable member of our Board of Directors because of his extensive experience with accounting and financial reporting matters.

Richard I. Gilchrist

Independent Director



Age: 74

Director Since: 2016

Committees:

- Affiliate Transaction (Chair), Audit, and Nominating and Corporate Governance

Biographical Information:

Mr. Gilchrist has been a director of the Company since July 2016. He currently is Senior Advisor for acquisitions and investments at The Irvine Company, a privately-held real estate investment company, a position he has held since July 2011 after having served as President of its Investment Properties Group from 2006 to 2011. He served as President and Co-Chief Executive Officer and on the board of directors of Maguire Properties, Inc., a publicly-held REIT, from 2002 to 2006. From 1997 to 2001, Mr. Gilchrist served as Chief Executive Officer, President and member of the board of directors of Commonwealth Atlantic Properties, a privately-held REIT. From 1995 to 1997, he served as the Co-Chairman and Managing Partner of Commonwealth Partners, a real estate company he co-founded. He currently serves on the board of directors of two publicly-traded REITs, Spirit Realty Capital, Inc. (NYSE: SRC) and Ventas, Inc. (NYSE: VTR). He serves as Chairman of the Board and on the compensation committee of Spirit Realty Capital, Inc. and Chairman of both the compensation and investment committee of Ventas, Inc. He has previously served as a director of BioMed Realty Trust, Inc. (NYSE: BMR) from 2007 to 2014, Nationwide Health Properties, Inc. from 2008 to 2011, and TIER REIT, Inc. (NYSE: TIER) from 2013 to 2019, and as Chairman from 2016 to 2019 until TIER REIT, Inc. was acquired by Cousins Properties Inc. (NYSE: CUZ). Mr. Gilchrist is a member of the advisory board of Preferred Office Growth Fund, a private company.

Qualifications:

Mr. Gilchrist is a member emeritus of the Whittier College Board of Trustees and served as its Chairman from 2003 to 2011 where he received his BA in 1968. He is also a member of the Advisory Board of the University of California, Los Angeles Law School, where he earned a JD in 1971. Mr. Gilchrist is a valuable member of our Board of Directors and has a unique insight into our investment activities because of his extensive experience in the real estate industry, including having served as an executive officer of several REITs, his knowledge and experience in internal and external risk oversight, and his experience as a member of the board of directors of three public REITs.

Field Griffith

Independent Director



Age: 66

Director Since: 2016

Committees:

- Affiliate Transaction, Compensation (Chair) and Nominating and Corporate Governance

Biographical Information:

Mr. Griffith has been a director of the Company since July 2016. He also currently serves as a non-executive director on the board of The Forest Company Limited and as a director for the Prime Property Fund LLC and the board of Tedford Housing, Inc., a non-profit entity focused on homelessness-related services. Mr. Griffith was most recently employed full time as the Director of Real Assets Investments for the Virginia Retirement System from 2004 to 2016 where he was responsible for managing all aspects of the Virginia Retirement System's global real estate, infrastructure and natural resource portfolios. The global real estate portfolio consisted of publicly- and privately-traded equity and debt investments in the form of separate accounts, joint ventures, closed-end funds and open-end funds. Mr. Griffith was also a member of the management committee of the Virginia Retirement System and was directly involved in the pension fund's asset allocation and investment management process. From 1999 to 2004, he was a senior executive at Gemini Rosemont Commercial Real Estate and was engaged in real estate portfolio management activities for the private real investment group. From 1985 to 1999, Mr. Griffith was employed in the real estate investment group for UNUM Life Insurance Company engaged in mortgage and equity underwriting, structuring, property acquisitions and asset management oversight, culminating in his role as portfolio manager of the commercial real estate equity group. From 1983 to 1985, he worked in the real estate investment group at Phoenix Home Life Insurance Company.

Qualifications:

Mr. Griffith is a Chartered Financial Analyst and received a B.A. from Beloit College and an M.B.A. from the University of Washington. From 2007 to 2013, he served as a board member of the Pension Real Estate Association. Mr. Griffith is a valuable member of our Board of Directors because of his extensive experience with real estate investments.

Edward Lewis

Independent Director



Age: 79

Director Since: 2016

Committees:

- Affiliate Transaction, Audit, Compensation and Nominating and Corporate Governance (Chair)

Biographical Information:

Mr. Lewis has been a director of the Company since July 2016. From 2000 until February 2017, he was Senior Advisor to Solera Capital, a private equity firm. In 1995, Mr. Lewis co-founded Latina Magazine, recognizing the significant opportunity to create the first lifestyle magazine to exclusively address the interests of bicultural Latin women in the U.S. In 1969, he co-founded Essence Communications Partners, a multimedia company targeting African-American women, serving as Chief Executive Officer, publisher and Chairman for 35 years. Previously, he served on the boards of Great Atlantic & Pacific Tea Company, Inc. (NYSE: GAP), the Apollo Theater Foundation, the Boys and Girls Clubs of America and the Economic Club of New York. He also served as chairman of the Magazine Publishers of America from 1997 to 1999, becoming the first African-American to hold this position in the 75-year history of the organization. In 2014, Mr. Lewis was inducted into the Advertising Hall of Fame of the American Advertising Federation and received its distinguished David Bell Award for Industry Service.

Qualifications:

Mr. Lewis received a BA and MA in Political Science and International Affairs from the University of New Mexico. Mr. Lewis is a valuable member of our Board of Directors because of his experience as founder and chairman of Essence Communications as well as the skills he gained during his active board service to a number of diverse organizations.

VOTING RECOMMENDATION

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED ABOVE.

The Board of Directors and Committees

Our business is managed by our Adviser, subject to the oversight and direction of our Board of Directors. Our Board of Directors has seven members and is currently composed of Messrs. Cohen, Agarwal, Beier, Gilchrist, Griffith and Lewis and Mrs. LePatner.

Director Independence

Our Corporate Governance Guidelines and committee charters require a majority of the members of our Board of Directors, and all members of our Audit Committee, Affiliate Transaction Committee, Compensation Committee and the Nominating and Corporate Governance Committee, to be “independent” directors in accordance with the criteria in our charter, bylaws, the applicable rules of the Securities and Exchange Commission (the “SEC”) and the listing standards of the New York Stock Exchange (“NYSE”). Based upon its review, our Board of Directors has affirmatively determined that each of Messrs. Beier, Gilchrist, Griffith and Lewis are “independent” members of our Board of Directors under all applicable standards for independence, including with respect to committee service on our Audit Committee, Affiliate Transaction Committee, Compensation Committee and Nominating and Corporate Governance Committee.

Our charter provides that a majority of our directors must be independent directors, except for a period of up to 60 days after the death, removal or resignation of an independent director pending the election of a successor independent director. Our charter defines an independent director as a director who is not and has not for the last two years been associated, directly or indirectly, with Blackstone Real Estate or our Adviser. A director is deemed to be associated with Blackstone Real Estate or our Adviser if he or she owns any interest (other than an interest in us or an immaterial interest in an affiliate of us) in, is employed by, is an officer or director of, or has any material business or professional relationship with Blackstone Real Estate, our Adviser or any of their affiliates, performs services (other than as a director) for us, or serves as a director or trustee for more than three REITs sponsored by Blackstone Real Estate or advised by our Adviser. A business or professional relationship will be deemed material per se if the gross income derived by the director from Blackstone Real Estate, the Adviser or any of their affiliates exceeds 5% of (1) the director’s annual gross income derived from all sources during either of the last two years or (2) the director’s net worth on a fair market value basis. An indirect association is defined to include circumstances in which the director’s spouse, parents, children, siblings, mothers- or fathers-in-law, sons- or daughters-in-law or brothers- or sisters-in-law is or has been associated with Blackstone Real Estate, our Adviser or any of their affiliates or us.

Board of Directors Composition

The Board of Directors seeks to ensure that it is composed of members whose particular experience, qualifications, attributes and skills, when taken together, will allow it to satisfy its oversight responsibilities effectively. In that regard, the Nominating and Corporate Governance Committee is responsible for recommending candidates for directorships to be elected at each annual meeting or to fill vacancies or newly created directorships that occur between meetings. Only independent directors may nominate replacements for vacancies in the independent director positions. In identifying candidates, the Nominating and Corporate Governance Committee will review all nominees for director in accordance with the requirements and qualifications contained in the Company’s Corporate Governance Guidelines and recommend that the Board of Directors select those nominees whose attributes the Nominating and Corporate Governance Committee believes would be most beneficial to us. In identifying candidates for membership on the Board of Directors, the Nominating and Corporate Governance Committee takes into account (i) minimum individual qualifications, such as personal integrity and moral character, willingness to apply sound business judgment, industry knowledge or experience and an ability to work collegially with the other members of the Board of Directors and (ii) any other factors it considers appropriate. While our Corporate Governance Guidelines do not include an express diversity policy, one factor that the Board of Directors and Nominating and Corporate Governance Committee consider is the importance to the Company of racial and gender diversity in board composition. The Board of Directors and Nominating and Corporate Governance Committee also consider candidates’ diversity of experiences.

Director nominees may be nominated by our stockholders in accordance with the advance notice requirements contained in our bylaws. See “Stockholder Proposals for the 2021 Annual Meeting” for more information regarding the advance notice requirements contained in our bylaws. Our Board of Directors also will consider recommendations made by our stockholders. See “Corporate Governance — Stockholder Nominations and Communications Policy” for more information with respect to the consideration of candidates recommended by stockholders for election as directors.

Our Board of Directors currently has four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and an Affiliate Transaction Committee. The current written charters for each of these committees are available on our website, www.breit.com, under the “About BREIT — Governance” tab.

Audit Committee

The Audit Committee is currently composed of Messrs. Beier, Gilchrist and Lewis, with Mr. Beier serving as the committee’s chairperson. All Audit Committee members are “independent,” consistent with the qualifications set forth in the listing standards

of the NYSE, our charter and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), applicable to boards of directors in general and audit committees in particular. Mr. Beier is qualified as an audit committee financial expert within the meaning of Item 407(d)(5) of Regulation S-K under the Exchange Act. The Audit Committee’s primary duties are described in the Audit Committee charter and include:

- appointing, retaining, determining the compensation of, overseeing, evaluating and, where appropriate, replacing our independent registered public accounting firm, including overseeing the qualifications and independence of our independent auditors;
- assisting the Board of Directors in overseeing our accounting and financial reporting processes;
- overseeing the quality and integrity of the Company’s financial statements and internal controls, including audits of our financial statements;
- assisting the Board of Directors in overseeing the performance of our internal and independent auditors;
- assisting with the Company’s compliance with legal and regulatory requirements and overall risk management profile; and
- preparing the report of the Audit Committee required by the rules of the SEC to be included in the Company’s annual stockholders’ meeting proxy statement.

The Audit Committee has adopted procedures for the processing of complaints relating to accounting, internal control and auditing matters. The Audit Committee oversees the review and handling of any complaints submitted pursuant to the forgoing procedures and of any whistleblower complaints subject to Section 21F of the Exchange Act.

Affiliate Transaction Committee

The Affiliate Transaction Committee is currently composed of Messrs. Beier, Gilchrist, Griffith and Lewis with Mr. Gilchrist serving as the committee’s chairperson. All Affiliate Transaction Committee members are “independent,” consistent with the qualifications set forth in our charter and the listing standards of the NYSE applicable to boards of directors. The primary purpose of the Affiliate Transaction Committee is to review transactions between us and Blackstone or its affiliates (including our Adviser) or with other related persons and to determine if the resolution of the conflict of interest is fair and reasonable to us and our stockholders.

The Affiliate Transaction Committee is responsible for reviewing and approving the terms of transactions between us and Blackstone or its affiliates (including our Adviser) or any member of our Board of Directors, including (when applicable) the economic, structural and other terms of all acquisitions and dispositions between us and Blackstone or its affiliates (including our Adviser). Generally, we may enter into transactions with Blackstone, our Adviser, our directors, and their respective affiliates only if a majority of our Board of Directors, and a majority of the Affiliate Transaction Committee (which is composed of all of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties. The Affiliate Transaction Committee is also responsible for reviewing the Adviser’s performance and the fees and expenses paid by us to the Adviser and its affiliates.

Compensation Committee

The Compensation Committee is currently composed of Messrs. Beier, Griffith and Lewis, with Mr. Griffith serving as the committee’s chairperson. All Compensation Committee members are “independent,” consistent with the qualifications set forth in our charter and the listing standards of the NYSE applicable to boards of directors in general and compensation committees in particular.

We are externally managed by the Adviser pursuant to an advisory agreement (the “Advisory Agreement”) and currently we have no employees. We do not directly compensate our executive officers, or reimburse the Adviser or its affiliates for the salaries, bonuses, benefits and severance payments for persons who also serve as our executive officers. The Compensation Committee’s primary duties are described in its charter and include:

- to the extent that we award compensation and/or any other employee benefits to our Chief Executive Officer, reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluating the performance of our Chief Executive Officer in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by our Board of Directors) to determine and approve our Chief Executive Officer’s compensation based on this evaluation;
- to the extent that the Company awards compensation and/or any other employee benefits to non-Chief Executive Officer management, considering the recommendations of the Chief Executive Officer with respect to such non-Chief Executive Officer management’s compensation and determining and approving such compensation and/or other employee benefits or recommending that the Board of Directors approve such compensation and/or other employee benefits;
- to the extent that we award incentive compensation and/or equity-based compensation directly to our employees, if any, or the employees of any external advisor, or to such advisor’s affiliates or any of their respective employees, reviewing and making recommendations to our Board of Directors with respect to such incentive compensation plans and equity-based

compensation plans or any material changes to any such existing plans and discharging and administering its responsibilities under any such plans as required by the terms thereof;

- to the extent that we are required or elect to include a compensation discussion and analysis (“CD&A”) in our annual proxy statement, overseeing the preparation of the CD&A and related disclosures for inclusion in our annual report or proxy statement in accordance with the rules of the SEC;
- to the extent that we are required or elect to include a CD&A in our annual proxy statement, preparing and approving any Compensation Committee report required to be included in our annual report or proxy statement in accordance with applicable SEC regulations;
- to the extent that we administer and/or manage executive compensation programs, periodically reviewing, as and when determined appropriate, executive compensation programs and total compensation levels;
- reviewing and making recommendations to our Board of Directors concerning compensation arrangements for members of our Board of Directors who are not employees of the Company, the Adviser or any of its affiliates;
- in consultation with management, overseeing regulatory compliance with respect to compensation matters;
- reviewing and approving any contracts or other arrangements with our current or former executive officers, including consulting arrangements, employment contracts or severance or termination arrangements; and
- performing any other duties or responsibilities expressly delegated to the Compensation Committee by our Board of Directors from time to time relating to our compensation programs.

The Compensation Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to retain, on terms it deems appropriate, legal counsel and other experts or consultants as it deems appropriate, without obtaining the approval of our Board of Directors or management. The Compensation Committee shall have the sole authority to select and retain a compensation consultant.

The Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the committee. In particular, the committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Compensation Committee who are “Non-Employee Directors” for the purposes of Rule 16b-3 under the Exchange Act.

Compensation Committee Interlocks and Insider Participation

During 2019, the Compensation Committee was composed of Messrs. Beier, Griffith and Lewis, none of whom were officers or employees of the Company during the fiscal year ended December 31, 2019, and none of whom had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K under the Exchange Act. None of our executive officers has served on the board of directors or compensation committee of any other entity that has or has had one or more executive officers who served as a member of our Board of Directors or our Compensation Committee during the fiscal year ended December 31, 2019.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is currently composed of Messrs. Gilchrist, Griffith and Lewis, with Mr. Lewis serving as the committee’s chairperson. All Nominating and Corporate Governance Committee members are “independent,” consistent with the qualifications set forth in our charter and the listing standards of the NYSE.

Among other things, the Nominating and Corporate Governance Committee is responsible for (i) assisting our Board of Directors in identifying individuals qualified to become members of our Board of Directors; (ii) recommending candidates to our Board of Directors to fill vacancies on the Board of Directors; (iii) recommending committee assignments for directors to the full Board; (iv) periodically assessing the performance of our Board of Directors; (v) reviewing and recommending appropriate corporate governance policies and procedures to our Board of Directors; and (vi) reviewing and monitoring our Code of Business Conduct and Ethics, and any other corporate governance policies and procedures we may have from time to time.

More specifically, the Nominating and Corporate Governance Committee is responsible for reviewing, on an annual basis, the requisite skills and characteristics of individual members of the Board of Directors, as well as the composition of the Board of Directors as a whole, in the context of our needs. The Nominating and Corporate Governance Committee will review all nominees for director, including those recommended by stockholders, in accordance with requirements and qualifications set forth in our Corporate Governance Guidelines and will recommend that the Board of Directors select those nominees whose attributes it believes would be most beneficial to us. This review involves an assessment of the personal qualities and characteristics, accomplishments and business reputation of director candidates. The Nominating and Corporate Governance Committee will assess candidates’ qualifications based on the following minimum criteria, which may be modified from time to time by the Nominating and Corporate Governance Committee:

- demonstrated personal integrity and moral character;
- willingness to apply sound and independent business judgment for the long-term interests of stockholders;

- relevant business or professional experience, technical expertise or specialized skills;
- personality traits and background that appear to fit with those of the other directors to produce a collegial and cooperative board responsive to the Company's needs; and
- ability to commit sufficient time to effectively carry out the substantial duties of a director.

In addition, each director is required to have at least three years of relevant experience demonstrating the knowledge and experience required to successfully acquire and manage the type of assets being acquired by the Company, and at least one of the Independent Directors shall have at least three years of relevant real estate experience.

Meetings

Directors are expected to attend board meetings and meetings of the committees on which they serve, to spend the time needed and to meet as frequently as necessary, in order to discharge their responsibilities properly. Our Board of Directors conducts its business through meetings of the Board of Directors, actions taken by written consent in lieu of meetings and by actions of its committees. During the year ended December 31, 2019, the Board of Directors held eight meetings, the Audit Committee held four meetings, the Affiliate Transaction Committee held eleven meetings, the Compensation Committee held one meeting and the Nominating and Corporate Governance Committee held one meeting. Each director attended at least 75% of the combined number of meetings of the Board of Directors and meetings of committees on which he or she served during the period in 2019 in which he or she served as a director or member of such committee, as applicable.

We do not have a formal policy regarding attendance by directors at our annual meeting of stockholders but invite and encourage all directors to attend. We make every effort to schedule our annual meeting of stockholders at a time and date to permit attendance by directors, taking into account the directors' schedules and the timing requirements of applicable law. All seven of our directors were present, in person or telephonically, at our 2019 annual meeting of stockholders.

Executive Sessions

Our non-management directors periodically hold executive sessions at which management is not present. Our Corporate Governance Guidelines provide that the presiding independent director, if any, or a director designated by the non-management directors shall serve as such presiding director.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors has structured itself in a manner that it believes allows it to perform its oversight function effectively. A majority of our directors are independent pursuant to the definition of independence established by our charter and the standards of the NYSE.

Frank Cohen currently serves as Chairman of the Board of Directors and Chief Executive Officer. In his capacity as Chairman of the Board of Directors and Chief Executive Officer, Mr. Cohen leads the investment strategy of the Company and is responsible for managing the day-to-day operations of the Company.

The Board of Directors determined that combining the Chief Executive Officer and Chairman positions is the appropriate leadership structure for the Company at this time. The Board of Directors is of the view that "one-size" does not fit all, the evidence does not demonstrate that any one leadership structure is more effective at creating long-term stockholder value and the decision of whether to combine or separate the positions of Chief Executive Officer and Chairman will vary company to company and depend upon a company's particular circumstances at a given point in time. Accordingly, the Board of Directors carefully considers from time to time whether the Chief Executive Officer and Chairman positions should be combined based on what the Board of Directors believes is best for the Company and its stockholders. The Company does not have a lead independent director.

As with every business, we confront and must manage various risks including financial and economic risks related to the performance of our portfolio and how our investments have been financed. Pursuant to our charter and bylaws and the Maryland General Corporation Law, our business and affairs are managed under the direction of our Board of Directors. Our Adviser is responsible for the day-to-day management of risks we face, while our Board of Directors, as a whole and through its committees, has responsibility for establishing broad corporate policies for our overall operation and for the direction and oversight of our risk management. Members of our Board of Directors keep informed of our business by participating in meetings of our Board of Directors and its committees, by reviewing analyses, reports and other materials provided to them by and through discussions with our Adviser and our executive officers.

In connection with their oversight of risks to our business, our Board of Directors and the Audit Committee consider feedback from our Adviser concerning the risks related to our business, operations and strategies. The Audit Committee also assists the Board of Directors in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements. The Affiliate Transaction Committee manages risks associated

with the independence of the independent directors and potential conflicts of interest involving our Adviser and its affiliates. The Compensation Committee and the Nominating and Corporate Governance Committee assist the Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs and risks associated with board organization, membership and structure, succession planning and corporate governance. Our compensation policies and practices, pursuant to which we pay no cash compensation to our Adviser's officers and employees since they are compensated by our Adviser or its affiliates, do not create risks that are reasonably likely to have a material adverse effect on us. With respect to cybersecurity risk oversight, the Board of Directors and/or the Audit Committee receive periodic reports and/or updates from management on the primary cybersecurity risks facing the Company and our Adviser and the measures the Company and our Adviser are taking to mitigate such risks. In addition to such reports, the Board of Directors and/or the Audit Committee receive updates from management as to changes to the Company's and the Adviser's cybersecurity risk profile or certain newly identified risks.

Corporate Governance

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors and employees (if any), and to all of the officers and employees of the Adviser, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Code of Business Conduct and Ethics, as it relates to those also covered by Blackstone's code of conduct, operates in conjunction with, and in addition to, Blackstone's code of conduct. Our Code of Business Conduct and Ethics is designed to comply with SEC regulations relating to codes of conduct and ethics. Our Code of Business Conduct and Ethics is available on our website, www.breit.com, under the "About BREIT — Governance" tab. The Company does not have a hedging policy for its officers and directors at this time.

Any waiver of the Code of Business Conduct and Ethics may be made only by our Board of Directors or the Audit Committee and will be promptly disclosed on our website set forth above rather than by filing a Current Report on Form 8-K. Any modifications to the Code of Business Conduct and Ethics will also be reflected on such website.

Corporate Governance Guidelines

We have also adopted Corporate Governance Guidelines to advance the functioning of our Board of Directors and its committees and to set forth our Board of Directors' expectations as to how it and they should perform its and their respective functions. Our Corporate Governance Guidelines are available on our website, www.breit.com, under the "About BREIT — Governance" tab.

Stockholder Nominations and Communications Policy

Our Board of Directors has adopted policies with respect to the consideration of candidates recommended by stockholders for election as directors and stockholder and interested-party communications with the Board of Directors.

Interested parties, including stockholders, may communicate with the Board of Directors or any of its directors, and stockholders may also recommend director nominees for consideration by the Nominating and Corporate Governance Committee by directing the applicable communication in writing to our Secretary at: Secretary, Stockholder Communications / Stockholder Nominations, Blackstone Real Estate Income Trust, Inc., 345 Park Avenue, New York, New York 10154. The sender should indicate in the address whether it is intended for the entire Board of Directors, a committee of the Board of Directors or an individual director. Each communication will be forwarded to the intended recipients in accordance with the instructions provided.

Stockholder recommendations for nomination should include the name of the candidate, a current resume and curriculum vitae of the candidate and a statement describing the candidate's qualifications and contact information for personal and professional references. The submission should also include the name and address of the stockholder who is recommending the nominee, the number of shares that are owned of record or beneficially by the submitting stockholder and a description of all arrangements or understandings between the submitting stockholder and the candidate. Director nominees may be nominated by our stockholders in accordance with our bylaws and in accordance with the advance notice requirements contained in our bylaws. See "Stockholder Proposals for the 2021 Annual Meeting" for more information regarding the advance notice requirements contained in our bylaws.

Corporate Social Responsibility

BREIT is a non-exchange traded, perpetual-life real estate investment trust that invests primarily in stabilized income-generating U.S. commercial real estate across the key property types and to a lesser extent in real estate debt. As an externally managed company, BREIT's day-to-day operations are managed by our Adviser and our executive officers under the oversight of our Board of Directors. Our executive officers are senior Blackstone Real Estate professionals and our Adviser is a subsidiary of Blackstone and part of Blackstone's real estate business.

As such, many of the corporate responsibility initiatives undertaken by Blackstone are relevant to and impact our business and the business decisions made on our behalf by employees of our Adviser. From its founding, Blackstone has dedicated itself to being a responsible corporate citizen by incorporating relevant environmental, social and governance (“ESG”) factors into its investment decision-making process. Below are highlights of our corporate responsibility initiatives and those of Blackstone that are relevant to us and our business. For a more fulsome description of Blackstone’s ESG highlights, please refer to https://ir.blackstone.com/files/doc_downloads/gov_docs/ESG-Factsheet.pdf

Social

Human Capital Management Policies

- Blackstone is committed to providing equal employment opportunities to all employees and applicants for employment without regard to any class or status protected by law. This policy also applies to all terms and conditions of employment.
- Blackstone has an anti-harassment policy and administers a robust “*Respect at Work*” annual training program for all employees globally, which covers diversity, sexual harassment, creating a respectful workplace environment, and the prevention of discrimination and retaliation, among other topics.
- All employees have the ability to request reasonable accommodations at the office if required due to a disability, religious requirement, due to pregnancy, childbirth, or a related medical or common condition related to pregnancy or childbirth, or due to domestic violence, a sex offense or stalking
- Blackstone also has an established non-retaliation policy, which is intended to create an environment where employees can act without fear of reprisal or retaliation.

Diversity and Inclusion

- Blackstone’s efforts include internal networks to engage traditionally under-represented populations, targeted recruiting efforts to attract qualified, diverse talent, and partnerships with external diversity- and inclusion-focused organizations. In 2019, Blackstone announced the appointment of new Diversity Champions, who are partnering with Blackstone’s human resources, Blackstone’s employee affinity networks and Blackstone’s business groups to help drive diversity and inclusion efforts across the firm.
- In 2013, Blackstone launched its *Future Women Leaders Program*, to create a pipeline of talent that could become its next generation of senior leadership. The program, which is hosted annually in New York and London, provides female university students with early exposure to finance through seminars, technical training networking events and mentorship.
- 50% of Blackstone’s major businesses have a woman or minority as one of its top two leaders.
- The number of women in Blackstone’s global incoming 2020 analyst class is 50%, up from 30% in 2018.
- Building on the success of the *Future Women Leaders Program*, Blackstone has also launched two other similar programs:
 - The *Diverse Leaders Program* focuses on building Blackstone’s pipeline of diverse talent.
 - The *Future Women Innovators Program* is aimed at exposing and attracting women to the technology industry.
- To date, participating portfolio companies have hired more than 80,000 veterans, spouses and caregivers through the Blackstone Veterans Hiring Initiative.

Employee Affinity Networks

- Blackstone’s employee affinity networks (the Women’s Initiative, the Diverse Professionals Network, OUT Blackstone and the Veterans Network) focus on fostering connectivity, increasing the pipeline of qualified diverse candidates, improving retention, and establishing communities that welcome employees from all backgrounds. Wesley LePatner, the Chief Operating Officer and a director of BREIT, is the chair of the Women’s Initiative.

Employee Training and Development

- Blackstone’s Talent Development curriculum continues to evolve to support the leadership and professional development of all Blackstone employees globally. The curriculum is delivered in a variety of formats and covers topics such as Foundational Capabilities, Managerial Capabilities, Leadership Perspectives, Next Level Leadership and custom solutions (i.e., Presentation Skills, Business Writing).
- Blackstone runs approximately 75 training programs globally each year for its 2,700+ employees.

- Blackstone conducts an annual 360-degree evaluation process which allows employees to receive feedback from their managers and senior professionals, peers and junior employees.

Employee Engagement

- Blackstone continually monitors culture and employee engagement through regular internal and external surveys.
- Blackstone is a top-ranked employer within its industry and the global business community, having earned awards and recognitions such as a 100% rating on the Human Rights Campaign's Corporate Equality Index, #1 as a "Best Place to Work" by Pensions & Investments and a certified "Great Place to Work" for three consecutive years.

Employee Benefits

- Blackstone's employee benefits are comprehensive and competitive. In addition to robust health and retirement offerings, Blackstone provides its employees with a wide variety of quality of life benefits, including primary and secondary caregiver leave, adoption leave, phase back to work, fertility coverage, back up child care, family planning, new well-being programs (i.e., onsite and digital meditation), access to programs to further assist Blackstone employees in managing their lives outside of work (i.e., group legal services) and more. Blackstone was the first alternative asset manager to extend its primary caregiver leave to 16 weeks.
- In 2008, Blackstone founded Equity Healthcare to leverage the size of its combined portfolio in order to access higher quality health coverage for portfolio company employees at a lower cost than they would each be able to obtain outside of the program. More than 200,000 individuals are covered under the program, which has 1.3% annual cost inflation compared to healthcare industry average of 4.5% and has resulted in \$900 million in savings.

Advertising Practices

- Blackstone is committed to being transparent with its investors, striving to disclose to investors the totality of information that would be relevant to an investment decision, including detailed descriptions of the investment strategy, key personnel and management team, risks and uncertainties associated with the investment strategy and conflicts of interest. Investment professionals, the Legal & Compliance department and, where necessary, external counsel, review marketing materials before they are shared with investors.

Community

- Since 2007, the Blackstone Charitable Foundation has committed more than \$100 million globally, primarily to supporting programs that increase access to entrepreneurship. In the aggregate, the Charitable Foundation's commitments have supported approximately 10,000 companies and the creation of over 24,000 jobs.
- BX Connects, the employee engagement arm of the Charitable Foundation, has committed over \$25 million globally to support our communities since 2010. In 2019, 70% of Blackstone employees were engaged in Charitable Foundation efforts and volunteered an aggregate of 9,400 hours at Blackstone-organized events through activities, including repacking 66,541 pounds of food, preparing 15,000+ meals and creating 6,500 care kits.
- BREIT will make a donation to the Navy SEAL Foundation for every stockholder that votes at the Annual Meeting.

Environmental

Portfolio Company Sustainability

- Blackstone's Portfolio Operations team, working alongside Blackstone Real Estate's asset management team, develops and integrates low-/no-cost operating improvements to reduce energy and water usage across portfolio companies in Blackstone-advised vehicles. The results of this work include: over 15% energy cost savings at participating portfolio companies, doubling Manhattan's solar capacity with 10,000 rooftop solar panels at New York City's Stuyvesant Town, and causing its Willis Tower investment to become the largest building in the U.S. to achieve LEED Platinum certification.

Sponsor Compliance with Environmental Regulations

- Blackstone endeavors to be in full compliance with environmental regulations in all locations where it has offices.

Corporate Sustainability Practices

Consistent with the focus on sustainability, Blackstone also pursues environmental performance improvements at its office locations, including with respect to energy usage, waste management, and water usage.

- **Energy usage:**
 - Blackstone installs energy efficient lighting and daylight and occupancy sensors in all new office buildouts and retrofits. Blackstone’s replacement of existing lighting with LED lighting in its New York offices has resulted in an approximately 38% reduction in lighting energy usage.
- **Waste management:**
 - In 2017, Blackstone implemented comprehensive glass, metal, and plastic recycling procedures throughout all pantries and meeting rooms.
 - Personal office printers in Blackstone’s New York offices use recycled paper.
 - Installed water filtration systems in new office buildouts and retrofits, which resulted in a 10% decrease in bottled water consumption per-person overall.
 - Blackstone uses environmentally friendly kitchen disposables in its larger offices and were presented with the Emerald Sustainability Award in 2018 for strides Blackstone has made in adopting sustainable practices.
 - Blackstone’s London office is a zero waste-to-landfill facility.
- **Water usage:**
 - Installed low-flow water systems in bathrooms during new office buildouts and retrofits, which results in nearly two gallons of water saved per flush.
- Installing building management systems on all floors in Blackstone’s New York offices.

Governance

Board Composition and Effectiveness

- BREIT seeks to ensure that our Board of Directors is composed of members whose experience, qualifications, attributes and skills, when taken together, will allow our Board of Directors to satisfy its oversight responsibilities effectively. Our Board of Directors has one woman and one minority member.
 - Frank Cohen, our Chairman and Chief Executive Officer and also a senior managing director of Blackstone, is a valuable member of our Board of Directors because of his vast real estate experience, his history with Blackstone and his leadership of Blackstone Real Estate’s Global Core+ business.
 - A.J. Agarwal, our President and also a senior managing director of Blackstone and leader of Blackstone’s U.S. Core+ business is a valuable member of our Board of Directors because of his vast real estate and investment experience, his history with Blackstone and his oversight of Blackstone Real Estate’s U.S. Core+ business.
 - Wesley LePatner, our Chief Operating Officer and also a senior managing director of Blackstone and Global Chief Operating Officer of Blackstone’s Global Core+ business, is a valuable member of our Board of Directors because of her extensive real estate experience, her history with Blackstone and her leadership of Blackstone Real Estate’s Global Core+ business.
 - Raymond J. Beier, a former partner in the financial services practice at PricewaterhouseCoopers LLC, is a valuable member of our Board of Directors because of his extensive experience with accounting and financial reporting matters, especially relating to mergers, acquisitions and corporate finance transactions.
 - Richard I. Gilchrist, a Senior Advisor for acquisitions and investments at The Irvine Company, a privately-held real estate investment company, has extensive experience in the real estate industry, including having served as an executive officer of several REITs, knowledge and experience in internal and external risk oversight, and experience as a member of the board of directors of three public REITs during his career, giving him unique insight into our investment activities.
 - Field Griffith, the former Director of Real Estate Assets Investments for the Virginia Retirement System, is a valuable member of our Board of Directors because of his extensive experience with real estate investments.
 - Edward Lewis, the co-founder and former chairman and Chief Executive Officer of Essence Communications Partners, a multimedia company targeting African-American women, and the co-founder of *Latina* magazine, is a valuable member of our Board of Directors because of his experience as founder and chairman of Essence Communications, as well as the skills he gained during his active board service to a number of diverse organizations.
- Additionally, our Board of Directors is a majority independent board and each of its committees is comprised solely of independent directors. Each of the members of the Board of Director’s committees is a highly sophisticated business veteran, bringing experience from real estate, accounting and general business backgrounds to the Board of Director’s oversight function.

Investment Thesis and Asset Management

- Blackstone Real Estate has established core housing principles to provide a remarkable tenant experience.
- Conduct rigorous due diligence on prospective BREIT investments.

- Perform third-party reviews of portfolio companies managing BREIT properties to encourage strong governance.
- Actively monitor BREIT investments for compliance with regulatory and firm requirements.

Independent Auditor

- Deloitte & Touche LLP (“Deloitte”) has served as our independent auditor since 2016 and we have received an unqualified opinion each year. In compliance with auditing standards set forth by the Public Company Accounting Oversight Board in the U.S., Deloitte will rotate the audit partner responsible for signing our financial statements at least every five years.
- For information regarding the fees we paid to Deloitte in 2019 and 2018 and our approval procedures relating to Deloitte’s fees, see “Proposal 2 — Ratification of Appointment of Independent Registered Public Accounting Firm.”

Financial Disclosures

- We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Executive and Senior Officers

The following table sets forth the positions, ages as of April 1, 2020 and selected biographical information for our executive officers. Messrs. Cohen’s and Agarwal’s and Mrs. LePatner’s biographical information is provided in the section of this Proxy Statement entitled “Proposal 1 — Election of Directors.”

Name	Age	Position
Frank Cohen	47	Chairman of the Board and Chief Executive Officer
A.J. Agarwal	53	President and Director
Wesley LePatner	38	Chief Operating Officer and Director
Brian Kim	40	Head of Acquisitions and Capital Markets
Paul D. Quinlan	42	Chief Financial Officer and Treasurer
Paul Kolodziej	40	Chief Accounting Officer
Robert Harper	41	Head of Asset Management
Karen Sprogis	59	Head of Investor Relations
Leon Volchyok	36	Chief Legal Officer, Chief Compliance Officer and Secretary

Brian Kim

Head of Acquisitions and Capital Markets



Age: 40

Biographical Information:

Mr. Kim has been the Head of Acquisitions and Capital Markets of the Company since January 2017. He is a Managing Director with Blackstone Real Estate and is based in New York. Since joining Blackstone in 2008, Mr. Kim has played a key role in a number of Blackstone’s investments including the take private and subsequent sale of Strategic Hotels & Resorts, the acquisition of Peter Cooper Village / Stuyvesant Town and the creation of BRE Select Hotels Corp, Blackstone’s select service hotel platform. Prior to joining Blackstone, Mr. Kim worked at Apollo Real Estate Advisors, Max Capital Management Corp. and Credit Suisse First Boston. Mr. Kim has served as a board member, Chief Financial Officer, Vice President and Managing Director of BRE Select Hotels Corp since May 2013 and as a board member of CorePoint Lodging Inc. (NYSE: CPLG), a portfolio company of a Blackstone fund, since November 2015.

Qualifications:

Mr. Kim received an AB in Biology from Harvard College where he graduated with honors.

Paul D. Quinlan

Chief Financial Officer and Treasurer



Age: 42

Biographical Information:

Mr. Quinlan has been the Chief Financial Officer and Treasurer of the Company since June 2016. He is a Managing Director and Chief Financial Officer of Blackstone Real Estate based in New York. Mr. Quinlan was previously the Chief Financial Officer for Blackstone Real Estate Debt Strategies and Blackstone Mortgage Trust, Inc. (NYSE: BXMT). Prior to this, he was a member of Blackstone Finance, where he served as Head of Financial Planning & Business Development, with oversight of management and public reporting, as well as strategic acquisitions. Mr. Quinlan also served as the Chief Financial Officer for Blackstone Advisory Partners L.P. Prior to joining Blackstone in 2010, Mr. Quinlan worked at Bank of America Merrill Lynch, focusing on strategic corporate M&A and private equity investments.

Qualifications:

Mr. Quinlan received a B.S. in Finance cum laude from Georgetown University and an MBA with distinction from the NYU Stern School of Business.

Paul Kolodziej

Chief Accounting Officer



Age: 40

Biographical Information:

Mr. Kolodziej has been the Chief Accounting Officer of the Company since March 2019. He is a Senior Vice President in Blackstone Real Estate and previously served as Controller of the Company from June 2016 to March 2019. Prior to joining Blackstone in June 2016, Mr. Kolodziej was a Senior Manager at PricewaterhouseCoopers LLP, where he provided assurance services to financial service clients focused on real estate investment trusts, private real estate funds and hedge funds. During his time at PricewaterhouseCoopers LLP, Mr. Kolodziej also completed a two year rotation in PricewaterhouseCoopers LLP's SEC Services Group within their National Office, focusing on client consultations over a wide range of matters related to security registrations and on-going SEC filing requirements.

Qualifications:

Mr. Kolodziej received a BS in Accountancy from DePaul University and is a Certified Public Accountant.

Robert Harper

Head of Asset Management



Age: 41

Biographical Information:

Mr. Harper has been the Head of Asset Management of the Company since August 2016. He is a Senior Managing Director and the Head of U.S. Asset Management for Blackstone Real Estate. He is based in New York. Since joining Blackstone in 2002, Mr. Harper has been involved in analyzing Blackstone's real estate equity and debt investments in many property types and has worked on transactions including Hilton Worldwide and Equity Office Properties. Mr. Harper has previously worked for Blackstone both in London and Los Angeles. Mr. Harper has served as a director of Invitation Homes Inc. (NYSE: INVH) since February 2017. From September 2016 to May 2017, Mr. Harper served as a director of ESH Hospitality, Inc. and from January 2017 to December 2017, Mr. Harper served as a director of Park Hotels & Resorts Inc. Prior to joining Blackstone, Mr. Harper worked for Morgan Stanley's real estate private equity group in Los Angeles and San Francisco.

Qualifications:

Mr. Harper received a BS from the McIntire School of Commerce at the University of Virginia.

Karen Sprogis

Head of Investor Relations



Age: 59

Biographical Information:

Ms. Sprogis has been the Head of Investor Relations of the Company since June 2016. She is a Managing Director in the Institutional Client Solutions group of Blackstone Real Estate and is based in New York. Since joining Blackstone in 1995, Ms. Sprogis has been involved in the asset management of Blackstone Real Estate's investments in the U.S. and Canada across various property types and is involved in capital raising efforts for real estate funds. Before joining Blackstone, Ms. Sprogis was a Vice President at Kleinwort Benson, where she was an international equity sales trader. Prior to that, Ms. Sprogis was a Portfolio Manager at JMB Institutional Realty Corporation.

Qualifications:

Ms. Sprogis received a BS in Accounting from the University of Illinois and an MBA from the University of Chicago.

Leon Volchyok

Chief Legal Officer, Chief Compliance Officer and Secretary



Age: 36

Biographical Information:

Mr. Volchyok has been the Chief Legal Officer and Chief Compliance Officer of the Company since September 2017 and he has been the Secretary of the Company since June 2016. Mr. Volchyok served as the Chief Securities Counsel of the Company from June 2016 to September 2017. Mr. Volchyok is a Managing Director in Blackstone Real Estate, where he plays a key role in the structuring, launch and operations of Blackstone Real Estate's public vehicles, handles the legal affairs for the Blackstone Real Estate Debt Strategies group and is involved in a number of other initiatives throughout the firm. Mr. Volchyok was instrumental in launching and co-leads Blackstone's Mexican CERPI, a market leading public platform through which the Mexican pension plans (AFOREs) invest in Blackstone funds. Mr. Volchyok also serves as Head of Legal and Compliance for Blackstone Mortgage Trust (NYSE: BXMT) and as Chief Legal Officer and Chief Compliance Officer of the Blackstone Real Estate Income Funds (BREIF). Prior to joining Blackstone in 2013, Mr. Volchyok was a Senior Associate in the Real Estate Capital Markets group at Proskauer Rose LLP since 2008, where he specialized in capital markets transactions and general securities law and corporate governance matters, with a specific focus on REITs and other real estate companies.

Qualifications:

Mr. Volchyok received a BBA from Baruch College — Zicklin School of Business and a JD from Fordham Law School. Mr. Volchyok is the chair-elect of the Board for the Institute for Portfolio Alternatives and on the Executive Committee of NAREIT's Public Non-listed REIT Council.

Compensation of Directors and Executive Officers

Executive Officer Compensation

We are externally managed and currently have no employees. Our executive officers serve as officers of the Adviser and are employees of the Adviser or one or more of its affiliates. Our Advisory Agreement provides that the Adviser is responsible for managing our investment activities. Our executive officers do not receive any compensation from us or any of our subsidiaries for serving as our executive officers but, instead, receive compensation from Blackstone. In addition, we do not reimburse the Adviser for compensation it pays to our executive officers. The Advisory Agreement does not require our executive officers to dedicate a specific amount of time to fulfilling the Adviser’s obligations to us under the Advisory Agreement. Accordingly, the Adviser has informed us that it cannot identify the portion of the compensation it awards to our executive officers that relates solely to such executives’ services to us, as the Adviser does not compensate its employees specifically for such services. Furthermore, we do not have employment agreements with our executive officers, we do not provide pension or retirement benefits, perquisites or other personal benefits to our executive officers, our executive officers have not received any nonqualified deferred compensation and we do not have arrangements to make payments to our executive officers upon their termination or in the event of a change in control of us.

Although we do not pay our executive officers any compensation, we pay the Adviser the fees described under the heading “Transactions with Related Persons and Certain Control Persons — Our Relationship with Our Adviser and Blackstone — Advisory Agreement.”

Non-Employee Director Compensation

Our non-employee directors receive an annual retainer of \$165,000. Each chairperson of a committee of the Board of Directors other than the Audit Committee receives an additional annual retainer of \$10,000. The Audit Committee chairperson receives an additional annual retainer of \$15,000. On an annual basis, \$100,000 is paid in the form of an annual grant of restricted stock based on the then-current per share transaction price of our Class I shares (“Class I”) at the time of grant and the remaining amount is paid in cash. Restricted stock grants will generally vest one year from the date of grant.

We do not pay our directors additional fees for attending board or committee meetings. All directors are reimbursed for reasonable out-of-pocket expenses incurred in attending board and committee meetings (including, but not limited to, airfare, hotel and food). Our directors who are affiliated with the Adviser or Blackstone do not receive additional compensation for serving on the Board of Directors or committees thereof.

The following table sets forth the compensation earned by or paid to our directors for the fiscal year ended December 31, 2019:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1) (2)	Total (\$)
Frank Cohen	—	—	—
A.J. Agarwal	—	—	—
Wesley LePatner	—	—	—
Raymond J. Beier	\$80,000	\$100,000	\$180,000
Richard I. Gilchrist	\$75,000	\$100,000	\$175,000
Field Griffith	\$75,000	\$100,000	\$175,000
Edward Lewis	\$75,000	\$100,000	\$175,000

(1) Represents \$100,000 of shares of restricted stock granted to each of our independent directors in August 2019, which shares have not yet vested, based on \$11.1969, the then-current NAV per share of our Class I shares at the time of grant.

(2) Represents the aggregate grant date fair value of awards of restricted shares of Class I common stock calculated under the Financial Accounting Standard Board’s Accounting Codification Topic 718 without taking into account estimated forfeitures. The number of shares awarded to each director was 8,931.043, which was determined by dividing \$100,000 by the then-current NAV of our Class I shares at the time of grant in August 2019. The directors had no other share awards outstanding as of December 31, 2019.

Equity Compensation Plan Information

The following table summarizes information, as of December 31, 2019, relating to our equity compensation plans pursuant to which shares of our common stock or other equity securities may be granted from time to time:

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted-average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	—	\$ —	—
Equity compensation plans not approved by security holders	—	—	—
Total	—	\$ —	—

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of March 25, 2020, information regarding the number and percentage of shares of our common stock owned by each director, our named executive officers, all directors and executive officers as a group, and any person known to us to be the beneficial owner of more than 5% of outstanding shares of our common stock. As of March 25, 2020, there were a total of 1,577,864,531 shares of our common stock issued and outstanding. Beneficial ownership is determined in accordance with the rules of the SEC and includes securities that a person has the right to acquire within 60 days. The address for each of the persons named below is in care of our principal executive offices at 345 Park Avenue, New York, NY 10154.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Shares Beneficially Owned
Directors and Named Executive Officers:		
Frank Cohen	544,945	*
A.J. Agarwal	324,837	*
Wesley LePatner	23,553	*
Paul D. Quinlan	19,940	*
Raymond J. Beier	24,126	*
Richard I. Gilchrist	24,126	*
Field Griffith	24,126	*
Edward Lewis	24,126	*
All current executive officers and directors as a group (13 persons)	<u>1,092,015</u>	<u>*</u>

All shares listed in the table above are Class I shares.

* Represents less than 1%.

As of March 25, 2020, Blackstone and its employees, including our executive officers, continue to own approximately \$204.3 million of interests in the Company and its subsidiaries.

Transactions with Related Persons and Certain Control Persons

The following describes all transactions during the fiscal year ended December 31, 2019 and currently proposed transactions involving us, our directors, our Adviser, Blackstone and any affiliate thereof.

Our Relationship with Our Adviser and Blackstone

We are externally managed by our Adviser, BX REIT Advisors L.L.C., a Delaware limited liability company, which is responsible for sourcing, evaluating and monitoring our investment opportunities and making decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our Board of Directors. The Adviser is part of Blackstone Real Estate, which serves as our sponsor. All of our officers and directors, other than the independent directors, are employees of Blackstone. We have and will continue to have certain relationships with the Adviser and its affiliates.

Advisory Agreement

We are managed and advised by the Adviser pursuant to the Advisory Agreement that first became effective August 31, 2016; however, we did not commence active operations until January 1, 2017, when we had satisfied the minimum offering requirement in our initial public offering and our Board of Directors had authorized the release of proceeds from escrow to us.

Pursuant to the Advisory Agreement and subject to the supervision of our Board of Directors, the Adviser is responsible for, among other things:

- serving as an advisor to us and the Operating Partnership with respect to the establishment and periodic review of our investment guidelines and our and the Operating Partnership's investments, financing activities and operations;
- sourcing, evaluating and monitoring our and the Operating Partnership's investment opportunities and executing the acquisition, management, financing and disposition of our and the Operating Partnership's assets, in accordance with our investment guidelines, policies and objectives and limitations, subject to oversight by our Board of Directors;
- with respect to prospective acquisitions, purchases, sales, exchanges or other dispositions of investments, conducting negotiations on our and the Operating Partnership's behalf with sellers, purchasers, and other counterparties and, if applicable, their respective agents, advisors and representatives, and determining the structure and terms of such transactions;
- providing us with portfolio management and other related services;
- serving as our advisor with respect to decisions regarding any of our financings, hedging activities or borrowings; and
- engaging and supervising, on our and the Operating Partnership's behalf and at our and the Operating Partnership's expense, various service providers.

The above summary is provided to illustrate the material functions that the Adviser performs for us and it is not intended to include all of the services that may be provided to us by the Adviser or third parties.

Management Fee

As compensation for its services provided pursuant to the Advisory Agreement, we pay the Adviser a management fee of 1.25% of our monthly net asset value as determined pursuant to our valuation policies ("NAV") per annum, payable monthly. Additionally, to the extent that our Operating Partnership issues Operating Partnership units to parties other than us, our Operating Partnership will pay the Adviser a management fee equal to 1.25% of the NAV of the Operating Partnership attributable to such Operating Partnership units not held by us per annum payable monthly. In calculating our management fee, we use our NAV before giving effect to accruals for the management fee, the performance participation allocation described below, stockholder servicing fees or distributions payable on our shares. The management fee can be paid in cash, Class I shares or Class I units of our Operating Partnership at the Adviser's election.

To date, the Adviser has received the management fee in Class I shares. During the fiscal year ended December 31, 2019, the Adviser was issued 8,424,263 Class I shares as payment for \$94.2 million of management fees. We issued the Adviser an additional 1,211,870 Class I shares as payment of an additional \$13.9 million of management fees accrued as of December 31, 2019. During the fiscal year ended December 31, 2019, the Adviser redeemed 10,297,777 Class I shares with a total value of \$114.8 million issued as payment for management fees.

Performance Participation

So long as the Advisory Agreement has not been terminated, BREIT Special Limited Partner L.P. (the “Special Limited Partner”), a wholly owned subsidiary of Blackstone, holds a performance participation interest in the Operating Partnership that entitles it to receive an allocation from our Operating Partnership equal to 12.5% of the Total Return, subject to a 5% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined below). Such allocation will be made annually and accrue monthly.

Specifically, the Special Limited Partner will be allocated a performance participation in an amount equal to:

- I First, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, “Excess Profits”), 100% of such annual Excess Profits until the total amount allocated to the Special Limited Partner equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Special Limited Partner pursuant to this clause (this is commonly referred to as a “Catch-Up”); and
- I Second, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits.

“Total Return” for any period since the end of the prior calendar year shall equal the sum of:

- (i) all distributions accrued or paid (without duplication) on the Operating Partnership units outstanding at the end of such period since the beginning of the then-current calendar year plus
- (ii) the change in aggregate NAV of such units since the beginning of the year, before giving effect to (x) changes resulting solely from the proceeds of issuances of Operating Partnership units, (y) any allocation/accrual to the performance participation interest and (z) applicable stockholder servicing fee expenses (including any payments made to us for payment of such expenses).

For the avoidance of doubt, the calculation of Total Return will (i) include any appreciation or depreciation in the NAV of units issued during the then-current calendar year but (ii) exclude the proceeds from the initial issuance of such units.

“Hurdle Amount” for any period during a calendar year means that amount that results in a 5% annualized internal rate of return on the NAV of the Operating Partnership units outstanding at the beginning of the then-current calendar year and all Operating Partnership units issued since the beginning of the then-current calendar year, taking into account the timing and amount of all distributions accrued or paid (without duplication) on all such units and all issuances of Operating Partnership units over the period and calculated in accordance with recognized industry practices. The ending NAV of the Operating Partnership units used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the performance participation interest and applicable stockholder servicing fee expenses. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will exclude any Operating Partnership units repurchased during such period, which units will be subject to the performance participation allocation upon repurchase as described below.

Except as described in Loss Carryforward below, any amount by which Total Return falls below the Hurdle Amount will not be carried forward to subsequent periods.

“Loss Carryforward Amount” shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Total Return and decrease by any positive annual Total Return, provided that the Loss Carryforward Amount shall at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Total Return related to any Operating Partnership units repurchased during such year, which units will be subject to the performance participation allocation upon repurchase as described below. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Special Limited Partner’s performance participation. This is referred to as a “High Water Mark.”

The Special Limited Partner will also be allocated a performance participation with respect to all Operating Partnership units that are repurchased at the end of any month (in connection with repurchases of our shares in our share repurchase plan) in an amount calculated as described above with the relevant period being the portion of the year for which such unit was outstanding and proceeds for any such unit repurchase will be reduced by the amount of any such performance participation.

Distributions on the performance participation interest may be payable in cash or Class I units at the election of the Special Limited Partner. If the Special Limited Partner elects to receive such distributions in Operating Partnership units, the Special Limited Partner may request the Operating Partnership to repurchase such Operating Partnership units from the Special Limited Partner at a later date. Any such repurchase requests will not be subject to the Early Repurchase Deduction but will be subject to the same repurchase limits that exist under our share repurchase plan. The Operating Partnership will repurchase any such Operating Partnership units for cash unless our Board of Directors determines that any such repurchase for cash would be prohibited by applicable law or our charter, in which case such Operating Partnership units will be repurchased for shares of our common stock with an equivalent aggregate NAV.

During the fiscal year ended December 31, 2019, the Special Limited Partner earned a performance participation interest of \$141.4 million, which amount was paid to the Special Limited Partner in the form of approximately 11.7 million Class I units and 0.7 million Class B units of our Operating Partnership, effective January 1, 2020. During the fiscal year ended December 31, 2019, the Special Limited Partner redeemed 2,826,849 Class I shares with a value of \$31.1 million issued for the performance participation interest.

Expense Reimbursements

Under the Advisory Agreement, and subject to the limitations described below under the heading “Reimbursement by the Adviser,” our Adviser is entitled to reimbursement of all costs and expenses incurred by it or its affiliates on our behalf, provided that the Adviser is responsible for the expenses related to any and all personnel of the Adviser who provide investment advisory services to us pursuant to the Advisory Agreement (including, without limitation, each of our executive officers and any directors who are also directors, officers or employees of the Adviser or any of its affiliates), including, without limitation, salaries, bonus and other wages, payroll taxes and the cost of employee benefit plans of such personnel, and costs of insurance with respect to such personnel. Without limiting the generality of the foregoing, costs eligible for reimbursement include out-of-pocket costs and expenses the Adviser incurs in connection with the services it provides to us related to (1) legal, accounting, printing, mailing and subscription processing fees and other expenses attributable to our organization, preparation of our registration statements, registration and qualification of our common stock for sale with the SEC and in the various states and filing fees incurred by the Adviser (as described below), (2) the actual cost of goods and services used by us and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other service providers, and brokerage fees paid in connection with the purchase and sale of investments and securities, (3) expenses of managing and operating our properties, whether payable to an affiliate or a non-affiliated person, and (4) out-of-pocket expenses in connection with the selection, evaluation, structuring, acquisition, origination, financing and development of properties and real estate-related securities, whether or not such investments are acquired. Such out-of-pocket costs and expenses also include expenses relating to compliance-related matters and regulatory filings relating to our activities.

The Adviser may retain, for and on our behalf, and at our sole cost and expense, such service providers as it deems necessary or advisable in connection with the management and operations of our company, which may include affiliates of the Adviser, provided that any such services may only be provided by affiliates to the extent such services are approved by a majority of our Board of Directors (including a majority of the independent directors) not otherwise interested in such transactions as being fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties.

During the fiscal year ended December 31, 2019, we reimbursed the Adviser \$0.8 million for such expenses incurred on our behalf.

Organization and Offering Costs

We reimburse our Adviser for any organization and offering expenses (“O&O Expenses”) associated with our ongoing public offering that it incurs on our behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, fees to attend retail seminars sponsored by participating broker-dealers and reimbursements for customary travel, lodging and meals, but excluding upfront selling commissions, dealer manager fees and the stockholder servicing fee) as and when incurred.

During the fiscal year ended December 31, 2019, we reimbursed the Adviser \$2.0 million for such expenses incurred on our behalf.

Term and Termination Rights under the Advisory Agreement

Our Advisory Agreement was most recently renewed on March 12, 2020 and has a one-year term expiring March 31, 2021, subject to further renewals by our Board of Directors for an unlimited number of successive one-year periods. The Advisory Agreement may be terminated (1) immediately by us (i) for “cause,” (ii) upon the bankruptcy of the Adviser or (iii) upon a material breach of the Advisory Agreement by the Adviser, (2) upon 60 days’ written notice by us without cause or penalty upon the vote of a majority of our independent directors or (3) upon 60 days’ written notice by the Adviser. “Cause” is defined in the Advisory Agreement to mean fraud, criminal conduct, willful misconduct or willful or negligent breach of fiduciary duty by the Adviser under the Advisory Agreement.

In the event the Advisory Agreement is terminated, the Adviser will be entitled to receive its prorated management fee through the date of termination. In addition, upon the termination or expiration of the Advisory Agreement, the Adviser will cooperate with us and take all reasonable steps requested to assist our Board of Directors in making an orderly transition of the advisory function.

Reimbursement by the Adviser

The Adviser will reimburse us for any expenses that cause our “total operating expenses” in any four consecutive fiscal quarters to exceed the greater of: (1) 2% of our “average invested assets” and (2) 25% of our “net income”.

Notwithstanding the foregoing, to the extent that our total operating expenses exceed these limits and the independent directors determine that the excess expenses were justified based on unusual and nonrecurring factors that they deem sufficient, the Adviser will not be required to reimburse us. Within 60 days after the end of any fiscal quarter for which our total operating expenses for the four consecutive fiscal quarters then ended exceed these limits and our independent directors approve such excess amount, we will send our stockholders a written disclosure of such fact, or will include such information in our next quarterly report on Form 10-Q or in a current report on Form 8-K filed with the SEC, together with an explanation of the factors our independent directors considered in arriving at the conclusion that such excess expenses were justified. In addition, our independent directors will review at least annually the total fees and expense reimbursements for operating expenses paid to the Adviser and the Special Limited Partner to determine if they are reasonable in light of our performance, our net assets and our net income and the fees and expenses of other comparable unaffiliated REITs. Each such determination will be recorded in the minutes of a meeting of the independent directors.

For purposes of these limits, (1) “total operating expenses” are all costs and expenses paid or incurred by us, as determined under generally accepted accounting principles, including the management fee and the performance participation, but excluding (i) the expenses of raising capital such as organization and offering expenses, legal, audit, accounting, underwriting, brokerage, listing, registration and other fees, printing and other such expenses and taxes incurred in connection with the issuance, distribution, transfer, registration and listing of our capital stock, (ii) property-level expenses incurred at each property, (iii) interest payments, (iv) taxes, (v) non-cash expenditures such as depreciation, amortization and bad debt reserves, (vi) incentive fees paid in compliance with our charter, (vii) acquisition fees and acquisition expenses related to the selection and acquisition of assets, whether or not a property is actually acquired, (viii) real estate commissions on the sale of property and (ix) other fees and expenses connected with the acquisition, disposition, management and ownership of real estate interests, mortgage loans or other property (including the costs of foreclosure, insurance premiums, legal services, maintenance, repair and improvement of property); (2) “average invested assets” is the average of the aggregate book value of our assets, invested, directly or indirectly, in equity interests in and loans secured by real estate, including all properties, mortgages and real estate-related securities and consolidated and unconsolidated joint ventures or other partnerships, before deducting depreciation, amortization, impairments, bad debt reserves or other non-cash reserves, computed by taking the average of such values at the end of each month during such period; and (3) “net income” is our total revenues less the total expenses excluding additions to, or allowances for, non-cash charges such as depreciation, amortization, impairments and reserves for bad debt or other similar non-cash reserves. For the fiscal year ended December 31, 2019, our total operating expenses were 1.2% and 71%, respectively, of each of our average invested assets and our net income.

Independent Directors’ Review of Compensation

Our independent directors evaluate at least annually whether the compensation that we contract to pay to the Adviser is reasonable in relation to the nature and quality of services performed and that such compensation is within the limits prescribed by our charter. Our independent directors supervise the performance of the Adviser and the compensation we pay to it to determine that the provisions of the Advisory Agreement are being carried out. This evaluation is based on the factors set forth below, as well as any other factors deemed relevant by the independent directors:

- the amount of fees paid to the Adviser in relation to the size, composition and performance of our investments;
- the success of the Adviser in generating investments that meet our investment objectives;
- rates charged to other externally advised REITs and other similar investment entities by advisors performing similar services;
- additional revenues realized by the Adviser and its affiliates through their advisory relationship with us (including the performance participation allocation paid to the Special Limited Partner);
- the quality and extent of the services and advice furnished by the Adviser;
- the performance of the assets, including income, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and
- the quality of our portfolio in relationship to the investments generated by the Adviser for its own account.

In addition to the management fee, performance participation and expense reimbursements, we have agreed to indemnify and hold harmless the Adviser and its affiliates performing certain services for us from specific claims and liabilities arising out of the performance of their obligations under the Advisory Agreement, subject to certain limitations.

Dealer Manager Agreement

We entered into a Dealer Manager Agreement with Blackstone Advisory Partners L.P., an affiliate of our Adviser (the “Dealer Manager”), in connection with the Offering pursuant to which the Dealer Manager agreed to, among other things, manage our relationships with third-party broker-dealers engaged by the Dealer Manager to participate in the distribution of shares of our common stock, which we refer to as “participating broker-dealers,” and financial advisors. The Dealer Manager serves as the dealer manager for the Offering. The Dealer Manager also coordinates our marketing and distribution efforts with participating

broker-dealers and their registered representatives with respect to communications related to the terms of the Offering, our investment strategies, material aspects of our operations and subscription procedures. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of our shares. The Dealer Manager is a registered broker-dealer affiliated with the Adviser.

Upfront Selling Commissions and Dealer Manager Fees

The Dealer Manager is entitled to receive upfront selling commissions of up to 3.0%, and upfront dealer manager fees of 0.5%, of the transaction price of each Class T Share ("Class T") sold in our primary offering; however such amounts may vary at certain participating broker-dealers, provided that the sum will not exceed 3.5% of the transaction price. The Dealer Manager is entitled to receive upfront selling commissions of up to 3.5% of the transaction price of each Class S Share ("Class S") sold in the primary offering. The Dealer Manager may be entitled to receive upfront selling commissions of up to 1.5% of the transaction price of each Class D Share ("Class D") sold in the primary offering. No upfront selling commissions or dealer manager fees are paid with respect to purchases of Class I shares or shares of any class sold pursuant to our distribution reinvestment plan.

During the year ended December 31, 2019, we paid \$30.1 million in upfront selling commissions and upfront dealer manager fees to the Dealer Manager. The Dealer Manager has entered into agreements with participating broker-dealers distributing our shares in our primary offering, and all of the upfront selling commissions and dealer manager fees were reallocated (paid) to, such participating broker-dealers. For the fiscal year ended December 31, 2019, the costs of raising capital in our primary offering and our distribution reinvestment plan, which represent all upfront selling commissions, upfront dealer manager fees, stockholder servicing fees and organization and offering costs accrued by us during the year ended December 31, 2019, represented 1.4% of the capital raised.

Stockholder Servicing Fees

Subject to FINRA limitations on underwriting compensation and certain other limitations described below, we will pay the Dealer Manager selling commissions over time as a stockholder servicing fee (i) with respect to our outstanding Class T shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class T shares, consisting of an advisor stockholder servicing fee of 0.65% per annum, and a dealer stockholder servicing fee of 0.20% per annum, of the aggregate NAV for the Class T shares, however, with respect to Class T shares sold through certain participating broker-dealers, the advisor stockholder servicing fee and the dealer stockholder servicing fee may be other amounts, provided that the sum of such fees will always equal 0.85% per annum of the NAV of such shares, (ii) with respect to our outstanding Class S shares equal to 0.85% per annum of the aggregate NAV of our outstanding Class S shares and (iii) with respect to our outstanding Class D shares equal to 0.25% per annum of the aggregate NAV of our outstanding Class D shares. We will not pay a stockholder servicing fee with respect to our outstanding Class I shares. The stockholder servicing fees will be paid monthly in arrears. The Dealer Manager will reallocate (pay) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers, and will waive or rebate stockholder servicing fees to the extent a broker-dealer is not eligible to receive it for failure to provide such services. The stockholder servicing fees with respect to Class T shares, Class S shares and Class D shares are calculated based on the aggregate NAV for all of the outstanding shares of each such class, including shares issued under our distribution reinvestment plan.

We will cease paying the stockholder servicing fee with respect to any Class T share, Class S share or Class D share held in a stockholder's account at the end of the month in which the Dealer Manager in conjunction with the transfer agent determines that total upfront selling commissions, dealer manager fees and stockholder servicing fees paid with respect to the shares held by such stockholder within such account would exceed, in the aggregate, 8.75% (or, in the case of Class T shares sold through certain participating broker-dealers, a lower limit as set forth in the applicable agreement between the Dealer Manager and a participating broker-dealer at the time such Class T shares were issued) of the gross proceeds from the sale of such shares (including the gross proceeds of any shares issued under our distribution reinvestment plan with respect thereto). At the end of such month, such Class T share, Class S share or Class D share will convert into a number of Class I shares (including any fractional shares), each with an equivalent aggregate NAV as such shares.

In addition, we will cease paying the stockholder servicing fee on the Class T shares, Class S shares and Class D shares on the earlier to occur of the following (i) a listing of Class I shares, (ii) our merger or consolidation with or into another entity, or the sale or other disposition of all or substantially all of our assets or (iii) the date following the completion of the primary portion of the registered offering in which such shares were sold on which, in the aggregate, underwriting compensation from all sources in connection with such offering, including upfront selling commissions, the stockholder servicing fee and other underwriting compensation, is equal to 10% of the gross proceeds from such primary offering.

During the fiscal year ended December 31, 2019, we paid \$37.6 million in stockholder servicing fees to the Dealer Manager. As described above, the Dealer Manager reallocated (paid) all or a portion of the stockholder servicing fees to participating broker-dealers and servicing broker-dealers for ongoing stockholder services performed by such broker-dealers.

Affiliate Service Agreements

We retain certain of the Adviser's affiliates, from time to time, for services relating to our investments or our operations, which may include (a) corporate support services (including, without limitation, accounting/audit (including valuation support services), account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (i.e., coordination with JV partners, property managers), risk management, tax and treasury; (b) loan management (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (i.e., management by a portfolio entity, Blackstone affiliate or third party (e.g., a third-party manager) of operational services); (d) operational services (i.e., general management of day to day operations, including, without limitation, construction management, leasing services, project management and property management); and (e) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modeling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordination of design and development works, overseeing brokers, lawyers, accountants and other advisors, providing legal and accounting services, assistance with due diligence, preparation of project feasibilities, site visits, and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents). Our Operating Partnership or its subsidiary may also issue equity incentive compensation to certain employees of such affiliates for services provided. Any compensation paid to the Adviser's affiliates for any such services will not reduce the management fee or performance participation allocation. Any such arrangements will be at or below market rates.

Blackstone-Affiliated Portfolio Entities

Portfolio entities of Other Blackstone Accounts (defined below) are and will be counterparties in agreements, transactions and other arrangements with us for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the management fees we pay to the Adviser notwithstanding that some of the services provided by such portfolio entity are similar in nature to the services provided by the Adviser. Generally, we may engage Blackstone-affiliated portfolio entities only if a majority of our Board of Directors, and a majority of the Affiliate Transaction Committee (which is composed of each of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

We compensate these service providers and vendors owned by the Other Blackstone Accounts for services rendered to us, including through promote or other incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a portfolio entity or property will vary from the incentive based compensation paid with respect to other portfolio entities and properties; as a result the management team or other related parties may have greater incentives with respect to certain properties and portfolio entities relative to others, and the performance of certain properties and portfolio entities may provide incentives to retain management that also service other properties and portfolio entities. Service providers and vendors owned by Other Blackstone Accounts may charge us for certain goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates below applies equally in respect of the fees and expenses of the portfolio entity service providers, if charged at rates generally consistent with those available in the market. Such service providers and vendors owned by Other Blackstone Accounts may also pass through expenses on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for our benefit to us, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a portfolio property; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, and therefore we could pay more than its pro rata portion of fees for services. The allocation of overhead among the entities and assets to which services are provided may be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis. There can be no assurance that a different manner of allocation would result in our bearing less or more costs and expenses. A service provider may subcontract certain of its responsibilities to other portfolio entities. In such circumstances, the relevant subcontractor could invoice the portfolio entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The portfolio entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above.

We, Other Blackstone Accounts and their affiliates are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third-party joint venture partner may negotiate to not pay our pro rata share of fees, costs and expenses to be allocated as described above, in which case we, Other Blackstone Accounts and their affiliates that also use the services of the portfolio entity service provider will, directly or indirectly, pay the difference, or the portfolio entity service provider will bear a loss equal to the difference. Portfolio entity service providers described in this section are generally owned by a Blackstone fund such as Other Blackstone Accounts. In certain instances a similar company could be owned by Blackstone directly. Service providers described in this section are generally owned and controlled by a Blackstone fund, such as the Other Blackstone Accounts.

Blackstone has a general practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to us for the same services. However, legal fees for un consummated transactions are often charged at a discount rate, such that if we consummate a higher percentage of transactions with a particular law firm than Blackstone, Other Blackstone Accounts and their affiliates, we could indirectly pay a higher net effective rate for the services of that law firm than Blackstone or Other Blackstone Accounts or their affiliates. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by us are different from those used by Blackstone, Other Blackstone Accounts and their affiliates and personnel, we can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Other Blackstone Accounts and affiliates and we may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.

We have engaged BRE Hotels & Resorts LLC ("BRE") for certain of our hotel properties, Equity Office Management, L.L.C. ("EOM") for certain of our office properties, LivCor, LLC ("LivCor") for certain of our multifamily properties, and ShopCore Properties TRS Management LLC ("ShopCore") for certain of our retail properties. Beginning March 2019, we engaged Link Industrial Properties Holdco LLC ("Link") to provide the services that Gateway Industrial Properties L.L.C. ("Gateway") had previously provided to certain of our industrial properties. Each of these companies is a portfolio company controlled or owned by Blackstone-advised funds.

We have engaged Revantage Corporate Services, LLC ("Revantage"), a portfolio company owned by a Blackstone-advised fund, to provide corporate support services (including, without limitation, accounting, legal, tax, treasury, as applicable), and transaction support services to certain of the Company's investments directly.

The Company issued incentive compensation awards to certain employees of the portfolio company service providers described above that entitles them to receive an allocation of total return over a certain hurdle amount, as determined by the Company. Neither Blackstone nor the Adviser receives any fees or incentive payments from agreements between the Company and such portfolio companies or their management teams. The portfolio company incentive compensation awards of \$14.7 million crystallized on December 31, 2019 and, in January 2020, the Company issued approximately 1.3 million restricted Class I units in the Operating Partnership to certain employees of such companies in satisfaction of such awards.

The following table details the other amounts incurred for such providers during the year ended December 31, 2019 (\$ in thousands):

	Affiliate Service Provider Expenses	Capitalized Transaction Support Fees
Link	\$19,332	\$3,460
LivCor	18,464	2,990
BRE	7,250	—
Gateway	2,524	27
ShopCore	1,715	610
Revantage	1,295	—
EOM	104	30
Total	<u>\$50,684</u>	<u>\$7,117</u>

Blackstone-Affiliated Service Providers

In addition to the service providers (including portfolio entity service providers) and vendors described above, we will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds,

including the businesses described below. These businesses may also enter into transactions with other counterparties of ours. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. No fees charged by these service providers and vendors will offset or reduce the Adviser's management fees. Furthermore, Blackstone, the Other Blackstone Accounts and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

Certain Blackstone-affiliated service providers and their respective personnel may receive a management promote, an incentive fee and other performance-based compensation in respect of our investments. Furthermore, Blackstone-affiliated service providers may charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), provided that these amounts will not exceed market rates as determined to be appropriate under the circumstances. Generally, we may engage Blackstone-affiliated service providers only if a majority of our Board of Directors, and a majority of the Affiliate Transaction Committee (which is composed of each of our independent directors), not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

The Adviser and its affiliates will make determinations of market rates (i.e., rates that fall within a range that the Adviser and its affiliates has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include the experience of the Adviser and its affiliates with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Adviser and its affiliates to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset by asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired (such as location or size), or the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by us or by Other Blackstone Accounts and will not offset the management fee we pay to the Adviser. Finally, in certain circumstances third-party benchmarking may be considered unnecessary, including because the price for a particular good or service is mandated by law (e.g., title insurance in rate regulated states).

Lexington National Land Services ("LNLS") is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters and (iii) acts as escrow agent in connection with investments by us, Other Blackstone Accounts and their affiliates and related parties, and third parties. In exchange for such services LNLS earns fees, which would have otherwise been paid to third parties. Blackstone receives distributions from LNLS in connection with investments by us based on its equity interest in LNLS. In each case, there will be no related offset to the Company. As a result, while Blackstone believes the venture will provide services equal to those provided by third parties (even in jurisdictions where insurance rates are regulated), there is an inherent conflict of interest that would incentivize Blackstone to engage LNLS over a third party. During the fiscal year ended December 31, 2019, we paid LNLS \$14.8 million for title services related to 43 investments.

Internal Audit Services

During the year ended December 31, 2019, we engaged an affiliate of our Adviser to perform certain internal audit and compliance functions. As of December 31, 2019, we had incurred \$40,000 of fees for such services.

Credit Agreement with Blackstone

On January 23, 2017, we entered into an unsecured, uncommitted line of credit up to a maximum amount of \$250 million with Blackstone Holdings Finance Co. L.L.C. ("Lender"), an affiliate of Blackstone. On January 15, 2020, we gave notice to the Lender to reduce the maximum amount available under the line of credit to \$150 million. The line of credit expires on January 22, 2021, subject to a one-year extension option requiring Lender approval. The interest rate is the then-current rate offered by a third-party lender, or, if no such rate is available, LIBOR plus 2.50%. Each advance under the line of credit is repayable on the earliest of (i) the expiration of the line of credit, (ii) Lender's demand and (iii) the date on which the Adviser no longer acts as our adviser, provided that we will have 180 days to make such repayment in the cases of clauses (i) and (ii) and 45 days to make such repayment in the case of clause (iii). To the extent that we have not repaid all loans and other obligations under the line of credit after a repayment event has occurred, we are obligated to apply the net cash proceeds from our ongoing public offering and any sale or other disposition of assets to the repayment of such loans and other obligations; provided that we will be permitted to

(x) make payments to fulfill any repurchase requests pursuant to our share repurchase plan, (y) use funds to close any acquisition of property that we committed to prior to receiving a demand notice and (z) make quarterly distributions to our stockholders at per share levels consistent with the immediately preceding fiscal quarter and as otherwise required to maintain our REIT status.

The line of credit also permits voluntary prepayment of principal and accrued interest without any penalty other than customary LIBOR breakage costs. The line of credit contains customary events of default. As is customary in such financings, if an event of default occurs under the line of credit, Lender may accelerate the repayment of amounts outstanding under the line of credit and exercise other remedies subject, in certain instances, to the expiration of an applicable cure period. During the year ended December 31, 2019, we drew approximately \$2.1 billion from the line of credit and repaid approximately \$2.1 billion. As of December 31, 2019, there were no outstanding draws under the line of credit.

Real Estate Debt

As of December 31, 2019, our investments in real estate debt included CMBS with a total fair value of \$1.4 billion collateralized by properties owned by Blackstone-advised investment vehicles and CMBS with a total fair value of \$156.0 million collateralized by a loan originated by a Blackstone-advised investment vehicle. Each investment in such CMBS by Blackstone and its affiliates (including us) represented a minority participation in any individual tranche. We acquired our minority participation interests from third-party investment banks on market terms negotiated by the majority third-party investors. Blackstone and its affiliates (including us) will forgo all non-economic rights (including voting rights) in such CMBS as long as the Blackstone-advised investment vehicles either own the properties collateralizing loans underlying, or have an interest in a different part of the capital structure related to such CMBS. For the year ended December 31, 2019, we purchased \$667.2 million of such CMBS and recorded interest income of \$60.6 million related to our investments in such CMBS.

As of December 31, 2019, we acquired a \$134.1 million minority participation in a mezzanine loan that was originated by a third-party lender, with another Blackstone-advised investment vehicle as the borrower. We will forgo all non-economic rights under the loan, including voting rights, so long as the Blackstone-advised investment vehicle controls the borrower. The mezzanine loan terms were negotiated by a third party without our involvement and our minority interest in the mezzanine loan was made on such market terms.

Indemnification Agreements with Directors and Officers

We have entered into indemnification agreements with each of our directors and officers. We refer to such indemnification agreements as “Indemnification Agreements” and our directors and officers party thereto as “Indemnitees.” The Indemnification Agreements provide that we will, subject to certain limitations and exceptions, indemnify, to the fullest extent permitted under Maryland law, and advance expenses to, each Indemnitee, in connection with (among other things) the Indemnitee’s capacity as a director, officer, employee or agent of the Company. This obligation includes, subject to certain terms and conditions, indemnification for any expenses (including reasonable attorneys’ fees), judgments, fines, penalties and settlement amounts actually and reasonably incurred by the Indemnitee in connection with any threatened or pending action, suit or proceeding. In certain instances, we may be required to advance such expenses, in which case the Indemnitee will be obligated to reimburse us for the amounts advanced if it is later determined that the Indemnitee is not entitled to indemnification for such expenses.

Conflicts of Interest with the Adviser and its Affiliates

We are subject to conflicts of interest arising out of our relationship with Blackstone, including the Adviser and its affiliates. Blackstone has three directors that serve on our Board of Directors (one of whom serves as Chairman of our Board of Directors), and our Chief Executive Officer, Chief Financial Officer, and our other executive officers are also executives of Blackstone Real Estate and/or one or more of its affiliates. We have adopted policies and procedures to enable us to identify, adequately address or mitigate these conflicts of interest. The terms of our charter, the terms and conditions in our Advisory Agreement and the policies and procedures adopted by our Adviser, Blackstone and their affiliates also enable us to identify, adequately address or mitigate these conflicts of interest. Transactions between us and the Adviser or its affiliates are subject to approval by our Affiliate Transaction Committee.

Some examples of conflicts of interest that may arise by virtue of our relationship with the Adviser and Blackstone Real Estate include:

- ***Broad and Wide-Ranging Activities.*** The Adviser, Blackstone and their affiliates engage in a broad spectrum of activities, including a broad range of activities relating to investments in the real estate industry, and have invested or committed billions of dollars in capital through various investment funds, managed accounts and other vehicles affiliated with Blackstone. In the ordinary course of their business activities, the Adviser, Blackstone and their affiliates may engage in activities where the

interests of certain divisions of Blackstone and its affiliates, including the Adviser, or the interests of their clients may conflict with the interests of our stockholders. Certain of these divisions and entities affiliated with the Adviser have or may have investment objectives or guidelines similar to our investment guidelines and therefore may compete with us. In particular, Blackstone Real Estate invests in a broad range of real properties and real estate-related debt investments via numerous different investment funds, managed accounts and other vehicles.

- **Blackstone's Policies and Procedures.** Specified policies and procedures implemented by Blackstone and its affiliates, including the Adviser, to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the advantages across Blackstone's and its affiliates' various businesses that Blackstone expects to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has multiple business lines, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., Blackstone's information wall policy) that may reduce the benefits that Blackstone expects to utilize for purposes of identifying and managing its investments. For example, Blackstone may come into possession of material non-public information with respect to companies that are Blackstone's and its affiliates' advisory clients in which the Adviser may be considering making an investment. As a consequence, that information, which could be of benefit to the Adviser, might become restricted to those other businesses and otherwise be unavailable to the Adviser, and could also restrict the Adviser's activities. Additionally, the terms of confidentiality or other agreements with or related to companies in which any investment vehicle of Blackstone has or has considered making an investment or which is otherwise an advisory client of Blackstone and its affiliates may restrict or otherwise limit the ability of Blackstone or its affiliates, including the Adviser, to engage in businesses or activities competitive with such companies.
- **Allocation of Investment Opportunities.** Certain inherent conflicts of interest arise from the fact that Blackstone and its affiliates, including the Adviser, will provide investment management and other services both to us and to investment funds, REITs, vehicles, accounts, products and/or other similar arrangements sponsored, advised, and/or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over-flow funds, co-investment vehicles and other entities formed in connection with Blackstone or its affiliates side-by-side or additional general partner investments with respect thereto) ("Other Blackstone Accounts"). In particular, there will be overlap of real estate and real estate debt opportunities with certain Other Blackstone Accounts that are actively investing and similar overlap with future Other Blackstone Accounts. This overlap will from time to time create conflicts of interest. Additionally, in certain circumstances investment opportunities suitable for us will not be presented to us and there will be one or more investment opportunities where our participation is restricted.

With respect to Other Blackstone Accounts with investment objectives or guidelines that overlap with ours but that do not have priority over us (including the "Private Core+ Accounts," which include an Other Blackstone Account that invests in "core+" real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets, together with future accounts with similar investment strategies), investment opportunities are allocated among us and one or more Other Blackstone Accounts in accordance with Blackstone's prevailing policies and procedures on a basis that the Adviser and its affiliates believe to be fair and reasonable in their sole discretion, which is generally pro rata based on relative available capital, subject to the following considerations: (i) any applicable investment objectives or focus of ours and such Other Blackstone Accounts (which, for us, includes our primary objective of providing current income in the form of regular, stable cash distributions to achieve an attractive distribution yield), (ii) any investment limitations, parameters or contractual provisions of ours and such Other Blackstone Accounts (e.g., joint venture investments between us and an Other Blackstone Account must be on the same terms and satisfy the restrictions of all participants, such as lowest leverage targeted by any participant), (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act of 1940, as amended (the "Investment Company Act")). Our Board of Directors (including our independent directors) has the duty to ensure that the allocation methodology described above is applied fairly to us.

Currently, a Private Core+ Account invests in "core+" real estate and real estate-related assets in the United States and Canada (which are generally substantially stabilized assets generating relatively stable cash flow), with a focus on office, multifamily, industrial and retail assets in major U.S. markets. To the extent an investment satisfies the investment objectives of us and the Private Core+ Accounts on the same terms, including at the lower leverage targeted by the Private Core+ Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above (including maintaining our status as a non-investment company exempt from the Investment Company Act). Certain Other Blackstone Accounts also invest in real estate-related securities with investment objectives or guidelines that overlap with ours, but do not have priority over us. To the extent an investment satisfies the investment objectives of us and such

Other Blackstone Accounts, such investment will be allocated in accordance with Blackstone's prevailing policies and procedures described above.

Furthermore, certain of the Other Blackstone Accounts that invest in "opportunistic" real estate and real estate-related assets globally (which often are undermanaged assets and with higher potential for equity appreciation) (together with future accounts with similar investment strategies, the "Select Opportunistic Blackstone Accounts") have priority over us with respect to such investment opportunities have priority over us with respect to such investment opportunities. This priority will result in fewer investment opportunities being made available to us. No Other Blackstone Accounts other than Select Opportunistic Blackstone Accounts have priority over us with respect to real estate investment opportunities.

As of December 31, 2019, Other Blackstone Accounts with investment objectives or guidelines that overlap with our primary strategy but that do not have priority over us (including the Private Core+ Accounts) that are in their investing stage had no unused capital commitments and Select Opportunistic Blackstone Accounts (which are Other Blackstone Accounts that receive priority over us and whose investment strategies are generally less similar to ours but can overlap to some extent) in their investing stage had approximately \$16.7 billion of unused capital commitments.

While the Adviser seeks to manage potential conflicts of interest in a fair and reasonable manner (subject to the priority rights of the Select Opportunistic Blackstone Accounts described above) as required pursuant to our charter and the Advisory Agreement, the portfolio strategies employed by the Adviser, Blackstone or their affiliates in managing the Other Blackstone Accounts could conflict with the strategies employed by the Adviser in managing our business and may adversely affect the marketability, exit strategy, prices and availability of the real estate and real estate debt in which we invest. The Adviser, Blackstone or their affiliates may also give advice to the Other Blackstone Accounts that may differ from advice given to us even though their investment objectives or guidelines may be the same or similar to ours.

- **Corporate Opportunities.** Our Board of Directors has adopted a resolution that provides that none of Blackstone or its affiliates, our directors or any person our directors control are required to refrain directly or indirectly from engaging in any business opportunities, including any business opportunities in the same or similar business activities or lines of business in which we or any of our affiliates may from time to time be engaged or propose to engage, or from competing with us, and that we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any such business opportunities, unless offered to a person in his or her capacity as one of our directors or officers and intended exclusively for us or any of our subsidiaries.
- **Investments in Different Levels or Classes of an Issuer's Securities.** From time to time, to the extent permitted by our charter, we and the Other Blackstone Accounts may make investments at different levels of an issuer's or borrower's capital structure or otherwise in different classes of the same issuer's securities. We may make investments that are senior or junior to, or have rights and interests different from or adverse to, the investments made by the Other Blackstone Accounts. Such investments may conflict with the interests of such Other Blackstone Accounts in related investments, and the potential for any such conflicts of interests may be heightened in the event of a default or restructuring of any such investments. While Blackstone will seek to resolve any such conflicts in a fair and equitable manner in accordance with its prevailing policies and procedures with respect to conflicts resolution among the Other Blackstone Accounts, such transactions are not required to be presented to our Board of Directors for approval (unless otherwise required by our charter or investment guidelines), and there can be no assurance that any conflicts will be resolved in our favor.
- **Minority Investments of Other Blackstone Accounts.** Certain Other Blackstone Accounts may also make minority investments in third-party investment managers or their investment vehicles with which we may engage in various transactions from time to time, including purchases or sales of assets or borrowing or lending transactions. Although these third-party investees may not be deemed to be affiliates of Blackstone due to the limited voting rights or other terms of the investments made by such Other Blackstone Accounts, such Other Blackstone Accounts would have an indirect economic interest in any transactions between us and such third-party investees. Our stockholders will not share in any of the economic interest of such Other Blackstone Accounts in such transactions. There can be no assurance that any conflict will be resolved in our favor and Blackstone may be required to take action where it will have conflicting loyalties between its duties to us and to Other Blackstone Accounts, which may adversely impact us.
- **Pursuit of Differing Strategies.** At times, the investment professionals employed by the Adviser or its affiliates and other investment vehicles affiliated with the Adviser and/or Blackstone Real Estate may determine that an investment opportunity may be appropriate for only some of the Other Blackstone Accounts for which he or she exercises investment responsibility, or may decide that certain of the Other Blackstone Accounts should take differing positions with respect to a particular security. In these cases, the investment professionals may place separate transactions for one or more Other Blackstone Accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more Other Blackstone Accounts. For example, an investment professional may determine that it would be in the interest of another account to sell a security that we hold long, potentially resulting in a decrease in the market value of the security held by us.
- **Variation in Financial and Other Benefits.** A conflict of interest arises where the financial or other benefits available to the Adviser or its affiliates differ among the accounts, clients, entities, funds and/or investment vehicles that it manages. If the amount or structure of the management fee, the Special Limited Partner's performance participation interest and/or the Adviser's or its affiliates' compensation differs among accounts, clients, entities, funds and/or investment vehicles (such as

where certain funds or accounts pay higher base management fees, incentive fees, performance-based management fees or other fees), the Adviser might be motivated to help certain accounts, clients, entities, funds and/or investment vehicles over others. Similarly, the desire to maintain assets under management or to enhance the Adviser's performance record or to derive other rewards, financial or otherwise, could influence the Adviser or its affiliates in affording preferential treatment to those accounts, clients, entities, funds and/or investment vehicles that could most significantly benefit the Adviser or its affiliates. The Adviser may, for example, have an incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor such accounts, clients, entities, funds and/or investment vehicles. Additionally, the Adviser or its affiliates might be motivated to favor accounts, clients, entities, funds and/or investment vehicles in which it has an ownership interest or in which Blackstone and/or its affiliates have ownership interests. Conversely, if an investment professional at the Adviser or its affiliates does not personally hold an investment in the fund but holds investments in other Blackstone affiliated vehicles, such investment professional's conflicts of interest with respect to us may be more acute.

- ***Investment Banking, Underwriting and Other Relationships.*** Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to us. In connection with its investment banking and other businesses, Blackstone may come into possession of information that limits its ability to engage in potential transactions. Our activities may be constrained as a result of the inability of Blackstone personnel to use such information. For example, employees of Blackstone not serving as employees of the Adviser or its affiliates may be prohibited by law or contract from sharing information with members of Blackstone Real Estate. We may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made. Additionally, there may be circumstances in which one or more individuals associated with Blackstone will be precluded from providing services to the Adviser because of certain confidential information available to those individuals or to other parts of Blackstone. In addition, in connection with selling investments by way of a public offering, a Blackstone broker-dealer may act as the managing underwriter or a member of the underwriting syndicate on a firm commitment basis and purchase securities on that basis. Blackstone may retain any commissions, remuneration, or other profits and receive compensation from such underwriting activities, which have the potential to create conflicts of interest. Blackstone may also participate in underwriting syndicates from time to time with respect to us or portfolio companies of Other Blackstone Accounts, or may otherwise be involved in the private placement of debt or equity securities issued by us or such portfolio companies, or otherwise in arranging financings with respect thereto. Subject to applicable law, Blackstone may receive underwriting fees, placement commissions, or other compensation with respect to such activities, which will not be shared with us or our stockholders. Where Blackstone serves as underwriter with respect to a portfolio company's securities, we or the applicable Other Blackstone Account holding such securities may be subject to a "lock-up" period following the offering under applicable regulations during which time our ability to sell any securities that we continue to hold is restricted. This may prejudice our ability to dispose of such securities at an opportune time.

Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on our behalf, the Adviser may consider those relationships (subject to its obligations under our charter and the Advisory Agreement), which may result in certain transactions that the Adviser will not undertake on our behalf in view of such relationships.

- ***Service Providers.*** Certain of our service providers (including lenders, brokers, attorneys, investment banking firms and property managers) may be sources of investment opportunities, counterparties therein or advisors with respect thereto. This may influence the Adviser in deciding whether to select such a service provider. In addition, in instances where multiple Blackstone businesses may be exploring a potential individual investment, certain of these service providers may choose to be engaged by other Blackstone affiliates rather than us.
- ***Material, Non-Public Information.*** We, directly or through Blackstone, the Adviser or certain of their respective affiliates may come into possession of material non-public information with respect to an issuer in which we have invested or may invest. Should this occur, the Adviser may be restricted from buying or selling securities, derivatives or loans of the issuer on our behalf until such time as the information becomes public or is no longer deemed material. Disclosure of such information to the personnel responsible for management of our business may be on a need-to-know basis only, and we may not be free to act upon any such information. Therefore, we and/or the Adviser may not have access to material non-public information in the possession of Blackstone which might be relevant to an investment decision to be made by the Adviser on our behalf, and the Adviser may initiate a transaction or purchase or sell an investment which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Adviser may not be able to initiate a transaction on our behalf that it otherwise might have initiated and may not be able to purchase or sell an investment that it otherwise might have purchased or sold, which could negatively affect our operations.
- ***Possible Future Activities.*** The Adviser and its affiliates may expand the range of services that they provide over time. Except as and to the extent expressly provided in the Advisory Agreement, the Adviser and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. The Adviser, Blackstone and their affiliates continue to develop relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by us. These clients may themselves represent appropriate investment opportunities for us or may compete with us for investment opportunities.

- **Transactions with Other Blackstone Accounts and Other Affiliates.** From time to time, we may enter into purchase and sale transactions and joint ventures with Other Blackstone Accounts. Such transactions will be conducted in accordance with, and subject to, our charter (including the requirement that such transaction be approved by a majority of our independent directors not otherwise interested in the transaction as being fair and reasonable and on terms no less favorable than those available from unaffiliated third parties), the terms and conditions of the Advisory Agreement, and our code of business conduct and ethics and applicable laws and regulations. These requirements will also apply to transactions with Blackstone, any of our directors or any affiliates thereof.
- **Other Affiliate Transactions.** In connection with investments in which we participate alongside Other Blackstone Accounts, we may from time to time share certain rights with such Other Blackstone Accounts relating to such investments for legal, tax, regulatory or other similar reasons, including, in certain instances, certain control-related rights with respect to jointly held investments. When making any decisions related to such investments, there may be conflicting interests. There can be no assurance that the return on our investment will be equivalent to or better than the returns obtained by Blackstone or its other affiliates.

Further conflicts could arise once we and Blackstone or its affiliates have made our respective investments. For example, if we enter into a joint venture with an Other Blackstone Account, our interests and the interests of such Other Blackstone Account may conflict, for example when one joint venture partner seeks to sell the property in the joint venture but the other joint venture partner does not. In such situations, the ability of the Adviser to recommend actions in our best interests might be impaired.

Related Party Transaction Policies

Our Board of Directors recognizes the fact that transactions with related persons may present risks of conflicts or the appearance of conflicts of interest. Our Board of Directors has adopted a written policy on transactions with related persons. Under the policy, a committee of our Board of Directors composed solely of independent directors who are disinterested or the disinterested members of our Board of Directors must review and approve any “related person transaction” (defined as any transaction that would be required to be disclosed by us under Item 404(a) of Regulation S-K in which we were or are to be a participant, other than an employment relationship or transaction involving an executive officer and any related compensation, and the amount involved exceeds \$120,000 and in which any “related person” (as defined as in paragraph (a) of Item 404 of Regulation S-K) had or will have a direct or indirect material interest) and all material facts with respect thereto. No related person transaction will be executed without the approval or ratification of a committee of our Board of Directors composed solely of independent directors who are disinterested or by the disinterested members of our Board of Directors. Our Affiliate Transaction Committee fulfills the obligations under this policy.

In reviewing a related person transaction or proposed related person transaction, the Affiliate Transaction Committee or disinterested directors, as applicable, shall consider all relevant facts and circumstances, including without limitation:

- the nature of the related person’s interest in the transaction;
- the material terms of the transaction;
- the importance of the transaction both to the Company and the related person;
- whether the transaction would likely impair the judgment of a director or executive officer to act in the best interest of the Company;
- whether the value and the terms of the transaction are substantially similar as compared to those of similar transactions previously entered into by the Company with non-related persons, if any; and
- any other matters that management or the Affiliate Transaction Committee or disinterested directors, as applicable deem appropriate.

In addition, the policy provides that the Affiliate Transaction Committee, in connection with any approval or ratification of a related person transaction involving a non-employee director or director nominee, considers whether such transaction would compromise the director or director nominee’s status as an “independent,” “outside,” or “non-employee” director, as applicable, under our charter and our Corporate Governance Guidelines and our Code of Business Conduct and Ethics.

Report of the Affiliate Transaction Committee

The Affiliate Transaction Committee has examined the fairness of the transactions described above, and has determined that all such transactions are fair and reasonable to us. The Affiliate Transaction Committee has reviewed our policies described above, in our 2019 Annual Report on Form 10-K (the “Annual Report”) and our registration statement related to our ongoing public offering, as well as other policies previously reviewed and approved by our Board of Directors, and determined that they are in the best interests of our stockholders because it believes such policies are consistent with achieving our investment objectives while appropriately addressing conflicts of interest that may arise.

The Affiliate Transaction Committee of the Board of Directors:

Richard I. Gilchrist (Chair)
Raymond J. Beier
Field Griffith
Edward Lewis

Proposal 2 — Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee has appointed the firm of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2020 and has directed that the appointment of such independent registered public accounting firm be submitted for ratification by our stockholders at the Annual Meeting. Deloitte also serves as the independent registered public accounting firm of Blackstone.

We have been advised by Deloitte that neither that firm nor any of its associates has any relationship with us or our subsidiaries other than the usual relationship that exists between an independent registered public accounting firm and its clients.

We expect that representatives of Deloitte will be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions. If the appointment of Deloitte is not ratified, our Board of Directors will reconsider the appointment.

Stockholder ratification of the appointment of Deloitte as our independent registered public accounting firm is not required by our charter or otherwise. Even if the appointment is ratified, our Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests.

Audit and Non-Audit Fees

Aggregate fees that we were billed for the fiscal years ended December 31, 2018 and 2019 by our independent registered public accounting firm, Deloitte, were as follows:

	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2019
Audit fees (a)	\$1,819,000	\$2,713,900
Audit-related fees (b)	250,000	—
Tax fees (c)	70,000	4,196,175
All other fees	—	—
Total	\$2,139,000	\$6,910,075

- (a) Audit fees include amounts billed to us related to annual financial statement audit work, acquisition audit work, quarterly financial statement reviews and review of SEC registration statements.
- (b) Audit-related fees include amounts billed to us for assurance and related services that traditionally are performed by independent auditors that are reasonably related to the performance of the audit or review of the financial statements, such as due diligence related to acquisition, attestation services that are not required by statute or regulation, internal control reviews, and consultation concerning financial accounting and reporting standards.
- (c) Tax fees include amounts billed to us for professional services performed by professional staff in our independent registered public accounting firm's tax division, except those services related to the audit of our financial statements. These include fees for tax compliance, tax planning and advice, including federal, state and local tax issues. Services may also include assistance with tax audits and appeals before the U.S. Internal Revenue Service and similar state and local taxing authorities, as well as federal, state and local tax issues related to REIT due diligence of property acquisitions.

The Audit Committee of our Board of Directors was advised that there were no services provided by Deloitte that were unrelated to the audit of the annual fiscal year-end financial statements and the review of interim financial statements that could impair Deloitte from maintaining its independence as our independent auditor and concluded that it was.

Audit Committee Pre-Approval Policies and Procedures

In accordance with our Audit Committee pre-approval policy, all audit and non-audit services performed for us by our independent registered public accounting firm were pre-approved by the Audit Committee of our Board of Directors, which concluded that the provision of such services by Deloitte was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

Unless a type of service to be provided by the independent certified public accountants has received “general” pre-approval, it will require “specific” pre-approval by the Audit Committee. Additionally, any proposed services exceeding “general” pre-approved cost levels will require specific pre-approval by the Audit Committee. The term of any general pre-approval will apply until the next pre-approval made by the Audit Committee. The Audit Committee will review, and may revise, the general pre-approval policy and the services that may be provided by the independent certified public accountants from time to time. The Audit Committee does not delegate its responsibility to pre-approve services performed by the independent certified public accountants to management.

All requests or applications for services to be provided by the independent auditor that do not require specific pre-approval by the Audit Committee will be submitted to management and must include a detailed description of the services to be rendered. Management will determine whether such services are included within the list of services that have received the general pre-approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the independent auditor.

Requests or applications for services that require specific separate approval by the Audit Committee are required to be submitted to the Audit Committee by both the independent auditor and the Chief Financial Officer. The Chairman of the Audit Committee has been delegated the authority to specifically pre-approve all services not covered by the general pre-approval guidelines, up to a certain amount. All amounts specifically pre-approved by the Chair of the Audit Committee in accordance with the pre-approval policy are to be disclosed to the Audit Committee at the next regularly scheduled meeting.

VOTING RECOMMENDATION

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE
“FOR” THE RATIFICATION OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR
ENDING DECEMBER 31, 2020.**

General Information About the Annual Meeting and Voting

This Proxy Statement is being furnished by and on behalf of the Board of Directors of Blackstone Real Estate Income Trust, Inc., a Maryland corporation, in connection with the solicitation of proxies to be voted at the Annual Meeting. This Proxy Statement and the enclosed proxy card and our Annual Report will be first mailed on or about April 6, 2020 to stockholders of record as of the close of business on March 25, 2020 (the "Record Date").

In this section of the Proxy Statement, we answer some common questions regarding our 2020 Annual Meeting and the voting of shares at the meeting.

Where and when will the Annual Meeting be held?

The Annual Meeting will be held at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 at 9:00 a.m., Eastern Daylight Time, on Wednesday, June 17, 2020. As part of our precautions regarding COVID19, we are planning for the possibility that the Annual Meeting may be held solely by means of remote communication. If we take this step, we will announce the decision to do so in advance, and details on how to participate will be available at www.breit.com or via a filing with the SEC.

What is this document and why have I received it?

This Proxy Statement and the enclosed proxy card are being furnished to you, as a stockholder of Blackstone Real Estate Income Trust, because our Board of Directors is soliciting your proxy to vote at the Annual Meeting. This Proxy Statement contains information that stockholders should consider before voting on the proposals to be presented at the meeting.

We intend to mail this Proxy Statement and accompanying proxy card on or about April 6, 2020 to all stockholders of record entitled to vote at the meeting.

What am I voting on?

There are two proposals scheduled to be considered and voted on at the Annual Meeting:

- Proposal 1: Election of seven director nominees listed herein; and
- Proposal 2: Ratification of the appointment of Deloitte & Touche LLP, as our independent registered public accounting firm for the year ending December 31, 2020.

What is the required vote for approval of each proposal?

Proposal 1: Election of seven director nominees listed herein. The affirmative vote of a majority of the shares entitled to vote that are present in person or by proxy at the Annual Meeting is required for the election of each nominee for director. Abstentions and broker non-votes will have the effect of a vote against the nominees. A "broker non-vote" occurs when a broker does not vote on a matter on the proxy card because the broker does not have discretionary voting power for that particular matter and has not received voting instructions from the beneficial owner.

Proposal 2: Ratification of the appointment of Deloitte as our independent registered public accounting firm the year ending December 31, 2020. A majority of the votes cast at the Annual Meeting in person or by proxy is required to approve the auditor ratification proposal. Abstentions, if any, will not affect the outcome of this proposal. Your shares may be voted on for this proposal if they are held in the name of a brokerage firm even if you do not provide the brokerage firm with voting instructions.

How does the Board of Directors recommend that I vote?

Our Board of Directors recommends that you vote your shares as follows:

- FOR the election of each of the seven director nominees listed herein; and
- FOR the ratification of the appointment of Deloitte as our independent registered public accounting firm for the year ending December 31, 2020.

Who can vote?

Holders of record of our shares of common stock as of the close of business on the Record Date will be entitled to vote at the Annual Meeting. As of the Record Date, there were 631,996,185 Class S shares, 801,807,004 Class I shares, 99,322,426 Class T shares and 44,738,916 Class D shares of common stock issued and outstanding for a total of 1,577,864,531 shares of our common stock issued and outstanding. You are entitled to one vote for each share you held as of the Record Date.

How do I vote if I am a registered stockholder?

If you are a registered stockholder (that is, if your shares are registered on our records in your name and not in the name of your broker or nominee), you may authorize a proxy to vote your shares in any of the following ways described below, or in person by attending the Annual Meeting:

- via the Internet by going to www.proxyvote.com/BREIT and following the on-screen directions. Please have your proxy card in hand when accessing the website, as it contains a 16-digit control number required to record your voting instructions via the Internet;
- by phone by calling the number listed on the proxy card, (800) 690-6903, and following the recorded instructions, or by dialing (844) 618-1695 and speaking to a live agent. You will need the 16-digit control number included on your proxy card in order to record your voting instructions by telephone; or
- by mail by marking, signing, dating and returning the enclosed proxy card.

If you authorize a proxy by telephone or Internet, you do not need to mail your proxy card. See the attached proxy card for more instructions on how to vote your shares.

All proxies that are properly executed and received by our Secretary prior to the Annual Meeting, and are not revoked, will be voted at the Annual Meeting. Even if you plan to attend the Annual Meeting in person, we urge you to return your proxy card or submit a proxy by telephone or via the Internet to assure the representation of your shares at the Annual Meeting.

How do I vote if I hold my shares in “street name”?

If your shares are held by your bank or broker as your nominee (in “street name”), you should receive a proxy or voting instruction form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares.

If your shares are held in street name and you wish to attend the Annual Meeting and/or vote in person, you must bring your broker or bank voting instruction card and a proxy, executed in your favor, from the record holder of your shares. In addition, you must bring valid government-issued photo identification, such as a driver’s license or a passport.

How can I authorize a proxy to vote over the Internet or by telephone?

To authorize a proxy to vote electronically via the Internet, go to www.proxyvote.com/BREIT and follow the instructions. Please have your proxy card in hand when accessing the

website, as it contains a 16-digit control number required to record your voting instructions via the Internet.

If you have access to a touch-tone telephone, you may authorize your proxy by dialing (800) 690-6903 and following the recorded instructions, or by dialing (844) 618-1695 and speaking to a live agent. You will need the 16-digit control number included on your proxy card in order to record your voting instructions by telephone.

You can authorize a proxy to vote via the Internet or by telephone at any time prior to 11:59 p.m., Eastern Daylight Time, June 16, 2020, the day before the Annual Meeting.

What if I return my proxy but do not mark it to show how I am voting?

If you submit a signed proxy without indicating your vote on any matter, the designated proxies will vote to elect all seven director nominees as directors and to approve the ratification of the appointment of Deloitte as our independent registered public accounting firm for the year ending December 31, 2020.

What if other matters come up at the Annual Meeting?

At the date this Proxy Statement went to press, we did not know of any matters to be properly presented at the Annual Meeting other than those referred to in this Proxy Statement. If other matters are properly presented for consideration at the meeting or any adjournment or postponement thereof and you are a stockholder of record and have submitted a proxy card, the persons named in your proxy card will have the discretion to vote on those matters for you.

Can I change my vote or revoke my proxy after I authorize my proxy?

Yes. At any time before the vote on a proposal, you can change your vote either by:

- executing or authorizing, dating and delivering to us a new proxy with a later date that is received no later than June 16, 2020;
- authorizing a proxy again via the Internet or by telephone at a later time before the closing of those voting facilities at 11:59 p.m., Eastern Daylight Time, on June 16, 2020;
- sending a written statement revoking your proxy card to our Secretary or any corporate officer of the Company, provided such statement is received no later than June 16, 2020; or
- attending the Annual Meeting, revoking your proxy and voting your shares in person.

Your attendance at the Annual Meeting will not, by itself, revoke a proxy previously authorized by you. We will honor the proxy card or authorization with the latest date.

Proxy revocation notices should be sent to Blackstone Real Estate Income Trust, Inc., 345 Park Avenue, New York, New York 10154, Attention: Secretary. New paper proxy cards should be sent to Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

How do I vote my shares in person at the Annual Meeting?

First, you must satisfy the requirements for admission to the Annual Meeting (see below). Then, if you are a stockholder of record as of the close of business on the Record Date, and prefer to vote your shares at the Annual Meeting, you must bring proof of identification along with your proof of stock ownership. You may vote shares held in street name at the Annual Meeting only if you obtain a signed proxy from the record holder (broker, bank or other nominee) giving you the right to vote the shares.

Even if you plan to attend the Annual Meeting, we encourage you to authorize a proxy to vote your shares in advance by Internet, telephone or mail so that your vote will be counted even if you later decide not to attend the Annual Meeting.

Do I need a ticket or identification to be admitted to the Annual Meeting?

All stockholders must present a form of personal identification along with proof of stock ownership to enter the Annual Meeting. If your shares are held beneficially in the name of a bank, broker or other holder of record and you wish to be admitted to attend the Annual Meeting, you must present proof of your stock ownership, such as a bank or brokerage account statement.

NO CAMERAS, RECORDING EQUIPMENT, ELECTRONIC DEVICES, LARGE BAGS, BRIEFCASES OR PACKAGES WILL BE PERMITTED AT THE ANNUAL MEETING.

What constitutes a quorum?

We will convene the Annual Meeting of stockholders representing the required quorum of shares of our common stock entitled to vote either sign and return their paper proxy cards, authorize a proxy to vote electronically or telephonically or attend the meeting. The presence, either in person or by proxy, at the Annual Meeting of at least 50% of all the votes entitled to be cast on any matter will constitute a quorum. Under our bylaws, if a quorum is not present at the Annual Meeting, the Chairman of the Annual Meeting may adjourn the Annual Meeting to a date not more than 120 days from the original Record Date for the Annual Meeting without notice other than an announcement at the Annual Meeting. If

you sign and return your paper proxy card or authorize a proxy to vote electronically or telephonically, your shares will be counted to determine whether we have a quorum even if you abstain or fail to vote as indicated in the proxy materials. Broker non-votes and abstentions will also be considered present for the purpose of determining whether we have a quorum.

Who will count the votes?

Representatives of Broadridge (our solicitor) or its designee will count the votes and will serve as the independent inspector of election.

Where can I find the voting results of the Annual Meeting?

We intend to announce preliminary voting results at the Annual Meeting and then disclose the final results in a Current Report on Form 8-K filed with the SEC within four business days after the date of the Annual Meeting.

How can I get additional copies of this Proxy Statement or other information filed with the SEC relating to this solicitation?

You may obtain additional copies of this Proxy Statement by calling our solicitor, Broadridge, toll-free at (844) 618-1695.

Where can I get more information about Blackstone Real Estate Income Trust?

In connection with this solicitation, we have provided you with our Annual Report that contains our audited financial statements. We also file reports and other documents with the SEC. You can view these documents at the SEC's website, www.sec.gov. You can also find more information on our website, www.breit.com.

How is this solicitation being made?

This solicitation is being made primarily by the mailing of these proxy materials. Supplemental solicitations may be made by mail or telephone by our officers and representatives, who will receive no extra compensation for their services. The expenses in connection with this solicitation, including preparing and mailing these proxy materials, will be borne by us. We will reimburse brokerage firms and others for their reasonable expenses in forwarding

solicitation material to the beneficial owners of our common stock. We have hired Broadridge to assist us in the distribution of our proxy materials and for the solicitation of proxy votes. We will pay Broadridge customary fees and expenses for these services of approximately \$73,000.

Upon request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to stockholders.

Will my vote make a difference?

Yes, your vote is **VERY IMPORTANT**. Your immediate response will help avoid potential delays and may save us significant additional expenses associated with soliciting stockholder votes. We encourage you to participate in the governance of our company.

Donation to the Navy SEAL Foundation

To recognize your participation, the Company will make a charitable donation to The Navy SEAL Foundation on behalf of every stockholder that votes. The Navy SEAL Foundation is a non-profit organization that provides support and assistance to the Naval Special Warfare community and its families. The Navy SEAL Foundation provides a comprehensive set of programs specifically designed to improve health and welfare, build and enhance resiliency, empower and educate families and provide critical support during times of illness, injury, loss and transition. Stephen A. Schwarzman, the Chairman, Chief Executive Officer and co-founder of Blackstone, has served on the Navy SEAL Foundation's honorary board since March 2017.

Audit Committee Report

Our Board of Directors' Audit Committee carries out oversight functions with respect to the preparation, review and audit of our financial statements, our system of internal controls and the qualifications, independence and performance of our internal auditor consultants and independent auditors, and operates under a written charter adopted by the Board of Directors. The charter can be viewed, together with any future changes that may occur, on our website at www.breit.com. The Audit Committee has the sole authority and responsibility to select, evaluate and, as appropriate, replace our independent auditors. The Audit Committee members are "independent," consistent with the qualifications set forth in our charter, the listing standards of the NYSE and Rule 10A-3 under the Exchange Act applicable to board of directors in general and audit committees in particular.

Our management is responsible for the development, maintenance and evaluation of internal controls and procedures and our financial reporting system, the maintenance of appropriate accounting and financial reporting principles or policies and the preparation, presentation and integrity of our financial statements. Our independent registered public accounting firm is responsible for auditing our consolidated financial statements in accordance with U.S. generally accepted auditing standards and expressing an opinion as to their conformity with U.S. generally accepted accounting principles. The Audit Committee's responsibility is to monitor and oversee the foregoing functions.

The Audit Committee reviews our financial reporting process on behalf of the Board of Directors. In performance of its oversight function, the Audit Committee has met and held discussions with management and our independent registered public accounting firm with respect to our audited consolidated financial statements for fiscal year 2019 and related matters. Management advised the Audit Committee that our consolidated financial statements were prepared in accordance with generally accepted accounting principles and the Committee has reviewed and discussed the consolidated financial statements with management and our independent auditors, Deloitte & Touche LLP. Our independent auditors presented to and reviewed with the Audit Committee the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 1301 "Communication with Audit Committees." Our independent auditors also provided to the Committee the written disclosures and the letter from the auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and in connection therewith the Committee discussed with the independent auditors their views as to their independence. The Audit Committee also reviewed, among other things, the audit and non-audit services performed by, and the amount of fees paid for such services to, Deloitte & Touche LLP. The Audit Committee meetings regularly include executive sessions with our independent registered public accounting firm without the presence of our management.

In undertaking its oversight function, the Audit Committee relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and on the representations of the independent auditors included in their report on our financial statements. The Audit Committee is not, however, professionally engaged in the practice of accounting or auditing and does not provide any expert or other special assurance or professional opinion as to the sufficiency of the external audits, whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or on the effectiveness of the system of internal control.

Based on the Audit Committee's considerations, discussions with management and discussion with the independent auditors as described above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC.

**Submitted by the Audit Committee of the
Company's Board of Directors:**

Raymond Beier (Chair)
Richard Gilchrist
Edward Lewis

Annual Report

Our Annual Report is being concurrently made available for distribution to our stockholders.

We make available, free of charge on our website, all of our filings that are made electronically with the SEC, including Forms 10-K, 10-Q and 8-K. To access these filings, go to our website, www.breit.com, and click “Filings” under the “About BREIT” tab. Copies of our Annual Report on Form 10-K including financial statements and schedules thereto, filed with the SEC, are also available without charge to stockholders upon written request addressed to Secretary, Blackstone Real Estate Income Trust, Inc., 345 Park Avenue, New York, New York 10154.

Other Matters

Our management does not know of any other matters to come before the Annual Meeting. If, however, any other matters do come before the Annual Meeting, it is the intention of the persons designated as proxies to vote in accordance with their discretion on such matters.

Stockholder Proposals for the 2021 Annual Meeting

If you wish to submit a stockholder proposal pursuant to Rule 14a-8 under the Exchange Act for inclusion in our Proxy Statement and proxy card for our 2021 Annual Meeting of Stockholders, your proposal must be received by our Secretary on or before November 27, 2020. Your proposal should be mailed by certified mail return receipt requested to our Secretary at Blackstone Real Estate Income Trust, Inc., 345 Park Avenue, New York, New York 10154. Failure to deliver a proposal in accordance with this procedure may result in it not being deemed timely received. In addition, if you desire to bring business (including director nominations) before our 2021 Annual Meeting, you must comply with our bylaws, which currently require that you provide written notice of such business to our Secretary no earlier than October 28, 2020 and no later than 5:00 p.m. New York City Time, on November 27, 2020. However, if the 2021 Annual Meeting is advanced or delayed more than 30 days from the first anniversary of the date of the 2020 Annual Meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., New York City time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. For additional requirements, stockholders should refer to our bylaws, Article II, Section 11(a), “Advance Notice of Stockholder Nominees for Director and Other Stockholder Proposals,” a current copy of which may be obtained from our Secretary.

Householding of Proxy Materials

SEC rules permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements and notices with respect to two or more stockholders sharing the same address by delivering a single proxy statement or a single notice addressed to those stockholders. This process, which is commonly referred to as “householding,” provides cost savings for companies. Some brokers household proxy materials, delivering a single proxy statement or notice to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement or notice, or if you are receiving duplicate copies of these materials and wish to have householding apply, please notify your broker. You may also call (844) 702-1299 or write to: DST Systems, P.O. Box 219349, Kansas City, MO 64121, and include your name, the name of your broker or other nominee and your account number(s). You can also request prompt delivery of a copy of the Proxy Statement and Annual Report by contacting Broadridge, 51 Mercedes Way, Edgewood, New York 11717, (844) 618-1695.

Blackstone

Blackstone
345 Park Avenue
New York NY 10154

Blackstone

Blackstone Real Estate Income Trust, Inc.

Maximum Offering of \$24,000,000,000

Common Stock

Prospectus

, 2021

You should rely only on the information contained in this prospectus. No dealer, salesperson or other person is authorized to make any representations other than those contained in the prospectus and supplemental literature authorized by Blackstone Real Estate Income Trust, Inc. and referred to in this prospectus, and, if given or made, such information and representations must not be relied upon. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities. You should not assume that the delivery of this prospectus or that any sale made pursuant to this prospectus implies that the information contained in this prospectus will remain fully accurate and correct as of any time subsequent to the date of this prospectus.

PART II

Information Not Required in the Prospectus

Item 31. Other Expenses of Issuance and Distribution.

The following table itemizes the expenses to be incurred by Blackstone Real Estate Income Trust, Inc. (the “Company”, “we”, “our” or the “registrant”) in connection with the issuance and registration of the securities being registered hereunder. All amounts shown are estimates except the Securities and Exchange Commission (the “SEC”) registration fee and the FINRA filing fee.

SEC registration fee	\$ 2,866,800
FINRA filing fee	225,500
Legal	4,250,000
Printing and mailing	4,200,000
Accounting and tax	100,000
Blue sky	900,000
Due diligence	1,000,000
Transfer agent fees and expenses	1,000,000
Promotional items	100,000
Wholesale reimbursements	1,800,000
Legal fees—dealer manager portion	100,000
Total	<u>\$ 16,542,300</u>

Item 32. Sales to Special Parties.

From time to time, we issue unregistered Class I shares of common stock to BX REIT Advisors L.L.C. (the “Adviser”) as payment for the management fee due to it. The shares issued to the Adviser for payment of the management fee were issued at the applicable transaction price per share at the end of each month for which the fee was earned.

Item 33. Recent Sales of Unregistered Securities.

The Adviser is entitled to a management fee payable monthly in cash, shares of common stock, or operating partnership units, in each case at the Adviser’s election. The offer and sale of such shares to the Adviser is claimed to be exempt from the registration provisions of the Securities Act of 1933, as amended (the “Securities Act”) by virtue of Section 4(a)(2) thereof.

We have also sold Class I shares at the same transaction price as for Class I shares registered hereunder to feeder vehicles primarily created to hold Class I shares that offers interests in itself to non-U.S. persons. The offer and sale of Class I shares to the feeder vehicles is claimed to be exempt from the registration provisions of the Securities Act, by virtue of Section 4(a)(2) and Regulation S thereunder. We intend to use the net proceeds from such sales for the purposes set forth in the prospectus and in a manner within the investment guidelines approved by our board of directors, who serve as fiduciaries to our stockholders.

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The below shows the total issuances of Class I shares of common stock by us to the Adviser and the feeder vehicle over the past three years.

Date of Unregistered Sale	Amount of Class I Common Shares Issued to the Adviser		Amount of Class I Common Shares Issued to the Feeder Vehicle	
	Adviser	Consideration	Feeder Vehicle	Consideration
January 1, 2018	180,215	\$ 1,904,345	N/A	N/A
February 1, 2018	198,191	\$ 2,105,507	N/A	N/A
March 1, 2018	215,275	\$ 2,294,873	N/A	N/A
April 1, 2018	240,867	\$ 2,568,750	N/A	N/A
May 1, 2018	263,553	\$ 2,819,627	N/A	N/A
June 1, 2018	288,366	\$ 3,090,075	N/A	N/A
July 1, 2018	313,712	\$ 3,370,707	N/A	N/A
August 1, 2018	336,886	\$ 3,630,722	N/A	N/A
September 1, 2018	363,411	\$ 3,927,170	N/A	N/A
October 1, 2018	393,894	\$ 4,265,479	N/A	N/A
November 1, 2018	420,259	\$ 4,563,132	N/A	N/A
December 1, 2018	450,922	\$ 4,898,143	N/A	N/A
January 1, 2019	474,552	\$ 5,124,402	N/A	N/A
February 1, 2019	499,953	\$ 5,425,685	N/A	N/A
March 1, 2019	521,838	\$ 5,683,125	N/A	N/A
April 1, 2019	555,647	\$ 6,068,666	16,218,907	\$ 176,633,627
May 1, 2019	611,409	\$ 6,693,706	31,024,064	\$ 339,651,451
June 1, 2019	681,543	\$ 7,520,832	16,317,576	\$ 180,064,103
July 1, 2019	746,844	\$ 8,271,668	13,169,346	\$ 145,852,743
August 1, 2019	803,672	\$ 8,998,634	20,550,441	\$ 230,099,910
September 1, 2019	867,542	\$ 9,805,828	47,390,764	\$ 535,657,808
October 1, 2019	971,219	\$ 11,054,025	19,399,645	\$ 220,798,999
November 1, 2019	1,041,118	\$ 11,869,573	19,842,608	\$ 226,221,604
December 1, 2019	1,123,479	\$ 12,850,240	26,774,331	\$ 306,242,126
January 1, 2020	1,211,870	\$ 13,872,634	57,198,816	\$ 654,772,006
February 1, 2020	1,333,363	\$ 15,303,811	104,299,611	\$ 1,197,109,214
March 1, 2020	1,503,675	\$ 17,169,409	89,097,734	\$ 1,017,344,653
April 1, 2020	1,631,209	\$ 17,028,359	20,939,447	\$ 218,588,980
May 1, 2020	1,670,372	\$ 17,454,218	2,827,443	\$ 29,544,797
June 1, 2020	1,684,172	\$ 17,761,949	3,577,006	\$ 37,724,540
July 1, 2020	1,700,028	\$ 18,207,295	10,540,218	\$ 112,885,732
August 1, 2020	1,733,054	\$ 18,625,302	7,417,420	\$ 79,715,758
September 1, 2020	1,750,204	\$ 19,124,659	10,605,678	\$ 115,889,305
October 1, 2020	1,778,962	\$ 19,868,520	8,830,009	\$ 98,618,839
November 1, 2020	1,816,348	\$ 20,575,413	8,158,566	\$ 92,419,414
December 1, 2020	1,870,646	\$ 21,404,676	10,994,911	\$ 125,808,169

On January 15, 2020, we issued 806,141 unregistered shares of Class I common stock to BREIT Special Limited Partner L.P. (the “Special Limited Partner”) in exchange for 806,141 Class I operating partnership units. Such issuance of unregistered shares of Class I common stock to the Special Limited Partner amounted to \$9,228,141 and is claimed to be exempt from the registration provisions of the Securities Act by virtue of Section 4(a)(2) thereof.

On January 16, 2019, we issued 1,054,010 unregistered shares of Class I common stock to BREIT Special Limited Partner L.P. (the “Special Limited Partner”) in exchange for 1,054,010 Class I operating partnership units. Such issuance of unregistered shares of Class I common stock to the Special Limited Partner amounted to

\$11,381,622 and is claimed to be exempt from the registration provisions of the Securities Act by virtue of Section 4(a)(2) thereof.

Issuances of restricted stock awards for 9,279 Class I shares, 8,931 Class I shares and 9,305 Class I Shares to each of our independent directors effective for each of August 15, 2018, August 15, 2019 and August 17, 2020, respectively, are claimed to be exempt from the registration provisions of the Securities Act by virtue of Section 4(a)(2) thereof. Each issuance of restricted stock awards to each of our four independent directors for August 15, 2018, August 15, 2019 and August 17, 2020 amounted to \$100,000, \$100,000 and \$100,000, respectively, to each director.

Item 34. Indemnification of Directors, Officers and Others.

Our organizational documents generally limit the personal liability of our stockholders, directors and officers for monetary damages and require us to indemnify and advance expenses to our directors, officers and the Adviser and its affiliates subject to the limitations of the NASAA REIT Guidelines and Maryland law. Maryland law permits a corporation to include in its charter a provision limiting the liability of directors and officers to the corporation and its stockholders for money damages, except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. The Maryland General Corporation Law (the "MGCL") requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL allows directors and officers to be indemnified against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with a proceeding unless the following can be established:

- an act or omission of the director or officer was material to the cause of action adjudicated in the proceeding, and was committed in bad faith or was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- with respect to any criminal proceeding, the director or officer had reasonable cause to believe his or her act or omission was unlawful.

A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by the corporation or in its right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses. The MGCL permits a corporation to advance reasonable expenses to a director or officer upon receipt of a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed if it is ultimately determined that the standard of conduct was not met.

In addition to the above limitations of the MGCL, our charter provides that our directors, the Adviser and its affiliates may be indemnified for losses or liability suffered by them or held harmless for losses or liability suffered by us only if all of the following conditions are met:

- the indemnitee determined, in good faith, that the course of conduct which caused the loss or liability was in our best interest;
- the indemnitee was acting on our behalf or performing services for us;
- in the case of affiliated directors, the Adviser or its affiliates, the liability or loss was not the result of negligence or misconduct by the party seeking indemnification; and

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- in the case of our independent directors, the liability or loss was not the result of gross negligence or willful misconduct by the party seeking indemnification.

In addition, any indemnification or any agreement to hold harmless is recoverable only out of our net assets and not from our stockholders.

Our charter also provides that we may not provide indemnification to a director, the Adviser or any affiliate of the Adviser for any loss, liability or expense arising from or out of an alleged violation of federal or state securities laws by such party unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the party seeking indemnification;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to such party; or
- a court of competent jurisdiction approves a settlement of the claims against such party and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authority in which our securities were offered or sold as to indemnification for violations of securities laws.

Finally, our charter provides that we may pay or reimburse reasonable legal expenses and other costs incurred by our directors, the Adviser and its affiliates in advance of final disposition of a proceeding only if all of the following are satisfied:

- the proceeding relates to acts or omissions with respect to the performance of duties or services on our behalf;
- the indemnitee provides us with written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification;
- the legal proceeding was initiated by a third party who is not a stockholder or, if by a stockholder acting in his or her capacity as such, a court of competent jurisdiction approves such advancement; and
- the indemnitee provides us with a written agreement to repay the amount paid or reimbursed, together with the applicable legal rate of interest thereon, if it is ultimately determined that he or she did not comply with the requisite standard of conduct and is not entitled to indemnification.

We have entered into indemnification agreements with each of our directors and executive officers. Pursuant to the terms of these indemnification agreements, we would indemnify and advance expenses and costs incurred by our directors and executive officers in connection with any claims, suits or proceedings brought against such directors and executive officers as a result of his or her service. However, our indemnification obligation is subject to the limitations set forth in the indemnification agreements and in our charter. We also maintain a directors and officers insurance policy.

The general effect to investors of any arrangement under which any of our controlling persons, directors or officers are insured or indemnified against liability is a potential reduction in distributions resulting from our payment of premiums, deductibles and other costs associated with such insurance or, to the extent any such loss is not covered by insurance, our payment of indemnified losses. In addition, indemnification could reduce the legal remedies available to us and our stockholders against the indemnified individuals; however, this provision does not reduce the exposure of our directors and officers to liability under federal or state securities laws, nor does it limit our stockholder's ability to obtain injunctive relief or other equitable remedies for a violation of a director's or an officer's duties to us or our stockholders, although the equitable remedies may not be an effective remedy in some circumstances.

Item 35. Treatment of Proceeds from Shares Being Registered.

Not applicable.

Item 36. Financial Statements and Exhibits.

1. Financial Statements.

The following financial statements are included as annexes to the prospectus in this registration statement:

- The consolidated financial statements of the Company included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on March 24, 2020 are included as Annex A to this prospectus.
- The consolidated financial statements of the Company included in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2020 filed with the SEC on November 13, 2020 are included as Annex B to this prospectus.
- The combined statement of revenues and certain operating expenses for each of the Jupiter 12 Industrial Portfolio and the related pro forma financial statements of the Company included as Annex C to this prospectus.

2. Exhibits.

See the Exhibit Index on the page immediately preceding the exhibits for a list of exhibits filed as part of this registration statement on Form S-11, which Exhibit Index is incorporated herein by reference.

Item 37. Undertakings.

- (i) The undersigned registrant hereby undertakes:
 - (A) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (1) To include any prospectus required by section 10(a)(3) of the Securities Act.
 - (2) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.
 - (3) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
 - (B) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (C) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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- (D) That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of the registration statement relating to the offering, other than a registration statement relying on Rule 430B or other than a prospectus filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
 - (E) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, in a primary offering of securities pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (1) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (2) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (3) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (4) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
 - (F) To send to each stockholder, at least on an annual basis, a detailed statement of any transactions with the Adviser or its affiliates, and of fees, commissions, compensation and other benefits paid or accrued to the advisor or its affiliates for the fiscal year completed, showing the amount paid or accrued to each recipient and the services performed.
- (ii) The registrant undertakes to provide to the stockholders the financial statements required by Form 10-K for the first full fiscal year of operations of the registrant.
 - (iii) The registrant undertakes to file a sticker supplement pursuant to Rule 424(c) under the Securities Act during the distribution period describing each significant property not identified in the prospectus at such time as there arises a reasonable probability that such property will be acquired and to consolidate all such stickers into a post-effective amendment filed at least once every three months, with the information contained in such amendment provided simultaneously to the existing stockholders. Each sticker supplement should disclose all compensation and fees received by the advisor and its affiliates in connection with any such acquisition. The post-effective amendment shall include or incorporate by reference audited financial statements meeting the requirements of Rule 3-14 of Regulation S-X that have been filed or should have been filed on Form 8-K for all significant properties acquired during the distribution period.
 - (iv) The registrant undertakes to file, after the end of the distribution period, a current report on Form 8-K containing the financial statements and any additional information required by Rule 3-14 of Regulation S-X, for each significant property acquired and to provide the information contained in such report to the stockholders at least once each quarter after the distribution period of the offering has ended.

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- (v) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions and otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Exhibit Index

Exhibit Number	Description
1.1	Amended and Restated Dealer Manager Agreement, dated May 1, 2018, by and between Blackstone Real Estate Income Trust, Inc. and Blackstone Advisory Partners L.P. (filed as Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed on May 1, 2018 and incorporated herein by reference)
1.2	Form of Selected Dealer Agreement (filed as Exhibit 1.2 to the Registrant's Current Report on Form 8-K filed on May 1, 2018 and incorporated herein by reference)
3.1	Second Articles of Amendment and Restatement of Blackstone Real Estate Income Trust, Inc. (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on July 27, 2017 and incorporated herein by reference)
3.2	Articles of Amendment of Blackstone Real Estate Income Trust, Inc., dated August 15, 2019 (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 16, 2019 and incorporated herein by reference)
3.3	Articles of Amendment of Blackstone Real Estate Income Trust, Inc., dated March 27, 2020 (filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed on May 15, 2020 and incorporated herein by reference)
3.4	Amended and Restated Bylaws of Blackstone Real Estate Income Trust, Inc. (filed as Exhibit 3.2 to Pre-Effective Amendment No. 1 to Registrant's Registration Statement on Form S-11 (File No. 333-213043) filed on August 30, 2016 and incorporated herein by reference)
4.1	Share Repurchase Plan (filed as Exhibit 4.1 to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11 (File No. 333-225566) filed on November 21, 2019 and incorporated herein by reference)
4.2*	Distribution Reinvestment Plan (included in Appendix A to the prospectus)
5.1*	Opinion of Venable LLP as to Legality of Securities
8.1*	Opinion of Simpson Thacher & Bartlett LLP as to Tax Matters
10.1	Second Amended and Restated Advisory Agreement, by and among Blackstone Real Estate Income Trust, Inc., BREIT Operating Partnership, L.P. and BX REIT Advisors L.L.C. (filed as Exhibit 10.1 to the Registrant's Annual Report on Form 10-K filed on March 19, 2018 and incorporated herein by reference)
10.2	Amended and Restated Limited Partnership Agreement of BREIT Operating Partnership L.P., by and between Blackstone Real Estate Income Trust, Inc., BREIT Special Limited Partner L.P. (f/k/a BREIT Special Limited Partner L.L.C.) and the limited partners party thereto from time to time (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 27, 2018 and incorporated herein by reference)
10.3	Transaction Agreement, dated as of June 2, 2019, by and among the Sellers named therein, the Acquired Companies named therein, the Seller Representative named therein, BRE Jupiter LLC, GLP US Management Holdings LLC and the Merger Subs named therein (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2019 and incorporated herein by reference)
10.4	Memorandum of Designation and Understanding, dated as of June 2, 2019, by and among BRE Jupiter LLC, Blackstone Real Estate Partners VIII L.P., Blackstone Real Estate Partners IX L.P. and Blackstone Real Estate Income Trust, Inc. (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on August 14, 2019 and incorporated herein by reference)

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<u>Exhibit Number</u>	<u>Description</u>
10.5	<u>Registration Rights Agreement, by and among Blackstone Real Estate Income Trust, Inc., BREIT Special Limited Partner L.P. (f/k/a BREIT Special Limited Partner L.L.C.) and BX REIT Advisors L.L.C. (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)</u>
10.6	<u>Trademark License Agreement, by and among Blackstone TM L.L.C., Blackstone Real Estate Income Trust, Inc. and BREIT Operating Partnership L.P. (filed as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)</u>
10.7	<u>Valuation Services Agreement, by and among Altus Group U.S. Inc., Blackstone Real Estate Income Trust, Inc. and BREIT Operating Partnership L.P. (filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2016 and incorporated herein by reference)</u>
10.8	<u>Form of Indemnification Agreement (filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-11 (File No. 333-213043) filed on August 10, 2016 and incorporated herein by reference)</u>
10.9	<u>Form of Independent Directors Restricted Stock Award Agreement (filed as Exhibit 10.8 to the Registrant's Registration Statement on Form S-11 (File No. 333-213043) filed on August 10, 2016 and incorporated herein by reference)</u>
10.10	<u>Uncommitted Unsecured Line of Credit, dated January 23, 2017, between the Company, as borrower, and Blackstone Holdings Finance Co. L.L.C., as lender (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 23, 2017 and incorporated herein by reference)</u>
10.10.1	<u>Notice of Facility Reduction, dated January 15, 2020 (filed as Exhibit 10.10.1 to the Registrant's Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11 (File No. 333-225566) filed on March 27, 2020 and incorporated herein by reference)</u>
10.10.2*	<u>Notice of Facility Reduction, dated December 28, 2020</u>
10.11	<u>Lease, dated as of November 15, 2019, by and between BCore Paradise LLC and Bellagio LLC (filed as Exhibit 10.12 to the Registrant's Annual Report on Form 10-K filed on March 24, 2020 and incorporated herein by reference)</u>
21.1*	<u>Subsidiaries of the Company</u>
23.1*	<u>Consent of Deloitte & Touche LLP</u>
23.2*	<u>Consent of Deloitte & Touche LLP</u>
23.3*	<u>Consent of Independent Valuation Advisor</u>
23.4*	<u>Consent of Venable LLP (contained in its opinion filed as Exhibit 5.1)</u>
23.5*	<u>Consent of Simpson Thacher & Bartlett LLP (contained in its opinion filed as Exhibit 8.1)</u>
24.1	<u>Power of Attorney (included in signature page to the Registration Statement filed on September 25, 2020 and incorporated by reference herein)</u>
99.1*	<u>Policy with Respect to Certain Charter Provisions</u>

* Filed herewith.

** To be filed by amendment.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on January 15, 2021.

Blackstone Real Estate Income Trust, Inc.

By: /s/ Frank Cohen
Frank Cohen
Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Form S-11 Registration Statement has been signed by the following persons in the following capacities on January 15, 2021.

<u>Signature</u>	<u>Title</u>
<u>/s/ Frank Cohen</u> Frank Cohen	Chairman of the Board and Chief Executive Officer (principal executive officer)
<u>/s/ Paul D. Quinlan</u> Paul D. Quinlan	Chief Financial Officer and Treasurer (principal financial officer)
<u>/s/ Paul Kolodziej</u> Paul Kolodziej	Chief Accounting Officer (principal accounting officer)
<u>*</u> A.J. Agarwal	Director
<u>*</u> Wesley LePatner	Director
<u>*</u> Raymond J. Beier	Independent Director
<u>*</u> Richard I. Gilchrist	Independent Director
<u>*</u> Field Griffith	Independent Director
<u>*</u> Edward Lewis	Independent Director

*By: /s/ Frank Cohen
Frank Cohen
Attorney-in-fact



750 E. PRATT STREET SUITE 900 BALTIMORE, MD 21202
T 410.244.7400 F 410.244.7742 www.Venable.com

January 15, 2021

Blackstone Real Estate Income Trust, Inc.
345 Park Avenue
New York, New York 10154

Re: Registration Statement on Form S-11 (File No. 333-249070)

Ladies and Gentlemen:

We have served as Maryland counsel to Blackstone Real Estate Income Trust, Inc., a Maryland corporation (the "Company"), in connection with certain matters of Maryland law arising out of the registration of \$24,000,000,000 in shares (the "Shares") of common stock, \$0.01 par value per share, of the Company (the "Common Stock"), consisting of Class T Common Stock, \$0.01 par value per share, of the Company (the "Class T Common Stock"), Class S Common Stock, \$0.01 par value per share, of the Company (the "Class S Common Stock"), Class D Common Stock, \$0.01 par value per share, of the Company (the "Class D Common Stock"), and Class I Common Stock, \$0.01 par value per share, of the Company (the "Class I Common Stock"), covered by the above-referenced Registration Statement, and all amendments thereto (the "Registration Statement"), filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"). \$20,000,000,000 in Shares (the "Primary Offering Shares") are issuable in a primary offering (the "Offering") pursuant to subscription agreements (the "Subscription Agreements") and \$4,000,000,000 in Shares (the "Plan Shares") are issuable pursuant to the Company's Distribution Reinvestment Plan (the "Plan"), subject to the right of the Company to reallocate Shares between the Offering and the Plan as described in the Registration Statement.

In connection with our representation of the Company, and as a basis for the opinion hereinafter set forth, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (herein collectively referred to as the "Documents"):

1. The Registration Statement and the related form of prospectus included therein (including, without limitation, the form of Plan attached thereto as Appendix A and the form of Subscription Agreement attached thereto as Appendix B) substantially in the form to be transmitted to the Commission under the 1933 Act;
2. The charter of the Company (the "Charter"), certified by the State Department of Assessments and Taxation of Maryland (the "SDAT");
3. The Bylaws of the Company, certified as of the date hereof by an officer of the Company;

4. A certificate of the SDAT as to the good standing of the Company, dated as of a recent date;
5. Resolutions adopted by the Board of Directors of the Company relating to the sale, issuance and registration of the Shares (the "Resolutions"), certified as of the date hereof by an officer of the Company;
6. A certificate executed by an officer of the Company, dated as of the date hereof; and
7. Such other documents and matters as we have deemed necessary or appropriate to express the opinion set forth below, subject to the assumptions, limitations and qualifications stated herein.

In expressing the opinion set forth below, we have assumed the following:

1. Each individual executing any of the Documents, whether on behalf of such individual or another person, is legally competent to do so.
2. Each individual executing any of the Documents on behalf of a party (other than the Company) is duly authorized to do so.
3. Each of the parties (other than the Company) executing any of the Documents has duly and validly executed and delivered each of the Documents to which such party is a signatory, and such party's obligations set forth therein are legal, valid and binding and are enforceable in accordance with all stated terms.
4. All Documents submitted to us as originals are authentic. The form and content of all Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such Documents as executed and delivered. All Documents submitted to us as certified or photostatic copies conform to the original documents. All signatures on all Documents are genuine. All public records reviewed or relied upon by us or on our behalf are true and complete. All representations, warranties, statements and information contained in the Documents are true and complete. There has been no oral or written modification of or amendment to any of the Documents, and there has been no waiver of any provision of any of the Documents, by action or omission of the parties or otherwise.
5. The Shares will not be issued or transferred in violation of any restriction or limitation on transfer and ownership of shares of stock of the Company contained in Article VI of the Charter.

6. Upon the issuance of any of the Shares, the total number of shares of Class T Common Stock issued and outstanding will not exceed the total number of shares of Class T Common Stock that the Company is then authorized to issue under the Charter, the total number of shares of Class S Common Stock issued and outstanding will not exceed the total number of shares of Class S Common Stock that the Company is then authorized to issue under the Charter, the total number of shares of Class D Common Stock issued and outstanding will not exceed the total number of shares of Class D Common Stock that the Company is then authorized to issue under the Charter and the total number of shares of Class I Common Stock issued and outstanding will not exceed the total number of shares of Class I Common Stock that the Company is then authorized to issue under the Charter. We note that there are 10,000,000,000 shares of common stock consisting of 500,000,000 shares of Class T Common Stock, 3,000,000,000 shares of Class S Common Stock, 500,000,000 shares of Class D Common Stock and 6,000,000,000 shares of Class I Common Stock available for issuance under the Charter and that, as of the date hereof, there are not more than 1,870,000,000 shares of common stock, or more than 50,000,000 shares of Class T Common Stock, 730,000,000 shares of Class S Common Stock, 135,000,000 shares of Class D Common Stock or 955,000,000 shares of Class I Common Stock, of the Company issued and outstanding.

Based upon the foregoing, and subject to the assumptions, limitations and qualifications stated herein, it is our opinion that:

1. The Company is a corporation duly incorporated and existing under and by virtue of the laws of the State of Maryland and is in good standing with the SDAT.
2. The issuance of the Primary Offering Shares has been duly authorized and, when and if issued and delivered against payment therefor in accordance with the Resolutions, the Subscription Agreements and the Registration Statement, the Primary Offering Shares will be validly issued, fully paid and nonassessable.
3. The issuance of the Plan Shares has been duly authorized and, when and if issued and delivered against payment therefor in accordance with the Resolutions, the Plan and the Registration Statement, the Plan Shares will be validly issued, fully paid and nonassessable.

The foregoing opinion is limited to the laws of the State of Maryland and we do not express any opinion herein concerning any other law. We express no opinion as to compliance with any federal or state securities laws, including the securities laws of the State of Maryland, or as to federal or state laws regarding fraudulent transfers. To the extent that any matter as to which our opinion is expressed herein would be governed by the laws of any jurisdiction other than the State of Maryland, we do not express any opinion on such matter. The opinion expressed herein is subject to the effect of judicial decisions which may permit the introduction of parol evidence to modify the terms or the interpretation of agreements.

Blackstone Real Estate Income Trust, Inc.

January 15, 2021

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The opinion expressed herein is limited to the matters specifically set forth herein and no other opinion shall be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable law changes after the date hereof or if we become aware of any fact that might change the opinion expressed herein after the date hereof.

This opinion is being furnished to you for submission to the Commission as an exhibit to the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of the name of our firm therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the 1933 Act.

Very truly yours,

/s/ Venable LLP

January 15, 2021

Blackstone Real Estate Income Trust, Inc.
345 Park Avenue
New York, New York 10154

Ladies and Gentlemen:

We have acted as counsel to Blackstone Real Estate Income Trust, Inc., a Maryland corporation (the "Company"), in connection with the Registration Statement on Form S-11 (File No. 333-249070) (the "Registration Statement") filed by the Company under the Securities Act of 1933, as amended, relating to the registration of \$24,000,000,000 of shares of common stock, \$0.01 par value per share, of the Company, consisting of Class T Common Stock, Class S Common Stock, Class D Common Stock and Class I Common Stock.

We have examined the Registration Statement and the Company's prospectus, dated January 15, 2021, included in the Registration Statement (the "Preliminary Prospectus"). In addition, we have examined, and have relied as to matters of fact upon, originals, or duplicates or certified or conformed copies, of such records, agreements, documents and other instruments and such certificates or comparable documents of public officials and of officers and representatives of the Company and have made such other investigations as we have deemed relevant and necessary in connection with the opinions hereinafter set forth.

In rendering the opinions set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies and the authenticity of the originals of such latter documents.

In rendering the opinions set forth below, we have also assumed the accuracy of the representations contained in the officer's certificate, dated as of the date hereof, provided to us by the Company (the "Certificate"). These representations generally relate to the operation and classification of the Company as a real estate investment trust (a "REIT"), as defined in Section 856 of the Internal Revenue Code of 1986, as amended (the "Code"). For purposes of rendering such opinions, we have also assumed that the Company has been organized and operated and will continue to be organized and operated in the manner described in the Certificate, the Registration Statement, the Preliminary Prospectus and the applicable organizational documents of the Company and that all terms and provisions of such documents have been and will continue to be complied with and that the Company has filed an election pursuant to Section 856(c)(1) to be taxed as a REIT commencing with the taxable year ended December 31, 2017, and such election has not been terminated or revoked under Section 856(g). We have not made an independent investigation of the facts set forth in the Certificate.

Based upon the foregoing, and subject to the qualifications, assumptions and limitations stated herein and in the Preliminary Prospectus, we are of the opinion that:

1. Commencing with the taxable year ended December 31, 2017, the Company has been organized in conformity with the requirements for qualification as a REIT under the Code, and its actual and proposed method of operation has enabled it to and will continue to enable it to meet the requirements for qualification and taxation as a REIT under the Code.

2. The statements set forth in the Preliminary Prospectus under the caption "Material U.S. Federal Income Tax Considerations", insofar as they purport to constitute summaries of certain provisions of U.S. federal income tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of such matters in all material respects.

The opinions set forth above are based upon the Code, the Treasury regulations promulgated thereunder and other relevant authorities and law, all as in effect on the date hereof. Consequently, future changes in the law may cause the tax treatment referred to herein to be materially different from that described above. Changes in the Company's method of operation could likewise cause the tax treatment referred to herein to be materially different from that

described above. Our opinion is not binding upon either the Internal Revenue Service or any court. Thus, no assurances can be given that a position taken in reliance on our opinion will not be challenged by the Internal Revenue Service or rejected by a court. Qualification of the Company as a REIT will depend upon the Company's satisfaction, through actual annual operating results and other annual requirements, of the various qualification tests contained in the Code and related Treasury regulations. We do not undertake to monitor whether the Company will, in fact, through actual annual operating results and other annual requirements, satisfy the various qualification tests for the taxable year ending December 31, 2020, or any subsequent taxable years. Accordingly, no assurance can be given that the actual results of the Company's operations for any particular taxable year will satisfy the tests necessary to qualify as or be taxed as a REIT under the Code.

We do not express any opinion herein concerning any law other than the federal tax law of the United States.

We hereby consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement and to the reference to our firm under the headings "Material U.S. Federal Income Tax Considerations" and "Legal Matters" in the Preliminary Prospectus.

Very truly yours,

/s/ SIMPSON THACHER & BARTLETT LLP
SIMPSON THACHER & BARTLETT LLP

NOTICE OF FACILITY REDUCTION

December 28, 2020

Blackstone Holdings Finance Co. L.L.C.
345 Park Avenue
New York, New York 10154
Attn: Jeff Iverson

RE: Uncommitted Unsecured Line of Credit Agreement, dated January 23, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Line of Credit Agreement**"), among Blackstone Holdings Finance Co. L.L.C., as lender (the "**Lender**"), Blackstone Real Estate Income Trust, Inc., as borrower, and the other borrowers from time to time party thereto.

Ladies and Gentlemen:

The undersigned borrower (the "**Borrower**") hereby notifies the Lender that the Borrower is reducing the facility size in the amount of \$50,000,000 (the "**Facility Reduction**"), decreasing the Line (as defined in the Line of Credit Agreement) from \$150,000,000 to \$100,000,000, such Facility Reduction to be effective as of the date hereof.

[Remainder of Page Intentionally Left Blank.
Signature Page(s) Follow.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Facility Extension Request as of the date first written above.

BORROWER:

**BLACKSTONE REAL ESTATE INCOME
TRUST, INC.**, a Maryland corporation

By: /s/ Paul Quinlan
Name: Paul Quinlan
Title: Authorized Signatory

ACKNOWLEDGED AND ACCEPTED AS OF THE DATE
FIRST ABOVE WRITTEN:

BLACKSTONE HOLDINGS FINANCE CO. L.L.C.

By: /s/ Eric Liaw
Name: Eric Liaw
Title: Authorized Signatory

<u>Entity</u>	<u>Jurisdiction of Incorporation</u>
BREIT OPERATING PARTNERSHIP L.P.	Delaware
BREIT DEBT INVESTMENTS L.L.C.	Delaware
319 BRAGG STUDENT HOUSING AUBURN AL LLC	Delaware
BREIT 1990 PICCOLI ROAD INVESTORS LLC	Delaware
BREIT 1990 PICCOLI ROAD OWNER LLC	Delaware
BREIT 200 MORGAN PARKWAY INVESTORS LLC	Delaware
BREIT 200 MORGAN PARKWAY OWNER LLC	Delaware
BREIT 2270 BEAVER ROAD INVESTORS LLC	Delaware
BREIT 2270 BEAVER ROAD OWNER LLC	Delaware
BREIT 4500 WESTPORT INVESTORS LLC	Delaware
BREIT 4500 WESTPORT OWNER LLC	Delaware
BREIT ACG MF BROOKS LANDING LLC	Delaware
BREIT ACG MF COLUMBIA TRAILS LLC	Delaware
BREIT ACG MF HIGHLANDS LLC	Delaware
BREIT ACG MF SIERRA OAKS LLC	Delaware
BREIT ACG MF SOCT VENTURE LLC	Delaware
BREIT ACG MF STERLING POINTE LLC	Delaware
BREIT ACG MF VENTURE LLC	Delaware
BREIT ACG MF WOODLAND LLC	Delaware
BREIT ATLANTA LIGHT INDUSTRIAL INVESTORS LLC	Delaware
BREIT ATLANTA LIGHT INDUSTRIAL OWNER LLC	Delaware
BREIT ATLANTA PARENT LLC	Delaware
BREIT ATLANTA PROPERTY OWNER LLC	Delaware
BREIT ATLANTA TRS LLC	Delaware
BREIT ATLANTA TRS PARENT LLC	Delaware
BREIT BAKERS MANAGING MEMBER LLC	Delaware
BREIT BAKERS MEZZ 1 LLC	Delaware
BREIT BAKERS MEZZ 2 LLC	Delaware
BREIT BAKERS PROPERTY OWNER LLC	Delaware
BREIT BD JV LLC	Delaware
BREIT BD TRS JV LLC	Delaware
BREIT BRIGHTHAVEN MHC LLC	Delaware
BREIT BROOKHAVEN MHC LLC	Delaware
BREIT CA MF FLAMINGO OWNER LLC	Delaware
BREIT CA MF FLAMINGO VENTURE LLC	Delaware
BREIT CANARSIE OWNER LLC	Delaware
BREIT CANARSIE PARENT LLC	Delaware
BREIT CS - ABERDEEN LLC	Delaware
BREIT CS - ATLANTA LLC	Delaware
BREIT CS - AUSTIN LLC	Delaware
BREIT CS - GIBRALTAR LLC	Delaware
BREIT CS - STOCKTON LLC	Delaware
BREIT CS - UNION CITY LLC	Delaware
BREIT CS HOLDINGS LLC	Delaware
BREIT CS P HOLDINGS 1 LLC	Delaware

BREIT CS P JV LLC	Delaware
BREIT CS P MEMBER 1 LLC	Delaware
BREIT DA VIS PARENT LLC	Delaware
BREIT DA VIS PROPERTY OWNER LLC	Delaware
BREIT DA VIS TRS LLC	Delaware
BREIT DA VIS TRS PARENT LLC	Delaware
BREIT EVERGREEN MHC LLC	Delaware
BREIT FEDERAL WAY PARENT LLC	Delaware
BREIT FEDERAL WAY PROPERTY OWNER LLC	Delaware
BREIT FEDERAL WAY TRS LLC	Delaware
BREIT FEDERAL WAY TRS PARENT LLC	Delaware
BREIT FLORIDA PARENT LLC	Delaware
BREIT FLORIDA PROPERTY OWNER LLC	Delaware
BREIT FLORIDA TRS LLC	Delaware
BREIT FLORIDA TRS PARENT LLC	Delaware
BREIT GLENHAVEN MHC LLC	Delaware
BREIT GSHJV HOLDINGS LLC	Delaware
BREIT GSHJV TRS LLC	Delaware
BREIT GSHJV, LLC	Delaware
BREIT HENDERSON PARENT LLC	Delaware
BREIT HENDERSON PROPERTY OWNER LLC	Delaware
BREIT HENDERSON TRS LLC	Delaware
BREIT HENDERSON TRS PARENT LLC	Delaware
BREIT HIDDEN SPRINGS MHC LLC	Delaware
BREIT HOLDINGS TRS LLC	Delaware
BREIT HOTEL HOLDINGS LLC	Delaware
BREIT HOTEL HOLDINGS TRS LLC	Delaware
BREIT INDUSTRIAL CANYON AZ1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M03 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M05 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1M06 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W04-W05 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W06 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W07 LLC	Delaware
BREIT INDUSTRIAL CANYON CA1W08 LLC	Delaware
BREIT INDUSTRIAL CANYON CA3W01-W02 LLC	Delaware
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BREIT INDUSTRIAL CANYON CO1M02 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M03 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON CO1M05-M07 LLC	Delaware
BREIT INDUSTRIAL CANYON FL1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL1W01-W02 LLC	Delaware

BREIT INDUSTRIAL CANYON FL2W01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL2W02 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4B01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4M01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4W01 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4W02 LLC	Delaware
BREIT INDUSTRIAL CANYON FL4W03 LLC	Delaware
BREIT INDUSTRIAL CANYON GA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON GA1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON GA1B03 LLC	Delaware
BREIT INDUSTRIAL CANYON GA1W01-W02 LLC	Delaware
BREIT INDUSTRIAL CANYON GP LLC	Delaware
BREIT INDUSTRIAL CANYON HOLDINGS LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B03 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1B04 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M02 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M03 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M05 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M06 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M07 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M08 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1M09 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W03 LLC	Delaware
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BREIT INDUSTRIAL CANYON IL1W10 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W11 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W12 LLC	Delaware
BREIT INDUSTRIAL CANYON IL1W13 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B02 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B03 LLC	Delaware
BREIT INDUSTRIAL CANYON IN1B04 LLC	Delaware
BREIT INDUSTRIAL CANYON KY1M02 & KY1W03-W04 LLC	Delaware
BREIT INDUSTRIAL CANYON KY1W01-W02 & KY1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON KY1W05 LLC	Delaware
BREIT INDUSTRIAL CANYON LP LLC	Delaware
BREIT INDUSTRIAL CANYON MA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1B01 LLC	Delaware

BREIT INDUSTRIAL CANYON MD1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1M02 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON MD1W03 LLC	Delaware
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BREIT INDUSTRIAL CANYON MD1W12 LLC	Delaware
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BREIT INDUSTRIAL CANYON MEZZ LP	Delaware
BREIT INDUSTRIAL CANYON NC1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON NJ1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON NJ1W02 LLC	Delaware
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BREIT INDUSTRIAL CANYON PA2M01 LLC	Delaware
BREIT INDUSTRIAL CANYON PARENT LLC	Delaware
BREIT INDUSTRIAL CANYON SECURED LLC	Delaware
BREIT INDUSTRIAL CANYON TX1B01-B02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M01-M02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M03 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M04 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M05 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M06 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M07 LLC	Delaware
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BREIT INDUSTRIAL CANYON TX1M11 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M12 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1M13 LLC	Delaware

BREIT INDUSTRIAL CANYON TXIM14 LLC	Delaware
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BREIT INDUSTRIAL CANYON TXIM16 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W01 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W03 LLC	Delaware
BREIT INDUSTRIAL CANYON TX1W04-W06 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M01-M02 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M03 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M04 LLC	Delaware
BREIT INDUSTRIAL CANYON TX2M06-M09 LLC	Delaware
BREIT INDUSTRIAL CANYON UNSECURED LLC	Delaware
BREIT INDUSTRIAL CANYON VA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON VA1M01 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1B01 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1M01 LLC	Delaware
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BREIT INDUSTRIAL CANYON WA1W02 LLC	Delaware
BREIT INDUSTRIAL CANYON WA1W03 LLC	Delaware
BREIT INDUSTRIAL FAIRMEADOWS INVESTORS LLC	Delaware
BREIT INDUSTRIAL FAIRMEADOWS PROPERTY OWNER LLC	Delaware
BREIT INDUSTRIAL HOLDINGS 2017 LLC	Delaware
BREIT INDUSTRIAL HOLDINGS 2018 LLC	Delaware
BREIT INDUSTRIAL HOLDINGS LLC	Delaware
BREIT INDUSTRIAL HS INVESTORS LLC	Delaware
BREIT INDUSTRIAL HS MEZZ 1 LLC	Delaware
BREIT INDUSTRIAL HS MEZZ 2 LLC	Delaware
BREIT INDUSTRIAL HS PA MEMBER LLC	Delaware
BREIT INDUSTRIAL HS PA PROPERTY OWNER LLC	Delaware
BREIT INDUSTRIAL HS PROPERTY OWNER LLC	Delaware
BREIT INDUSTRIAL HS TX GP LLC	Delaware
BREIT INDUSTRIAL HS TX PROPERTY OWNER LP	Delaware
BREIT JWM SAN ANTONIO GP LLC	Delaware
BREIT JWM SAN ANTONIO LP	Delaware
BREIT JWM SAN ANTONIO TRS LLC	Delaware
BREIT KM Edgelawn Drive LLC	Delaware
BREIT KM HOLDCO LLC	Delaware
BREIT KM NORTH EDGELAWN DRIVE LLC	Delaware
BREIT KM SULLIVAN ROAD LLC	Delaware
BREIT KM WEST INDIAN TRAIL LLC	Delaware
BREIT KONA PARENT LLC	Delaware
BREIT KONA PROPERTY OWNER LLC	Delaware
BREIT KONA TRS LLC	Delaware
BREIT KONA TRS PARENT LLC	Delaware
BREIT LONGHAVEN MHC LLC	Delaware
BREIT MASS PARENT LLC	Delaware
BREIT MASS PROPERTY OWNER LLC	Delaware

BREIT MASS TRS LLC	Delaware
BREIT MASS TRS PARENT LLC	Delaware
BREIT MF 55 WEST LLC	Delaware
BREIT MF ADDISON GP LLC	Delaware
BREIT MF ADDISON LP	Delaware
BREIT MF AMBERGLEN LLC	Delaware
BREIT MF AMBERGLEN PARENT LLC	Delaware
BREIT MF ARIUM OWNER LLC	Delaware
BREIT MF ARIUM PARENT LLC	Delaware
BREIT MF AVANTI LLC	Delaware
BREIT MF AVANTI PARENT LLC	Delaware
BREIT MF AZ BOULEVARD LLC	Delaware
BREIT MF AZ BOULEVARD PARENT LLC	Delaware
BREIT MF AZ INVESTORS LLC	Delaware
BREIT MF AZ VELAIRE LLC	Delaware
BREIT MF AZ VELAIRE PARENT LLC	Delaware
BREIT MF BHSW INVESTORS LLC	Delaware
BREIT MF BLUE HILLS HOLDINGS LLC	Delaware
BREIT MF BLUE HILLS LLC	Delaware
BREIT MF COYOTE HOLDINGS LLC	Delaware
BREIT MF DREAM APARTMENTS LLC	Delaware
BREIT MF DREAM APARTMENTS TRS LLC	Delaware
BREIT MF EP HOLDINGS LLC	Delaware
BREIT MF EP I LLC	Delaware
BREIT MF EP II LLC	Delaware
BREIT MF FIELDCREST GP LLC	Delaware
BREIT MF FIELDCREST LP	Texas
BREIT MF FINISTERRA LLC	Delaware
BREIT MF FL INVESTORS LLC	Delaware
BREIT MF FLAMINGO WEST LLC	Delaware
BREIT MF FLAMINGO WEST PARENT LLC	Delaware
BREIT MF GREENVUE APARTMENTS LP	Delaware
BREIT MF HOLDINGS 2017 LLC	Delaware
BREIT MF HOLDINGS 2018 LLC	Delaware
BREIT MF HOLDINGS LLC	Delaware
BREIT MF HOLDINGS TRS LLC	Delaware
BREIT MF KENDALL HOLDCO LLC	Delaware
BREIT MF KENDALL PHASE I LLC	Delaware
BREIT MF KENDALL PHASE I PARENT LLC	Delaware
BREIT MF KENDALL PHASE II LLC	Delaware
BREIT MF KENDALL PHASE II PARENT LLC	Delaware
BREIT MF KNIGHTSBRIDGE OWNER LLC	Delaware
BREIT MF KNIGHTSBRIDGE PARENT LLC	Delaware
BREIT MF LUMIERE CHANDLER LLC	Delaware
BREIT MF MIDTOWN APARTMENTS LP	Delaware
BREIT MF MOUNTAIN GATE APRTMENTS LLC	Delaware
BREIT MF MOUNTAIN TRAILS APRTMENTS LLC	Delaware

BREIT MF NORTHEAST INVESTORS LLC	Delaware
BREIT MF NV INVESTORS LLC	Delaware
BREIT MF OR INVESTORS LLC	Delaware
BREIT MF OSPREY LAKE LLC	Delaware
BREIT MF PARK A VE LLC	Delaware
BREIT MF PECCOLE RANCH LLC	Delaware
BREIT MF PECCOLE RANCH PARENT LLC	Delaware
BREIT MF PEORIA LLC	Delaware
BREIT MF REDSTONE VISTARA INVESTORS LLC	Delaware
BREIT MF SAN MERANO LLC	Delaware
BREIT MF SIERRA CANYON LLC	Delaware
BREIT MF SIERRA FOOTHILLS LLC	Delaware
BREIT MF SOCT INVESTORS LLC	Delaware
BREIT MF STADIUM VILLAGE LLC	Delaware
BREIT MF SW APARTMENTS LLC	Delaware
BREIT MF SW APARTMENTS TRS LLC	Delaware
BREIT MF TALL TIMBERS GP LLC	Delaware
BREIT MF TALL TIMBERS LP	Texas
BREIT MF TALLOWS GP LLC	Delaware
BREIT MF TALLOWS LP	Texas
BREIT MF TARKANIAN WAY APARTMENTS LLC	Delaware
BREIT MF TX INVESTORS GP LLC	Delaware
BREIT MF TX INVESTORS II GP LLC	Delaware
BREIT MF TX INVESTORS II GP PARENT LLC	Delaware
BREIT MF TX INVESTORS II LP LLC	Delaware
BREIT MF TX INVESTORS II LP PARENT LLC	Delaware
BREIT MF TX INVESTORS LLC	Delaware
BREIT MF TX INVESTORS LP LLC	Delaware
BREIT MF TX Kenwood GP LLC	Delaware
BREIT MF UNION APARTMENTS LLC	Delaware
BREIT MF UNION APARTMENTS TRS LLC	Delaware
BREIT MF VISTA RIDGE GP LLC	Delaware
BREIT MF VISTA RIDGE LP	Texas
BREIT MF WATERCHASE GP LLC	Delaware
BREIT MF WATERCHASE LP	Texas
BREIT MF WAVE INVESTORS LLC	Delaware
BREIT MF WEST COAST HOLDCO LLC	Delaware
BREIT MF WEST END LLC	Delaware
BREIT MHC HOLDINGS LLC	Delaware
BREIT MHC HOLDINGS TRS LLC	Delaware
BREIT MINARI MHC LLC	Delaware
BREIT NEWHAVEN MHC LLC	Delaware
BREIT OFFICE HOLDINGS LLC	Delaware
BREIT OLYMPUS MF AZ VENTURE LLC	Delaware
BREIT OLYMPUS MF CAPE HOUSE LLC	Delaware
BREIT OLYMPUS MF FL VENTURE LLC	Delaware
BREIT OLYMPUS MF HERITAGE LLC	Delaware

BREIT OLYMPUS MF HERITAGE VENTURE LLC	Delaware
BREIT OLYMPUS MF MIRADOR LLC	Delaware
BREIT OLYMPUS MF REDSTONE LLC	Delaware
BREIT OLYMPUS MF STOVALL LLC	Delaware
BREIT OLYMPUS MF VISTARA LLC	Delaware
BREIT ORLANDO PARENT LLC	Delaware
BREIT ORLANDO PROPERTY OWNER LLC	Delaware
BREIT ORLANDO TRS LLC	Delaware
BREIT ORLANDO TRS PARENT LLC	Delaware
BREIT PACIFIC MOBILE MANOR MHC LLC	Delaware
BREIT PALMDALE MHC LLC	Delaware
BREIT PARENT BORROWER LLC	Delaware
BREIT PARKHAVEN MHC LLC	Delaware
BREIT PDS HOLDINGS LLC	Delaware
BREIT PDS PROPERTY OWNER LLC	Delaware
BREIT PORTCO IP LLC	Delaware
BREIT RENO PARENT LLC	Delaware
BREIT RENO PROPERTY OWNER LLC	Delaware
BREIT RENO TRS LLC	Delaware
BREIT RENO TRS PARENT LLC	Delaware
BREIT RETAIL HOLDINGS LLC	Delaware
BREIT RETAIL HOLDINGS SUB LLC	Delaware
BREIT REX PARENT LLC	Delaware
BREIT REX PROPERTY OWNER LLC	Delaware
BREIT REX TRS LLC	Delaware
BREIT REX TRS PARENT LLC	Delaware
BREIT RIVERDALE MHC LLC	Delaware
BREIT RIVEREST MHC LLC	Delaware
BREIT ROSEHAVEN MHC LLC	Delaware
BREIT ROYAL MHC LLC	Delaware
BREIT SAN JOSE PARENT LLC	Delaware
BREIT SAN JOSE PROPERTY OWNER LLC	Delaware
BREIT SAN JOSE TRS LLC	Delaware
BREIT SAN JOSE TRS PARENT LLC	Delaware
BREIT SE HOLDINGS LLC	Delaware
BREIT SE HOLDINGS SUB A LLC	Delaware
BREIT SE HOLDINGS SUB B LLC	Delaware
BREIT SE INDUSTRIAL ATLANTA ONE PORTFOLIO, LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 1 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 2 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 3 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 4 LLC	Delaware
BREIT SE INDUSTRIAL HOLDCO 5 LLC	Delaware
BREIT SE INDUSTRIAL HOLDINGS I LLC	Delaware
BREIT SE INDUSTRIAL HOLDINGS II INC.	Delaware
BREIT SE INDUSTRIAL HOLDINGS III INC.	Delaware
BREIT SE INDUSTRIAL I LLC	Delaware

BREIT SE INDUSTRIAL II LLC	Delaware
BREIT SE INDUSTRIAL JAX CANADA DRIVE, LLC	Delaware
BREIT SE INDUSTRIAL LAKE PARCEL, LLC	Delaware
BREIT SE INDUSTRIAL LOUISVILLE CANERUN ROAD, LLC	Delaware
BREIT SE INDUSTRIAL MEMPHIS PORTFOLIO LLC	Delaware
BREIT SE INDUSTRIAL MEZZ 1 LLC	Delaware
BREIT SE INDUSTRIAL MEZZ 2 LLC	Delaware
BREIT SE INDUSTRIAL MEZZ 3 LLC	Delaware
BREIT SE INDUSTRIAL MIAMI SSIP, LLC	Delaware
BREIT SE INDUSTRIAL NC/VA PORTFOLIO, LLC	Delaware
BREIT SE INDUSTRIAL ORL/JAX PORTFOLIO, LLC	Delaware
BREIT SE INDUSTRIAL ORLANDO 33RD STREET, LLC	Delaware
BREIT SE INDUSTRIAL ORLANDO FOUR CORNERS, LLC	Delaware
BREIT SE INDUSTRIAL POOL 2 LLC	Delaware
BREIT SE INDUSTRIAL PROPCO 2014-A, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO 2015-B, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO 2017-C, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO GA, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO NC, LLC	Delaware
BREIT SE INDUSTRIAL PROPCO TN, LLC	Delaware
BREIT SE INDUSTRIAL SAVANNAH MEMBER, LLC	Delaware
BREIT SE INDUSTRIAL TAMPA 62ND STREET, LLC	Delaware
BREIT SE LOGISTICS FA YE ROAD LLC	Delaware
BREIT SE LOGISTICS HOLDCO LLC	Delaware
BREIT SE LOGISTICS JONESBORO LLC	Delaware
BREIT SE LOGISTICS MASON ROAD LLC	Delaware
BREIT SE LOGISTICS PERIMETER LLC	Delaware
BREIT SE LOGISTICS WESTLAKE LLC	Delaware
BREIT SH ATHENS JV MEMBER LLC	Delaware
BREIT SH BERKELEY LLC	Delaware
BREIT SH DISTRICT 5TH LLC	Delaware
BREIT SH DISTRICT APACHE LLC	Delaware
BREIT SH GRANDMARC LLC	Delaware
BREIT SH GS MEMBER LLC	Delaware
BREIT SH HOLDINGS LLC	Delaware
BREIT SH JEFFERSON COMMONS LLC	Delaware
BREIT SH LOFTS GP LLC	Delaware
BREIT SH LOFTS LP	Delaware
BREIT SH LOTUS APARTMENTS LLC	Delaware
BREIT SH POINTE GP LLC	Delaware
BREIT SH POINTE LP	Delaware
BREIT SH PROVINCE BOULDER LLC	Delaware
BREIT SH PROVINCE GP LLC	Delaware
BREIT SH PROVINCE GREENVILLE LP	Delaware
BREIT SH RETREAT LOUISVILLE LLC	Delaware
BREIT SH UNIVERSITY VILLAGE TOWERS LLC	Delaware
BREIT SH URBANE LLC	Delaware

BREIT SH WERTLAND SQUARE LLC	Delaware
BREIT SKYHAVEN MHC LLC	Delaware
BREIT SLC MEMBER LLC	Delaware
BREIT SLC TRS LLC	Delaware
BREIT SLC TRS MEMBER LLC	Delaware
BREIT SLC TRS PARENT LLC	Delaware
BREIT SONORA CANYON LLC	Delaware
BREIT SPRINGDALE MHC LLC	Delaware
BREIT SPRINGHAVEN MHC LLC	Delaware
BREIT SS HOLDINGS 2017 LLC	Delaware
BREIT SS HOLDINGS LLC	Delaware
BREIT SS HOLDINGS TRS LLC	Delaware
BREIT STAR VALLEY RANCH MHC LLC	Delaware
BREIT STEADFAST MF ASHLEY OAKS TX GP LLC	Delaware
BREIT STEADFAST MF ASHLEY OAKS TX LP	Delaware
BREIT STEADFAST MF AUDUBON TN LLC	Delaware
BREIT STEADFAST MF BELMONT TX LP	Delaware
BREIT STEADFAST MF BUDA TX GP LLC	Delaware
BREIT STEADFAST MF BUDA TX LP	Delaware
BREIT STEADFAST MF CANTARE TN LLC	Delaware
BREIT STEADFAST MF CARROLLTON TX GP LLC	Delaware
BREIT STEADFAST MF CARROLLTON TX LP	Delaware
BREIT STEADFAST MF COOPER KY LLC	Delaware
BREIT STEADFAST MF FAIRMARC TX GP LLC	Delaware
BREIT STEADFAST MF FAIRMARC TX LP	Delaware
BREIT STEADFAST MF GP LLC	Delaware
BREIT STEADFAST MF GRAYSON TX LP	Delaware
BREIT STEADFAST MF HOLDINGS LLC	Delaware
BREIT STEADFAST MF JV LP	Delaware
BREIT STEADFAST MF KEYSTONE TN LLC	Delaware
BREIT STEADFAST MF MANSFIELD TX LP	Delaware
BREIT STEADFAST MF MONTELENA TX LP	Delaware
BREIT STEADFAST MF PARENT LLC	Delaware
BREIT STEADFAST MF PORTFOLIO GP LLC	Delaware
BREIT STEADFAST MF PORTFOLIO POOL LLC	Delaware
BREIT STEADFAST MF RENAISSANCE KY LLC	Delaware
BREIT STEADFAST MF RICHLAND TN LLC	Delaware
BREIT STEADFAST MF ROSEMONT TX LP	Delaware
BREIT STEADFAST MF RSA CONDOS KY LLC	Delaware
BREIT STEADFAST MF SPRINGMARC TX GP LLC	Delaware
BREIT STEADFAST MF SPRINGMARC TX LP	Delaware
BREIT STEADFAST MF STEINER TX GP LLC	Delaware
BREIT STEADFAST MF STEINER TX LP	Delaware
BREIT STEADFAST MF VALLEY FARMS CLUBHOUSE KY LLC	Delaware
BREIT STEADFAST MF VALLEY FARMS KY LLC	Delaware
BREIT STEADFAST MF VALLEY FARMS NORTH KY LLC	Delaware
BREIT STOCKTON INDUSTRIAL PARK LLC	Delaware

BREIT SUNDOWNER MHC LLC	Delaware
BREIT SUNHAVEN MHC LLC	Delaware
BREIT TA MF MONTAIR LLC	Delaware
BREIT TA MF VENTURE LLC	Delaware
BREIT TA MF WALDEN POND LLC	Delaware
BREIT TH MHC GP LLC	Delaware
BREIT TH MHC HIGHROADS BROADWAY ESTATES LLC	Delaware
BREIT TH MHC HIGHROADS EL RIO DE ORO LLC	Delaware
BREIT TH MHC HIGHROADS HOLDINGS LLC	Delaware
BREIT TH MHC HIGHROADS LOS HERMANOS LLC	Delaware
BREIT TH MHC HIGHROADS PARENT LLC	Delaware
BREIT TH MHC HOLDCO LLC	Delaware
BREIT TH MHC HOLDCO TRS LLC	Delaware
BREIT TH MHC JV LP	Delaware
BREIT TH MHC PARENT LLC	Delaware
BREIT TH MHC SOUTHWEST HOLDINGS LLC	Delaware
BREIT TH MHC SOUTHWEST PARENT LLC	Delaware
BREIT VISTA CENTER OWNER LLC	Delaware
BREIT VISTA CENTER PARENT LLC	Delaware
BREIT WAVE MF BTL OWNER LLC	Delaware
BREIT WAVE MF BTL PARENT LLC	Delaware
BREIT WAVE MF HEATHERBRAE OWNER LLC	Delaware
BREIT WAVE MF HEATHERBRAE PARENT LLC	Delaware
BREIT WAVE MF MAS OWNER LLC	Delaware
BREIT WAVE MF MAS PARENT LLC	Delaware
BREIT WAVE MF SC OWNER LLC	Delaware
BREIT WAVE MF SC PARENT LLC	Delaware
BREIT WAVE MF STONEPOINTE OWNER LLC	Delaware
BREIT WAVE MF STONEPOINTE PARENT LLC	Delaware
BREIT WAVE MF XANDER OWNER LLC	Delaware
BREIT WAVE MF XANDER PARENT LLC	Delaware
BREIT-MDH SE JV GP LLC	Delaware
BREIT-MDH SE JV LP	Delaware
COYOTE LUMIERE CHANDLER LLC	Delaware
EAST EDGE TUSCALOOSA LLC	Delaware
EDR Charlottesville LLC	Delaware
MDH-TRADEPORT SAVANNAH, LLC	Delaware
PECCOLE RANCH COMMUNITY ASSOCIATION	Delaware
PROVINCE KENT OH LLC	Delaware
RETREAT AT BLACKSBURG LLC	Delaware
RETREAT AT STATE COLLEGE LLC	Delaware
RIVER CITY RESIDENTIAL POA INC	Delaware
SLC 130 WEST OWNER LLC	Delaware
SLC 140 SOUTH OWNER LLC	Delaware
SLC 345 WEST OWNER LLC	Delaware
SLC PARKING OWNER LLC	Delaware
WEST CLAYTON ATHENS GA HOLDINGS, LLC	Delaware

WEST CLAYTON ATHENS GA OWNER, LLC	Delaware
BREIT MF Roman Holdings LLC	Delaware
BREIT MF Day Street LLC	Delaware
BREIT MF Campanula Way LLC	Delaware
BREIT MF Telegraph Road LLC	Delaware
BREIT MF Brighton Bay LLC	Delaware
BREIT MF Sea Harbor LLC	Delaware
BREIT MF Leora Lane LP LLC	Delaware
BREIT MF Leora Lane GP LLC	Delaware
BREIT MF Leora Lane LP	Delaware
BREIT MF East Belleview Avenue LLC	Delaware
BREIT MF GH Pinnacle LLC	Delaware
BREIT MF 206th Avenue LLC	Delaware
BREIT MF Canton Street LLC	Delaware
BREIT MF Modern Way LP LLC	Delaware
BREIT MF Modern Way GP LLC	Delaware
BREIT MF Modern Way LP	Delaware
BREIT MF Laurelwood Drive LLC	Delaware
BREIT MF Shipley Street LLC	Delaware
BREIT MF Woodview Way LLC	Delaware
BREIT Chaparral Ranch MHC LLC	Delaware
BREIT EL San Juan MHC LLC	Delaware
BREIT Grand Missouri MHC LLC	Delaware
BREIT Mesa Village MHC LLC	Delaware
BREIT Paradise Valley MHC LLC	Delaware
BREIT TH MHC Angler Holdings LLC	Delaware
BREIT TH MHC Angler Parent LLC	Delaware
BREIT MF RTEW Investors LLC	Delaware
BREIT ACG MF RTEW Venture LLC	Delaware
BREIT ACG MF River Trail LLC	Delaware
BREIT ACG MF Eaglewood LLC	Delaware
BREIT Endless Summer MHC LLC	Delaware
BREIT Hunter's Run MHC LLC	Delaware
BREIT Orange Manor MHC LLC	Delaware
BREIT Debt Investments (Cayman) Director L.L.C.	Delaware
BREIT Tarponaire MHC LLC	Delaware
BREIT MF Dune LLC	Delaware
BREIT MF Eden I LLC	Delaware
BREIT MF Eden II LLC	Delaware
BREIT MF Evolve LLC	Delaware
BREIT MF Spur LLC	Delaware
BREIT Investments (Cayman) Ltd	Delaware
BREIT Debi Investments (Cayman) 2 Ltd	Delaware
BREIT Olympus MF PDR Venture LLC	Delaware
BREIT Olympus MF PDR LLC	Delaware
BREIT MF DD Investors LLC	Delaware
BREIT MF Vera LLC	Delaware

BREIT MF Adara LLC	Delaware
BREIT MF 9703 Avellino LLC	Delaware
BREIT SP MF Venture LLC	Delaware
BREIT SP MF Kennewick LLC	Delaware
BREIT SP MF Richland LLC	Delaware
BREIT MF Colorado Investors LLC	Delaware
BREIT MF Arbour Square LLC	Delaware
BREIT MF Lake Vista LLC	Delaware
BREIT MF The Greens TRS LLC	Delaware
BREIT CA MF Amara Venture LLC	Delaware
BREIT CA MF Amara Owner LLC	Delaware
BREIT MN Industrial Holdco LLC	Delaware
BREIT Ramsey Industrial Owner LLC	Delaware
BREIT Hennepin Industrial Owner LLC	Delaware
BREIT Anoka Industrial Owner LLC	Delaware
BREIT Dakota Industrial Owner LLC	Delaware
BREIT Stone Mountain Industrial Investors LLC	Delaware
BREIT Stone Mountain Owner LLC	Delaware
BREIT MF TA Investors LLC	Delaware
BREIT TA MA Venture II LLC	Delaware
BREIT TA MA Vintage Pointe LLC	Delaware
BREIT TA MA Sweetwater Creek LLC	Delaware
BREIT MF B2 Investors LLC	Delaware
BREIT MF Beacon Hill LLC	Delaware
BREIT MF Ashford Place LLC	Delaware
BREIT MF Monte Viejo LLC	Delaware
BREIT MF Promenade Terrace LLC	Delaware
BREIT MF Ridgeview LLC	Delaware
BREIT MF Preserve at Lakeland LLC	Delaware
BREIT MF GA Investors LLC	Delaware
BREIT Olympus MF Slate Venture LLC	Delaware
Slate Savannah LLC	Delaware
901 NW 97 Miami Owner LLC	Delaware
1062 NW 87 Miami Owner LLC	Delaware
BCORE SP MF Edge Venture LLC	Delaware
BCORE Edge Henderson LLC	Delaware
BREIT Falcon Parent LLC	Delaware
BREIT Falcon TRS Parent LLC	Delaware
BREIT Falcon Property Owner LLC	Delaware
BREIT Falcon TRS LLC	Delaware
BCORE Retail Pacoima Parent LLC	Delaware
BCORE Retail Pacoima Owner LLC	Delaware
BCORE Retail El Paseo Parent LLC	Delaware
BCORE Retail El Paseo Owner LLC	Delaware
BREIT MF NC Investors LLC	Delaware
BCORE MF Anson LLC	Delaware
BCORE Select VAIL Parent LLC	Delaware

BCORE Select RI Pentagon Owner LLC	Delaware
BCORE Select CY Chicago Owner LLC	Delaware
BCORE Select VAIL TRS Parent LLC	Delaware
BCORE Select RI Pentagon TRS LLC	Delaware
BCORE Select CY Chicago TRS LLC	Delaware
BCORE MF Perimeter Heights LLC	Delaware
BCORE MF Perimeter Drexel LLC	Delaware
BCORE MF Perimeter Lofts LLC	Delaware
BCORE Select Raven Holdco LLC	Delaware
BCORE Select Raven 1 LLC	Delaware
BCORE Select Raven RI Oak LLC	Delaware
BCORE Select Raven Bloomington LLC	Delaware
BCORE Select Raven 1 TRS LLC	Delaware
BCORE Select Raven RI Oak TRS LLC	Delaware
BCORE Select Raven Bloomington TRS LLC	Delaware
BCORE Select Raven TX GP LLC	Delaware
BCORE Select Raven TX LP	Delaware
BCORE MF San Valiente Investors LLC	Delaware
BCORE IC MF Venture LLC	Delaware
BCORE MF San Valiente LLC	Delaware
BREIT Patriot Park Industrial Investors LLC	Delaware
BREIT Patriot Park Owner LLC	Delaware
BREIT Storage Holdings LLC	Delaware
BCORE Royal Storage Parent LLC	Delaware
BCORE Royal Storage JV LLC	Delaware
BCORE Royal Storage TRS LLC	Delaware
BCORE Chandler Meadows LLC	Delaware
BCORE Chandler Estates LLC	Delaware
BCORE Shandow Hills LLC	Delaware
BREIT Jupiter Holdings LLC	Delaware
Icon Newco Pool 2 Holdings, LLC	Delaware
Icon Newco Pool 2 Northeast/Southwest Holdings, LLC	Delaware
Icon New Pool 6 West/Southwest Holdings, LLC	Delaware
BCORE Jupiter MWSE 1 LLC	Delaware
BCORE Jupiter MWSE 2 LLC	Delaware
BCORE Jupiter NEMW 1 LLC	Delaware
BCORE Jupiter NEMW 2 LLC	Delaware
BCORE Jupiter NEMW 3 LLC	Delaware
BCORE Jupiter TX LLC	Delaware
BREIT Falcon Parent AZ LLC	Delaware
BREIT Falcon Parent CS LLC	Delaware
BREIT Falcon TRS Parent CS LLC	Delaware
BREIT Falcon TRS Parent AZ LLC	Delaware
BCORE Falcon Property Owner AZ LLC	Delaware
BCORE Falcon Property Owner CS LLC	Delaware
BCORE Falcon TRS CS LLC	Delaware
BCORE Falcon TRS AZ LLC	Delaware

BCORE MF Edgewater Parent LLC	Delaware
BCORE MF Edgewater Owner LLC	Delaware
BCORE MF Adley LLC	Delaware
BCORE MF Brizo LLC	Delaware
BREIT Peachtree Parent LLC	Delaware
BREIT Peachtree TRS Parent LLC	Delaware
BCORE Peachtree LLC	Delaware
BCORE Peachtree TRS LLC	Delaware
BREIT Peachtree REIT LLC	Delaware
BCORE Retail Towne Parent LLC	Delaware
BCORE Retail Towne Owner LLC	Delaware
BCORE Denali KY Investors LLC	Delaware
BCORE Denali OH Investors LLC	Delaware
BCORE Denali IN Investors LLC	Delaware
BCORE Denali KY Owner LLC	Delaware
BCORE Denali OH Owner LLC	Delaware
BCORE Denali IN Owner LLC	Delaware
BREIT Debt Parent LLC	Delaware
BREIT Debt High Grade LLC	Delaware
BCORE Finco I LLC	Delaware
BREIT Debt High Grade TRS LLC	Delaware
BCORE Finco I TRS LLC	Delaware
BCORE MF Timber Creek LLC	Delaware
BCORE MF Timber Creek LP	Delaware
BREIT RE Parent LLC	Delaware
BCORE MF Haven Parent LLC	Delaware
BCORE MF Haven LLC	Delaware
BREIT MF Tampa Member LLC	Delaware
BREIT Olympus MF Canopy Venture LLC	Delaware
BREIT Peachtree REIT LLC	Delaware
BCORE MF 13306 Canopy LLC	Delaware
BCORE EmeryTech Parent LLC	Delaware
BCORE EmeryTech Owner LLC	Delaware
BCORE PS MF Member LLC	Delaware
BCORE PS MF Venture LLC	Delaware
BCORE MF 12700 66th St. N LLC	Delaware
BREIT KW LV Member LLC	Delaware
BREIT KW LV Venture LLC	Delaware
BREIT KW LV Holdings LLC	Delaware
BREIT Prime Lease Holdings LLC	Delaware
BCORE Paradise Holdings LLC	Delaware
BCORE Paradise Parent LLC	Delaware
BCORE MF Arches Member LLC	Delaware
BCORE SP MF Edge Venture LLC	Delaware
BCORE MF Arches LLC	Delaware
BCORE MF Villages Parent LLC	Delaware
BCORE MF Villages LLC	Delaware

BCORE Main St SD Industrail Investors LLC	Delaware
BCORE Main St SD Owner LLC	Delaware
BCORE MF STC Parent LLC	Delaware
BCORE MF STC Owner LLC	Delaware
BCORE Paradise JV LLC	Delaware
BCORE MF Gardens Member LLC	Delaware
BCORE GO Gardens Venture LLC	Delaware
BREIT Retail SoCal Holdings LLC	Delaware
BCORE MF AS Member LLC	Delaware
BCORE MF AS Venture LLC	Delaware
BCORE MF AS Windermere LLC	Delaware
BCORE MF AS Lake Norman LLC	Delaware
BCORE MF AS Cliffside LLC	Delaware
BCORE MF AS Maitland LLC	Delaware
BCORE MF AS Alafaya LLC	Delaware
BCORE MF AS Lake Norman LP	Delaware
BCORE MF AS Cliffside LP	Delaware
BCORE Far Horizons LLC	Delaware
BCORE Sunny Grove LLC	Delaware
BCORE MF Terra Investors LLC	Delaware
BCORE MF Terra GP LLC	Delaware
BCORE MF Terra LP	Delaware
BCORE Retail El Paseo Owner Solar LLC	Delaware
BREIT Canal Holdings LLC	Delaware
BREIT Canal CA Holdings LLC	Delaware
BCORE Canal CA LLC	Delaware
BREIT Canal NV Holdings LLC	Delaware
BCORE Canal NV LLC	Delaware
BCORE Crossroads Industrial Investors LLC	Delaware
BCORE Crossroads Owner LLC	Delaware
BCORE Retail Northwood Town Center LLC	Delaware
BCORE Retail Heritage Hill LLC	Delaware
BCORE Retail Puerta Real Plaza LLC	Delaware
BCORE Retail Brookhurst Adams LLC	Delaware
BCORE Retail Goldenwest Warner LLC	Delaware
BCORE Retail Stonehill Del Obispo LLC	Delaware
BCORE Corridor Holdings LLC	Delaware
BCORE Timber Industrial Investors LLC	Delaware
BCORE Timber Office Investors LLC	Delaware
BCORE Timber APE Owner LLC	Delaware
BCORE Timber Office Owner LLC	Delaware
BCORE May Manor LLC	Delaware
BCORE Windmill Holdings LLC	Delaware
BCORE Windmill Parent LLC	Delaware
BCORE Royal Storage Holdings LLC	Delaware
BCORE Storage Indian School LLC	Delaware
BCORE Storage Encanto LLC	Delaware

BCORE Timber APS Owner LLC	Delaware
BCORE Timber APN Owner LLC	Delaware
BCORE Timber EC Owner LLC	Delaware
BCORE Timber BP Owner LLC	Delaware
BCORE Timber RC Owner LLC	Delaware
BCORE GO MF Gardens Owner LLC	Delaware
BCORE MF Acorn Holdings LLC	Delaware
BCORE MF Acorn Member LLC	Delaware
BCORE MF Acorn Venture LLC	Delaware
BCORE MF Acorn Mezz B LLC	Delaware
BCORE MF ACORN Mezz A Holdco LLC	Delaware
Holcomb Bridge GA Partners, LLC	Delaware
Cable Ranch TX Apartments Partners, LLC	Delaware
Seaforth NC Partners, LLC	Delaware
Bens Branch TX Partners, LLC	Delaware
Druid Hills GA Partners, LLC	Delaware
Glen TX Partners LLC	Delaware
Lotus Landing FL Partners, LLC	Delaware
Waterford Valley NC Partners, LLC	Delaware
Post Lake FL Partners, LLC	Delaware
Walnut Hill TX Partners, LLC	Delaware
Brighton Bay FL Partners, LLC	Delaware
Trenton CO Partners, LLC	Delaware
Rossi OH Partners, LLC	Delaware
Bermuda Lake FL Partners, LLC	Delaware
Fairway TX Partners LLC	Delaware
Vail TX Partners, LLC	Delaware
Sugarloaf GA Partners, LLC	Delaware
Breach Street TX Partners, LLC	Delaware
Aschinger OH Partners, LLC	Delaware
DD Belgate, LP	Delaware
DD Morrison, LP	Delaware
BCORE MF SPT Member LLC	Delaware
BCORE MF SPT Venture LLC	Delaware
BCORE MF SPT LLC	Delaware
BCORE MF SPT LP	Delaware
BCORE National MHC Holdings LLC	Delaware
BREIT Debt Investments Owner LLC	Delaware
BCORE Corridor Parent	Delaware
BCORE Corridor Milwaukee LLC	Delaware
BCORE Corridor Oak Creek LLC	Delaware
BCORE Corridor Chicago LLC	Delaware
BCORE Corridor Pratt Blvd LLC	Delaware
BCORE Corridor Pleasant Prairie LLC	Delaware
BCORE Corridor Lunt Ave LLC	Delaware
BCORE Corridor Cudahy LLC	Delaware
BCORE Corridor 13th Street LLC	Delaware

BCORE Corridor Sturtevant LLC	Delaware
BCORE Corridor Mt. Pleasant LLC	Delaware
BCORE Uptown Parent LLC	Delaware
BCORE Uptown Owner LLC	Delaware
BCORE Corridor Holdings LLC	Delaware
BCORE MF Indigo West Member LLC	Delaware
BCORE MF Indigo West Venture LLC	Delaware
BCORE MF Indigo West Owner LLC	Delaware
BCORE MF Arbor Place Member LLC	Delaware
BCORE MF Arbor Place Venture LLC	Delaware
BCORE MF Arbor Place Owner LLC	Delaware
BCORE Porete Industrial Investors LLC	Delaware
BCORE Porete Owner LLC	Delaware
BCORE Moon Valley LLC	Delaware
BCORE MF Sanibel Member LLC	Delaware
BCORE Olympus MF Sanibel Venture LLC	Delaware
BCORE MF Sanibel LLC	Delaware
BCORE MF Delray Member LLC	Delaware
BCORE MF Delray Owner LLC	Delaware
BCORE MF Coconut Creek Member LLC	Delaware
BCORE MF Coconut Creek Owner LLC	Delaware
BREIT 200 Morgan Outparcel LLC	Delaware
BCORE Royal Acquisitions LLC - LLC	Delaware
BCORE MF DD Jax Investors LLC	Delaware
BCORE MF Cue Jax LLC	Delaware
BCORE Mercury Lane Industrial Investors LLC	Delaware
BCORE Mercury Lane Owner LLC	Delaware
BCORE MF Villages West Investors LLC	Delaware
BCORE MF Villages West LLC	Delaware
BCORE Storage Palo Verde LLC	Delaware
BCORE Storage North 1st LLC	Delaware
BCORE Storage Speedway LLC	Delaware
BCORE Storage West Lane LLC	Delaware
BCORE Storage Elevator Road LLC	Delaware
BCORE Storage Orange Blossom LLC	Delaware
BCORE Storage Tamiami Trail LLC	Delaware
BCORE Storage Highland LLC	Delaware
BCORE Storage Clinton LLC	Delaware
BCORE Cactus TX Storage GP LLC	Delaware
BCORE Storage Rodd Field LP	Delaware
BCORE Storage Long Point LP	Delaware
BCORE Storage Spencer LP	Delaware
BCORE Storage Alexander LP	Delaware
BCORE Storage Jackrabbit LP	Delaware
BCORE Canyon NJ Outparcels LLC	Delaware
BCORE Cactus Storage Holdings LLC	Delaware
BCORE IE West Industrial Investors LLC	Delaware

BCORE IE West Owner LLC	Delaware
BREIT TH MHC Summit Holdings LLC	Delaware
BCORE Denali KY Parcel LLC	Delaware
BCORE MF Grizzly Investors LLC	Delaware
BCORE MF 901 Second LLC	Delaware
BCORE MF 1115 Springwood LLC	Delaware
BCORE MF Pflumm KS Investors LLC	Delaware
BCORE MF Pflumm KS LLC	Delaware
BCORE MF Southcreek Investors LLC	Delaware
BCORE MF Southcreek LLC	Delaware
BCORE MF Holly Six Member LLC	Delaware
BCORE MF Holly Six Owner LLC	Delaware
BCORE MF Haven Solar LLC	Delaware
BCORE MF 141 Park LLC	Delaware
BCORE MF Lex AG Member LLC	Delaware
BCORE MF Lex AG Owner LLC	Delaware
BCORE MF WH Village Investors LLC	Delaware
BCORE MF WH Village Venture LLC	Delaware
BCORE MF WH Village Member LLC	Delaware
BCORE MF WH Village Owner LLC	Delaware
BCORE MF 141 Park Investors LLC	Delaware
BCORE MF Anchor 2 Investors LLC	Delaware
BCORE MF Anchor 2 Venture LLC	Delaware
BCORE MF Anchor 2 Member LLC	Delaware
BCORE MF Wellington LLC	Delaware
BCORE MF Commons LLC	Delaware
BCORE MF Windsor LLC	Delaware
BCORE MF Alderwood Park LLC	Delaware
BCORE MF Ridgeway LLC	Delaware
BCORE MF Constellation LLC	Delaware
BCORE MF Bridge Creek LLC	Delaware
BCORE MF Boulder Creek LLC	Delaware
BCORE MF Passage LLC	Delaware
BCORE MF Township LLC	Delaware
BCORE MF Hanover LLC	Delaware
BCORE MF Settler's Point LLC	Delaware
BCORE Coleman Parent LLC	Delaware
BCORE Coleman Holdings LLC	Delaware
BCORE Coleman Owner LLC	Delaware
BCORE Royal Oaks MHC LLC	Delaware
BCORE Storage Weber LLC	Delaware
BCORE MF Jaguar Investors LLC	Delaware
BCORE MF Jaguar Member LLC	Delaware
BCORE Storage Galm LP	Delaware
BCORE MF Eagles PT LLC	Delaware
BCORE MF Belmont LLC	Delaware
BCORE MF Bexley LLC	Delaware

BCORE Storage 157 South LP	Delaware
BCORE MF Briargate LLC	Delaware
BCORE MF Steele Creek LLC	Delaware
BCORE MF Citigate LLC	Delaware
BCORE MF Lakeside LLC	Delaware
BCORE MF Notting Hills LLC	Delaware
BCORE MF Harbortown LLC	Delaware
BCORE MF Notting Hills LLC	Delaware
BCORE MF KO Park LP	Delaware
BCORE MF Jaguar TX GP LLC	Delaware
BCORE MF Breckinridge LP	Delaware
BCORE Storage Galm LLC	Delaware
BCORE Georgetown Owner LLC	Delaware
BCORE Georgetown Industrial Investors LLC	Delaware
BCORE Shield Investors LLC	Delaware
BCORE Shield Holdco LLC	Delaware
BCORE Shield Mezz LLC	Delaware
BCORE Shield 6933 Preston Owner LLC	Delaware
BCORE Shield 8661 Kems Owner LLC	Delaware
BCORE Shield 13379 Jurupa Owner LLC	Delaware
BCORE Shield 5086 4th Owner LLC	Delaware
BCORE Shield 20 Kimberly Owner LLC	Delaware
BCORE Shield 22 Kimberly Owner LLC	Delaware
BCORE Shield 30 Kimberly Owner LLC	Delaware
BCORE Shield 2000 Henderson Owner LLC	Delaware
BCORE Shield 2500 Henderson Owner LLC	Delaware
BCORE Shield 2300 Newlins Mill Owner LLC	Delaware
BCORE Shield 36 Great Valley Owner LLC	Delaware
BCORE Shield 8275 Patuxent Range Owner LLC	Delaware
BCORE Shield 8001 Research Owner LLC	Delaware
BCORE MF Breckinridge GP LLC	Delaware
BCORE Storage Highway 90 LLC	Delaware
BCORE Storage West King LLC	Delaware
BCORE Storage Schenck LLC	Delaware
BCORE Storage Jennetta LP	Delaware
BCORE Albacore L.P.	Delaware
BCORE Albacore Holdings LLC	Delaware
BCORE Albacore GP LLC	Delaware
BCORE Albacore GP II LLC	Delaware
BREIT TH MHC Parent 2 LLC	Delaware
BREIT TH MHC GP 2 LLC	Delaware
BREIT TH MHC JV 2 L.P.	Delaware
BCORE MF Woodstock Member LLC	Delaware
BCORE MF Woodstock Owner LLC	Delaware
BCORE SH Alafaya Member LLC	Delaware
BCORE SH Alafaya Owner LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement No. 333-249070 on Form S-11 of our report dated March 24, 2020, relating to the financial statements of Blackstone Real Estate Income Trust, Inc. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Deloitte & Touche LLP

New York, New York
January 15, 2021

CONSENT OF INDEPENDENT AUDITORS

We consent to the use in this Registration Statement No. 333-249070 on Form S-11 of Blackstone Real Estate Income Trust, Inc. of our report dated December 12, 2019, relating to the combined statement of revenues and certain operating expenses of Jupiter 12 Industrial Portfolio for the year ended December 31, 2018. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Deloitte & Touche LLP

New York, New York
January 15, 2021

Consent of Independent Valuation Advisor

We hereby consent to the reference to our name (including under the heading “Experts”) and the description of our role under the headings “Net Asset Value Calculation and Valuation Guidelines—Our Independent Valuation Advisor” and “Net Asset Value Calculation and Valuation Guidelines—Valuation of Investments” in the Registration Statement on Form S-11 of Blackstone Real Estate Income Trust, Inc., to be filed on the date hereof, and in the prospectus to be included therein. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

/s/ Altus Group U.S. Inc.

Altus Group U.S. Inc.

New York, New York

January 15, 2021

Policy with Respect to Certain Charter Provisions

November 10, 2020

It shall be a policy of Blackstone Real Estate Income Trust, Inc. (the “Company”) for the Board of Directors of the Company to act in a manner consistent with the amendments to the Second Articles of Amendment and Restatement of the Company (the “Charter”) proposed at the 2019 Annual Meeting of the Company, as amended below. The amendments conformed certain provisions of the Charter with the Statement of Policy Regarding Real Estate Investment Trusts promulgated by the North American Securities Administrators Association, Inc. and were as follows:

A. The first proposed charter amendment was to revise the definition of “Acquisition Expenses” in Article IV as follows:

“Acquisition Expenses” shall mean any and all expenses, exclusive of Acquisition Fees, incurred by the Corporation, the Advisor or any Affiliate of either in connection with the selection **and acquisition of any assets, whether or not acquired, including, without limitation, legal fees and expenses, travel and communications expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses and title insurance premiums and the costs of performing due diligence.**

B. The second proposed charter amendment was to revise the definition of “Independent Director” in Article IV as follows:

“Independent Director” shall mean a Director who is not on the date of determination, and within the last two years from the date of determination has not been, directly or indirectly associated with the Sponsor or the Advisor by virtue of (i) ownership of an interest in the Sponsor, the Advisor or any of their Affiliates (other than ownership of an interest **that was (a) divested before the later of July 31, 2019 and appointment to the board and (b) de minimis relative to its owner’s net worth**), (ii) employment by the Sponsor, the Advisor or any of their Affiliates, (iii) service as an officer or director of the Sponsor, the Advisor or any of their Affiliates, (iv) performance of services, other than as a Director, for the Corporation, (v) service as a director or trustee of more than three REITs organized by the Sponsor or advised by the Advisor or (vi) maintenance of a material business or professional relationship with the Sponsor, the Advisor or any of their Affiliates. A business or professional relationship is considered “material” if the aggregate gross income derived by the Director from the Sponsor, the Advisor and their Affiliates exceeds 5% of either the Director’s annual gross income, derived from all sources, during either of the last two years or the Director’s net worth on a fair market value basis. An indirect association with the Sponsor or the Advisor shall include circumstances in which a Director’s spouse, parent, child, sibling, mother- or father-in-law, son- or daughter-in-law or brother- or sister-in-law is or has been associated with the Sponsor, the Advisor, any of their Affiliates or the Corporation.

C. The third proposed charter amendment was to revise Sections 5.2.2 and 11.2 as follows:

Section 5.2.2 Voting Rights. Subject to the provisions of Article VI and except as may otherwise be specified in the Charter, each Common Share shall entitle the holder thereof to one vote per share on all matters upon which Stockholders are entitled to vote pursuant to Section 11.2 hereof. Except as may be provided otherwise in the Charter, **and subject to the express terms of any series of Preferred Shares, the holders of the Common Shares shall have the exclusive right to vote on all matters (as to which a common stockholder shall be entitled to vote pursuant to applicable law) at all meetings of the Stockholders.**

Section 11.2 Voting Rights of Stockholders. Subject to the mandatory provisions of any applicable laws or regulations, the Stockholders shall be entitled to vote only on the following matters: (a) election or removal of Directors, without the necessity for concurrence by the Board, as provided in Sections 11.1 hereof; (b) amendment of the Charter as provided in Article XIII hereof; (c) dissolution of the Corporation; (d) merger or consolidation of the Corporation, or the sale or other disposition of all or substantially all of the Corporation’s assets; and (e) such other matters with respect to which the Board of Directors has adopted a resolution declaring that a proposed action is advisable and directing that the matter be submitted to the Stockholders for approval or ratification. Without the approval of a majority of the Shares entitled to vote on the matter, the Board may not (i) amend the Charter to adversely affect the rights, preferences and privileges

of the Stockholders; (ii) amend provisions of the Charter relating to Director qualifications, fiduciary duties, liability and indemnification, conflicts of interest, investment policies or investment restrictions; (iii) liquidate or dissolve the Corporation other than before the initial investment in Property; (iv) sell all or substantially all of the Corporation's assets other than in the ordinary course of business or as otherwise permitted by law; or (v) cause the merger or reorganization of the Corporation except as permitted by law.

D. The fourth proposed charter amendment was to revise the third sentence of Section 7.1 as follows:

Upon Commencement of the Initial Public Offering, a majority of the Board will be Independent Directors except for a period of up to 60 days after the death, removal or resignation of an Independent Director pending the election of such Independent Director's successor.

E. The fifth proposed charter amendment was to revise the fourth sentence of Section 8.2 as follows:

The Independent Directors are responsible for reviewing the fees and expenses of the Corporation at least annually or with sufficient frequency to determine that the fees and expenses incurred are reasonable in light of the investment performance of the Corporation, its Net Assets, its Net Income and the fees and expenses of other comparable unaffiliated REITs.

F. The sixth proposed charter amendment was to revise Section 8.5 as follows:

Section 8.5 Disposition Fee on Sale of Property. The Corporation may pay the Advisor a real estate commission upon the Sale of one or more Properties, in an amount equal to one-half of the Competitive Real Estate Commission paid but not to exceed 3% of the sales price of such Property or Properties. Payment of such fee may be made only if the Advisor provides a substantial amount of services in connection with the Sale of such Property or Properties, as determined by a majority of the Independent Directors. In addition, the amount paid when added to all other real estate commissions paid to unaffiliated parties in connection with such Sale shall not exceed the lesser of the Competitive Real Estate Commission or an amount equal to 6% of the sales price of such Property or Properties.

G. The seventh proposed charter amendment was to revise Section 9.3(c) and 9.3(d) as follows:

(c) The Corporation shall not invest in or make any Mortgage unless an appraisal is obtained concerning the underlying property except for those loans insured or guaranteed by a government or government agency. In cases in which a majority of Independent Directors so determine, and in all cases in which the transaction is with the Advisor, the Sponsor, any Director or any Affiliate thereof, such appraisal of the underlying property must be obtained from an Independent Appraiser. Such appraisal shall be maintained in the Corporation's records for at least five years and shall be available for inspection and duplication by any holder of Common Shares. In addition to the appraisal, a mortgagee's or owner's title insurance policy as to the priority of the Mortgage or condition of the title must be obtained.

(d) The Corporation shall not invest in or make any Mortgage, including a construction loan, on any one Real Property if the aggregate amount of all mortgage loans on such Real Property, would exceed an amount equal to 85% of the appraised value of such Real Property as determined by appraisal unless substantial justification exists because of the presence of other underwriting criteria. For purposes of this subsection, the "aggregate amount of all mortgage loans outstanding on the property, including the loans of the Corporation" shall include all interest (excluding contingent participation in income and/or appreciation in value of the mortgaged property), the current payment of which may be deferred pursuant to the terms of such loans, to the extent that deferred interest on each loan exceeds 5% per annum of the principal balance of the loan.

H. The eighth proposed charter amendment was to revise subpart (a) of the last sentence of Article XIV as follows:

(a) that would result in the holders of Common Shares having democracy rights in a Roll-Up Entity that are less than the rights provided for in Sections 11.1, 11.2, 11.3, 11.6 and 12.1 hereof;