Blackstone

April 2024

Our Commitment to Being Responsible Owners

Blackstone is incredibly proud of its investments in housing. We bring our expertise, responsible ownership approach and capital to the industry, having spent billions of dollars through both our equity investments and lending activities to make existing communities better places to live, add to the supply of housing and create thousands of jobs in local communities. We believe this process enables us to generate value in our investments, make assets more attractive, and ultimately benefits our investors.

We hold ourselves and our operators to the highest standard of care and put the wellbeing of our residents first. We prioritize open and transparent communication, best-in-class management, meaningful investment, respect for our residents and community impact. **During the pandemic, Blackstone recognized that many were experiencing extreme hardship. We believe we are the only major landlord in the US that did not evict a single tenant for non-payment during those 2+ years.**

We strive every day to find ways to improve the neighborhoods in which we invest. Ultimately, this enables us to deliver returns for our investors, who include retirement systems for frontline workers and public servants, representing more than 100 million pensioners around the world.

Above: A Blackstone Real Estate community in South Florida

We want to help clarify misunderstandings about the role of institutional investors, and Blackstone specifically, in the housing market.

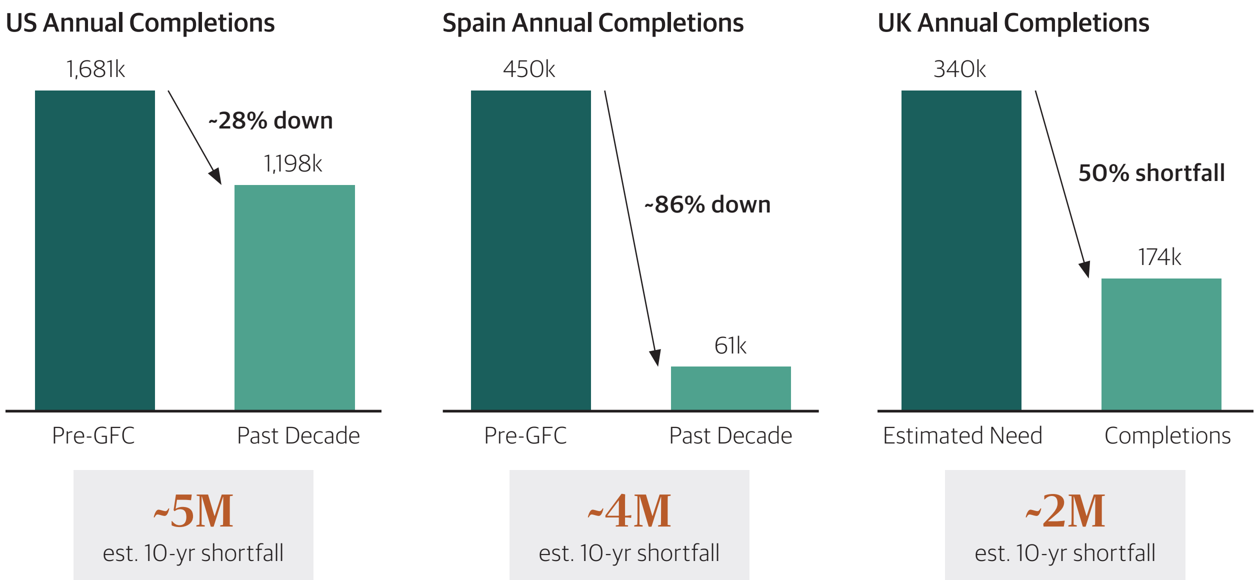
Myth: Blackstone owns a significant portion of the global housing market and is driving up rents in the places it invests.

Fact: We own less than 1% of rental housing in the US and every market across the UK and Europe where we own assets. Given our ownership levels, we have virtually no ability to impact market rent trends. Rents are going up because there is significantly less supply of housing across the globe than demand for it.

Myth: Individuals and families are getting priced out of the housing market because Blackstone and other institutional investors have started buying so many homes, converting them to rentals.

Fact: Housing prices are high due to a significant supply and demand imbalance that has persisted for over a decade. While the US population has nearly doubled since 1960, single-family housing starts are lower.

Undersupply at the Root of the Housing Crisis Globally



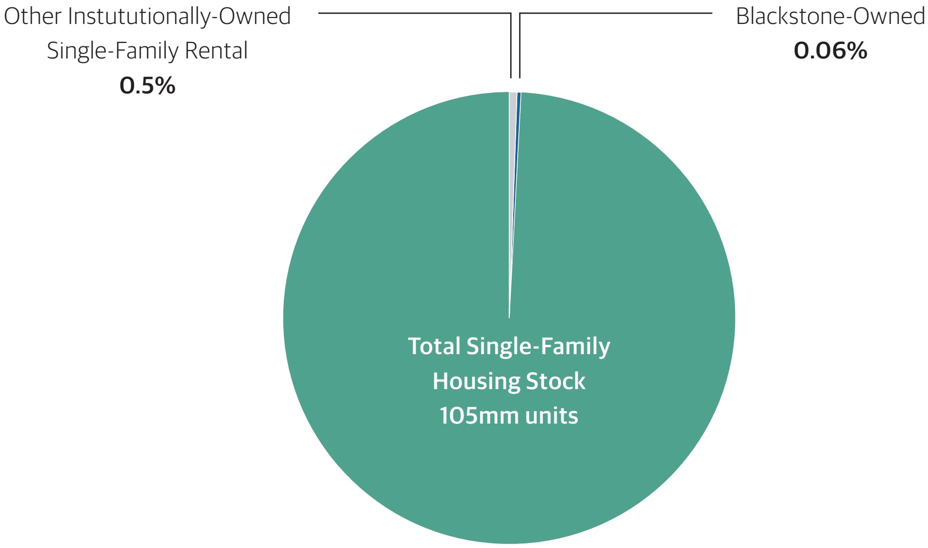
Source: US: Census Bureau, as of December 31, 2023. Pre-GFC reflects 1998 – 2007. Spain: Ministry of Development, as of December 31, 2023. Past decade reflects 2014 – 2023. U.K.: Estimated Need – House of Commons Library – Tackling the Under-Supply of Housing, February 2022; Completions – Ministry of Housing, Communities & Local Government, as of February 2023, represents estimated fiscal year 2022 / 2023 completions.

Single-family rentals are not the cause of home price appreciation in recent years. Even prior to the Global Financial Crisis, there were roughly 12 million single-family homes for rent.

Blackstone only owns approximately 0.06% of the 105 million single-family homes in the US, and in aggregate, institutions own only 0.5%.[1] Purchase levels have fallen dramatically with institutional single-family rental buying activity down ~90% from two years ago, and investors owning 8% fewer single-family homes than they did 7 years ago.

Across the top 18 markets where Blackstone acquired single-family rental homes in 2022, Blackstone's acquisitions on average represented less than 1% of all housing sales. Therefore, it is virtually impossible for Blackstone to move the market.

Institutional Ownership as a % of total Single-Family Housing Stock



Source: John Burns Real Estate Consulting.

Our portfolio company Home Partners enables families that would otherwise be locked out of traditional single-family housing to access homes of their choosing. Home Partners' residents have a median FICO score of 650 compared to 770[2] for the median US homebuyer, and Home Partners gives them the ability to buy the home of their dreams. In January 2022, Home Partners announced a program to invest at least $1 billion to help low-to-moderate-income families and historically under-represented communities on their path to home ownership by offering them rents approximately 10% below market.

Our commitment to supporting greater affordability extends to Europe where we have committed more than £3.7 billion and our portfolio company Sage Homes has delivered more than 14,500 new affordable homes, with another 8,000 in the pipeline to be delivered by 2030. More than 1.2 million households are currently on local authorities' housing waiting lists across England. Sage Homes is the largest provider of newly built affordable homes in England and has been for three years running – 2021, 2022 and 2023 – contributing to the much needed supply.

Myth: Blackstone's presence in housing is having a negative impact on the industry.

Fact: Blackstone's capital, coupled with our responsible approach to ownership, enables us to provide residents with the highest standard of care and make communities better places to live.

Our investments in US Affordable Housing have been through our perpetual capital vehicles, where we intend to own assets for the long-term. Rents at the majority of these properties are set by government regulation through the LIHTC program, and we simply follow the legal guidelines. The rent restrictions on our LIHTC buildings have 18 years of remaining term, on average, and we intend to keep them affordable for the long-term, beyond when the programs expire.

Additionally, in 2023, our portfolio company April Housing launched its tax resyndication platform. In the first year alone, April is on track to renovate and extend affordability of more than 4,100 affordable housing units in Texas, Ohio and Nebraska. Blackstone has also invested $116 million to develop nearly 800 brand new, affordable housing units in Denver and Phoenix, together with Dominium.

At StuyTown in New York City, we voluntarily preserved 5,000 units as affordable housing – something other investors may not have been willing to do. We made this commitment while also investing more than $425 million in the property.

Myth: Blackstone cuts corners to drive their bottom line, limiting services for tenants.

Fact: We are committed to the highest standards of care, including best-in-class management and meaningful capital investment. We have invested ~$14B to create and improve our residential properties globally since 2014, creating thousands of jobs and contributing to local economies in the process. The truth is that our scale allows us to provide high-quality services and generate significant cost savings through thoughtful procurement strategies for our residents because we have the resources to do so.

Our dedication to improving our properties and our residents' experiences has resulted in significant increases in resident satisfaction. Across our US multifamily investments, we have achieved an 18% increase in reported resident satisfaction rates as compared to the prior ownership.[3] StuyTown's Net Promoter Score, a widely used consumer satisfaction measurement, has increased ~3X since our investment.

Myth: Blackstone is a short-term investor focused on "buying, fixing and selling" as quickly as possible.

Fact: Our goal is to build businesses that have enduring value—even beyond our ownership period. In doing so, we are able to generate great outcomes for investors, employees and customers.

Myth: Blackstone is less likely to work with residents who fall behind on rent than other landlords and is more likely to pursue evictions.

Fact: We take great pride in supporting residents through challenging times and go above and beyond what others may provide for their residents. We believe we are the only major landlord in the US that did not evict a single resident for non-payment during 2+ years of the pandemic. Prior to the pandemic, we had an eviction rate in the US that was less than half the historical national average, and in Europe, our eviction rate was less than 1%.[4]

During the pandemic, we also voluntarily waived fees, implemented flexible payment plans and offered free counseling to all residents who needed assistance navigating support programs across the US.

Eviction is never a desired outcome. When residents are unable to meet their obligations, we work diligently to reach a favorable resolution for both parties.

Myth: Blackstone doesn't care about the communities it operates in.

Fact: We have a deep respect for the communities where our properties are located. In every community we invest in, we think creatively about how to give back to those in need and make our residents' lives better. For example:

- In London, we partnered with Habitat for Humanity GB to deliver social housing through its Empty Spaces project, which converts empty commercial spaces into affordable homes for vulnerable groups facing homelessness.
- CoreGiving, a non-profit made up of Blackstone real estate portfolio companies, raised over $4.4 million to fund more than 20 million meals for children and families in 2023 to help eliminate the growing problem of childhood hunger.
- The Blackstone Charitable Foundation has distributed $170+ million globally since 2007.

Note: All figures as of December 31, 2023, unless otherwise indicated.

1. Owners with >1000 homes.
2. As of February 2024. Note: current residents' FICO scores reflect 82% of current residents as HPA switched to TransUnion's ResidentScore beginning September 15, 2023.
3. Based on Google Reviews at LivCor properties and calculated using a weighted average of reviews through January 31, 2024; includes properties with at least 5 Google Reviews before and after acquisition.
4. Blackstone US eviction rate in 2019 compared to historical national average as of 2016.