Blackstone Real Estate Income Trust

July 3, 2023

Dear Investor,

Thank you for your investment in Blackstone Real Estate Income Trust, Inc. ("BREIT") and entrusting Blackstone as a steward of your capital.

We built BREIT as an all-weather strategy designed to deliver strong performance across market cycles and it has delivered a 12% annualized net return since inception (January 1, 2017)*, outperforming publicly traded REITs by over 3x.[1,2] In today's environment, you can't paint real estate with a broad brush and where you invest matters. We are seeing significant dispersion across real estate sectors and believe BREIT is very well positioned with +9% cash flow growth in the first quarter.[3] Our portfolio is concentrated in the best performing sectors and fastest growing regions: ~80% rental housing, industrial and data centers where fundamentals and cash flows remain strong[4,5] and ~70% Sunbelt markets which have higher growth than the rest of the country.[6] Just as critical is what we don't own. We have virtually no exposure to certain challenged sectors such as commodity office, for-sale housing and regional malls, and BREIT has a strong balance sheet with ~90% fixed rate debt for the next 6+ years.[7]

We absorbed the impact of a higher interest rate environment by increasing BREIT's assumed exit cap rates by +13% and discount rates by +9% since December 2021.[8] Importantly, over the last three months, we have seen a stabilization of assumed exit cap rates across BREIT's portfolio. At the same time, interest rates have declined meaningfully from the October peak which, if sustained, should be a long-term positive for real estate values. Furthermore, new supply in our core sectors is down ~25-45% which should support fundamentals in the medium term.[9]

Since BREIT's formation over six years ago, its Share Repurchase Plan (the "Repurchase Plan") has allowed for repurchases up to 2% of net asset value ("NAV") in any month and 5% of NAV in a calendar quarter, subject to BREIT's majority independent Board of Directors' broad repurchase discretion.[10] This structure was designed to both prevent a liquidity mismatch and maximize long-term shareholder value. BREIT has paid out $8.1B to redeeming shareholders since November 30, 2022 when proration began.[11] A shareholder who began submitting repurchase requests when proration began has received over 90% of their money back and the semi-liquid structure is working as intended.[10,12]

In June 2023, BREIT received $3.8B in requests under the Repurchase Plan, which is 29% lower than the peak in January 2023 and the lowest month of repurchase requests this year.[13] In accordance with the Repurchase Plan, BREIT fulfilled requests equal to 2% of NAV in each of April and May, leaving 1% of NAV eligible for repurchase in June. Accordingly, BREIT is fulfilling approximately $628M, which is equal to 1% of NAV and represents 17% of the shares submitted for repurchase.[10] Repurchases were fulfilled at the May 31, 2023 NAV per share for your applicable share class.

Under the Repurchase Plan, unfulfilled repurchase requests are not carried over automatically to the next month. If you would like to resubmit any unsatisfied portion of your current repurchase request for repurchase in the future, you will need to submit a new repurchase request for these shares prior to 4:00 p.m. (ET) on the second-to-last business day of the applicable month. Pursuant to the Distribution Reinvestment Plan ("DRIP"), any shares not submitted for repurchase will remain in the DRIP while any unfulfilled portion of your repurchase request will no longer participate in the DRIP. If you would like the unfulfilled portion of your repurchase request to remain in the DRIP, please contact your financial representative. Further details on BREIT's Repurchase Plan and BREIT's NAV per share are available at www.breit.com, or in its public filings, available on the Securities and Exchange Commission's website at www.sec.gov.

Looking ahead, we remain confident that BREIT's portfolio will continue to be well-positioned to deliver strong performance and consistent distributions, while providing investors access to the diversification benefits of high-quality real estate as a core portfolio holding.[14]

Sincerely,

Blackstone Real Estate Income Trust

*Please refer to BREIT's Fact Card available at www.breit.com for current monthly performance information.

Past performance does not guarantee future results. BREIT performance referenced above reflects Class I shares**.** Cash flow growth referenced herein refers to same property net operating income ("NOI") growth. Financial data is estimated and unaudited. All figures as of May 31, 2023 unless otherwise noted. Opinions expressed reflect the current opinions of BREIT as of the date appearing in the materials only and are based on BREIT's opinions of the current market environment, which is subject to change. Certain information contained in the materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

This document 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 "outlook," "indicator," "believes," "expects," "potential," "continues," "identified," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates", "confident," "conviction" or other similar words or the negatives thereof. These may include financial estimates and their underlying assumptions, statements about plans, objectives, intentions, and expectations with respect to positioning, including the impact of macroeconomic trends and market forces, future operations, repurchases, acquisitions, 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 include but are not limited to those described under the section entitled "Risk Factors" in BREIT's prospectus and annual report for the most recent fiscal year, and any such updated factors included in BREIT's periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document (or BREIT's public 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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1. Represents Class I shares. Inception to date ("ITD") returns for the other share classes: Class D shares (no sales load) 11.6%; Class D shares (with sales load) 11.3%; Class S shares (no sales load) 10.8%; Class S shares (with sales load) 10.2%; Class T shares (no sales load) 11.1%; Class T shares (with sales load) 10.5%. Class D, Class S and Class T shares listed as (with sales load) reflect the returns after the maximum upfront selling commission and dealer manager fees. Returns shown reflect the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any distribution per share declared in the period. **All returns shown assume reinvestment of distributions pursuant to BREIT's distribution reinvestment plan, are derived from unaudited financial information, and are net of all BREIT expenses, including general and administrative expenses, transaction-related expenses, management fees, performance participation allocation, and share class-specific fees, but exclude the impact of early repurchase deductions on the repurchase of shares that have been outstanding for less than one year.** The inception dates for the Class I, D, S and T shares are January 1, 2017, May 1, 2017, January 1, 2017 and June 1, 2017, respectively. **The returns have been prepared using unaudited data and valuations of the underlying investments in BREIT's portfolio, which are estimates of fair value and form the basis for BREIT's NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated.** As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be different. **Past performance is not necessarily indicative of future results.** ITD returns are annualized consistent with the IPA Practice Guideline 2018.
2. Publicly traded REITs represented by the MSCI U.S. REIT Index total gross return as of May 31, 2023. BREIT's Class I inception date is January 1, 2017. During the period from January 1, 2017 to May 31, 2023, BREIT Class I's net return was 3.2x greater than the gross returns of the MSCI U.S. REIT Index.
3. Net Operating Income ("NOI") is a supplemental non-generally accepted accounting principles ("GAAP") measure of our property operating results that we believe is meaningful because it enables management to evaluate the impact of occupancy, rents, leasing activity and other controllable property operating results at our real estate. We define NOI as operating revenues less operating expenses, which exclude (i) impairment of investments in real estate, (ii) depreciation and amortization, (iii) straight-line rental income and expense, (iv) amortization of above- and below-market lease intangibles, (v) lease termination fees, (vi) property expenses not core to the operations of such properties, and (vii) other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fee paid to the Adviser, (c) performance participation allocation paid to the Special Limited Partner, (d) incentive compensation awards, (e) income (loss) from investments in real estate debt, (f) change in net assets of consolidated securitization vehicles, (g) income from interest rate derivatives, (h) net gain (loss) on dispositions of real estate, (i) interest expense, (j) gain (loss) on extinguishment of debt, (k) other income (expense), and (l) similar adjustments for NOI attributable to non-controlling interests and unconsolidated entities. We evaluate our consolidated results of operations on a same property basis, which allows us to analyze our property operating results excluding acquisitions and dispositions during the periods under comparison. Properties in our portfolio are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. Recently developed properties are not included in same property results until the properties have achieved stabilization for both full periods presented. We define stabilization for the property as the earlier of (i) achieving 90% occupancy or (ii) 12 months after receiving a certificate of occupancy. Properties held-for-sale, properties that are being redeveloped, and interests in unconsolidated entities under contract for sale with hard deposit or other factors ensuring the buyer's performance are excluded from same property results and are considered non-same property. We do not consider our investments in the real estate debt segment or equity securities to be same property. For more information, please refer to BREIT's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 12, 2023 and the prospectus. Additionally, please refer to the below for a reconciliation of estimated GAAP net (loss) income to same property NOI for the year to date periods ended March 31, 2023 and 2022.
4. "Property Sector Concentration" weighting is measured as the asset value of real estate investments for each sector category (Rental Housing, Industrial, Net Lease, Data Centers, Hospitality, Self Storage, Retail, Office) divided by the total asset value of all real estate investments, excluding the value of any third-party interests in such real estate investments ("Real Estate TAV"). The following sectors each have subsectors comprising over 1.0% of Real Estate TAV. Rental Housing: multifamily (36%, including affordable housing, which accounts for 9%), student housing (11%), single family rental housing (8%) and manufactured housing (1%); Industrial: warehouses (22%); and Hospitality: select service hotels (2%). Please see the prospectus for more information on BREIT's investments.
5. Strong fundamentals and cash flows reflect Green Street Advisors latest sector updates available as of May 31, 2023. Represents publicly traded REIT historical same property NOI growth for the rental housing, industrial and data center sectors. Rental housing refers to multifamily (excluding affordable housing). There can be no assurance that publicly traded REIT NOI will grow as expected or that BREIT's NOI will grow as expected or keep pace with any publicly traded REIT NOI.
6. "Region Concentration" represents regions as defined by the National Council of Real Estate Investment Fiduciaries ("NCREIF") and the weighting is measured as the asset value of real estate properties and unconsolidated property investments for each regional category (South, West, East, Midwest, Non-U.S.) divided by 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 property investments. "Non-U.S." reflects investments in Europe and Canada. Sunbelt represents the South and West regions as defined by NCREIF. Reflects comparison of population, job and wage growth between the South and West regions versus the rest of the United States. Population growth reflects U.S. Bureau of Economic Analysis, as of June 22, 2022. Represents 5-year compound annual growth rate of population from mid-quarter Q1 2017 to mid-quarter Q1 2022. Job growth reflects U.S. Bureau of Labor

Statistics data as of September 16, 2022. Represents 5-year compound annual growth rate of seasonally adjusted employees on nonfarm payrolls from August 2017 to August 2022. Higher wage growth reflects U.S. Bureau of Labor Statistics, as of August 24, 2022. Represents 5-year compound annual growth rate of employment weighted average weekly wages from Q1 2017 to Q1 2022. While BREIT generally seeks to acquire real estate properties located in growth markets, certain properties may not be located in such markets. Although a market may be a growth market as of the date of the publication of this material, demographics and trends may change and investors are cautioned on relying upon the data presented as there is no guarantee that historical trends will continue or that BREIT could benefit from such trends.

7. As of March 31, 2023. Fixed rate financing is measured by dividing (i) the sum of our consolidated fixed rate debt, secured financings on investments in real estate debt with matched underlying interest rate exposure, and the outstanding notional principal amount of corporate and consolidated interest rate swaps, by (ii) total consolidated debt outstanding. 6.4 years reflects the remaining weighted average duration of fixed and swapped consolidated property level and entity level debt, and excludes BREIT's pro rata share of debt within its unconsolidated real estate investments. Low rate refers to BREIT's 4.2% weighted average interest rate of corporate and consolidated property debt, adjusted for BREIT's corporate and consolidated property interest rate hedges. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors.
8. Reflects the percent change in BREIT's weighted average portfolio-wide exit cap rates and discount rates from December 31, 2021 to May 31, 2023, weighted by BREIT's asset value in each sector for the respective time period. BREIT's asset values are calculated monthly through a robust valuation process and include ground-up, asset-by-asset valuations that reflect real time inputs, allowing us to make dynamic adjustments as the market evolves. For further information, please refer to the "Net Asset Value Calculation and Valuation Guidelines" in BREIT's prospectus, which describe our valuation process and the independent third parties who assist us.
9. Refers to supply in rental housing and industrial sectors. Housing supply reflects U.S. Census Bureau and U.S. Department of Housing and Urban Development data, as of April 30, 2023, and represents decline in new privately-owned housing units authorized in permit-issuing places from 2022 peak of March 2022 to the month ended April 30, 2023. Industrial supply reflects CoStar data as of March 31, 2023 and represents the decline in new industrial construction starts from the 2022 peak of Q3 2022 to Q1 2023.
10. Refers to the up to 2% of NAV monthly repurchase limit and up to 5% of NAV quarterly repurchase limit under the Repurchase Plan. For the avoidance of doubt, both of these limits are assessed during each month in a calendar quarter. Pursuant to the Repurchase Plan, BREIT may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in its discretion at any time. Further, our Board of Directors may make exceptions to, modify or suspend the Repurchase Plan. Please see BREIT's prospectus, periodic reporting and www.breit.com for more information on the Repurchase Plan.
11. Refers to aggregate repurchase requests fulfilled from November 30, 2022 to June 30, 2023.
12. Reflects repurchase proceeds received assuming an investor has submitted repurchase requests monthly since November 2022.
13. February repurchase requests were $3.9B, March repurchase requests were $4.5B, April repurchase requests were $4.5B and May repurchase requests were $4.4B.
14. Blackstone Securities Partners L.P. ("BSP") does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine - and BSP 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 a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may 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.

The following table reconciles GAAP net loss to same property NOI for the three months ended March 31, 2023 and 2022 ($ in thousands). Same property NOI growth for the three months ended March 31, 2023 was 9%.

	Three Months Ended March 31,		Change
	2023	2022	$
Net income (loss)	$(692,461)	$(96,579)	$(595,882)
Adjustments to reconcile to same property NOI			
Impairment of investments in real estate	12,499	-	12,499
Depreciation and amortization	999,385	915,051	84,334
Straight-line rental income and expense	(44,435)	(28,350)	(16,085)
Amortization of above- and below-market lease intangibles	(15,569)	(14,409)	(1,160)
Lease termination fees	(1,601)	(1,160)	(441)
Non-core property expenses	160,701	63,834	96,867
General and administrative	17,176	13,106	4,070
Management fee	221,138	189,150	31,988
Performance participation allocation	-	411,569	(411,569)
Incentive compensation awards[1]	6,492	9,604	(3,112)
(Income) loss from investments in real estate debt	(153,471)	18,370	(171,841)
Change in net assets of consolidated securitization vehicles	(29,254)	15,674	(44,928)
Loss (income) from interest rate derivatives	620,250	(675,790)	1,296,040
Net gain on dispositions of real estate	(121,003)	(205,262)	84,259
Interest expense	800,009	346,259	453,750
Loss (gain) on extinguishment of debt	5,258	(1,395)	6,653
Other expense	27,060	102,687	(75,627)
Income from unconsolidated entities	(444,658)	(184,225)	(260,433)
NOI attributable to non-controlling interests in third party joint ventures	(86,325)	(10,770)	(75,555)
NOI from unconsolidated entities	193,891	142,284	51,607
NOI attributable to BREIT stockholders	1,475,082	1,009,648	465,434
Less: Non-same property NOI attributable to BREIT stockholders	509,390	121,428	387,962
Same property NOI attributable to BREIT stockholders	**$965,692**	**$888,220**	**$77,472**

1. Included in rental property operating and hospitality operating expense on our Condensed Consolidated Statement of Operations.