

Blackstone REIT, Blackstone Infrastructure Partners to Buy Data Center REIT in \$10 Billion Deal

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On Monday, private equity giant Blackstone (NYSE: BX) confirmed that Blackstone Real Estate Income Trust Inc., the company's non-traded real estate investment trust, and Blackstone Infrastructure Partners will purchase all outstanding shares of QTS Realty Trust (NYSE: QTS), a publicly traded REIT focused on data center assets.

The Blackstone funds will pay \$78.00 per share in an all-cash transaction valued at approximately \$10 billion, including the assumption of debt. The purchase price represents a premium of 21 percent to QTS' closing share price on June 4, 2021, and a 24 percent premium to the volume weighted average share price over the last 90 days.



QTS Realty Trust owns more than 7 million square feet of data center space within North America and Europe. QTS shares jumped 21 percent to \$78.15 following the Monday announcement.

The transaction was unanimously approved by the QTS board and is expected to close in the second half of 2021, with stockholder approval.

Once the transaction is complete, QTS' common stock will no longer be listed on the New York Stock Exchange, and the company will be jointly owned by Blackstone Infrastructure Partners and Blackstone REIT.

"We are focused on investing in assets that are benefitting from strong, secular tailwinds, such as the rapid digitalization of data," said Tyler Henritze, head of acquisitions Americas for Blackstone Real Estate. "QTS is a leading provider of data center solutions with a portfolio of high-quality assets in desirable markets, positioning it well to capitalize on these powerful trends in the data center space."

The definitive merger agreement includes a 40-day "go-shop" period that will expire on July 17, 2021, which allows QTS and its representatives to actively solicit and consider alternative acquisition proposals.

Blackstone has \$649 billion in assets under management through investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.

Blackstone REIT is a non-traded REIT that launched in August 2016 and has raised \$26.6 billion in three public offerings as of April 2021. As of April 30, 2021, the REIT's property portfolio was valued at roughly \$39.6 billion. The REIT's investments in real estate debt totaled nearly \$5.4 billion and investments in unconsolidated entities totaled \$1.3 billion.

Blackstone Infrastructure Partners is a permanent capital vehicle focused on investing across all infrastructure sectors, including transportation, energy (utilities, midstream and renewables), communications, and water and waste.

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