

Blackstone Targets European CRE in Next Buying Round



According to a recent Bloomberg report, Blackstone Inc. CEO, Steve Schwarzman, has indicated that the company will be sharply focused on UK and EU markets in the coming months.

Schwarzman pointed to interest rate hikes among European banks as a key factor in property sales, adding that this creates an environment favorable to large-scale investors like Blackstone.

Warehouses, Dorms and Data Centers

Among the asset classes Blackstone plans to target are warehouses, student housing, and data centers, all sectors that have performed strongly this year. These are also areas where Blackstone has already deployed capital in recent months, including a \$449 million acquisition of student dorms in London and Edinburgh.

In an interview for Bloomberg TV, Schwarzman noted: “We’ve gone through a big fundraising cycle. So we have over \$200 billion dollars. It’s one of the biggest pools of uninvested capital in the world, and that will be deployed in due course.”

Schwarzman added that Blackstone has been “seeing some very, very good buys” in European real estate markets.

Long-Term Strategy

For those who’ve kept an eye on Blackstone’s investment strategy over the past few years, these latest moves are unlikely to come as a surprise.

Blackstone’s interest in warehousing in particular stretches back through 2017, when the company first started snapping up warehouses across Europe. Many of those deals were on the smaller side, but still proved to be smart moves as the properties in question later surged in value.

Opportunities in APAC

The private equity giant has also targeted similar assets further east, including large-scale investments into property in India. Reuters reports that Blackstone manages over \$50 billion worth of assets in the country, and, as in Europe, data centers and warehousing form a large part of those investments. In mid-2023, the company also targeted data center and hospitality assets in Japan, as well as buying up student housing in Australia.

Ramping Up for 2024

As these latest developments show, Blackstone seems to be gearing up for a stronger 2024, and a move into a new phase of the dealmaking cycle. Schwarzman sums up: “The deal business is not totally in mothballs and these things start again. I think we’re more on that side of the cycle, although it has been somewhat dreary for a year.”