

Blackstone Invests \$270 Million to Acquire Two Luxury Student Housing Projects in Tucson and Tempe



The District on 5th, 555 N
5th Ave., Tucson, AZ

TUCSON, Arizona – New York-based, Blackstone Group LP paid \$112 million (\$536,780 per unit) for The District on 5th, a 208-unit student housing complex near University of Arizona in Tucson. The 5-story building, built in 2011, is located at 550 N 5th Avenue in Tucson with 764 student beds in one-two-, three- and four-bedrooms with resort-style luxury amenities.

The transaction was part of a portfolio acquisition totaling \$1.2 billion that Blackstone Real Estate Income Trust Inc. acquired from EdR Student Housing Portfolio in a joint venture with Greystar Real Estate Partners.

In June, Blackstone Real Estate Income Trust, Inc. (“BREIT”) announced an agreement to acquire the EdR Student Housing Portfolio, with 10,500 beds across 20 assets, for \$1.2 billion, in a 95%/5% BREIT-led joint venture with Greystar Real Estate Partners.

The Blackstone Group LP also paid \$158.1 million (\$566,666 per unit) for The District on Apache, a 279-unit student housing complex near Arizona State University in Tempe. The 6-story building at 977 E. Apache Boulevard features a lazy river pool design and an outdoor movie theater.

Both transactions were in conjunction with Greystar’s

previously announced \$4.6 billion acquisition of Education Realty Trust (EdR), including debt to be assumed or refinanced.

That huge portfolio includes 45,000 beds serving 47 universities in 26 states with projects at ASU and other universities, including University of Arizona in Tucson, University of California Berkeley, University of California Riverside, University of Virginia, University of Colorado Boulder and Penn State.

The Portfolio includes student housing assets adjacent to top-tier universities that have demonstrated strong enrollment growth, such as University of California Berkeley, University of California Riverside, University of Virginia, University of Arizona, Arizona State University, University of Colorado Boulder and Penn State.

The portfolio has consistently maintained occupancy rates over 97 percent and has achieved 98.5 percent beginning occupancy with 3.2 percent annual rate growth for the 2018-2019 academic year, according to New York-based Blackstone.

The Greystar/EdR team will continue to manage the assets.