

Driving Performance

An Interview with Katie Keenan, Senior Managing Director, Blackstone

EDITORS' NOTE Katie Keenan is the Global Head of Core+ Real Estate and the Chief Executive Officer of Blackstone Real Estate Income Trust ("BREIT"). She previously served as the Global Co-Chief Investment Officer of Blackstone Real Estate Debt Strategies ("BREDS") and the Chief Executive Officer, President and a Director of Blackstone Mortgage Trust, a publicly-traded commercial mortgage REIT managed by Blackstone. Prior to joining Blackstone in 2012, Keenan held positions at G2 Investment Group, Lubert-Adler Real Estate Funds, and in the Real Estate Investment Banking Group at Lehman Brothers. She sits on the Board of Directors of Getting Out and Staying Out and the Advisory Board of Governors of NAREIT, and is a member of WX New York Women Executives in Real Estate. Keenan graduated cum laude with an AB degree in history from Harvard College.



Katie Keenan

FIRM BRIEF Blackstone (blackstone.com) is the world's largest alternative asset manager, with more than \$1 trillion in assets under management. The firm serves institutional and individual investors by building strong businesses that deliver lasting value. Blackstone's scale – with 12,500+ real estate assets and 250+ portfolio companies – enables the firm to invest in dynamic sectors positioned for long-term growth.

Will you discuss your career journey?

I've always loved real estate and always knew I wanted a career with a steep learning

curve and ongoing potential for growth. When I entered the industry, a great place for this was investment banking – and so I started my career in Lehman Brothers' Real Estate Investment Banking Group, at an interesting moment in the cycle – 2005. There, I saw the peak of the pre-GFC period, and then, the other side. It made me a very balanced investor, understanding opportunities but also risks, and how to manage various macro environments. From there, I moved into investing roles at Lubert-Adler and G2 Investment Group, which gave me hands-on experience managing real estate portfolios and seeing investments through the full life cycle.

In 2012, I joined Blackstone where I was immediately impressed by the firm's energy, pace, and entrepreneurial culture. I came up through our real estate debt investment team, working with a diverse array of real estate borrowers on some of their largest and most complex financings to create attractive investments for our clients. Over time, I took on various leadership roles within our Real Estate Debt Strategies Group (BREDS), including becoming President in 2020 and then CEO in 2021 of Blackstone Mortgage Trust (BXMT), a publicly-traded commercial mortgage REIT managed within BREDS. Stepping into this seat at the height of a global pandemic was certainly a formative moment in my career, and over the next several years I navigated the company through challenging markets, driving prudent capital allocation and balance sheet management, and ultimately bringing the

company back to growth mode. I also oversaw the launch of several other strategies in the Core+ real estate credit space as Co-CIO of BREDS. Today, I serve as Global Head of Core+ Real Estate and as the CEO of Blackstone Real Estate Income Trust (BREIT).

Will you provide an overview of this new role?

As Global Head of Blackstone's Core+ business and CEO of BREIT, I oversee our Core+ open-ended funds and perpetual vehicles globally. In that role, I focus on driving performance across each of these strategies by building long-term, resilient portfolios with the aim of optimizing returns in a variety of market environments. Our overall Core+ strategy focuses on investing in stable, high-quality real estate assets with durable income streams and significant long-term, compounding growth potential. Since launching Core+ in 2013, we have expanded it into a \$121 billion platform, making it a key component of Blackstone's position as the world's largest owner of commercial real estate, and I'm focused on driving the next phase of performance and growth.

What makes you excited about the year ahead?

There's a lot to be excited about. Definitely the outlook for BREIT, which represents some of Blackstone's best work. The portfolio is concentrated in high growth sectors like data centers, logistics and rental housing, spread out across the Sunbelt, which continue to benefit from higher population, job and wage growth. Our conviction in these sectors and markets is supported by long-term, secular megatrends

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that we believe will continue to generate outsized growth. For example, BREIT's investment in QTS Data Centers, the largest and fastest-growing data center company in the world, is driven by our belief that AI, the cloud and the digitization of our economy are driving generational demand.

Since launching in 2017, these thematic investments have delivered strong and differentiated results for BREIT investors. BREIT has generated a 9.2 percent net return for its largest share class since inception – a 60 percent premium to public real estate – and a 6.8 percent net return for the first 11 months of the year. At the same time, BREIT is cycle-tested and its semi-liquid structure has worked as designed to prevent a liquidity mismatch and maximize long-term stockholder value.

It is an incredibly interesting time to be investing in real estate right now. Values have inflected, and we believe the pillars of the real estate recovery are firmly in place to drive continued growth. New construction is down dramatically in our key sectors and capital markets are liquid and improving, which are both helping drive the ongoing real estate recovery.

How do you describe Blackstone's culture and values?

Blackstone's culture is based on a relentless drive to deliver for our investors – through hard work, creativity, and leveraging our scale and experience to create differentiated investment opportunities. It is also a culture defined by integrity, kindness, and respect – which creates a fruitful environment to attract and retain the best talent. And it's a highly entrepreneurial

place – any time we think we've accomplished our goal, there is another one on the horizon. For high performers, this is so energizing, and I think it happens at every level.

What have been the keys to Blackstone's industry leadership?

Our ability to combine scale with precision and pattern recognition – and then act on it. Our portfolio, spanning more than 12,500 real estate assets and hundreds of companies across the firm, gives us significant visibility into market dynamics. This allows us to anticipate shifts before they become widely recognized as we aim to act decisively on high-conviction conclusions.

At all times, our top priority is delivering performance for our investors. That drive, which starts at the top of the organization, ensures we never lose focus.

You've worked across various businesses at the firm. What are some commonalities you see across the real estate business?

Across the business, we start with a thematic, data-driven view of the world, identifying trends and patterns and then considering how they manifest across sectors or geographies. Our scale amplifies this advantage. With assets and companies across geographies and sectors, we have a unique real-time lens into market behavior. This allows us to spot emerging opportunities and risks early, and to move quickly – whether that means leaning into an acquisition, executing a capital markets transaction, or making a change in our strategy.

I think the other common thread is our process. We make decisions thoughtfully, building

consensus among a deeply experienced leadership team. This allows us to bring insights and expertise from across the business to everything we do, which I think drives much better outcomes.

Do you feel that there are strong opportunities for women to grow and lead in the industry?

Yes, and I think there are many great examples of this across the industry. Meritocracy is critical in a performance-oriented business like ours, but we have to have our eyes open to talent beyond our immediate circles, making sure our recruitment processes, professional networks, and talent pipelines are as broad as possible, and that we knock down false barriers or unnecessary friction. This responsibility falls on everyone, not just women, and I'm proud of how we've done it here at Blackstone where I've been fortunate to have many sponsors, both female and male. It is encouraging to see more women in senior roles in the industry, but our work is not done.

What advice do you offer to young people beginning their careers?

My advice to young professionals is to take on stretch experiences as early in your career as you can. If you are asked to do something before you feel you're ready, say yes! Work hard and leverage the resources and people around you to help. It will be an invaluable experience, you'll learn a ton and will likely find that you're more experienced and qualified than you think. Opportunities rarely follow a perfectly linear timeline or path – be open to walking through new doors, even if you're not sure where they will lead. ●

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