

September 18, 2019

Blackstone Acquires Dream Global

Davies, together with Simpson Thacher & Bartlett LLP in London and New York, Hengeler Mueller in Germany, and various other local counsel, acted for Blackstone, one of the world's leading investment firms, in its all-cash acquisition of Dream Global Real Estate Investment Trust (Dream Global). The transaction, valued at approximately \$6.2 billion, was an opportunity for Blackstone to expand its existing office and logistics portfolios in some of the largest and most important markets in Western Europe. Blackstone's businesses, with \$545 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment-grade credit, real assets and secondary funds, all on a global basis.

Owning and operating a diversified, high-quality portfolio of office and industrial properties located in key Western European markets, Dream Global has achieved tremendous growth since its 2011 IPO. With the completion of the transaction, Dream Global has increased its equity market capitalization by nearly eight times and has delivered total annualized returns exceeding both the Canadian and European REIT benchmarks by approximately 60%. James Seppala, Head of Blackstone Real Estate Europe, noted that Blackstone is "delighted to be acquiring Dream Global, a high-quality and diversified portfolio of office and logistics assets...created by Dream over the last eight years."

Dream Asset Management (DAM) established Dream Global in 2011 and has served, under an asset management agreement (the AMA), as Dream Global's external asset manager since inception. The transaction required a separation of the AMA from DAM. Accordingly, a special committee of the Dream Global board negotiated a separation payment with DAM. As part of the transaction, DAM received an aggregate of \$395.2 million with respect to Dream Global's obligations under the AMA.

The transaction was subject to the approval of at least 66 2/3% of the votes cast by Dream Global unitholders at a special meeting and a majority of the votes cast by unitholders other than DAM and other related parties. The transaction closed on December 10, 2019.

The Davies team that worked on this transaction included Vincent Mercier, Kevin Greenspoon and Emily Uza (Corporate/M&A); David Reiner (Real Estate); John Ulmer and Neal Armstrong (Tax); and Anita Banicevic and Alysha Manji-Knight (Regulatory).