June 20, 2019

COPT Completes Data Center Shell Joint Venture

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) announces the formation of a joint venture with Blackstone Real Estate Income Trust, Inc. ("BREIT") to acquire seven of COPT's existing, single-tenant, data center shell properties, which contain 1.2 million square feet of warehouse space, for a total value of approximately $265 million. COPT received $238.5 million in proceeds from this transaction. The joint venture will be owned 90% by BREIT and 10% by COPT.

"We are excited to form this new partnership with Blackstone, and believe this transaction demonstrates the strength of demand for strategically located data center shell properties leased to high credit tenants, as well as the strength of our development platform," stated Stephen E. Budorick, COPT's President & Chief Executive Officer.

North American Data Centers and KeyBanc Capital Markets served as COPT's advisors on this transaction.

About COPT

COPT is a REIT that owns, manages, leases, develops and selectively acquires office and data center properties in locations that support the United States Government and its contractors, most of whom are engaged in national security, defense and information technology ("IT") related activities servicing what it believes are growing, durable, priority missions ("Defense/IT Locations"). The Company also owns a portfolio of office properties located in select urban/urban-like submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and characteristics ("Regional Office Properties"). As of March 31, 2019, the Company derived 89% of its core portfolio annualized revenue from Defense/IT Locations and 11% from its Regional Office Properties. As of the same date and including six buildings owned through an unconsolidated joint venture, COPT's core portfolio of 163 office and data center shell properties encompassed 18.2 million square feet and was 93.7% leased; the Company also owned one wholesale data center with a critical load of 19.25 megawatts.

About BREIT

Blackstone Real Estate Income Trust, Inc. is a perpetual-life, monthly NAV REIT that seeks to invest in stabilized, income-generating U.S. commercial real estate across the key property types, including multifamily, industrial, retail and hotel assets, and to a lesser extent in real estate-related securities. BREIT is externally managed by BX REIT Advisors L.L.C., a subsidiary of Blackstone (NYSE: BX), a global leader in real estate investing. Blackstone's real estate business was founded in 1991 and has approximately $140 billion in investor capital under management. Further information is available at www.breit.com.

Forward-Looking Information

This press release may contain "forward-looking" statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are based on the Company's current expectations, estimates and projections about future events and financial trends affecting the Company's financial condition and operations of its business. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "could," "believe," "anticipate," "expect," "estimate," "plan" or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- *general economic and business conditions, which will, among other things, affect office property and data center demand and rents, tenant creditworthiness, interest rates, financing availability and property values;*
- *adverse changes in the real estate markets including, among other things, increased competition with other companies;*
- *governmental actions and initiatives, including risks associated with the impact of a prolonged government shutdown or budgetary reductions or impasses, such as a reduction in rental revenues, non-renewal of leases, and/or reduced or delayed demand for additional space by the Company's strategic customers;*
- *the Company's ability to borrow on favorable terms;*
- *risks of real estate acquisition and development activities, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;*
- *risks of investing through joint venture structures, including risks that the Company's joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company's objectives;*
- *changes in the Company's plans for properties or views of market economic conditions or failure to obtain development rights, either of which could result in recognition of significant impairment losses;*
- *the Company's ability to satisfy and operate effectively under Federal income tax rules relating to real estate investment trusts and partnerships;*
- *possible adverse changes in tax laws;*
- *the dilutive effects of issuing additional common shares;*
- *the Company's ability to achieve projected results;*
- *security breaches relating to cyber attacks, cyber intrusions or other factors; and*
- *environmental requirements.*

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company's filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

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