Blackstone Property Partners Europe Holdings S.a.r.l.

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This report does not constitute a rating action.

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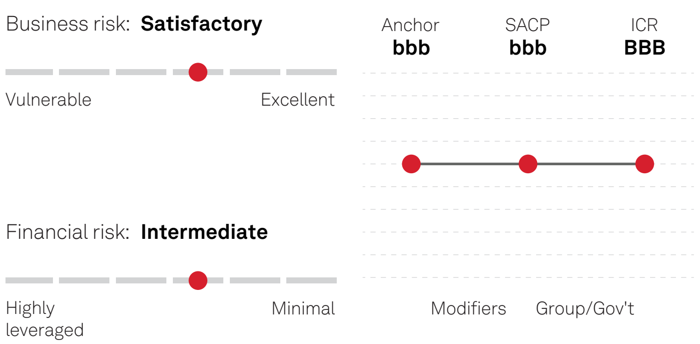
Ratings Score Snapshot



Issuer credit rating

BBB/Stable/--

ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
A large and diversified property portfolio valued at €10.4 billion as of end-2025. The portfolio mainly comprises logistics assets, at 58% of total gross asset value (GAV), which are primarily located in the U.K., France, and the Nordics. Residential assets account for 21% of GAV, with key locations in Berlin and Amsterdam.	Geopolitical risks and economic uncertainty could weigh on demand for logistics real estate, which represented 58% of total portfolio GAV as of end-2025.
Portfolio asset quality is strong, with most properties in prime urban centers or key logistics corridors.	Potential uptick in inflation could result in tighter financing conditions and widening yields, which could affect real estate valuations .
Favorable supply-demand dynamics for logistics and residential segments support rental growth, as contracts are generally inflation-linked or subject to regular rent reviews. In-place rents were 19% below market levels at end-2025. This should support stable operating performance in the next 12 months.	Slowing demand for logistic assets and uptick in new supply in certain markets across Europe could weigh on segmental occupancy.
Large, unencumbered asset base and large cash balance and committed revolving credit facilities (RCFs) totaling €1.7 billion as of Dec. 31, 2025, in addition to a further €2.3 billion of soft commitments under its unsecured bank facilities, mitigate	Short weighted average debt maturity profile of 3.2 years, pro forma for the €650 million senior unsecured issuance completed in January 2026.

Overview

Key strengths	Key risks
refinancing risks and cover upcoming debt maturities of about €600 million over the next 12-18 months.	

S&P Global Ratings expects Blackstone Property Partners Europe Holdings S.a.r.l. (BPPEH)'s rental income to benefit from indexation and expected positive rental reversions, partially mitigating softer letting activity in the logistics segment. BPPEH posted solid like-for-like (LFL) rental income growth of 5.0% in 2025, outperforming inflation. This growth was driven by robust LFL increases in its logistics (+4.1%) and residential (+5.7%) portfolios. This performance occurred despite a deterioration in occupancy, particularly within the logistics segment (which represents 58% of portfolio GAV); where LFL occupancy fell by 185 basis points (bps) due to softened demand and new supply deliveries. Overall portfolio occupancy remained stable at 91% year on year, notwithstanding the sale of fully occupied logistics and office assets in 2025, supported by high and stable occupancy of residential assets at 98%.

We forecast LFL growth of 3.0%-3.5% in 2026 and 2.5%-3.0% in 2027, supported by higher expected indexation in 2026 before inflation softens in 2027. We expect BPPEH to offset the potential impact of occupancy declines on overall rental income, specifically in logistics, through rental uplift from lease renewals or new lettings, particularly in the residential segment. The fund's current delta between in-place rents and estimated rental values sits at approximately 19%, which supports future rental and cash flow growth. This should support EBITDA expansion and mitigate any valuation headwinds stemming from potential yield expansion.

Successful asset disposals and subsequent debt repayment further improved leverage despite increased shareholder remuneration. BPPEH significantly reduced S&P Global Ratings-adjusted net debt to €4.3 billion in 2025 from €5.3 billion in 2024, primarily through asset disposals, resilient cash flow, and a disciplined financial policy. BPPEH completed about €3.6 billion of asset disposals in the last two years (€2.1 billion in 2024, and €1.5 billion in 2025). Consequently, the fund repaid approximately €713 million in gross debt in 2025, reducing gross debt to approximately €5.14 billion from €5.85 billion at end-2024. Reported net loan-to-value (LTV) improved to 41% from 43%; this translates to S&P Global Ratings-adjusted debt-to-debt plus equity of 41.7% (compared with 44.0% in 2024).

In 2026, we expect BPPEH to continue rotating mature, fully occupied assets with long lease terms, targeting approximately €500 million in disposals (BPPEH has completed €168 million in asset sales year to date). We assume the proceeds are intended to fund €130 million-€140 million in development capital expenditure (capex) and around €400 million in shareholder remuneration, while maintaining leverage at 42%-43%. Although BPPEH could shift its priority to increased shareholder distributions and growth investments from debt reduction, we expect the fund to maintain leverage ratios below 50%, commensurate with the 'BBB' rating. LFL valuations were flat in 2025, increasing 0.3%, as cash flow growth mitigated the impact of yield expansion. We expect valuation growth to remain flat as sustained cash flow growth continues to offset potential yield expansion.

BPPEH should therefore maintain healthy EBITDA interest coverage despite our expectation of increasing cost of debt over the next 12-24 months and lower EBITDA following asset disposals. The fund's average cost of debt could reach 2.4%-2.6% as low-cost bond maturities are refinanced with higher interest cost. However, the increase will be partially mitigated by BPPEH's proactive liability management. Rather than fully refinancing upcoming debt maturities, BPPEH utilized cash on its balance sheet for partial debt repayment to manage its interest burden. For example, in June 2026, BPPEH used balance sheet cash to redeem a €600 million bond (1% coupon) to avoid higher refinancing rates. Similarly, the fund issued in January 2026 a €650 million 5-year senior unsecured bond (3.5% coupon) to retire higher margin secured loans, limiting the pressure on average cost of debt.

Proactive liability management and leverage reduction should also accommodate for decreasing EBITDA as a result of asset disposals. S&P Global Ratings-adjusted EBITDA decreased to €369.1 million in 2025 from €379.9 million because of closed disposals in 2024-2025. We forecast EBITDA will decrease to €340 million-€350 million in 2026 before increasing slightly to €345 million-€355 million in 2027 on the back of rental growth, the delivery of residential units under renovation, and lower asset disposals of around €500 million in 2026 and €300 million in 2027. BPPEH maintains a resilient capital structure with predominantly fixed-rate debt eliminating direct interest rate volatility risk. Furthermore, following the January 2026 issuance and subsequent secured debt repayments, the capital structure comprises approximately 94% unsecured debt (pro forma), providing significant financial flexibility to access secured funding if capital market conditions tighten.

Despite a shorter weighted average debt maturity profile of 3.2 years pro forma for the January 2026 issuance, the group's liquidity will be supported by large cash balances, a €800 million RCF, and expected asset disposal proceeds. BPPEH's average debt maturity stood at 3.2 years as of Dec. 31, 2025 (pro forma for the January 2026 issuance and subsequent secured debt repayments). The fund proactively managed its maturity profile by redeeming a €600 million bond in June 2026, originally due in October 2026, with available cash balance of about €965 million as of March 2026. This liquidity position is further bolstered by completed year-to-date asset sales, an €800 million undrawn RCF, and the fund's proven track record of capital market access. BPPEH is subject to potential redemptions from investors which could result in liquidity pressure. We understand BPPE has discretion to meet redemptions and is not forced to sell assets to avoid liquidity runs and distressed asset sales. That said the fund will likely continue to use a portion of liquidity raised from disposals to meet redemption requests and maintain a comfortable liquidity and credit metrics buffer before meeting redemption requests.

Outlook

The stable outlook reflects our view that BPPEH will likely continue to generate stable and predictable income from its assets in good locations. We also expect the company to benefit from leases mostly indexed to inflation or regular rent reviews, and the wide-ranging diversification within its portfolio. Our base-case scenario also factors in our expectation that BPPEH continue with itsdividend distributions, while maintaining its financial ratios in line with its financial policy of a 45%-50% reported LTV, commensurate with the current rating. Therefore, we forecast that BPPEH will maintain debt to debt plus equity of about 42.0%-45.0%; debt to EBITDA of 12.0x-13.0x; and EBITDA interest coverage of 2.7x-2.9x in the next 12-24 months.

Downside scenario

We could lower our rating on BPPEH in the next 12-24 months if, on a prolonged basis:

- Debt to debt plus equity increases above 50%;
- EBITDA interest coverage falls below 2.4x; or
- Debt to EBITDA deviates significantly from our base case.

This could happen if BPPEH fails to comply with its financial policy or experiences higher portfolio devaluation than we currently assume.

Upside scenario

We could take a positive rating action if the company adopts a significantly more conservative financial policy such that:

- EBITDA interest coverage remains comfortably above 3.0x;
- Debt to EBITDA decreases to about 11.0x;
- Debt to debt plus equity decreases to 40% or below over a sustained period; and
- BPPEH maintains the scale and underlying diversity of its portfolio, with robust operating performance indicators.

We could also raise the rating if BPPEH significantly expands its portfolio and increases its diversification while maintaining its financial ratios and high-quality asset profile. An upgrade would also entail portfolio expansion focusing on prime assets in markets across Europe that benefit from sustained demand.

Our Base-Case Scenario

Assumptions

- Eurozone real GDP decline to about 0.5% in 2026 and 1.0% in 2027 from 1.5% in 2025, with the consumer price index to increase to about 3.1% in 2026 and 2.2% in 2027 from 2.1% in 2025. We expect the labor market to remain tight with unemployment rate at about 6.3% in 2026 and 6.1% in 2027.
- We forecast similar real GDP growth in the U.K. in 2026 of 0.9% and 1.2% in 2027, with higher inflation of 3.2% in 2026 and 2.5% in 2027. We expect unemployment in the U.K. to remain low at 5.1% in 2026-2027 compared with 4.9% in 2025.
- LFL rental growth of 3.0%-3.5% in 2026 and 2.5%-3.0% in 2027 based on increasing indexation and positive rental reversions. We expect BPPEH to increase rental income above inflation, capturing positive rental reversions across the portfolio as current in place rents are 19% below market levels.
- We expect occupancy levels to remain at 91%-93% over the forecast period. We expect occupancy of its residential portfolio to remain high at 98%.
- EBITDA margins of 77%-79% over the forecast period on the back of increasing rental income on a LFL basis, offset by cost inflation and asset management fees.
- Flat portfolio valuation over the forecast period based on potential further yield expansion being compensated with cash flow growth.
- Capex of €130 million-€140 million in 2026 including maintenance and refurbishment capex, followed by €50 million-€70 million per year.
- No acquisitions assumed over the forecast period.
- Asset disposals of about €500 million in 2026 and approximately €300 million in disposal proceeds per year over the forecast period.

- Dividend payments of about €400 million per year through to 2028 managed at the company's full discretion, depending on cash flow generation, asset disposal amounts, and target leverage.
- Increasing average cost of debt to 2.4%-2.6% by the end of our forecast period. Partially mitigating the impact on the fund's interest burden is current lower leverage.

Key metrics

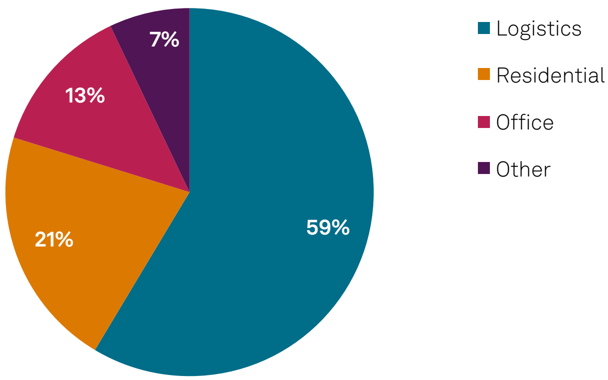
Period ending	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. EUR)	2024a	2025a	2026e	2027f	2028f
Revenue	497	467	435-440	435-445	435-445
EBITDA	380	369	340-350	340-350	345-355
Funds from operations (FFO)	187	177	180-190	180-190	160-170
Interest expense	133	120	120-130	120-130	130-140
Cash flow from operations (CFO)	193	162	170-180	170-180	160-170
Capital expenditure (capex)	114	103	130-140	60-70	50-60
Free operating cash flow (FOCF)	80	59	40-50	100-110	90-100
Dividends	284	478	400-450	400-450	400-450
Debt	5,301	4,311	4,100-4,200	4,100-4,200	4,100-4,200
Equity	6,757	6,020	5,600-5,700	5,200-5,300	4,800-4,900
Adjusted ratios					
EBITDA margin (%)	76.5	79.1	77-79	77-79	77-79
EBITDA interest coverage (x)	2.9	3.1	2.7-2.9	2.7-2.9	2.4-2.6
Debt/EBITDA (x)	14.0	11.7	12.0-12.5	12.0-12.5	12.0-12.5
Debt/debt and equity (%)	44.0	41.7	42-43	44-45	45.5-46.5

Company Description

BPPEH is a wholly owned subsidiary of Blackstone Property Partners Europe L.P. (BPPE), an open-ended, core plus fund managed by Blackstone Inc. (A+/Stable/--). BPPEH's portfolio consisted of 709 individual assets spread across 12 countries, mainly western Europe, with a GAV of €10.4 billion as of Dec. 31, 2025, primarily across logistics, residential, and office assets.

BPPEH's property portfolio

Share of total portfolio GAV as of Dec. 31, 2025



GAV-- Gross asset value. Source: Fund annual report.

Peer Comparison

Blackstone Property Partners Europe Holdings S.a r.l.--Peer Comparisons

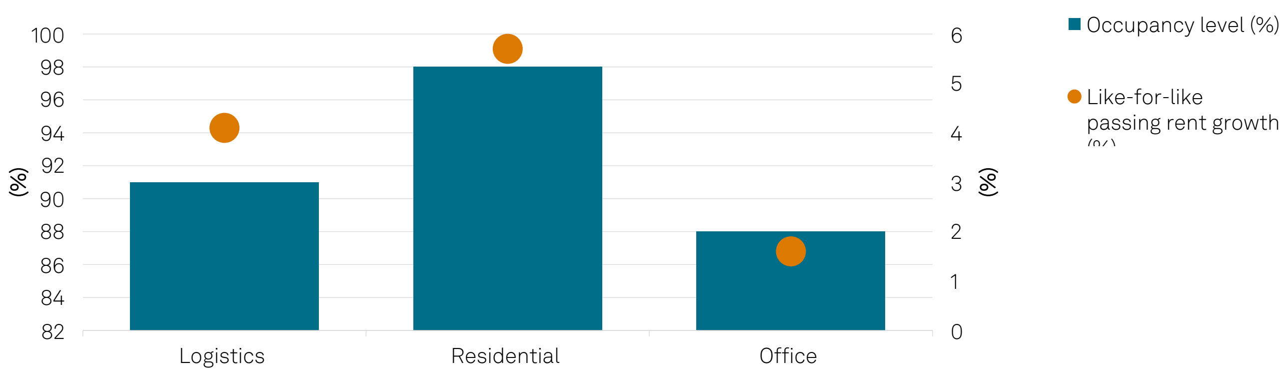
	Blackstone Property Partners Europe Holdings S.a.r.l.	Aroundtown S.A.	CBRE Open-Ended Funds S.C.A. SICAV-SIF.	Axa Core Europe Fund S.C.S., Sicav-Sif	Prologis European Logistics Fund, FCP-FIS
Foreign currency issuer credit rating	BBB/Stable/--	BBB/Stable/A-2	BBB+/Stable/--	BBB+/Stable/--	A-/Stable/A-2
Local currency issuer credit rating	BBB/Stable/--	BBB/Stable/A-2	BBB+/Stable/--	BBB+/Stable/--	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2025-12-31	2025-12-31	2025-12-31
Revenue	467	1,515	312	316	1,117
EBITDA	369	950	202	184	951
Funds from operations (FFO)	177	481	141	135	667
Interest expense	120.1	423.1	52.9	37.1	196.4
Operating cash flow (OCF)	162	458	119	158	614
Capital expenditure	103	442	109	116	174
Dividends paid	478.4	43.5	101.3	106.4	507.6
Cash and short-term investments	892	4,030	228	265	90
Debt	4,311	13,257	1,746	1,561	6,208
Equity	6,020	12,912	5,750	4,123	13,783
Valuation of investment property	10,364.0	24,916.0	76,71.5	5,440.6	21,310.7
Adjusted Ratios					
EBITDA margin (%)	79.1	62.7	64.8	58.4	85.2
EBITDA interest coverage (x)	3.1	2.2	3.8	5.0	4.8
Debt/EBITDA (x)	11.7	14.0	8.6	8.5	6.5
Debt/debt and equity (%)	41.7	50.7	23.3	27.5	31.1

Business Risk

BPPEH's business risk profile is underpinned by its solid portfolio size of about €10.4 billion as of Dec. 31, 2025. BPPEH is highly diversified with a presence in 12 countries and strong exposure to the U.K. (37% of portfolio GAV), Germany (18% of GAV), France (11% of GAV), and the Netherlands (10% of GAV).

BPPEH's asset portfolio is also highly diversified across three main segments: logistics (58% of GAV), residential (21% of GAV), and office (13% of GAV) as of Dec. 31, 2025. The asset diversity via the large number of assets owned (709 as of end-2025), coupled with the fund's geographic, tenant, and segmental diversification, support the fund's cash flow resilience and stability. Similarly, the portfolio's current in place rents are 19% below current market rents and offer significant rental upside potential which should support EBITDA growth as the fund captures the embedded rental reversions.

BPPEH's segment operating performance



Source: Fund annual report.

BPPEH's logistics assets are located in key distribution corridors across Europe (mainly the U.K., France, Nordics, Germany, the Netherlands, Poland, Spain, Italy, and Switzerland). Occupancy of its logistics portfolio stays at 91% despite the disposal of fully occupied mature assets in 2025. Current lower occupancy is due to recent new supply coming into the markets where BPPEH is present as well as softening demand for logistics space.

We expect new supply to decrease but occupancy will remain lower than in the past five years as market demand takes time to absorb the recent increase in logistics space supply. That said we expect BPPEH logistics portfolio to be resilient on the back of its good asset locations, long lease terms of 6.4 years, and embedded positive rental reversions of 15% as of end-2025.

BPPEH's residential portfolio is composed of around 6,700 units spread across Berlin (44% of GAV) and Amsterdam (35%), with some exposure to Milan (7%), the U.K. (7%), the rest of Germany (4%), and the Netherlands (3%). Its residential assets are in central locations, where demand and supply imbalance supports high occupancy, flat at 98% (excluding assets under refurbishment) as of end-2025.

BPPEH posted 5.7% LFL growth in passing rents for its residential portfolio as of end-2025, driven by recent renovation efforts and strong demand for recently renovated flats in the city centers of

Amsterdam, Berlin, and Milan. We view positively BPPEH's exposure to residential assets due to their countercyclical profile and more defensive cash flow profile, which compensate for the more volatile and cyclical commercial real estate. That said, the fund has a track record of active asset management and capital recycling which have resulted in changing exposure to different segments over its history and creating value through renovation and active letting strategies.

BPPEH also owns a small office portfolio consisting of 11 assets worth around €1.3 billion, pro forma for the recent two office asset disposal in Rome. The office assets are well located in the city centers of Milan, Dublin, Berlin, Munich, Paris, Rome, and Stockholm. While occupancy improved slightly by 10 bps on an LFL basis, overall occupancy decreased to 88% as of end-2025 from 90% one year earlier. But recently signed leases should bring occupancy to around 92%. Similarly, BPPEH recently signed 19,000 square meters at 51% releasing spread. Given the shorter lease maturity profile of the office segment at 3.1 years and the good quality of its assets, BPPEH should be able to capture some positive rental reversions which should compensate for the lower occupancy levels.

Our business risk profile assessment also factors in BPPEH's decreasing scale over the past 24 months following the disposal of about €3.6 billion as the company focused on asset rotation and debt repayment. We expect asset rotations to be more moderate over the next two years. Supplemented by capex investments and potential opportunistic acquisitions, this should result in a more stable overall portfolio size.

Financial Risk

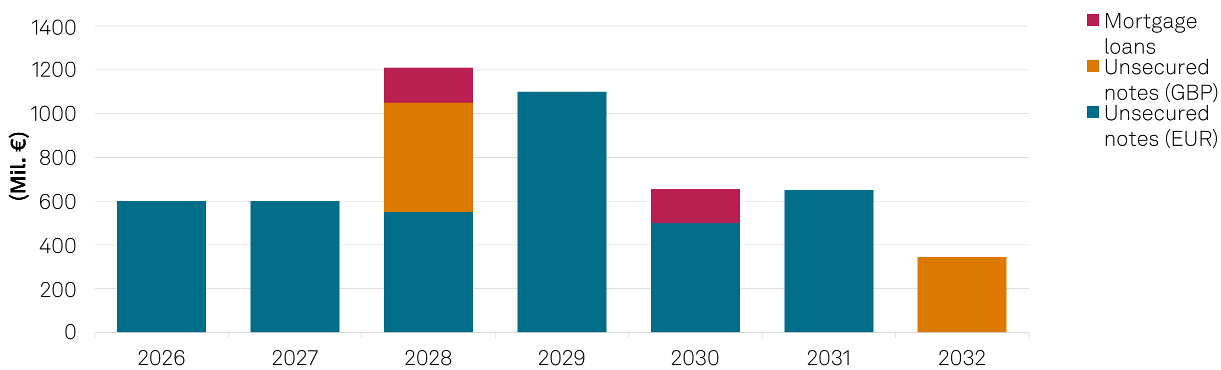
BPPEH's financial risk profile reflects the fund's moderate leverage with a reported LTV ratio of 41% as of end-2025 which translates to S&P Global Ratings adjusted debt to debt plus equity of 41.7%. Similarly, our appreciation of the fund's financial risk profile is supplemented by the fund's commitment to a financial policy of a 45%-50% LTV which should translate to below 50% for S&P Global ratings adjusted debt to debt plus equity, commensurate with the 'BBB' rating. A supportive track record of asset disposals and subsequent debt repayment also support our assessment. BPPEH completed €1.5 billion disposals in 2025 and reduced further net debt to €4.3 billion from €5.3 billion in 2024. As a result, the fund has built significant headroom both within its financial policy and the threshold for the 'BBB' rating, which supports the group's financial flexibility to absorb higher funding costs or a softer operating performance.

Lower leverage and a resilient operating performance resulted in improving net debt to EBITDA with adjusted leverage improving to 11.7x as of Dec. 31. 2025 from 14.0x one year earlier. Going forward, we expect BPPEH to reduce asset disposals and use disposal proceeds as well as cash flow to fund capex investments, opportunistic acquisitions, and shareholder distributions. The fund has no distribution or investment requirement and will therefore size any investment or distribution in line with its financial policy.

We expect EBITDA interest coverage to deteriorate slightly to 2.7x-2.9x in 2026-2027 (3.1x as of Dec. 31, 2025) on the back of increasing average cost of debt and loss of EBITDA due to disposals. We expect average cost of debt to increase to 2.4%-2.6% over the next 12-24 months. That said, the impact on the interest burden from the higher funding cost should be partially compensated by lower absolute leverage. BPPE is structured as an open-ended perpetual life fund and investors have delegated the management and investment decision-making process to the general partner of BPPE. As such, BPPE is subject to potential investor redemption requests. The fund satisfies redemption requests at the discretion of the general partner of the fund, after giving due consideration to fund liquidity and leverage, which gives BPPEH flexibility to protect the long-term value of the portfolio in the interests of stakeholders. Furthermore, as per the fund's documents, the fund is not required to sell assets to satisfy redemption requests.

Debt maturities

BPPEH's debt maturity profile



Source: Fund annual report.

EMEA REIT Financial Summary

Blackstone Property Partners Europe Holdings S.a r.l.--Financial Summary

Period ending	**Dec-31-2020**	**Dec-31-2021**	**Dec-31-2022**	**Dec-31-2023**	**Dec-31-2024**	**Dec-31-2025**
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	250	366	480	514	497	467
EBITDA	192	283	366	390	380	369
Funds from operations (FFO)	127	178	222	147	187	177
Interest expense	59	86	133	155	133	120
Operating cash flow (OCF)	119	193	212	73	193	162
Capital expenditure	57	84	136	180	114	103
Dividends paid	52	79	270	17	284	478
Cash and short-term investments	266	604	673	677	623	892
Debt	3,730	6,262	6,691	6,634	5,301	4,311
Common equity	4,076	6,909	6,407	6,866	6,757	6,020
Valuation of investment property	7,787	13,221	13,159	13,519	12,081	10,364
Adjusted ratios						
EBITDA margin (%)	77.0	77.2	76.3	75.8	76.5	79.1
EBITDA interest coverage (x)	3.3	3.3	2.8	2.5	2.9	3.1
Debt/EBITDA (x)	19.4	22.1	18.3	17.0	14.0	11.7
Debt/debt and equity (%)	47.8	47.5	51.1	49.1	44.0	41.7

Reconciliation Of Blackstone Property Partners Europe Holdings S.a r.l. Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2025									
Company reported amounts	7,413	2,046	467	569	274	221	369	161	478	103
Cash taxes paid	-	-	-	-	-	-	(59)	-	-	-
Cash interest paid	-	-	-	-	-	-	(133)	-	-	-
Lease liabilities	20	-	-	-	-	-	-	-	-	-
Accessible cash and liquid investments	(892)	-	-	-	-	-	-	-	-	-
Dividends from equity investments	-	-	-	1	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	22	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	1	-	-
Noncontrolling/ minority interest	-	662	-	-	-	-	-	-	-	-
Debt: Shareholder loans	(2,230)	-	-	-	-	-	-	-	-	-
Equity: Fair value adjustments	-	1,225	-	-	-	-	-	-	-	-
Equity: other	-	2,088	-	-	-	-	-	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E	-	-	-	(201)	(201)	-	-	-	-	-
Interest: Shareholder loan	-	-	-	-	-	(101)	-	-	-	-
Total adjustments	(3,102)	3,974	-	(200)	(180)	(101)	(192)	1	-	-
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	4,311	6,020	467	369	95	120	177	162	478	103

Liquidity

We assess BPPEH's liquidity as adequate. We anticipate that liquidity sources will likely cover uses by more than 1.2x in the 12 months from April 1, 2026. Our assessment is supported by BPPEH's large cash balances, no obligation to pay dividends, and limited capex requirements. Similarly, the company’s upsized €800 million RCF and proactive liquidity management support the fund’s liquidity position. The company’s successful track record of disposals, access to capital markets, and ability to defer redemptions by investors also support our liquidity analysis.

Principal liquidity sources	Principal liquidity uses
• About €964.9 million of cash and liquid investments as of end-March 2026; • About €800 million of availability under the RCF; and • Cash funds from operations of €195 million-€200 million over the next 12 months.	• €600 million debt maturity over the next 12 months (which was repaid in June 26); • About €110 million of capex for the refurbishment of BPPEHs' assets, though not all is committed; and • Potential dividend distribution of €400 million, although this is discretionary and not committed.

Covenant Analysis

Requirements

BPPEH had adequate headroom (more than 10%) under its euro medium-term note (EMTN) program as of Dec. 31, 2025.

The main bond covenants include the following consolidated ratios:

- Total debt to total assets to be lower than 60% (41% as of Dec. 31, 2025);
- Secured debt to total assets below 40%;
- Interest coverage ratio to remain above 1.5x; and
- Unencumbered assets to unsecured debt above 150%.

Compliance expectations

We expect BPPEH to maintain sufficient headroom under these covenants over our forecast period. It complied with all these covenants with adequate headroom of more than 10% as of end-2025.

Environmental, Social, And Governance

Environmental and social factors are an overall neutral consideration in our credit analysis of BPPEH. However, governance aspects are a moderately negative consideration in our analysis of the company. Limited transparency and public disclosure around the ownership structure and complex structure constrain our view on management and governance, especially compared with other open-ended funds, as unit holders are part of parent fund BPPE, whose transparency is limited.

With regard to environmental factors, BPPEH is carrying out a capex program across its residential platforms in Germany and the Netherlands, aimed at achieving A or B energy labels upon full renovation. About 43% of its residential assets in the Netherlands currently have an Energy Performance Certificate (EPC) rating of B or higher. BPPEH has installed 7.8 megawatts of solar capacity on its logistic assets to reduce carbon dioxide generation via the use of renewable energy as well as overall energy costs for tenants. About 81% of BPPEH's logistics assets have an EPC rating of C or higher. Environmental standards form part of its real estate's asset quality because energy-efficient buildings are significantly easier to lease or sell than those with weaker environmental credentials.

Group Influence

To benefit from the U.K. REIT regime in 2024, BPPEH reorganized its structure by transferring certain of its U.K. logistic assets to two subsidiaries (U.K. Master REIT LP and BPPE Defender 2 Jersey LP) wholly owned by parent BPPE, outside of the BPPEH perimeter. While BPPEH no longer consolidates these entities directly, the assets continue to guarantee the EMTN program. Although they are not consolidated, we view the two unconsolidated entities holding the U.K. logistic assets as well as the ArchCo Guarantor (which was already structured in a similar way) as part of the BPPEH rating group in line with our group rating methodology criteria. This is because we view the unconsolidated guarantors and BPPEH as entities with interlocking business relations via common financing and common management, cross ownerships (as all entities are ultimately subsidiaries of BPPE), and a shared corporate history. The nonconsolidated entities continue to guarantee BPPEH's EMTN program despite no longer consolidated at the BPPEH level.

Based on the perimeter of the special combined accounts provided by BPPEH, which are audited and publicly available, the management will likely prepare this set of accounts going forward, reflecting the group nature of the entities guaranteeing the EMTN program.

Issue Ratings--Subordination Risk Analysis

Capital structure

BPPEH's capital structure includes a very limited portion of secured mortgage debt (about 6% of total debt as of end-2025, pro forma for the secured debt repayment in January 2026). As a result, secured debt to total assets stood at 2.9%. In addition, BPPEH is subject to a secured debt to total assets covenant limitation in its bond documentation, set at 40%, in line with our threshold to reflect subordination risk.

Analytical conclusions

We see limited subordination risk for BPPEH's unsecured lenders as secured debt to total assets remains well below 40% (about 2.9% pro forma for the €629 million secured financing repayment in January 2026). Therefore, we continue to align our issue rating on the unsecured bonds with our long-term issuer credit rating on BPPEH at 'BBB'.

Rating Component Scores	
Foreign currency issuer credit rating	**BBB/Stable/--**
Local currency issuer credit rating	**BBB/Stable/--**
Business risk	**Satisfactory**
Country risk	Low
Industry risk	Low
Competitive position	Satisfactory
Financial risk	**Intermediate**
Cash flow/leverage	Intermediate
Anchor	**bbb**
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Moderately Negative (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	**bbb**

Related Criteria

- Criteria | Corporates | General: Methodology For Assessing Financing Contributed By Controlling Shareholders, May 15, 2025
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | Industrials: Key Credit Factors For The Real Estate Industry, Feb. 26, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Blackstone Property Partners Europe Holdings Outlook Revised To Negative On Increased Leverage; Affirmed At 'BBB', June 23, 2023

Ratings Detail (as of July 24, 2026)*

Blackstone Property Partners Europe Holdings S.a.r.l.	
Issuer Credit Rating	BBB/Stable/--
Senior Unsecured	BBB
Issuer Credit Ratings History	
28-May-2024	BBB/Stable/--
23-Jun-2023	BBB/Negative/--
03-Sep-2019	BBB/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.