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Warehouse REIT Endorses Blackstone's £489m Takeover Bid

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In a decisive move, Warehouse REIT confirmed its support for Blackstone's revised all-cash takeover offer of 115 pence per share (equivalent to approximately £489 million), withdrawing its backing for the earlier Tritax Big Box REIT cash-and-shares proposal valued at around £485.2 million. The announcement, made on Thursday, marks a significant escalation in the contest for control of the British property firm, which specialises in logistics hubs servicing retailers and parcel couriers.

Blackstone's revised all-cash offer values Warehouse REIT at 115 pence per share, slightly above Tritax's earlier proposal of 114.2 pence per share but without specifying a percentage premium. Earlier in June, Warehouse REIT had indicated support for Tritax Big Box's offer worth approximately £485.2 million, which Tritax claimed would form part of a combined logistics portfolio valued at around £7.4 billion. However, Blackstone's sweetened deal, described as a "certain all-cash offer" by Warehouse chair Neil Kirton in a statement to shareholders on Friday, has shifted the board's recommendation. Kirton emphasised the premium and certainty the Blackstone bid offers, prompting the independent directors to pivot their support.

The battle for Warehouse REIT underscores a broader trend of private equity and property firms circling UK-listed real estate investment trusts (REITs), which analysts argue are trading at undervalued prices despite a rebound in commercial property valuations. Oli Creasey, head of property research at Quilter Cheviot, commented that Blackstone's final offer was made in the context of wider interest in UK REITs but did not publicly refer specifically to the modest uplift over Tritax's proposal or quote those exact words. He drew parallels with the recent tussle for GP surgery owner Assura, where Primary Health Properties outmanoeuvred US buyout firm KKR, highlighting the allure of UK REITs to "smart money" seeking bargains.

Warehouse REIT's share price responded positively, climbing 2.7% or 3p to 115.4p on Friday, reflecting market approval of Blackstone's enhanced bid. However, not all analysts are convinced the deal is done. Matt Norris, head of real estate securities at Gravis, suggested the takeover saga could drag on, as Blackstone's offer of 113.4p per share remains well below Warehouse's last reported EPRA net tangible asset value of 128p as of 31 March 2025. In an interview, Norris remarked: "Shareholders face a choice: the certainty of cash from private equity, or the potential of long-term value through a merger with Tritax Big Box. The appeal of Blackstone's offer lies in its simplicity, cash. But certainty is not the same as value."

The contest for Warehouse REIT reflects a wider scramble for control of London-listed firms, with private equity giants leveraging their financial muscle to capitalise on perceived discounts in the UK property market. While Blackstone's cash offer provides immediate liquidity, some shareholders may question whether it fully captures the long-term potential of Warehouse's logistics-focused portfolio, especially as commercial property valuations recover. For now, the board's endorsement of Blackstone's bid signals a preference for

certainty, but the absence of a knockout offer leaves room for further twists in this high-stakes corporate tug-of-war.

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