



Digital Realty and TPG Announce Joint Venture of Hyperscale Data Centers in Northern Virginia

Jul 27, 2023

TPG Real Estate acquires 80% stake in \$1.5 billion Portfolio

AUSTIN, Texas, July 27, 2023 /PRNewswire/ -- Digital Realty (NYSE: DLR), the largest global provider of cloud- and carrier-neutral data center, colocation and interconnection solutions, and TPG Real Estate, the real estate investment platform of alternative asset management firm TPG, announced today that they have established a joint venture in which TPG will acquire a majority stake in three stabilized hyperscale data centers in Northern Virginia (the "Portfolio"). Digital Realty will maintain a minority interest in the portfolio while continuing to manage the day-to-day operations of the assets, providing a seamless customer experience.

"We welcome this partnership with TPG, a highly distinguished investment partner," said Digital Realty Chief Investment Officer Greg Wright. "The completion of this stabilized hyperscale data center joint venture bolsters and diversifies Digital Realty's capital sources with an experienced partner and further enhances the efficiency of our balance sheet. We remain focused on positioning Digital Realty to prudently support our stakeholders' longer term capacity requirements and look forward to executing on the remaining elements of our capital plan for 2023."

"Demand for data centers continues to grow rapidly due to data proliferation and the mass adoption of cloud computing. These are long-term trends that we expect will only be accelerated by recent advancements in AI," said Ty Newell, Business Unit Partner with TPG Real Estate. "Located in the largest and most densely connected data center hub in the world, the Portfolio is well-positioned to address this demand. We are excited by the outlook for the Ashburn market and look forward to working alongside a world-class partner in Digital Realty."

The three hyperscale data centers were contributed to the joint venture at an aggregate value of \$1.5 billion. The assets contain approximately 104 megawatts of IT capacity and are primarily leased by investment grade customers. Based on annualized in-place cash NOI at June 30, 2023, net of signed leases and known move-outs, the transaction values the three facilities at approximately a 6.0% cap rate. Digital Realty will receive approximately \$1.3 billion of gross proceeds related to the joint venture and the associated financing, which will be used to pay down debt, for transaction related expenses, and general corporate purposes.

TPG is investing in the Portfolio through TPG Real Estate Partners, TPG Real Estate's dedicated opportunistic real estate fund series.

About Digital Realty

Digital Realty brings companies and data together by delivering the full spectrum of data center, colocation and interconnection solutions. PlatformDIGITAL®, the company's global data center platform, provides customers with a secure data "meeting place" and a proven Pervasive Datacenter Architecture (PDX®) solution methodology for powering innovation and efficiently managing Data Gravity challenges. Digital Realty gives its customers access to the connected communities that matter to them with a global data center footprint of 300+ facilities in 50+ metros across 27 countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on [LinkedIn](#) and [Twitter](#).

About TPG Real Estate

TPG Real Estate (TPGRE) is the dedicated real estate investment platform of global alternative asset firm TPG (NASDAQ: TPG), a global alternative asset management firm with \$137 billion of assets under management. The platform systematically pursues secular growth trends and opportunities borne from dislocation, with strategies that include private equity, core plus, and residential and commercial debt. Established in 2009, TPG Real Estate Partners (TREP) is the platform's opportunistic fund series with \$12.1 billion of assets under management. TREP has built a differentiated investment portfolio comprised primarily of real estate-rich platforms and portfolios located in the United States and Europe.

For Additional Information

Investor Relations

Jordan Sadler / Jim Huseby
Digital Realty
+1 737 281 0101
InvestorRelations@digitalrealty.com

Media Contacts

Helen Bleasdale
Digital Realty
+1 737 267 6822
hbleasdale@digitalrealty.com

Courtney Power
TPG
media@tpg.com

Safe Harbor Statement

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to the disposition, the joint venture, customer demand, expected benefits, use of proceeds and the company's strategy. For a list and description of such risks and uncertainties, see the reports and other filings by the company with the U.S. Securities and Exchange Commission. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



TPG

View original content to download multimedia:<https://www.prnewswire.com/news-releases/digital-realty-and-tpg-announce-joint-venture-of-hyperscale-data-centers-in-northern-virginia-301887667.html>

SOURCE Digital Realty