

DETERMINATION OF MERGER NOTIFICATION M/21/013 – M/21/013 – BLACKSTONE/STARWOOD/EXTENDED STAY AMERICA-ESH HOSPITALITY JV

Section 21 of the Competition Act 2002

Proposed acquisition by The Blackstone Group Inc. and Starwood Capital Group of joint control of Extended Stay America Inc. and ESH Hospitality, Inc.

Dated: 13 April 2021

1. On 25 March 2021, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby The Blackstone Group Inc. (“Blackstone”) and Starwood Capital Group (“Starwood”) (together the “Acquirers”) would acquire joint control over Extended Stay America Inc. (“Extended Stay America”) and ESH Hospitality, Inc. (“ESH Hospitality”) (together the “Target”) (the “Proposed Transaction”).
2. Following completion of the Proposed Transaction, the Target will be indirectly jointly owned and controlled by affiliates of Blackstone and Starwood. The notifying parties have stated in the notification that “none of the other activities or interests of Blackstone or Starwood in the State is in any way affected by the Proposed Transaction.”
3. The business activities of the undertakings involved are:
 - Blackstone, incorporated in the United States of America, is an alternative asset manager and provider of financial advisory services. Blackstone is controlled by Blackstone Group Management L.L.C. Blackstone operates as an investment management firm and, through various investment vehicles, makes private equity, real estate, credit and hedge fund investments worldwide. Blackstone owns and controls a number of portfolio companies, each with its own board of directors which generally also includes Blackstone representatives. According to Blackstone, each company in its investment portfolio is independently managed and financed, and each has different investors, although the investors in different Blackstone funds may overlap.
 - Starwood: Starwood is a privately held global alternative investment firm with a core focus on global real estate. [...] Starwood is active in the State through Elm Park, a mixed-

use development located at Merrion Road, Dublin, comprising office, residential and retail space; and Urbeo, an Irish residential investment platform, which owns a portfolio of residential apartments in Dublin.

- The Target: Extended Stay America and ESH Hospitality are a paired company based in North Carolina who act as hotel operators and a Retail Estate Investment Trust. The Target has no activities in the State.
4. After examination of the notification, the Commission has considered that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since Blackstone and Starwood are active in the same product and geographic market, but their combined market share is less than 15% of any potential market.
 5. In light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

6. No ancillary restraints were notified.

Determination

7. The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby The Blackstone Group Inc. and Starwood Capital Group would acquire joint control over Extended Stay America Inc. and ESH Hospitality, Inc. will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah
Director
Competition Enforcement and Mergers