AT&T Closes $4.83B Tower Deal with Crown Castle

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AT&T has finalized a deal to lease the rights to approximately 9,000 of its towers [1] to Crown Castle for $4.83 billion. As part of the deal, Crown Castle will buy outright 600 of AT&T's towers as well.

With the deal done, Crown Castle earns full rights to lease and operate the 9,000 towers. AT&T will continue to sublease from Crown Castle capacity on the towers and will retain access to additional capacity in the future if needed.

As detailed in October when the transaction was initially announced, Crown Castle will have exclusive rights to the towers for a lease period of about 28 years [2]. After that, Crown Castle gets a fixed price purchase options totaling around $4.2 billion for the towers.

AT&T will sublease capacity from the towers for a minimum of 10 years at a rate of $1,900 per month per tower, with the rent rising two percent annually. During the lease, Crown Castle will be able to sublet capacity to other companies as it sees fit.

AT&T said it will use the proceeds for general corporate purposes like "opportunistic share repurchases and repayment of commercial paper."

Crown Castle is a Houston, Texas-based wireless infrastructure company that owns, builds, operates and leases towers, rooftop antennas and Distributed Antenna Systems (DAS).

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