



RESEARCH



**AT A GLANCE
Q4 2020**

HOTEL MARKET IN FRANCE

INVESTMENT IN FRENCH HOTELS AT AROUND A BILLION EUROS
IN 2020

€851.2m

INVESTED IN 2020

-67.4%

vs 2019

€25.0

REVPAR IN 2020

-61.3%

vs 2019

INVESTMENT

- Investment in hotels came in at € 851.2m in 2020, a steep fall compared to 2019 (-67.4%).
- After a sluggish third quarter, transactions ended the year on a better note with € 261.9m invested.
- The fall was due to the lack of portfolios or large single deals.
- Many players have invested off-plan, illustrating their confidence in the market's fundamentals and its ability to rebound.

TRADING PERFORMANCES

- In this unprecedented crisis, occupancy rates have fallen to 32.5% (-36.3 points). The average daily rate has also suffered, down by -18.2%, up to €77.1.
- The French hotel industry has seen major swings in business due to the health measures taken by the government.
- Regional markets proved more resilient thanks to visits from domestic customers, particularly during the summer season.
- There was less of a decline for budget hotels thanks to a gradual return of local business clients.

2021 is shaping up to be a tough year for the tourist industry with the ongoing epidemic and health restrictions. The prospect of new waves of the virus, combined with the business slowdown in activity have cast a shadow of doubt over companies and households. As such, the global effectiveness and speed of the vaccination campaign will be crucial to the revival of the hotel sector.

SLIGHT RECOVERY IN THE LAST QUARTER

€ 261.9m was invested in hotels over Q4, i.e. way less than the same quarter in 2019 (-47,6%).

Investors continued to show interest in mountain hotels, with a number of deals over the quarter. Highlights include the Montana village (217 units spread between two hotels and six apartment blocks) bought off-plan by Whitegold Hospitality as well as the 5* Altapura hotel in Val Thorens, acquired by Eoden. In Paris, we also note the acquisition of the Holiday Inn Porte de Clichy by Extendam and Catella Hospitality Europe.

FEW PORTFOLIOS TRANSACTED

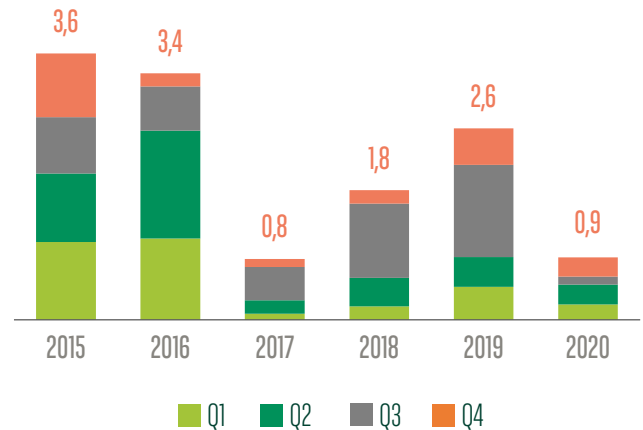
Just three hotel portfolios changed hands in 2020 compared to 10 the previous year.

These included the acquisition of a pair of B&B establishments in Saint-Denis and Meudon by Perial from Axe Promotion, and the mixed-use Urban Ivry scheme in Ivry-sur-Seine acquired by Primonial from Icade, featuring a hotel and a hotel apartment block.

TRANSACTIONS SPREAD ACROSS THE COUNTRY

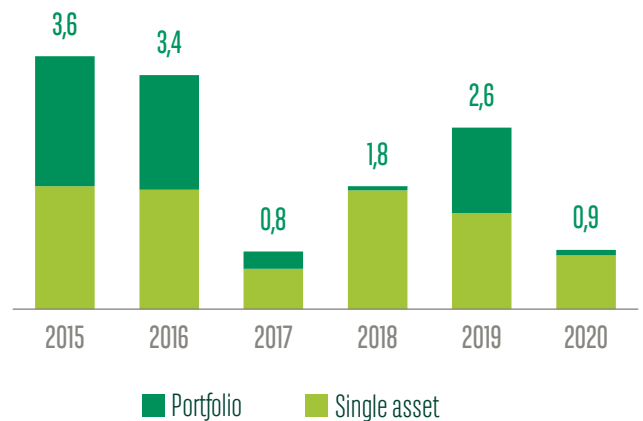
The regions represent 47.7% of investment in hotels in 2020, i.e. higher than the average for the past 10 years (35.7% between 2010 and 2020). The regions flourished thanks to investors' appetite for mountain hotels and the Nice area, which alone accounted for deals worth over € 100m. Île-de-France outside Paris Inner City also proved appealing with transactions in the Inner Rim (mixed-use Urban Ivry scheme), close to travel hubs (Novotel Suites Paris CDG) and the major tourist attractions (Eko Marne-la-Vallée, next to Disneyland and Val d'Europe).

Hotel investment in France by quarter
€ billion



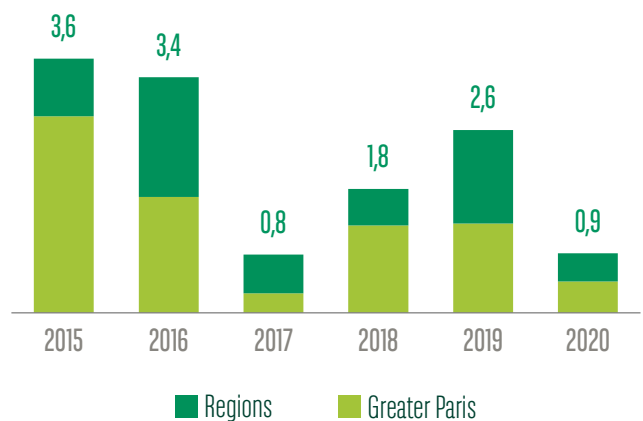
Source: BNP Paribas Real Estate

Hotel investment in France by type
€ billion



Source: BNP Paribas Real Estate

Hotel investment in France by geographic breakdown
€ billion



Source: BNP Paribas Real Estate

HOTEL BUSINESS HIT HARD

2020 was a challenging year for hoteliers, who had to deal with very varied footfall linked to the epidemic. Occupancy rates fell most during the first lockdown (up to -67.1 points in April 2020 vs. April 2019). Thanks to the easing of health restrictions, the summer season was similar to that of 2019. Tougher measures since mid-October have continued to hamper hotel trade.

BUDGET SEGMENT MORE RESILIENT THAN UPSCALE

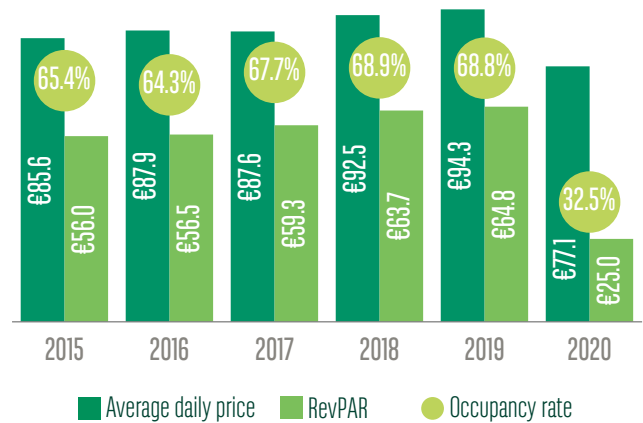
Although RevPAR fell dramatically across all categories, there were some major disparities. The super-budget segment posted the smallest decline (-43.5%) thanks to local business clients. Conversely, the lack of international customers meant that the upscale segment slumped -74.0%.

BIG CITIES HIT HARD BY THE PANDEMIC

Hotels in the main cities were worse affected by the Covid-19 epidemic. Paris (-77.7%) and Nice (-68.8%) suffered in particular from the cancellation of many trade events. None of the other cities fared much better with falls in RevPAR ranging from between -50.3% in Marseilles to -69.5% in Strasbourg.

The spells of hot weather in August 2020 boosted business on the North Atlantic coast and Normandy, visited by a local clientele. In August 2020, Normandy enjoyed the smallest decline in RevPAR of just -5.5%, vs. -35.3% for France as a whole.

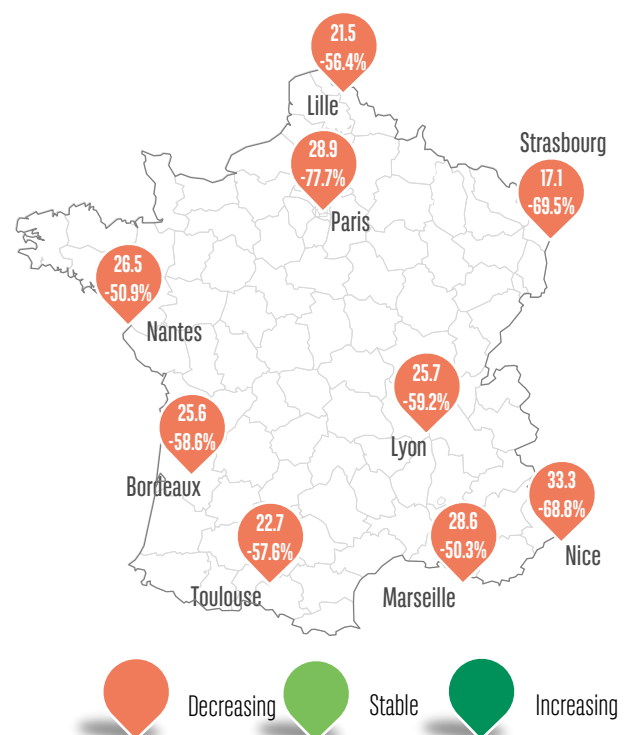
Trading performances in France
in € excluding taxes



Trading performances in France
in € excluding taxes, versus 2019

	Occupancy rate	Average daily price	RevPAR
Global	32.5%	-36.3 pts	€77.1 -18.2 %
Budget	39.5 %	-27.2 pts	€45.6 -4.6 %
Economy	33.7 %	-34.5 pts	€66.3 -7.5 %
Midscale	29.1 %	-40.3 pts	€97.0 -9.7 %
Upscale	22.0 %	-50.9 pts	€180.2 -13.7 %

RevPAR of major French cities
in € excluding taxes, versus 2019



6 BUSINESS LINES in Europe

A 360° vision

Locations

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