



RESEARCH



**AT A GLANCE
Q1 2021**

HOTEL MARKET IN FRANCE

**HOTEL BUSINESS IN FRANCE STILL LANGUISHING UNDER
RESTRICTIONS**

€165.0m

INVESTED IN Q1 2021

-21.5%

VS Q1 2020

€17.6

REVPAR IN Q1 2021

-57.3%

VS Q1 2020

INVESTMENT

- Investment in hotels came in at € 165.0m in Q1 2021, a steep fall compared to the year-earlier period (-21.5%).
- After a tough year in 2020, it has been a quiet start to the year for transactions in 2021.
- Q1 saw the finalisation of several portfolio transfers.
- Despite a difficult context, investors are still interested in hotel assets.

PERFORMANCES

- In Q1, RevPAR plummeted -57.3% due to contractions in the occupancy rate (-19.7 points) and average daily rates (-26.1%).
- Health restrictions delay the recovery of the hotel market, now expected in the summer.
- Ile-de-France hoteliers were affected by the third regional lockdown in March, with inter-regional travel restricted.
- A lost season for mountain hoteliers, due to the closure of ski lifts.

Continued acquisitions by historical investors such as Extendam and the many takers for the JJW portfolio underpinned the appeal of hotel assets.

Investment will remain very low so long as the hotel industry remains under pressure. The recovery depends on restrictions being lifted and outdoor restaurant seating reopening, which will enable hotels to welcome back customers.

LACKLUSTRE START TO 2021

The number of hotel rooms changing hands in Q1 2021 fell by -16.2%.

Nevertheless, there were three deals of over € 20m: the Novotel Thalasso in Dinard bought by FOR BZH, the Pure Valley hotel complex acquired by an investor consortium, scheduled for completion in 2022 at the Les Menuires ski resort, and a portfolio of two Accor hotels purchased by Extendam in Noisy-le-Grand.

THE RETURN OF PORTFOLIO TRANSACTIONS

Portfolio transfers were rare in 2020, but already amounted to around € 50m in the first quarter of 2021, i.e. 27.4% of total investment.

Extendam was particularly active, acquiring two portfolios: one consisting of two Ibis and Novotel hotels with a total of 305 rooms in Noisy-le-Grand, the other comprising three budget hotels in the regions with 177 rooms.

Eternam meanwhile bought a portfolio of three assets in Lille, Montesson and Tours with a total of 207 rooms, from 123 IM.

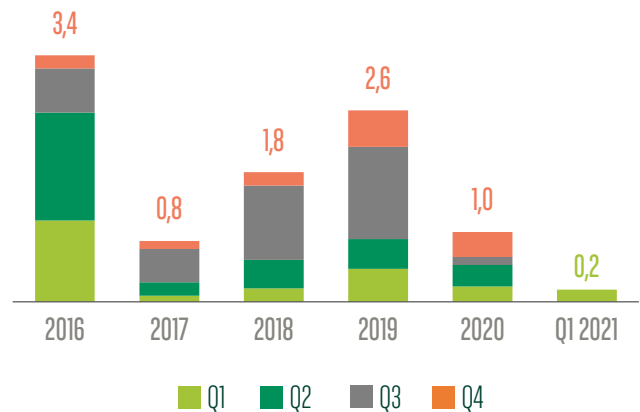
MOST TRANSACTIONS WERE IN THE REGIONS

The regions accounted for 82.4% of hotel investment in Q1 2021, so higher than the average for the last 10 years (35.9% between 2010 and 2020).

No one region particularly stood out, with deals in ski resorts (Pure Valley in Les Menuires), on the Côte d'Azur (La Bastide de Saint-Tropez) and in Loire-Atlantique (Novotel Thalasso in Pornic).

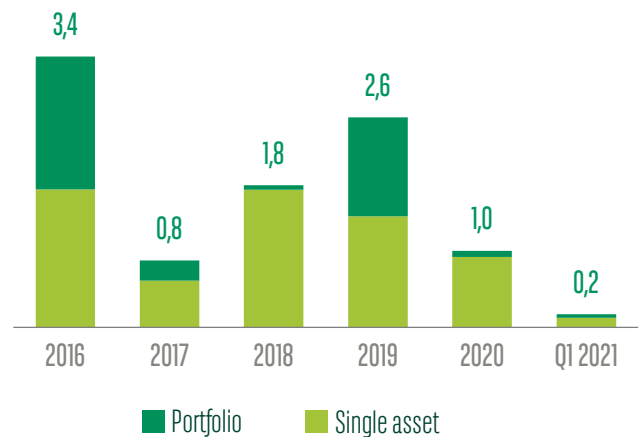
Investment was very subdued in Île-de-France, representing just 17.6% of investment in hotels in the first quarter.

Hotel investment in France by quarter
€ billion



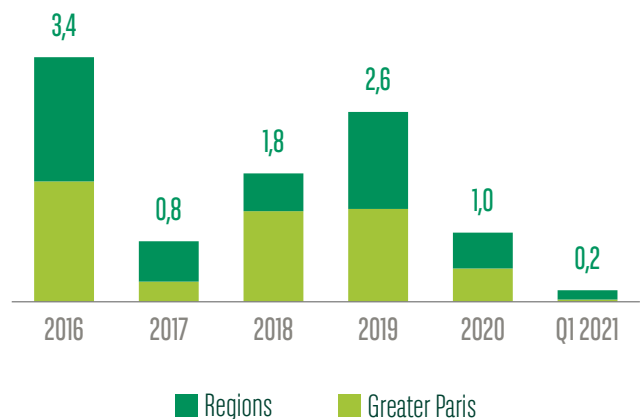
Source: BNP Paribas Real Estate

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

SEVERE IMPACT ON HOTEL PERFORMANCES

Footfall levels in Q1 2021 reflected developments in the epidemic. At the end of March, the regional lockdown of 16 départements, including the Paris region, compounded the impact of the curfew already in place. The prospect of health restrictions easing in mid-May with the reopening of restaurant outdoor seating suggests that hotels could soon see the end of the tunnel. Moreover, the French are likely to favour “staycations” this year.

BUDGET SEGMENT MORE RESILIENT THAN UPSCALE

Although the RevPARs of all categories have fallen steeply, there are still disparities between them. Occupancy in the super-economy segment has been gradually rising since the end of the second lockdown, from 29.4% in November 2020 to 39.2% in March 2021. Conversely, the upscale segment is yet to feel any respite, languishing at an average of 10.4% in March.

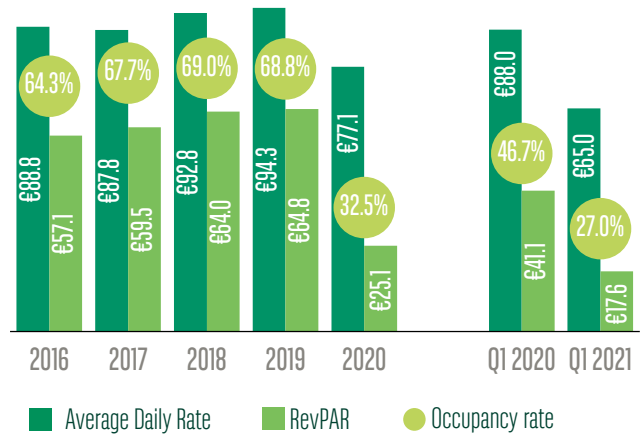
BIG CITIES ARE STILL WORST AFFECTED

The biggest falls in RevPAR were in Paris (-83.4%) and Nice (-72.9%), which suffered from the cancellation of several trade events, such as the aerospace and MIPIM expos.

With less exposure to business guests, the regions of Brittany (-27.9%), Normandy (-31.0%) and Pays de la Loire (-28.9%) withstood the Covid-19 crisis better in Q1 2021.

Despite the loss of the ski season, the mid-mountain category held its own, offering a wide range of activities to make up for the closure of the ski lifts.

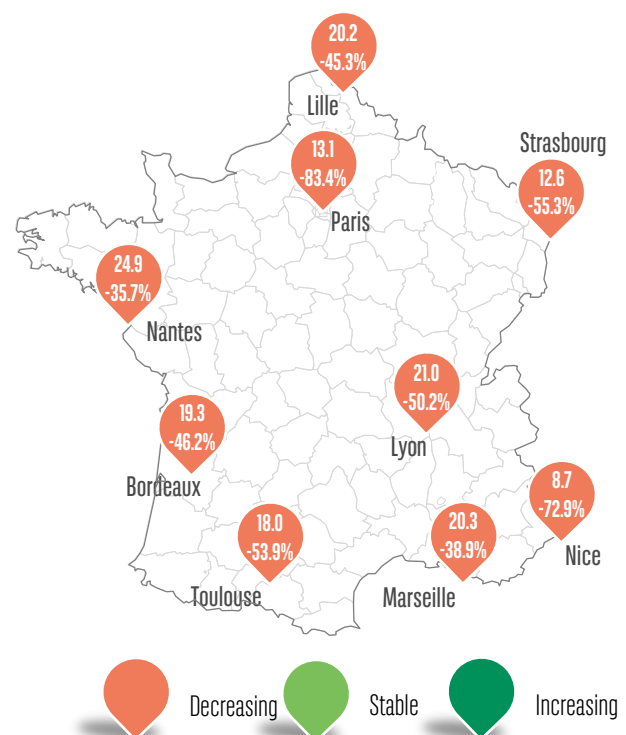
Trading performances in France in € excluding taxes



Trading performances in France in Q1 2021 in € excluding taxes, versus Q1 2020

	Occupancy rate	Average Daily Rate	RevPAR
Global	27.0% -19.7 pts	€65.0 -26.1 %	€17.6 -57.3 %
Budget	36.8 % -10.8 pts	€42.9 -6.2 %	€15.8 -27.4 %
Economy	29.6 % -17.0 pts	€62.2 -9.6 %	€18.4 -42.5 %
Midscale	22.0 % -24.2 pts	€86.9 -14.6 %	€19.1 -59.4 %
Upscale	10.5 % -35.9 pts	€151.6 -24.1 %	€15.9 -82.8 %

RevPAR of major French cities in Q1 2021 in € excluding taxes, versus Q1 2020



LOCATIONS

(JANUARY 2021)

HEADQUARTER

167, quai de la Bataille de
Stalingrad
92867 Issy les Moulineaux Cedex
Tél. : +33 (0)1 55 85 20 04

ÎLE-DE-FRANCE

AUBERVILLIERS

Parc des Portes de Paris
40 rue Victor Hugo
Bât 264 / 4ème étage
93300 Aubervilliers
Tél. : +33 (0)1 49 93 70 73

ERAGNY

Immeuble Tennessee
8 allée Rosa Luxembourg
BP 30272 Eragny
95615 Cergy Pontoise Cedex
Tél. : +33 (0)1 34 30 86 46

REGIONS

AIX-EN-PROVENCE

Parc du Golf - Bât 33
350, rue Jean René Guillaibert
Gauthier de la Lauzière
Les Milles
13290 Aix-en-Provence
Tél. : +33 (0)4 42 90 72 72

ANNECY

PAE Des Glaisins
19, avenue du Pré-de-Challes
74940 Annecy-le-Vieux
Tél. : +33 (0)4 50 64 12 12

BIARRITZ

26 Allée Marie Politzer
64200 Biarritz
Tél. : +33 (0)5 59 22 62

BORDEAUX

Immeuble Opus 33
61-64, quai de Paludate
33800 Bordeaux
Tél. : +33 (0)5 56 44 09 12

DIJON

Immeuble Le Richelieu
10, boulevard Carnot
21000 Dijon
Tél. : +33 (0)3 80 67 3

GRENOBLE

Immeuble Le Grenat
285 rue Lavoisier
38330 Montbonnot
Tél. : +33 (0)4 76 85 43 43

LILLE

100, Tour de Lille
Boulevard de Turin
59777 Euralille
Tél. : +33 (0)2 20 06 99 00

LYON

Silix 1
15 rue des Cuirassiers
69003 Lyon
Tél. : +33 (0)4 78 63 62 61

MARSEILLE

44, boulevard de Dunkerque
CS11527-13235 Marseille
Cedex 2
Tél. : +33 (0)4 91 56 03 03

METZ

WTC-Technopôle de Metz
2, rue Augustin Fresnel
57082 Metz cedex 3
Tél. : +33 (0)3 87 37 20 10

MONTPELLIER

Immeuble Le Triangle
26, allée Jules Milhau
CS 89501
34265 Montpellier Cedex 02
Tél. : +33 (0)4 67 92 43 60

MULHOUSE

Beverly Plaza
15, rue de Copenhague
67300 Schiltigheim
Tél. : +33 (0)3 89 33 40 50

NANCY

Immeuble Quai Ouest
35 avenue du XX^{ème} Corps
54000 Nancy
Tél. : +33 (0)3 83 95 88 88

NANTES

14, mail Pablo Picasso
BP 61611
44016 Nantes Cedex 1
Tél. : +33 (0)2 40 20 20 20

NICE

Immeuble Phoenix - Arénas
455, promenade des Anglais
06285 Nice Cedex 3
Tél. : +33 (0)4 93 18 08 88

ORLÉANS

16, rue de la république
45000 Orléans
Tél. : +33 (0)2 38 62 09 91

RENNES

Centre d'affaires Athéas
11, rue Louis Kerautret-Botmel
35000 Rennes
Tél. : +33 (0)2 99 22 85 55

ROUEN

Immeuble Europa
101 Boulevard de l'Europe
76100 Rouen
Tél. : +33 (0)2 35 72 15 50

STRASBOURG

Beverly Plaza
15 rue de Copenhague
67300 Schiltigheim
Tél. : +33 (0)3 88 22 19 44

TOULOUSE

Immeuble Elipsys
8/10 rue des 36 Ponts
CS 84216
31432 Toulouse Cedex
Tél. : +33 (0)5 61 23 56 56

TOURS

29, rue de la Milletière
37100 Tours
Tél. : +33 (0)2 47 44 70 58

CONTACT

RESEARCH FRANCE

Guillaume JOLY
Head of Research France
guillaume.joly@bnpparibas.com

Valentin COURTOIS
Services and adhoc analyst
valentin.courtois@bnpparibas.com

ADVISORY

Francis ASSÉNAT
Senior advisor - Hotel
Tel. : +33 (0)1 47 59 21 63
francis.assenat@bnpparibas.com

VALUATION

Gabriel PORÉE
Manager - Hotel Valuation
Tel. : +33 (0)1 47 59 23 93
gabriel.poree@bnpparibas.com

KEEP-UP-TO-DATE WITH BNP PARIBAS REAL ESTATE'S NEWS WHEREVER YOU ARE

 #BEYONDBUILDINGS



www.realestate.bnpparibas.com



BNP PARIBAS
REAL ESTATE

Real Estate
for a changing
world