BNP PARIBAS REAL ESTATE

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AT A GLANCE
Q2 2022

HOTEL MARKET IN FRANCE

CONTINUED RECOVERY OF HOTEL RESULTS AND INVESTMENT IN FRANCE

€881M

INVESTED IN H1 2022

+53%

VS H1 2021

INVESTISSEMENT

Investment in hotels came in at € 881m at the end of H1, up 53% year-on-year.

The trend that started at the beginning of the year continued into Q2, with investment of € 450m (+10% over one year).

Once more, the majority of deals were individual transactions (53 vs 3 portfolio transfers).

Since 2021, the regions have again accounted for most of the investment, with 70% of the total.

There was no great change in buyer nationality. Domestic investors are still in the majority with 82% of volumes since the beginning of 2022.

€59.6

REVPAR IN H1 2022

-4%

VS H1 2019

PERFORMANCE

In H1, the average price in France bounced back compared to the pre-health crisis period (+7.8%).

Meanwhile, the occupancy rate (59.7% at the end of June), despite a marked upswing over one year (+29.3 points), is still 7.3 points below its pre-COVID level.

As a direct result of the improved performance, RevPAR enjoyed exceptional year-on-year growth (+179.4%), almost back to its 2019 level (-4.0%).

Paris leveraged the return of some international clients to post a RevPAR of €127.3 (just -2.6% below 2019).

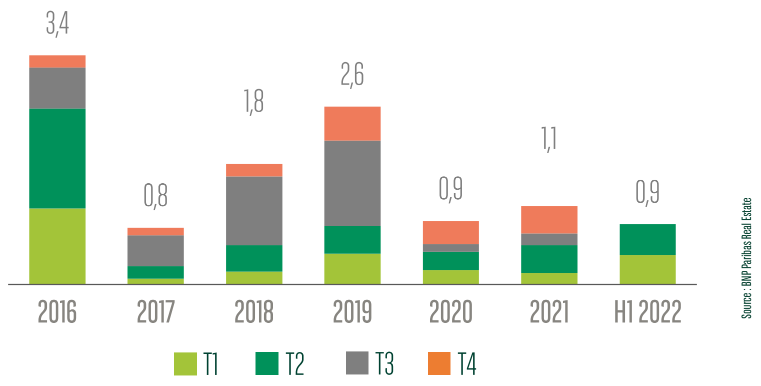
After many difficult months, the lifting of the last health restrictions has enabled many hoteliers to welcome back French and international guests since mid-April.

Consequently, the main performance indicators of the French hotel industry have recovered significantly since the beginning of the year, nearing their pre-crisis levels.

BRISK BUSINESS IN H1

Investment in Q2 stood at € 450m, continuing the recovery that began over the first three months of the year. A total of € 881m was invested over the first half, i.e. an increase of +53% vs the same period in 2021. Investment in this asset category in France therefore easily exceeded its 5-year average (of € 550m).

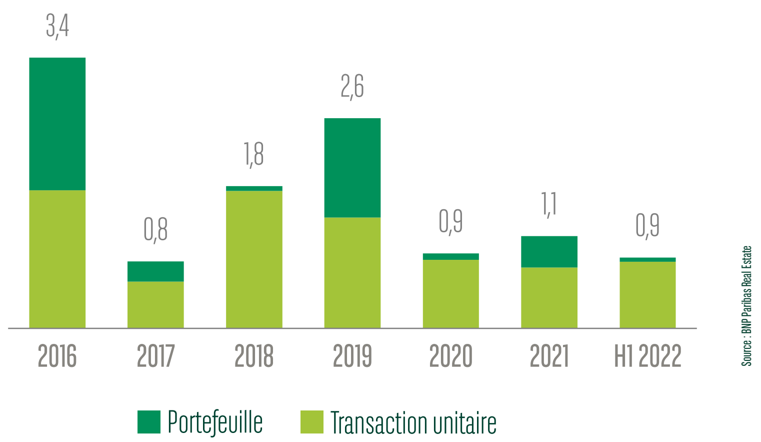
Hotel investment in France by quarter
€ billion



ALMOST ALL DEALS WERE INDIVIDUAL TRANSACTIONS

As during the previous quarter, the majority of deals were individual (53 vs 3 portfolio tranfers). In total over the first six months of the year, individual transactions accounted for more than 90% of all deals compared to 6% for portfolio transfers. Noteworthy examples of the latter included the finalisation of the APICAP portfolio with the sale of 8 hotels and over 440 rooms, and the acquisition of a portfolio by Experimental Groupe featuring two 2 hotels: Hôtel Regina and Hôtel le Garage in Biarritz.

Hotel investment in France by type
€ billion

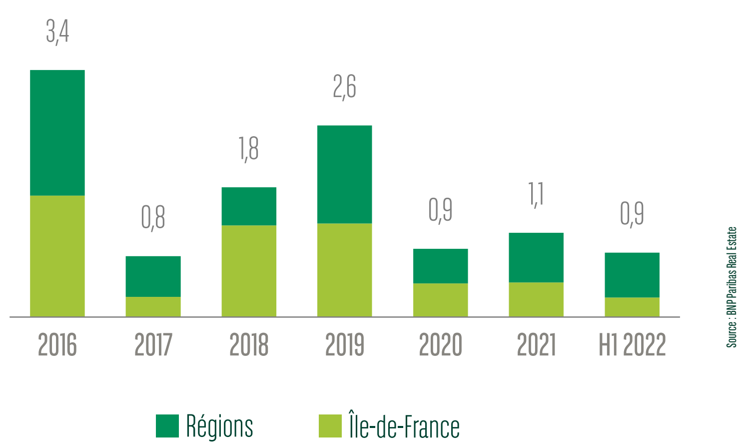


MOST TRANSACTIONS WERE IN THE REGIONS

Around 70% of investment since the beginning of the year has been in the regions. Highlights include the acquisition by BNP Paribas REIM of Club Med Alpe d'Huez (442 rooms) from Batipart and Perial's acquisition of Club Med Grand Samoens (423 rooms) from Covivio for € 128m.

The Paris area also stood out, with investment of € 267m. There were noteworthy transactions such as the acquisition by Champagne Hospitality of Hôtel Pont Royal 5* (75 rooms and suites) for around € 70m.

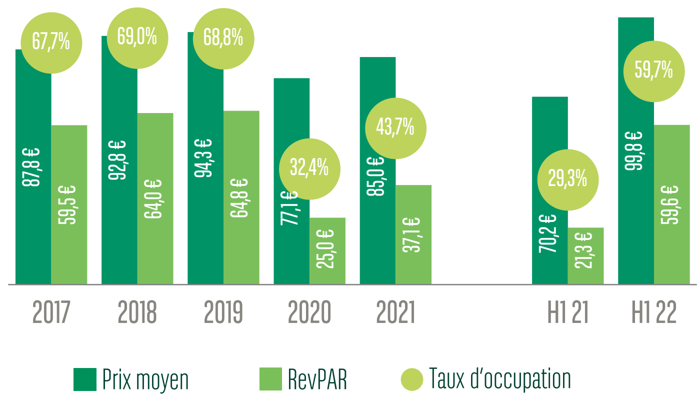
Hotel investment in France by geographical breakdown
€ billion



CONFIRMED PERFORMANCE RECOVERY IN H1

After many months of disruption due to the health crisis, hotel results returned to growth in 2022, leading to a RevPAR rebound of nearly 180% over one year. This substantial upswing almost restored France's hotel sector to its pre-health crisis level (-4%). This improvement could continue in Q3 as France is expected to attract a large number of tourists during the summer season.

Trading performance in France
in € excluding taxes



Source : MKG Hit Report

GROWTH RETURNING IN ALL SEGMENTS

The super-economy segment saw its occupancy rate rise from 34.0% in H1 2020 to 61.1% in H1 2022. By successfully holding its average price, it posted a RevPAR up +79.1% year-on-year, returning to the H1 2019 level. At the other end of the spectrum, the upmarket and luxury hotel segment, which has been struggling for some time, is picking up again, buoyed by the return of its international clientele.

Trading performance in France in H1 2022
in € excluding taxes, versus 2021

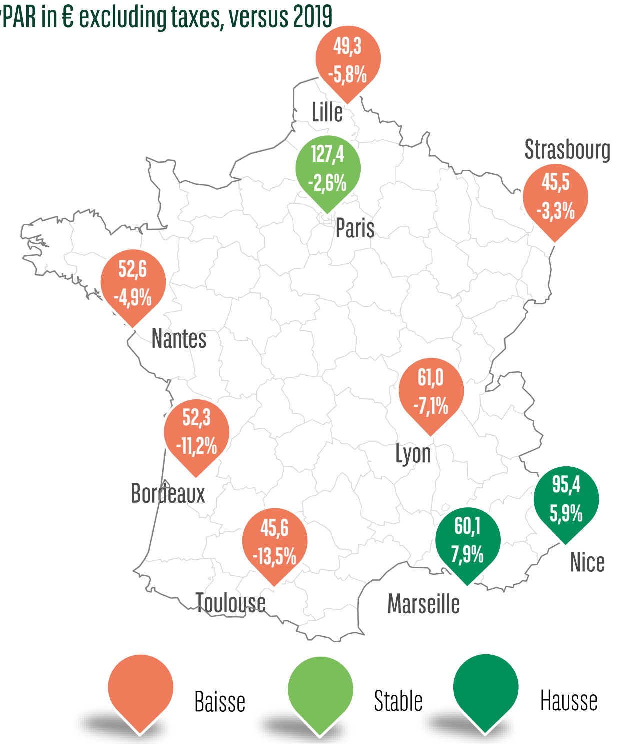
	Taux d'occupation		Prix moyen		RevPAR	
Global	59,7%	+29,3 pts	99,8 €	+42,2 %	59,6 €	+179,4 %
Super-éco	61,1 %	+22,2 pts	50,9 €	+14,2 %	31,1 €	+79,1 %
Économique	59,2 %	+26,7 pts	76,2 €	+17,5 %	45,1 €	+114,3 %
Moyen de gamme	59,4 %	+33,5 pts	116,2 €	+26,0 %	69,0 €	+189,2 %
Haut de gamme	58,8 %	+43,5 pts	243,4 €	+43,8 %	143,1 €	+454,0 %

Source : MKG Hit Report

WIDESPREAD RECOVERY BUT TO DIFFERING EXTENTS

Although the health crisis has long had a varied impact on cities, depending on their location and clientele, May and June brought a widespread recovery. As such, the long weekends and the reopening of national borders contributed significantly to the business revival throughout France. There was a particularly strong performance in the South of France (Marseille and Nice) where the return of many tourists and fine weather boosted the trend. Paris deserves a special mention, as it made the most of several international events (Fashion Week, Champions League final) to multiply its RevPAR by 6 in the space of a year. Conversely, the less touristic cities were still down vs 2019, mainly due to the lack of business customers.

Trading performance in France in H1 2022
RevPAR in € excluding taxes, versus 2019



Source : MKG Hit Report

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(JULY 2022)

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