



RESEARCH



**AT A GLANCE
Q3 2022**

HOTEL MARKET IN FRANCE

CONFIRMATION OF THE OUTSTANDING RECOVERY IN Q3

€ 1.4 bn

INVESTED IN 9M 2022

+93%

VS 9M 2021

€ 69.0

REVPAR IN 9M 2022

+3,6%

VS 9M 2019

INVESTISSEMENT

Investment in hotels came to € 1.4bn over the first nine months of 2022, up +93% year-on-year.

The momentum that started at the beginning of 2022 continued in Q3, with € 540m invested (+215% over one year).

Once again, hotels in the regions proved highly attractive to investors,

accounting for 70% of the total.

Three portfolios changed hands over the quarter, even though most deals were once again for individual assets.

Domestic investors have dominated, with 90% of investment since the beginning of 2022.

PERFORMANCE

The average price in France at the end of September was still on the rise (+12.4% vs. 2019).

The occupancy rate is also still climbing (+24.3 points), despite being below its pre-health crisis level (-5.5 points).

As a result of this strong performance, RevPAR continues to

grow, up +108.7% year-on-year and beating its 2019 level by +3.6%.

Paris is in pole position, with a rise in cumulative RevPAR (+7.7% vs. 2019), partly as a result of inflation and the higher average price. The occupancy rate is only -7.1 points lower than it was in 2019.

Summer was an opportunity for a catch-up after a sluggish start to 2022, clouded by uncertainty. The French hotel industry's main performance indicators have recovered significantly since the beginning of the year, with RevPar up +3.6% vs 2019, largely driven by the gradual return of foreign guests. Interestingly, the figures confirm an outstanding autumn season, with RevPar in September this year +11.7% above its September 2019 level.

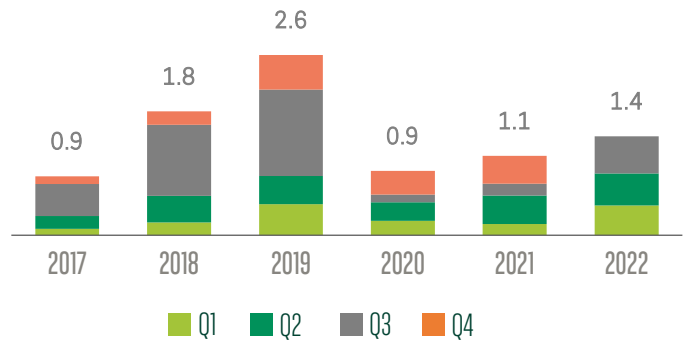
AN OUTSTANDING QUARTER

Investment in hotels in France is flourishing, coming in at € 540m in Q3 (+215% vs 9M 2021).

Growth has therefore continued over 2022 with € 1.4bn invested over the first nine months, i.e. an increase of +93% vs the same period in 2021.

The momentum of hotel investment over the quarter has seen the French market exceed its 5-year average (€ 1.2bn).

Hotel investment in France by quarter
€ billion



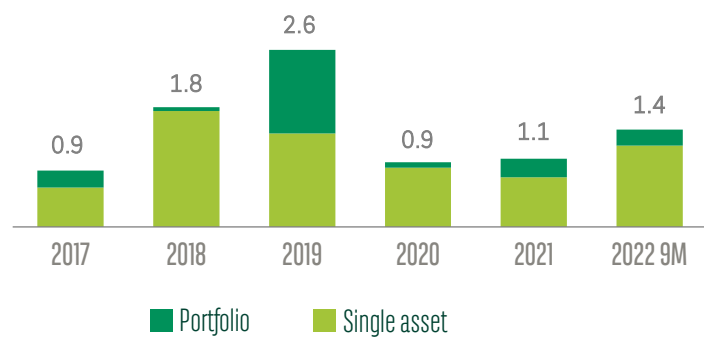
Source: BNP Paribas Real Estate

VAST MAJORITY OF DEALS ARE INDIVIDUAL

Nearly all deals have been for individual assets since the beginning of the year (86 vs 6 portfolios). A total of € 1.2bn changed hands in single-asset transactions compared to € 236m on portfolios.

Nevertheless, there were some noteworthy portfolio transfers, such as the acquisition by the Les Étoiles group of the Lodge & Spa Mountain (LSM) portfolio for some € 140m (four mountain hotels and resorts), or the acquisition of the Grandes Étapes Françaises portfolio by the Les Sources group.

Hotel investment in France by type
€ billion



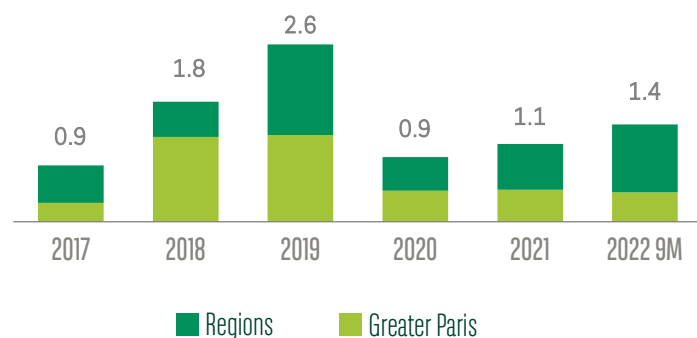
Source: BNP Paribas Real Estate

HUGE INVESTMENT IN THE REGIONS

The regions have accounted for around 70% of investment since the beginning of the year. Some impressive deals have been made, such as the acquisition of the Bellecôte tourist residence by the PRIAMS group (406 rooms), or the purchase of the Lou Souleï campsite by Wajsbrot and Vacanceselect (595 pitches) for around € 25m.

Paris also enjoyed some eye-catching deals: the Courtyard Paris Arcueil hotel bought jointly by Eternam and EQ Groupe and the acquisition of the Little Palace Hôtel by Extendam and Yountight Hospitality (four-star hotel with 53 rooms).

Hotel investment in France by geographical breakdown
€ billion



Source: BNP Paribas Real Estate

STRONG PERFORMANCES FOR FRANCE

After recovering significantly over the first half of the year, the French hotel market continues to post strong figures, with RevPar up +108.7% over one year. Strong momentum in the hotel business over the past few months has brought it back up to its 2019 level (+3.6%). It is worth noting that France has seen the strongest recovery in Europe.

Provided that the geopolitical situation and its effects on the economy improve, this upward trend could continue over the next few months with the return of business customers and numerous events.

OVERALL INCREASE FOR ALL SEGMENTS

As the environment has become more conducive to the return of international tourism, the Upscale and Luxury hotel sector recovered considerably over the first nine months of the year. As such, RevPar is up 192.2% year-on-year, putting it ahead of its pre-crisis level (+6.4%).

There was also an increase in the super-economy segment, but less pronounced (+54.0%).

TWO-SPEED RECOVERY

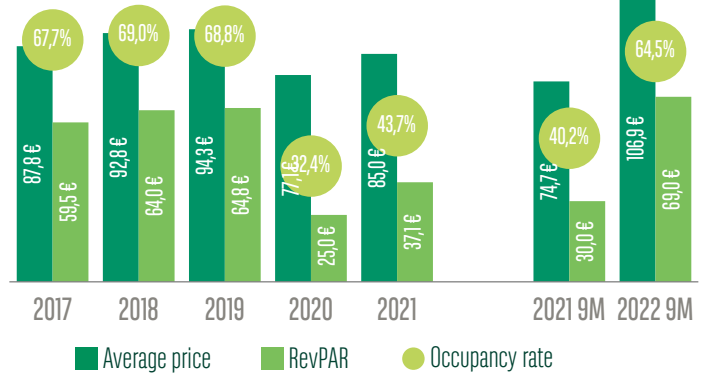
The regions benefited from the summer season and the return of foreign customers to gain fresh impetus, returning to occupancy figures closer to 2019 (-3.8 points vs 2019).

These strong figures resulted in a 5.3% RevPAR increase, particularly noticeable in Marseille and Nice.

However, most big cities are still seeing a shortfall compared to their 2019 RevPar due to the lack of business customers (Toulouse -9.1%, Bordeaux -6.4%, Nantes -2.2%, Lille -0.9%, Lyon -0.6%).

Despite an upturn, the Ile-de-France region is still behind, with RevPAR still -9.8% short of its 2019 level. This is largely due to an occupancy rate that is still lower than it was in 2019 (-10.4 points).

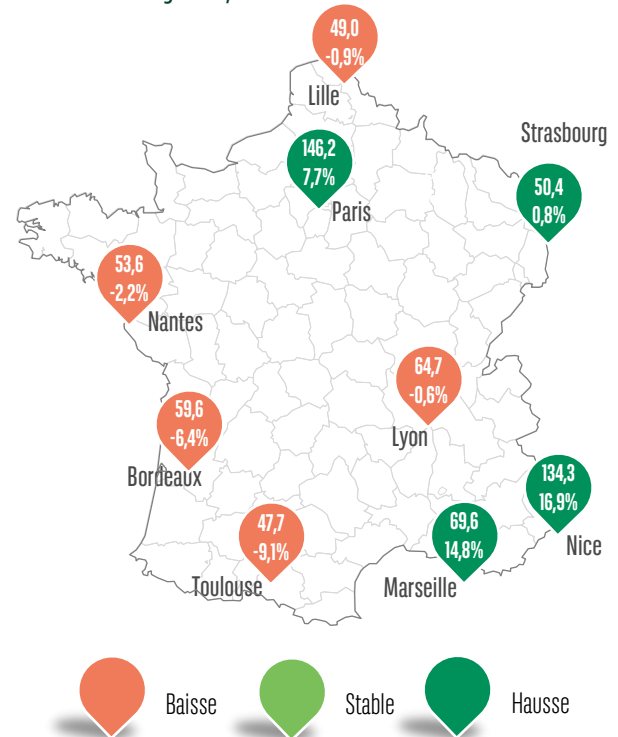
Trading performance in France in € excluding taxes



Trading performance in France in 9 months in € excluding taxes, versus 2021

	Occupancy rate	Average price	RevPAR
Global	64,5% +24,3 pts	106,9 € +30,1%	69,0 € +108,7%
Super-éco	65,2% +17,4 pts	53,9 € +13,0%	35,1 € +54,0%
Économique	63,5% +21,8 pts	78,6 € +14,3%	49,9 € +74,1%
Moyen de gamme	64,7% +28,3 pts	121,2 € +19,9%	78,4 € +112,9%
Haut de gamme	65,1% +37,4 pts	263,1 € +24,1%	171,2 € +192,2%

Trading performance in France in 9 months RevPAR in € excluding taxes, versus 2019



LOCATIONS

(OCTOBER 2022)

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ERAGNY

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