

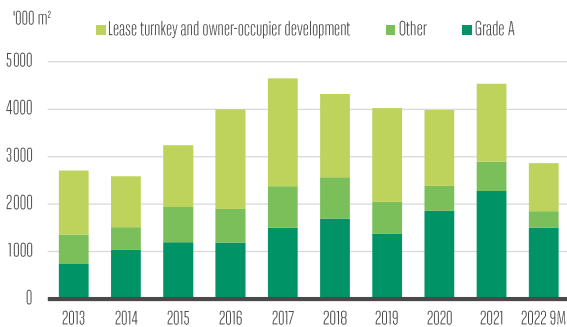


**AT A GLANCE  
Q3 2022**

**LOGISTICS IN FRANCE  
A MARKET WITH SOLID FUNDAMENTALS**

Growth prospects have been held back by the uncertain international context. After contracting in Q1, French GDP rallied in Q2 and Q3, and could finish 2022 at +2.5%. However, momentum is limited, and growth is expected to come in at just +0.5% in 2023. Given the prevailing economic and geopolitical uncertainties, purchasing managers' indices slumped in Q3, despite easing supply chain difficulties. The risks of a loss in purchasing power (down over the first two quarters) and doubt about the war in Ukraine have brought household confidence to an all-time low, after four consecutive quarters of decline. Even though there was some respite for supply chain problems and energy costs in the third quarter, inflation remained high in September at +5.6% year-on-year. It could peak in Q4, bringing average annual CPI growth to +5.7% in 2022, before starting to edge back in 2023 (+4.8% expected) and then falling to lower levels in 2024.

**Take-up**

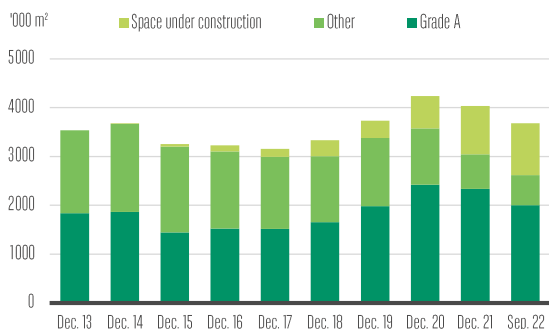


**MARKET DRIVEN BY XXL PREMISES IN 2022**

After a buoyant first half when over 2 million sqm of Logistics assets changed hands in France, the third quarter was quieter. Indeed, with around 820,000 sqm taken up over the last three months, there has been a decline over one year. However, this contraction in activity does cast doubt over the robustness of the warehouse market. Indeed, around 2.9 million sqm was transacted over the first nine months, which is still well above the long-term average (2.7 million sqm). Around 90% of this volume was grade A (including owner/occupier and turnkey).

The inexorable increase in unit size was confirmed over the first nine months of the year. The main driver was deals over 20,000 sqm, which accounted for over 60% of transactions by volume. And with some 1.2 million sqm transacted across 22 deals, XXL units alone represented 40% of the market in volume terms over the period.

**Availability within a year**



**3.7 MILLION SQM AVAILABLE WITHIN A YEAR AS OF OCTOBER 1, 2022**

Availability within a year stood at over 4 million sqm at the end of December 2020 and 2021, but it is now in decline. As of October 1, 2022, the figure was 3.7 million sqm (-9% vs December 2021). Over 80% of this supply is grade A premises.

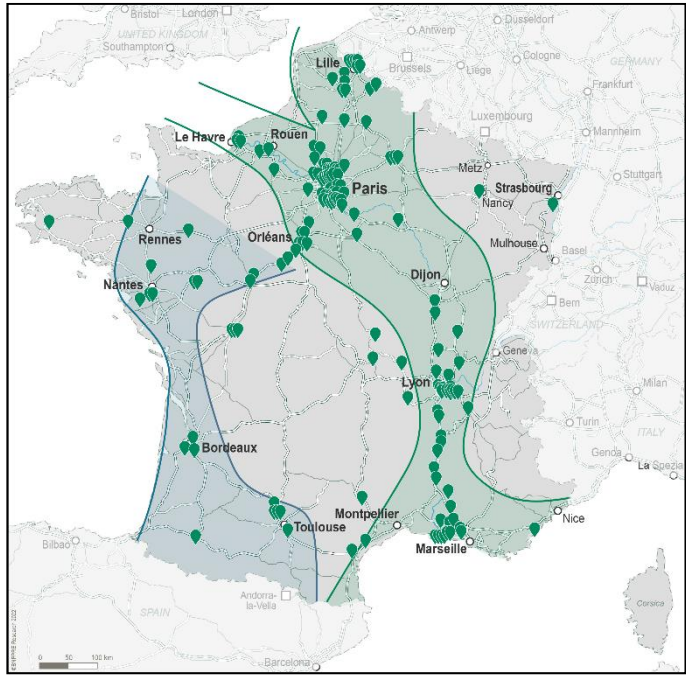
The north/south axis accounted for about 80% of availability within a year (by volume). Regionally, the high take-up of units in Île-de-France has diminished the overall supply. As such, as of October 1, availability within a year in the Paris region stood at just 814,000 sqm, vs. 1.1 million sqm at the beginning of the year. The same could be said for Lyon and Marseilles, where availability within a year was respectively 152,000 sqm and 205,000 sqm at the beginning of October. There is an acute need for new supply in these markets to meet occupier demand. In the medium term, the current speculative construction across France of around 20 schemes, totalling a million sqm, could keep the market moving, particularly in those markets under the highest pressure where vacancy rates are structurally low.

## Outstanding market performances in Ile-de-France and Lyon

Companies once again confirmed their attraction to the top French warehouse market: the Paris region. With take-up of around 940,000 sqm, Île-de-France saw growth of 7% over one year. Surfing the wave, the "Greater" Lyon area (including the Drôme region) also thrived with take-up of some 560 000 sqm since the beginning of the year. Aix/Marseille and Orléans/Tours came next in the regions, both with take-up of over 180,000 sqm.

Logistics has been by far the asset category most resilient to the health crisis. Stimulated by the sharp increase in ecommerce during the lockdowns, take-up has remained at historically high levels. After 4.5 million sqm in 2021, take-up should remain high in 2022 and once again top 4 million sqm over the full year 2022 against an uncertain economic backdrop.

## Take-up in 9 months 2022



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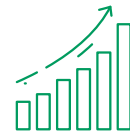
**2,9 M m<sup>2</sup>**

LOGISTICS TAKE-UP  
IN FRANCE



**88%**

GRADE A TAKE-UP  
IN FRANCE



**1.1 M m<sup>2</sup>**

UNDER CONSTRUCTION  
IN FRANCE

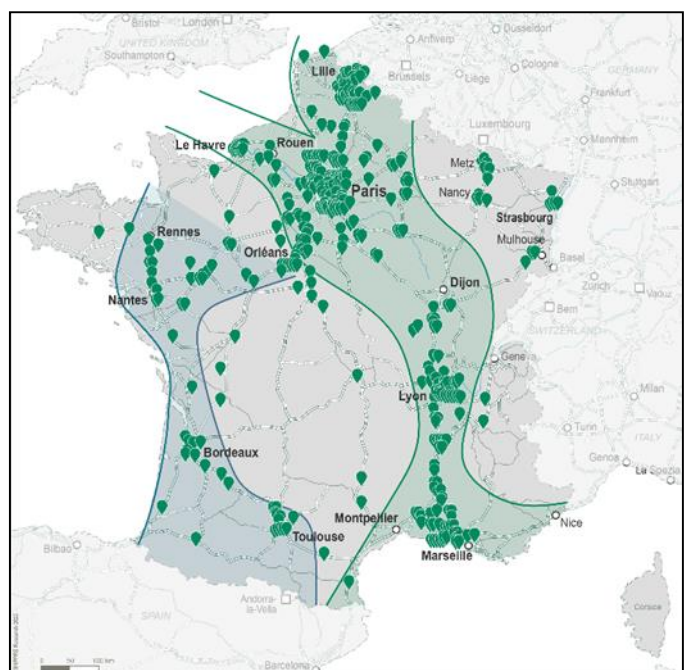
## RENTS ON THE RISE

The national vacancy rate has been falling constantly since 2019, driving up rents in all regions.

Rents were still on the rise at the end of Q3. With respect to prime rents, the highest is in Île-de-France at € 63/sqm/year).

By the end of Q3, the prime yield in Lyon, Marseille et Toulouse was € 56/sqm/year. The other regions range from € 44/sqm/year for a city like Dijon, to € 52/sqm/year for Le Havre, while Orléans is at € 47/sqm/year and Bordeaux € 48/sqm/year.

## Availability within a year - 1<sup>st</sup> october 2022



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**INVESTMENT/ VERY ROBUST**

Investment in logistics was once again very high, at over € 3.6bn in over the first nine months of 2022, representing an increase of 32% over one year.

Nine deals over €100m have underpinned the strong momentum in the logistics market since the beginning of the year, including PROLOGIS' recent acquisition of a logistics portfolio in Île-de-France for €350m. Portfolios have accounted for 48% of all transaction volumes over the period.

The prime yield stood at 3.30% in mid-2022. However, in the rather uncertain economic and social context of the last few months, some investors have started to slow their allocations, which is reflected in yields. It was therefore unsurprising to see the yield widen by 40 basis points over Q3.

All told, the scarcity of land near major cities, competition between investors and the expected increase in rents could partly offset the impact of higher yields on capital values.



€ 3.6 bn

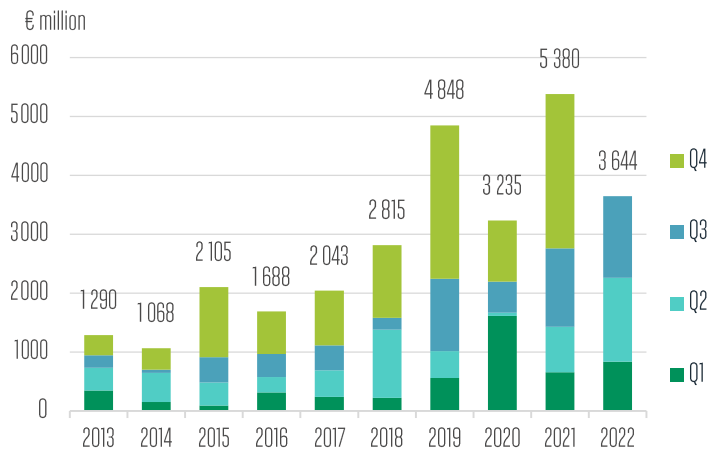
Logistics investment in 9M 2022



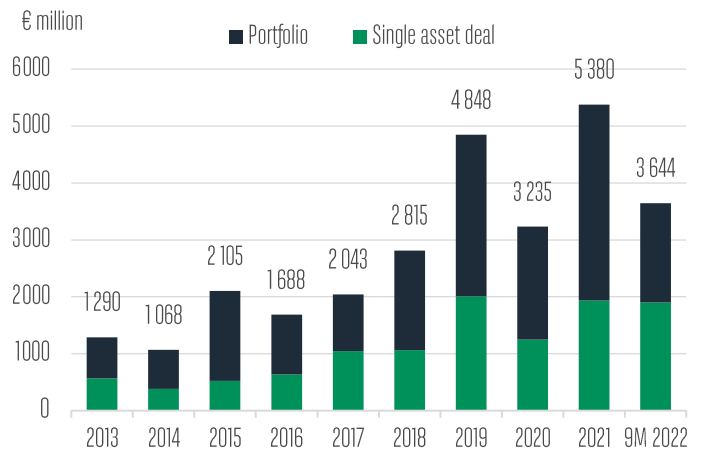
3.70%

Logistics prime yield (excluding urban logistics)

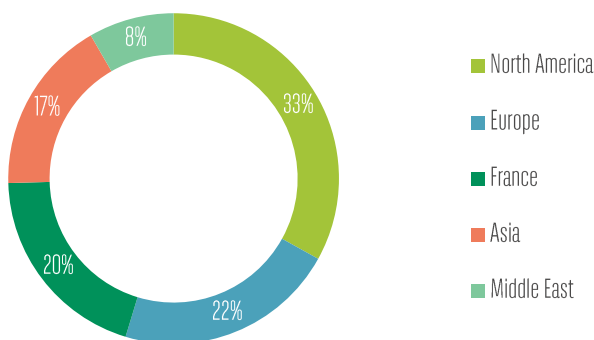
**LOGISTICS INVESTMENT IN FRANCE**



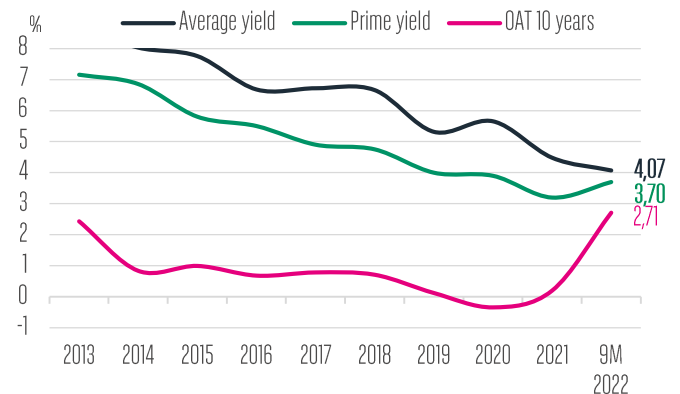
**LOGISTICS INVESTMENT IN FRANCE**



**INVESTORS' NATIONALITY – 9M 2022**



**YIELDS AND FRENCH BOND**



# LOCATIONS

(July 2022)

## HEADQUATER

50, cours de l'île Seguin  
CS 50280  
92650 Boulogne Billancourt  
Tél. : +33 (0)1 55 65 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 Guillibert  
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

285 rue Lavoisier  
38330 Montbonnot  
Tél. : +33 (0)4 78 85 43 43

## LILLE

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

## LYON

Silex 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<sup>ème</sup> 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

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37100 Tours  
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