LOCATIONS IN FRANCE

HEADQUARTERS
167, Quai de la Bataille de Stalingrad
92867 Issy-les-Moulineaux Cedex
Tel.: +33 (0)1 55 65 20 04

ÎLE-DE-FRANCE
Bagnolet
Immeuble Les Mercuriales
40 rue Jean Jaurès
93170 Bagnolet
Tel.: +33 (0)1 49 93 70 00

Issy-les-Moulineaux
167, Quai de la Bataille de Stalingrad
92867 Issy-les-Moulineaux Cedex
Tel.: +33 (0)1 55 65 20 04

Saint-Ouen-l’Aumône
14 rue du Compas
BP 49254
Saint-Ouen-l’Aumône
95078 Cergy Pontoise Cedex
Tel.: +33 (0)1 34 30 86 40

REGIONS
Annecy
Pâle Des Glaisins
19, avenue du Prê-De-Challes
74940 Annecy-le-Vieux
Tel.: +33 (0)4 50 64 12 12

Bordeaux
Les Bureaux de la cité
23, Parvis des Charentes
33074 Bordeaux Cedex
Tel.: +33 (0)5 56 44 09 12

Clermont-Ferrand
Immeuble le Kléper
3, rue Kléper
63100 Clermont-Ferrand
Tel.: +33 (0)4 73 90 89 88

Dijon
Immeuble le Richelieu
10, boulevard Carnot
21000 Dijon
Tel.: +33 (0)3 80 67 35 72

Grenoble
Immeuble Le Grenat
3, avenue du Doyen Louis Weil
38000 Grenoble
Tel.: +33 (0)4 76 85 43 43

Lille
100, Tour de Lille
Boulevard de Turin
59777 Euratlilie
Tel.: +33 (0)3 20 06 99 00

Lyon
Tour Part-Dieu
129, rue Servient
69326 Lyon Cedex 3
Tel.: +33 (0)4 78 63 62 61

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

Metz
WTC-Technopôle de Metz
2, rue Augustin Fresnet
57082 Metz Cedex 3
Tel.: +33 (0)3 87 37 20 10

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

Mulhouse
Immeuble Europe
20, place des Halles
67000 Strasbourg
Tel.: +33 (0)3 88 22 19 44

Nancy
Immeuble Les Portes d’Austrasie
40 rue Victor
54000 Nancy
Tel.: +33 (0)3 83 95 88 88

Nantes
4, mail Pablo Picasso
BP 61611
44016 Nantes Cedex 01
Tel.: +33 (0)2 40 20 20 20

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

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

Rennes
Centre d’affaires Athéas
11, rue Louis Kerautret-Botmel
35000 Rennes
Tel.: +33 (0)2 22 25 58 52

Rouen
Immeuble Le Bretagne
57, avenue de Bretagne
76108 Rouen Cedex 1
Tel.: +33 (0)2 35 72 15 50

Strasbourg
Immeuble Europe
20, place des Halles
67000 Strasbourg
Tel.: +33 (0)3 88 22 19 44

Toulouse
Immeuble le Sully
1, place Occitane BP 80726
31007 Toulouse Cedex 6
Tel.: +33 (0)5 61 23 56 56
## Summary

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EXECUTIVE SUMMARY

With about €10bn committed over the first nine months of 2011, i.e. growth of 32% compared to the same period over 2010, the commercial real estate market in France has confirmed its recovery. There are a number of factors behind this improvement. At the beginning of 2011, financing terms were still appealing, real estate assets enjoyed better yields than government bonds and were less volatile than stock markets. Lastly, investors appeared to be more confident, reassured by a buoyant rental market.

Offices still in pole position
• Portfolio transfers made a comeback.
• Major deals worth over €100m were particularly prevalent.
• There was an upturn in regional office investment.

Retail is still much sought after
• The decline in major transactions, particularly for shopping centres, has caused a fall in the amounts invested in retail premises despite interest from buyers.
• The scarcity of prime shopping centres available on the market has encouraged investors towards secondary assets.
• Prime yields continue to fall for shopping centres.

Slowdown in 2012
• The expected weaker growth and the potential deterioration in financing is set to cause a fall in investment in 2012.
• Prime yields are likely to remain flat in the coming quarters.
• Investment over FY 2011 should be of €14-15bn.

October 2011
Growth and economic situation - France

Growth to weaken in 2012
After a buoyant first quarter, French economic growth is stalling. This trend stems mainly from a dramatic slowdown in household consumption, the main growth driver. Exacerbated by the sovereign debt crisis, the emphasis on caution and on a wait-and-see attitude is likely to become more marked towards the end of 2011, thereby denting domestic and foreign demand. There has been a steep fall in activity in the industrial sector since Q2 2011, with the utilisation rate of production capacities dropping significantly, from 82% at the beginning of the year to 79% in August 2011.

Investment spending should remain fairly robust over FY 2011 (+3.4% for 2011 vs. -1.4% in 2010). After a sharp rise in 2010 (+9.3%), export growth should slow sharply in 2011 (+4.4%).

French GDP growth should thereby come in at around +1.6% in 2011. In 2012, the slowdown in growth is likely to continue under pressure from the austerity measures that are about to be rolled out throughout Europe. The GDP growth forecast for France stands at +0.9% for 2012. The slowdown in activity is therefore likely to affect employment. As such, after climbing by about 1% in 2011, job creation is expected to rise by just 0.3% in 2012.

Decline in long-term interest rates
After averaging 3.5% in Q2 2011, the 10-year OAT (French government bonds) fell below the threshold of 2.5% in September 2011. The high tension on financial markets may ease in the coming months assuming that the European authorities manage to take decisive action on the sovereign debt crisis. In this context, the 10-year OAT could rise to over 3% in 2012.

Rise of inflation in 2011
Inflation is set to increase noticeably in France in 2011, up to 2.1% vs. 1.5% in 2010, largely due to the rise in food prices. This trend may be reversed over 2012. Indeed, the expected slowdown in economic growth should ease inflationist tensions. As such, declining demand for oil, related to less activity globally, should have a dampening effect on the energy price trend. In this context, The European Central Bank may choose to lower its key interest rate (currently at 1.5%) by the end of the year, if activity continues to slow in the coming months.
**INVESTMENT MARKET IN FRANCE**

2011: the recovery continues

With growth of 32% over the first 9 months of 2011 compared to the same period in 2010, the commercial real estate investment market performed admirably. Offices, considered to be the most liquid assets on the market, are still a favourite among investors with € 6.5bn invested, i.e. 66% of commitments over the first three months of 2011.

Decline in retail investment, but still highly sought-after

After a good year in 2010, with investment of € 2.8bn there was a significant fall in investment in retail premises over the first three quarters of 2011 (€ 1.3bn). This trend is mainly due to a decline in the major deals that buoyed business in 2010 (Cap 3000, Saint-Quentin-en-Yvelines, etc.).

Given the resilience of rents and low vacancy rates for this type of asset, retail premises are still very popular among investors. As such, retail accounted for 23% of investment in France in 2010 and 14% over the first nine months of 2011.

Despite a fall in the amounts invested, shopping centres are still very sought after (healthy economic fundamentals, flourishing names, marketing innovations, etc.). Rents are on the rise in this asset segment and vacancy rates are in decline. Fierce competition for shopping centres has squeezed prime yields. As such, the prime yield for shopping centres stands at 4.8% such as the acquisition by Grosvenor of the Bonneveine shopping centre in Marseille. The scarcity of prime assets is encouraging investors to shift into secondary assets.

Logistics struggling

Since the onset of the financial crisis, logistics has remained one of the sectors most blighted by the downturn in investment. In view of the increased rental risk, potential buyers have hiked risk premiums. Buyers’ profitability requirements have therefore often been incompatible with those of vendors, thereby detracting from the market’s liquidity. As such, over the first three quarters, only € 548m was invested in logistics, i.e. 5.6% of total commercial real estate investment.

Market slowdown in 2012

Against a particularly difficult economic backdrop, investment is likely to slow from Q4 2011, nevertheless driving investment for the full year 2011 to € 14-15bn, i.e. close to its long-term average (€ 15bn). Given the slowdown in economic activity and the potential tightening of financing conditions, investment may well decline in 2012, ending the year at about € 10-12bn in our base case. A pessimistic scenario would be a reversion to 2009 levels, i.e. investment of between € 8bn and € 10bn.
OFFICE INVESTMENT IN ILE-DE-FRANCE

Rise in investment
With growth of 32% over the first 9 months of 2011 compared to the same period in 2010, the commercial real estate investment market performed admirably. Offices, considered to be the most liquid assets on the market, are still a favourite among investors with € 6.5bn invested, i.e. 66% of commitments over the first three months of 2011.

Central Paris still in pole position
In terms of regional positioning, Paris inner-city is still in the lead with € 2.4bn invested. Despite investors’ interest in real estate, risk aversion still prevails in the current uncertain economic environment. Consequently, investors prefer the most mature and liquid business districts. However, the shortage of high quality products available on the Paris market has prompted investors to search for opportunities outside Paris, such as the acquisition by the consortium of Caisse des Dépôts, Prédica and Scor of the River Ouest building (64,000 m²) in Bezons for an estimated € 370m.

In terms of buyer typology, cash-rich investors, such as insurance companies, dominate the market. Despite an easing of financing conditions, banks are still cautious and are limiting their exposure to risk by demanding a substantial portion of equity for most projects. The main buyers of offices in Ile-de-France are insurance companies and closed-end funds belonging to institutional investors with 32% of office investment in Ile-de-France.

Stabilisation of the prime yield
Capital certainly returned to the market over the first half as the occupier market remained buoyant and financing terms appealing. The sovereign debt crisis, which has been acute since the summer, may unfortunately exacerbate aversion to risk and prompt investors to seek secure assets. As such, given the current high demand on the bond market, the long-term yield trend has completely reversed. The 10-year OAT, which averaged 3.5% over Q1 2011 stood at 2.5% in September 2011.

The real estate risk premium has been re-established automatically, now exceeding 200 basis points for a prime investment in Paris CBD, vs. a long-term average of 100 basis points. Although the risk premium is currently high, the prime yield should remain flat in the coming quarters. Indeed, despite the high demand for secure products, doubts about the global economy should prompt investors to maintain significant risk premiums.
INVESTMENT IN THE REGIONS

Offices reclaim pole position

With €2.8bn invested over the first nine months of 2011, investment in the regions increased by 25% compared to the same period in 2010. The regional market was characterised by a return to investment in offices, which thereby reclaimed the pole position from retail premises, which dominated the market in 2009 and 2010. As such, there was €1.1bn invested in offices in the regions over the first three quarters of 2011, compared to just €330m over the same period in 2010.

Resumption in off-plan sales?

Offices thereby regained the top place, accounting for 39% of real estate investment over the first nine months of 2011. This upturn in investment offices was largely attributable to a resounding return by SCPI, which have enjoyed particularly strong inflows in recent quarters. Meanwhile, there has been a gradual resumption in off-plan business. The scarcity of high quality new assets in certain districts and the resilient showing in letting markets has seen money flow back to this segment of the market. The biggest off-plan deals include the acquisition by Notapierre of an office scheme at the Capelette ZAC (integrated development zone) in the 10th arrondissement of Marseille (11,400 m²) for €38m.

Retail is still popular

Retail premises were in second place with investment of €942m million, i.e. 33% of the total in the regions over the first three quarters of 2011. Compared to the same period in 2010, investment in retail therefore slipped by 35%. The decline in major deals such as the Cap 3000 shopping centre (€450m) weighed heavily on investment over this period in 2011. Although investors are still interested in shopping centres, it appears that the scarcity of prime products in the regions has encouraged them to consider secondary assets. Business parks also appear to be of some interest, although investors are cautious about this particularly segment and mainly opt for high quality prime products associated with long leases.

Some rays of hope for 2011

The upturn in investment in the regions should be confirmed. Resilient occupier markets, the increase in capital available for investment in real estate and the partial return of off-plan deals should shore up the market. However, the market’s fluidity may remain hampered by the shortage of prime products available, as these are still the preferred targets for investors. Prime yields should meanwhile remain stable, at between 6.0% and 6.3% in Lille, Lyon and Marseille. Indeed, as the economic climate is still difficult, investors are likely to remain exigent about the risk premiums that they factor into their schemes.
### KEY FIGURES

#### INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLION)

<table>
<thead>
<tr>
<th></th>
<th>2009 (over 9 months)</th>
<th>2010 (over 9 months)</th>
<th>2011 (over 9 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount invested in France</strong></td>
<td>4,895</td>
<td>7,449</td>
<td>9,852</td>
</tr>
<tr>
<td><strong>including amount invested in Île-de-France</strong></td>
<td>2,639</td>
<td>4,505</td>
<td>5,935</td>
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<tr>
<td><strong>Offices</strong></td>
<td>2,625</td>
<td>4,368</td>
<td>6,520</td>
</tr>
<tr>
<td><strong>Warehouses</strong></td>
<td>244</td>
<td>362</td>
<td>548</td>
</tr>
<tr>
<td><strong>Industrial premises</strong></td>
<td>157</td>
<td>90</td>
<td>109</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>974</td>
<td>1,657</td>
<td>1,372</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>895</td>
<td>972</td>
<td>1,303</td>
</tr>
</tbody>
</table>

*Immostat/IPD is an economic interest group that recorded all unit transactions over 4 million euros concerning general commercial real estate (offices, industrial premises, warehouses, retail)*

#### Geographic breakdown

<table>
<thead>
<tr>
<th></th>
<th>2009 (over 9 months)</th>
<th>2010 (over 9 months)</th>
<th>2011 (over 9 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greater Paris</strong></td>
<td>64%</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td><strong>Regions</strong></td>
<td>36%</td>
<td>30%</td>
<td>29%</td>
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</table>

#### Investment amount

<table>
<thead>
<tr>
<th></th>
<th>2009 (over 9 months)</th>
<th>2010 (over 9 months)</th>
<th>2011 (over 9 months)</th>
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<tr>
<td>&lt; € 5 million</td>
<td>284</td>
<td>282</td>
<td>285</td>
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<tr>
<td>€ 5 - 10 million</td>
<td>391</td>
<td>539</td>
<td>360</td>
</tr>
<tr>
<td>€ 10 - 20 million</td>
<td>478</td>
<td>423</td>
<td>761</td>
</tr>
<tr>
<td>€ 20 - 40 million</td>
<td>822</td>
<td>1,031</td>
<td>1,486</td>
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<tr>
<td>€ 40 - 100 million</td>
<td>1,000</td>
<td>2,861</td>
<td>2,819</td>
</tr>
<tr>
<td>&gt; € 100 million</td>
<td>1,920</td>
<td>2,313</td>
<td>4,141</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,895</td>
<td>7,449</td>
<td>9,852</td>
</tr>
</tbody>
</table>

#### Type of investors

<table>
<thead>
<tr>
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<th>2009 (over 9 months)</th>
<th>2010 (over 9 months)</th>
<th>2011 (over 9 months)</th>
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<tbody>
<tr>
<td>Insurance</td>
<td>734</td>
<td>1,526</td>
<td>2,175</td>
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<tr>
<td>SIIC (Reits)</td>
<td>692</td>
<td>519</td>
<td>1,144</td>
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<td>Listed companies</td>
<td>456</td>
<td>644</td>
<td>1,408</td>
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<tr>
<td>Funds</td>
<td>1,499</td>
<td>2,314</td>
<td>2,534</td>
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<tr>
<td>OPCI</td>
<td>559</td>
<td>901</td>
<td>462</td>
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<tr>
<td>SCPI</td>
<td>279</td>
<td>646</td>
<td>1,141</td>
</tr>
<tr>
<td>Private Investors</td>
<td>418</td>
<td>446</td>
<td>596</td>
</tr>
<tr>
<td>Other</td>
<td>258</td>
<td>454</td>
<td>392</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,895</td>
<td>7,449</td>
<td>9,852</td>
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### KEY FIGURES

#### INITIAL PRIME YIELDS

<table>
<thead>
<tr>
<th>Offices in Île-de-France</th>
<th>Q3 2010</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Trend Q2 2011/Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>4.50 - 5.00 %*</td>
<td>4.50 - 5.00 %</td>
<td>4.50 - 5.00 %</td>
<td>→</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>5.80 - 6.30 %*</td>
<td>5.25 - 5.75 %*</td>
<td>5.25 - 5.75 %*</td>
<td>→</td>
</tr>
<tr>
<td>La Défense</td>
<td>5.80 - 6.30 %*</td>
<td>5.60 - 6.20 %*</td>
<td>5.60 - 6.20 %*</td>
<td>→</td>
</tr>
<tr>
<td>Western Crescent</td>
<td>5.80 - 6.30 %*</td>
<td>5.80 - 6.30 %</td>
<td>5.80 - 6.30 %</td>
<td>→</td>
</tr>
<tr>
<td>Inner Rim</td>
<td>5.80 - 6.30 %*</td>
<td>5.85 - 6.25 %</td>
<td>5.85 - 6.25 %</td>
<td>→</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>6.50 - 6.75 %*</td>
<td>6.50 - 7.00 %</td>
<td>6.50 - 7.00 %</td>
<td>→</td>
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<table>
<thead>
<tr>
<th>The Regional Office Market</th>
<th>Q3 2010</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Trend Q2 2011/Q3 2011</th>
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</thead>
<tbody>
<tr>
<td>Aix/Marseille</td>
<td>6.20 - 6.50 %*</td>
<td>6.00 - 6.30 %*</td>
<td>6.00 - 6.30 %*</td>
<td>→</td>
</tr>
<tr>
<td>Lyon</td>
<td>6.10 - 6.40 %*</td>
<td>6.00 - 6.30 %</td>
<td>6.00 - 6.30 %</td>
<td>→</td>
</tr>
<tr>
<td>Lille</td>
<td>6.30 - 6.70 %*</td>
<td>6.00 - 6.30 %*</td>
<td>6.00 - 6.30 %*</td>
<td>→</td>
</tr>
<tr>
<td>Bordeaux</td>
<td>6.75 - 7.00 %*</td>
<td>6.60 - 6.90 %</td>
<td>6.60 - 6.90 %</td>
<td>→</td>
</tr>
<tr>
<td>Toulouse</td>
<td>6.40 - 6.75 %*</td>
<td>6.20 - 6.50 %*</td>
<td>6.20 - 6.50 %*</td>
<td>→</td>
</tr>
<tr>
<td>Nantes</td>
<td>6.80 - 7.30 %*</td>
<td>6.50 - 7.00 %*</td>
<td>6.50 - 7.00 %*</td>
<td>→</td>
</tr>
<tr>
<td>Strasbourg</td>
<td>7.50 %*</td>
<td>6.80 - 7.30 %*</td>
<td>6.80 - 7.30 %*</td>
<td>→</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grade A warehouses</th>
<th>Q3 2010</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Trend Q2 2011/Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>7.00 - 7.25 %*</td>
<td>7.20 %*</td>
<td>7.20 %</td>
<td>→</td>
</tr>
<tr>
<td>Regions</td>
<td>7.00 - 7.25 %*</td>
<td>7.20 %*</td>
<td>7.20 %</td>
<td>→</td>
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</table>

<table>
<thead>
<tr>
<th>Industrial Premises</th>
<th>Q3 2010</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Trend Q2 2011/Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>8.00 - 8.25 %*</td>
<td>7.75 %</td>
<td>7.75 %</td>
<td>→</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail</th>
<th>Q3 2010</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Trend Q2 2011/Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street-level stores in Paris</td>
<td>4.75 - 5.25 %</td>
<td>4.25 - 4.50 %</td>
<td>4.25 - 4.50 %</td>
<td>→</td>
</tr>
<tr>
<td>Shopping centers in France</td>
<td>5.75 - 6.25 %*</td>
<td>4.75 - 5.00 %</td>
<td>4.75 - 5.00 %</td>
<td>→</td>
</tr>
<tr>
<td>Retail parks in France</td>
<td>7.50 - 8.00 %*</td>
<td>6.50 - 7.00 %*</td>
<td>6.50 - 7.00 %</td>
<td>→</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hotels</th>
<th>Q3 2010</th>
<th>Q2 2011</th>
<th>Q3 2011</th>
<th>Trend Q2 2011/Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris inner city</td>
<td>5.90 - 6.50 %</td>
<td>5.90 - 6.50 %</td>
<td>5.90 - 6.50 %</td>
<td>→</td>
</tr>
</tbody>
</table>

* Estimated
GLOSSARY

The numerical data used by BNP Paribas Real Estate for its statistics features all the information it has at its disposal when compiling them. These statistics may change according to new information brought to our knowledge that is often confidential to begin with.

Definitions from A to Z...

Arbitrage: sale of a real-estate asset belonging to one investor to another investor.

CCI (Cost of Construction Index): index that makes quarterly measurements in construction prices for new house building. It is the price after VAT paid by the owner to construction companies. It excludes land-related prices and costs (site development, special foundations, etc.), fees and financial costs.

Developer sale: sale of an operation built by a developer to an investor.

Immostat: an Economic Interest Group founded in 2001, through an association between BNP Paribas Real Estate, CB Richard Ellis, DTZ Jean-Thouard and Jones Lang LaSalle. In the interests of consistency, the brokers adopted numerous joint definitions: market districts in Ile-de-France, conditions of buildings and premises, definitions of surface areas to be taken into account, rents, etc. The structure of the EIG guarantees the independence of data processing and respect for the confidentiality commitments of each of its members. It concerns the investment markets for corporate real estate and occupiers of warehouses greater than 5,000 m² as well as offices in the Paris area.

Investment fund: collective ownership of financial or real estate assets managed by a regulated and certified structure (fund manager). These include:

- Open-ended fund: a fund is open-ended when there is no limit to the shares issued.
- Closed fund: shares in a closed fund are only managed by the fund manager during the subscription period. A closed fund has a limited lifecycle.
- Pension fund: financial body that manages the funds from the accumulative pension system. This fund is the resources that employees from the public and private sectors have set aside over their professional lives to improve their retirement pension.
- Opportunistic funds: targets yields of over 17%, with gearing exceeding 60% of the gross asset value.

IRR (Internal Rate of Return): discount rate such that the sum of discounted future revenues equals the initial cost of investment.

Leverage effect: increasing the profitability of an investment by borrowing.

New or major-refurbished offices: real estate asset delivered less than five years ago.

NPV (Net Present Value): difference between the sum of discounted future revenues and the initial cost of investment.

OAT (French treasury bond): bond issued by the French government. It acts as a benchmark for the risk-free, long-term yield.

OPCI (French real estate investment fund): real estate funds. They come in two forms:

- Fonds de Placement Immobilier (FPI), real-estate investment funds for which the payout is taxed as classic property revenues.
- Sociétés de Placement à Prépondérance Immobilière & Capital Variable (SPPCV) Variable capital, property-dominated investment funds for which the payout is taxed as dividends and share capital gains.

Portfolio: group of several assets located in different places.

Pre-letting: transaction signed by an occupier more than 6 months before the delivery of the building.

Property company: a company whose purpose is to acquire or construct buildings with a view to renting them, or owning stakes in companies with the same purpose.

Rent

- Headline rent: annual rent per square metre, featured on the lease, and expressed excluding taxes and charges. Does not include attached premises such as parking areas, archives, staff canteens, etc. If the rental is progressive, the value applied is the average for the first three years or the fixed term of the lease.
- Average headline rent: Weighted average of rented area. The average featured is a moving average over three quarters, to smooth out the changes.
- Underlying rent: Annual rent per square metre expressed excluding taxes and charges and adjusted for advantages that may subsequently be agreed by the owner (rent incentives, building works, etc.).
- Prime rent: represents the top headline rent (excluding non significant transactions) for an office unit:
  - of standard size
  - of the highest quality and specification
  - in the best location in each market.
- Top rent: represents the top headline rent for an office unit. It is not necessarily a prime rent.

Risk premium: measure of the difference between an asset or portfolio’s profitability and a risk-free asset (government bond).

SCPI (Société Civile de Placement Immobilier): collective investment company formed to acquire and operate real estate by issuing shares to the public.

Second hand: real estate assets delivered over five years ago.

SiIC (listed real estate investment company): the SiIC regime allows tax exemption on earnings as long as 85% of revenues are paid out to shareholders.

Speculative / Non-speculative operation:

- Speculative: construction launched without prior rental or sale to the occupier.
- Non-speculative: construction launched after partial or complete sale or rental to an occupier.

Transfer: property asset belonging to an occupier sold to an investor.

Yield:

- Net: ratio between net income (excl. operating costs) and the acquisition price including all acquisition costs.
- Initial: ratio between the net rent before taxes and charges on the date of sale and the selling price (all costs included).
- Prime: net lowest yield obtained for the acquisition of a unit:
  - of standard size,
  - of the highest quality and specification,
  - in the best location in each market.

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