With € 9.7bn invested in France over H1 2016, investment in commercial real estate has marked a slight dip of 3% compared to H1 2015. The market picked up in the second quarter, after a slower start to the year. The H1 2016 figure is above the average for 2006-2015, i.e. € 8.8bn. Although the amount invested in France over the full year is unlikely to reach the record of 2015 (€ 32bn), it should nevertheless exceed € 26bn.

The weighting of Île-de-France has increased since the beginning of the year and it now represents 75% of investment. This trend has been assisted by the return of mega deals, such as the acquisition by AXA IM and ACM of Tour First at La Défense for around € 800m. In the regions, Lyon still accounts for half of investment in offices. The main deal was for the Linux building, the future headquarters of Blédina in Limonest bought off-plan by Unofi for over € 50m.

Offices are still investors’ favourite asset: with € 5.4bn, they represent 50% of volumes since the beginning of the year. Retail premises are in second place with 22% of volumes invested (€ 2.2bn). In particular, we note the acquisition of 65-67 Avenue des Champs Elysées (Nike and Tommy Hilfiger) by a Middle Eastern fund for € 490m. Investment in logistics climbed 17% to € 565m, boosted by a number of medium-sized portfolios bought by Anglo-Saxon fund (Diane for € 105m bought by Rockspring, Wolf for c. € 100m bought by Stam Europe for a US fund). Interestingly, there was a resumption of speculative sales of logistics platforms. Industrial premises remain in the minority, accounting for 2% of investment, while services premises are still attracting investors seeking diversification (14% of investment).

The top investor category in H1 2016 was funds, representing a third of investment. Particularly high inflows in recent months have resulted in strong showings for SCPI (22%) and insurers (20%). The French presence has been reinforced in 2016: they represented 78% of buyers in H1 2016 vs. 64% in 2015. Anglo-Saxon investors are runners-up with 12% of the total. Meanwhile, Middle-Eastern funds are still present with 6% of volumes. Conversely, Asian investors have been less keen on acquisitions in France since the beginning of the year, but should be more active in the coming months.

Key interest rates plumbed new records in 2016. As such, the OAT (10-year T-Bond) is expected to hit 0.1% by the end of the year. This combined with still high volumes of liquidity means that prime yields have contracted substantially. The prime office yield for the CBD, currently at 3.25%, is likely to narrow to 3% over the course of the year. For street-level stores, the yield could reach 2.75%. Lastly, in urban logistics yields are expected to contract to between 5% and 5.5%.
## INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLION)

<table>
<thead>
<tr>
<th></th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount invested in France</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13,552</td>
<td>10,123</td>
<td>9,749</td>
</tr>
<tr>
<td><strong>including amount invested in Île-de-France</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,677</td>
<td>5,757</td>
<td>6,396</td>
</tr>
<tr>
<td><strong>Offices</strong></td>
<td>7,247</td>
<td>5,391</td>
<td>5,422</td>
</tr>
<tr>
<td><strong>Warehouses</strong></td>
<td>644</td>
<td>485</td>
<td>565</td>
</tr>
<tr>
<td><strong>Industrial premises</strong></td>
<td>275</td>
<td>123</td>
<td>208</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>3,809</td>
<td>1,972</td>
<td>2,165</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>1,576</td>
<td>2,152</td>
<td>1,389</td>
</tr>
</tbody>
</table>

*source: Immostat is an economic interest group that recorded all units over €4 million concerning commercial real estate.

### Geographic breakdown

<table>
<thead>
<tr>
<th></th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greater Paris</strong></td>
<td>72%</td>
<td>74%</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Regions</strong></td>
<td>28%</td>
<td>26%</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Investment amount

<table>
<thead>
<tr>
<th></th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; € 5 million</td>
<td>188</td>
<td>261</td>
<td>256</td>
</tr>
<tr>
<td>€ 5 - 10 million</td>
<td>318</td>
<td>375</td>
<td>373</td>
</tr>
<tr>
<td>€ 10 - 20 million</td>
<td>586</td>
<td>795</td>
<td>800</td>
</tr>
<tr>
<td>€ 20 - 50 million</td>
<td>1,464</td>
<td>1,489</td>
<td>1,926</td>
</tr>
<tr>
<td>€ 50 - 100 million</td>
<td>1,361</td>
<td>1,475</td>
<td>1,811</td>
</tr>
<tr>
<td>&gt; € 100 million</td>
<td>9,634</td>
<td>5,690</td>
<td>4,584</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,552</td>
<td>10,085</td>
<td>9,749</td>
</tr>
</tbody>
</table>

### Type of investors

<table>
<thead>
<tr>
<th></th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>27%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Sovereign funds</td>
<td>9%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Insurance</td>
<td>15%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>SIC (Reit)</td>
<td>8%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Other landholding companies</td>
<td>15%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>SCPI</td>
<td>16%</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>OPCI</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Private investors</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>8%</td>
<td>4%</td>
</tr>
</tbody>
</table>
### INITIAL PRIME YIELDS

#### Offices in Île-de-France

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>Trend 2016 / 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>4.25%</td>
<td>4.00%</td>
<td>3.25%</td>
<td></td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>4.75%</td>
<td>4.65%</td>
<td>3.50%</td>
<td></td>
</tr>
<tr>
<td>La Défense</td>
<td>5.90%</td>
<td>5.50%</td>
<td>4.90%</td>
<td></td>
</tr>
<tr>
<td>Western Crescent</td>
<td>5.75%</td>
<td>4.80%</td>
<td>3.65%</td>
<td></td>
</tr>
<tr>
<td>Inner Rim</td>
<td>5.90%</td>
<td>5.25%</td>
<td>4.50%</td>
<td></td>
</tr>
<tr>
<td>Outer Rim</td>
<td>6.20%</td>
<td>5.90%</td>
<td>5.50%</td>
<td></td>
</tr>
</tbody>
</table>

#### Offices in Regions

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>Trend 2016 / 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aix/Marseille</td>
<td>6.10%</td>
<td>6.10%</td>
<td>6.00%</td>
<td></td>
</tr>
<tr>
<td>Lyon</td>
<td>5.70%</td>
<td>5.30%</td>
<td>4.80%</td>
<td></td>
</tr>
<tr>
<td>Lille</td>
<td>5.90%</td>
<td>5.60%</td>
<td>5.10%</td>
<td></td>
</tr>
<tr>
<td>Bordeaux</td>
<td>6.40%</td>
<td>6.20%</td>
<td>5.75%</td>
<td></td>
</tr>
<tr>
<td>Toulouse</td>
<td>6.20%</td>
<td>6.00%</td>
<td>5.75%</td>
<td></td>
</tr>
<tr>
<td>Nantes</td>
<td>6.50%</td>
<td>6.25%</td>
<td>6.40%</td>
<td></td>
</tr>
<tr>
<td>Strasbourg</td>
<td>6.90%</td>
<td>6.50%</td>
<td>5.95%</td>
<td></td>
</tr>
</tbody>
</table>

#### Grade A Warehouses

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>Trend 2016 / 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>6.85%</td>
<td>6.35%</td>
<td>5.70%</td>
<td></td>
</tr>
<tr>
<td>Regions</td>
<td>6.85%</td>
<td>6.35%</td>
<td>6.25%</td>
<td></td>
</tr>
</tbody>
</table>

#### Industrial Premises

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>Trend 2016 / 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>7.75%</td>
<td>6.85%</td>
<td>6.70%</td>
<td></td>
</tr>
</tbody>
</table>

#### Retail

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>Trend 2016 / 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street-level store in Paris</td>
<td>4.00%</td>
<td>3.50%</td>
<td>3.00%</td>
<td></td>
</tr>
<tr>
<td>Shopping centres in France</td>
<td>4.75%</td>
<td>4.75%</td>
<td>4.75%</td>
<td></td>
</tr>
<tr>
<td>Retail parks in France</td>
<td>5.30%</td>
<td>5.30%</td>
<td>5.10%</td>
<td></td>
</tr>
</tbody>
</table>
BNP Paribas Real Estate - SAS au capital de 383.071.696 € - 692 012 180 RCS Nanterre - Code NAF 7010 Z - N° TVA Intracommunautaire FR 666 920 121 80
Siège social : 167, Quai de la Bataille de Stalingrad - 92867 Issy les Moulineaux Cedex
BNP Paribas Real Estate est une filiale du groupe bancaire BNP Paribas - July 2016

Main locations

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

GREATER PARIS
Bagnolet
Immeuble Les Mercurelles
40 rue Jeanlaures
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

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

REGIONS

Annecy
Parc des Glisins
19, avenue du Pré-de-Chailers
74940 Annecy-le-Vieux
Tel.: +33 (0) 4 50 64 12 12

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

Clermont-Ferrand
Immeuble Le Képér
3, rue Képér
63100 Clermont-Ferrand
Tel.: +33 (0) 4 73 30 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 Euralille
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
13027-13235 Marseille Cedex 2
Tel.: +33 (0) 4 91 56 03 03

Metz
WTC Technopole de Metz
2, rue Augustin Fresnel
57002 Metz Cedex 3
Tel.: +33 (0) 3 87 37 20 10

Montpellier
Immeuble Le Triangle
21, allée Jules Mâchév
84901
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
14, mail Pablo Picasso
BP 81811
44006 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) 93 18 08 88

Orléans
16, rue de la République
45100 Orléans
Tel.: +33 (0) 2 38 61 09 91

Rennes
Centre d’Affaires Athéas
11, rue Louis Kerautret-Bornel
35000 Rennes
Tel.: +33 (0) 2 99 22 85 55

Rouen
Immeuble Europa
101, Boulevard de l’Europe
76100 Rouen
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 Octavio BP 80726
31007 Toulouse Cedex 6
Tel.: +33 (0) 5 61 23 56 56

Tours
29, rue de la Miliétrie
37000 Tours
Tel.: +33 (0) 2 47 44 70 58

Rennes
Centre d’Affaires Athéas
11, rue Louis Kerautret-Bornel
35000 Rennes
Tel.: +33 (0) 2 38 61 09 91

Rouen
Immeuble Europa
101, Boulevard de l’Europe
76100 Rouen
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Tel.: +33 (0) 5 61 23 56 56

Tours
29, rue de la Miliétrie
37000 Tours
Tel.: +33 (0) 2 47 44 70 58

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

Richard MALLE
Head of Research
richard.malle@bnpparibas.com

Morgane LEVIVRE
Investment analyst
morgane.levivre@bnpparibas.com

Investment Transaction
Olivier AMBROSIALI
Head of Investment Ile-de-France
Tel.: +33 (0) 4 78 59 17 49
olivier.ambrosiali@bnpparibas.com

Bruno ANCELIN
Head of Retail Investment France
Tel.: +33 (0) 4 78 59 23 91
bruno.ancelin@bnpparibas.com

Pierre-Michel OLIVIER
Head of regional investment
Tel.: +33 (0) 4 78 59 23 61
pierre-michel.olivier@bnpparibas.com

Ettiene PRONGUE
Manager of international investment
Tel.: +33 (0) 4 78 59 23 35
ettienne.prongue@bnpparibas.com

Franck POIZAT
Head of Logistics
Investment France
Tel.: +33 (0) 4 78 59 17 34
franck.poizat@bnpparibas.com

www.realestate.bnpparibas.fr