It was another exceptional year for the French logistics market in 2016 as it grew 12% compared to the previous year. Indeed, take-up of over 3.6 million m² meant it was the best performance in 10 years.

- It was another vintage year for turnkey and owner-occupier deals in 2016. With 63 deals recorded (+9% in a year) totalling over 1.8 million m² (+34% in a year). These moves alone accounted for half the market. Such a level of take-up for this type of transaction has not been seen since the beginning of the 2000s. This robust performance reflects a lack of supply that can meet the specific needs of occupiers, whether in terms of size or the technical specifications of the premises.

- The other striking aspect of 2016 was the rise in the proportion of take-up away from the North-South axis. Over 40% of deals recorded last year were not on a core market, compared to over 30% in 2015. Indeed, the regions were the preferred playing field of major companies, accounting for 80% of transactions over 20,000 m² in 2016.

Greater Paris meanwhile failed to match the excellent performance of 2015, with activity down 25% in a year. Nevertheless, the volume of take-up in 2016 (900,000 m²) was well above the 10-year average (850,000 m²). Moreover, a certain number of deals over 20,000 m² were waiting to have blocking conditions lifted at the end of the year. As such, they should go ahead in 2017, boosting the start of the year for Ile-de-France.

- With about 3.3 million m² of warehouses available on January 1, 2017, of which over 1.6 million grade A, availability within a year (existing and under construction) is stable from one year to the next. As the top logistical hub in France, Île-de-France represents half of this supply. Note that over 120,000 m² is currently under construction in Lille, in Greater Paris and in Rouen and will swell the market in the coming months.

- Average headline rents for grade A premises have been maintained. Prime rents in the regions still range from €38 to €48/m², and between €53 and €55/m² in Île-de-France.

- With €1.7bn invested in 2016, investment in logistics (excluding industrial premises) has fallen by 20% after a record year in 2015. The lack of supply has been an obstacle, in a market where the demand from investors is still strong. Portfolio transfers still occupy a prominent place, accounting for over 60% of investment, such as the Arctic portfolio bought by Blackstone for just under €250m. In terms of buyers, investors from office markets have been returning (notably insurers and SCPI), while new players have arrived on the market, such as Patrizia, Barings, Exeter, York Capital or RedTree. Given low interest rates and the massive inflows of liquidity, the prime yield in Île-de-France was 5.50% at the end of Q4 2016.

This year it is worth noting the speculative starts on around 10 schemes, on the main hubs of the North-South axis, but also other areas such as Toulouse or Le Havre. Unsurprisingly, these schemes have been warmly received and signed before their completion.
SUPPLY IN FRANCE - 31 DECEMBER 2016

- Availability within a year (existing supply and space under construction)
- Planning permission granted

**Total area (m²)**
- 218,000
- 100,000
- 50,000
- 25,000

* data per city

TAKE-UP Q4 2016

- Grade A
- Other

**Total area (m²)**
- 218,000
- 100,000
- 50,000
- 25,000

* data per city
## KEY FIGURES

### Supply in France (m²) - 1st January 2017

<table>
<thead>
<tr>
<th>Markets</th>
<th>Existing supply</th>
<th>Future supply</th>
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<tbody>
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<td>Grade A (m²)</td>
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<td><strong>Total</strong></td>
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### TAKE-UP (m²)*

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</table>

* Immostat, BNP Paribas Real Estate
Main locations

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167, Quai de la Bataille de Stalingrad
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GREATER PARIS
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Immeuble Les Mercuriales
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93170 Bagnols
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

Eranay
Immeuble Tennessee
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BP 30272 Eragny
95615 Cergy Pontoise Cedex
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REGIONS

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PAE des Glaisins
19, avenue du Prè-de-Challes
74940 Annecy-le-Vieux
Tel.: +33 (0) 4 50 64 12 12

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

Clermont-Ferrand
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Dijon
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21000 Dijon
Tel.: +33 (0) 3 80 67 35 72

Grenoble
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Boulevard de Tourn
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Lyon
Tour Part-Dieu
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69326 Lyon Cedex 3
Tel.: +33 (0) 78 63 62 61

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Mulhouse
Immeuble Europe
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67000 Strasbourg
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Nancy
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d’Austrasie
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54000 Nancy
Tel.: +33 (0) 3 83 95 88 88

Nantes
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BP 6181
44006 Nantes Cedex 01
Tel.: +33 (0) 2 40 20 20 20

Nice
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06285 Nice Cedex 3
Tel.: +33 (0) 93 18 08 88

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45000 Orléans
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Rennes
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35000 Rennes
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Rouen
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67000 Strasbourg
Tel.: +33 (0) 3 88 22 19 44

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