Investment in commercial real estate in France

• Investment in commercial real estate in France in 2017 came in at € 26.4bn, i.e. a 17% fall compared to 2016. The figure was slightly below the five-year average, which was € 27bn. This was mainly due to the lack of assets for sale. Despite their definite interest in the investment market and high inflows, investors are struggling to find new assets and therefore hesitant to switch.

• Île-de-France accounted for 74% of investment over the year, a stable proportion. The flagship deal of 2017 was in Île-de-France, namely the acquisition by Amundi of Cœur Défense for € 1.8bn. In the regions, the biggest transaction was the acquisition of the Place des Halles shopping centre in Strasbourg by Lasalle Investment Management for € 290m.

• Offices are by far the favourite asset with some € 19bn invested. This is a historical record. In Île-de-France, there were four deals for over € 500m, including Ecowest bought by a Middle-East investor and EDF Invest for more than € 600m at the end of the year. Investment in offices in the regions amounted to € 2.4bn, up 25% over a year, including the acquisition of the Docks in Marseille for € 230m. Although retail fell 25% due to a lack of assets on sale. investment was still high at close to € 4bn. Logistics surged 16%, notably thanks to several portfolios (Anchor, Galia, Axxel), and without including Logistic's corporate deal. Lastly in the absence of the major health and hotel portfolios of 2016, investment in services was particularly low in 2017.

• Funds once again drove the market, representing 34% investment. However, SCPI were hot on their heels at 31%. The latter benefited from record inflows that are likely to have exceeded € 6bn over the whole of 2017. French investors accounted for a very large share representing 74% of buyers in 2017. Among foreign investors, although US players saw a dip (8%), Europeans had a strong showing with 13% of investment. We note that South Korea and Saudi Arabia were involved in three deals.

• Prime yields are starting to bottom out for retail and offices in Île-de-France. As such, the prime yield in Paris CBD should only fall from 3.05% at end 2017 to 3% in 2018. Conversely, yields are expected to narrow further in logistics, industrial premises and offices in the flourishing regional capitals.
INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount invested in France</strong></td>
<td>31,799</td>
<td>31,932</td>
<td>26,440</td>
</tr>
<tr>
<td>including amount invested in Île-de-France*</td>
<td>20,341</td>
<td>20,260</td>
<td>18,549</td>
</tr>
<tr>
<td>Offices</td>
<td>19,094</td>
<td>18,228</td>
<td>18,905</td>
</tr>
<tr>
<td>Warehouses</td>
<td>2,105</td>
<td>1,688</td>
<td>1,956</td>
</tr>
<tr>
<td>Industrial premises</td>
<td>415</td>
<td>1,056</td>
<td>437</td>
</tr>
<tr>
<td>Retail</td>
<td>5,455</td>
<td>5,204</td>
<td>3,862</td>
</tr>
<tr>
<td>Services</td>
<td>4,730</td>
<td>5,755</td>
<td>1,279</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Geographic breakdown</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>75%</td>
<td>74%</td>
<td>74%</td>
</tr>
<tr>
<td>Regions</td>
<td>25%</td>
<td>26%</td>
<td>26%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment amount</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; € 5 million</td>
<td>660</td>
<td>678</td>
<td>734</td>
</tr>
<tr>
<td>€ 5 - 10 million</td>
<td>859</td>
<td>1,017</td>
<td>852</td>
</tr>
<tr>
<td>€ 10 - 20 million</td>
<td>1,903</td>
<td>2,095</td>
<td>1,739</td>
</tr>
<tr>
<td>€ 20 - 50 million</td>
<td>3,734</td>
<td>4,797</td>
<td>4,181</td>
</tr>
<tr>
<td>€ 50 - 100 million</td>
<td>4,495</td>
<td>4,380</td>
<td>4,584</td>
</tr>
<tr>
<td>&gt; € 100 million</td>
<td>20,110</td>
<td>18,955</td>
<td>14,305</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31,799</td>
<td>31,932</td>
<td>26,440</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of investors</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>28%</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>Sovereign funds</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Insurance</td>
<td>20%</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>SIIC (Reit)</td>
<td>13%</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Other landholding companies</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>SCPI</td>
<td>15%</td>
<td>21%</td>
<td>31%</td>
</tr>
<tr>
<td>OPCI</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Private investors</td>
<td>5%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>
### INITIAL PRIME YIELDS

#### Offices in Île-de-France

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>3.25%</td>
<td>3.15%</td>
<td>3.05%</td>
<td></td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>3.75%</td>
<td>3.50%</td>
<td>3.40%</td>
<td></td>
</tr>
<tr>
<td>La Défense</td>
<td>4.90%</td>
<td>4.75%</td>
<td>3.90%</td>
<td></td>
</tr>
<tr>
<td>Western Crescent</td>
<td>3.90%</td>
<td>3.65%</td>
<td>3.25%</td>
<td></td>
</tr>
<tr>
<td>Inner Rim</td>
<td>4.50%</td>
<td>4.35%</td>
<td>4.05%</td>
<td></td>
</tr>
<tr>
<td>Outer Rim</td>
<td>5.90%</td>
<td>5.50%</td>
<td>5.20%</td>
<td></td>
</tr>
</tbody>
</table>

#### Offices in Regions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aix/Marseille</td>
<td>6.00%</td>
<td>5.75%</td>
<td>5.20%</td>
<td></td>
</tr>
<tr>
<td>Lyon</td>
<td>4.80%</td>
<td>4.80%</td>
<td>3.90%</td>
<td></td>
</tr>
<tr>
<td>Lille</td>
<td>5.60%</td>
<td>5.10%</td>
<td>4.50%</td>
<td></td>
</tr>
<tr>
<td>Bordeaux</td>
<td>6.00%</td>
<td>5.90%</td>
<td>5.10%</td>
<td></td>
</tr>
<tr>
<td>Toulouse</td>
<td>6.00%</td>
<td>6.20%</td>
<td>5.40%</td>
<td></td>
</tr>
<tr>
<td>Nantes</td>
<td>6.40%</td>
<td>6.10%</td>
<td>6.10%</td>
<td></td>
</tr>
<tr>
<td>Strasbourg</td>
<td>6.40%</td>
<td>5.95%</td>
<td>5.95%</td>
<td></td>
</tr>
</tbody>
</table>

#### Grade A Warehouses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>5.80%</td>
<td>5.50%</td>
<td>4.90%</td>
<td></td>
</tr>
<tr>
<td>Regions</td>
<td>5.25%</td>
<td>4.60%</td>
<td>4.90%</td>
<td></td>
</tr>
</tbody>
</table>

#### Industrial Premises

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>6.70%</td>
<td>6.70%</td>
<td>5.90%</td>
<td></td>
</tr>
</tbody>
</table>

#### Retail

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Street-level store in Paris</td>
<td>3.00%</td>
<td>2.75%</td>
<td>2.75%</td>
<td></td>
</tr>
<tr>
<td>Shopping centres in France</td>
<td>4.75%</td>
<td>4.20%</td>
<td>4.20%</td>
<td></td>
</tr>
<tr>
<td>Retail parks in France</td>
<td>5.25%</td>
<td>4.60%</td>
<td>4.50%</td>
<td></td>
</tr>
</tbody>
</table>
### 6 BUSINESS LINES in Europe

#### 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**

- Aubervilliers
  - Parc des Portes de Paris
  - 40 rue Victor Hugo
  - Bât 264 / 4ème étage
  - 93300 Aubervilliers
  - Tel.: +33 (0) 1 69 37 70 73

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

**Ergany**
- Immeuble Tennessee
  - 8 allée Rosa Luxembourg
  - BP 10272 Ergany
  - 92815 Cergy Pontoise Cedex
  - Tel.: +33 (0) 1 34 30 86 46

**Aix en Provence**
- Parc du Golf
  - 83290 Aix en-Provence
  - Tel.: +33 (0) 4 42 90 72 72

**Annecy**
- PÉ Des Glaisins
  - 29, avenue du Pré-de-Chaliers
  - 74940 Annecy-le-Vieux
  - Tel.: +33 (0) 4 50 64 12 12

**Bordeaux**
- Opus 33
  - 33800 Bordeaux
  - Tel.: +33 (0) 5 56 44 09 12

**Dijon**
- Immeuble Le Richebou
  - 10, boulevard Carnot
  - 21000 Dijon
  - Tel.: +33 (0) 3 80 67 35 72

**Grenoble**
- Immeuble Le Grenat
  - 3, avenue du Doyen Louis Weil
  - 38010 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**
- 55x1
  - 15 rue des cuirassiers
  - 69003 Lyon
  - Tel.: +33 (0) 78 63 62 61

- Marseille
  - 44, boulevard de Dunkerque
  - 1311257 - 13235 Marseille Cedex 2
  - Tel.: +33 (0) 4 91 56 03 03

- Metz
  - WTC Technopôle de Metz
  - 2, rue Augustin Fresnel
  - 57082 Metz Cedex 3
  - Tel.: +33 (0) 87 97 20 10

- Montpellier
  - Immeuble Le Triangle
  - 26, allée Jules Malan
  - 34060 Montpellier Cedex 02
  - Tel.: +33 (0) 4 67 92 43 60

- Mulhouse
  - Beverly Plaza
  - 15 rue de Dole
  - 68700 Mulhouse
  - Tel.: +33 (0) 3 89 33 40 50

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

- Nantes
  - Immeuble Phoenix – Arènes
  - 45, promenade des Anglais
  - 44265 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 Athéna
  - 11, rue Louis Kerauderet-Bome
  - 35000 Rennes
  - Tel.: +33 (0) 2 99 22 85 55

- Rouen
  - Immobilier Europa
  - 101 Boulevard de l’Europe
  - 76100 Rouen
  - Tel.: +33 (0) 2 35 72 15 50

- Strasbourg
  - Beverly Plaza
  - 15 rue de Champagne
  - 67300 Schiltigheim
  - Tel.: +33 (0) 89 39 40 50

- Toulouse
  - Elysées
  - 8-10 rue des 36 ponts
  - 31421
  - 31432 Toulouse Cedex
  - Tel.: +33 (0) 5 81 84 23 40

- Tours
  - 29, rue de la Molière
  - 37000 Tours
  - Tel.: +33 (0) 4 72 44 70 58

---

**Research**

**Investment Transaction**

Olivier AMBROSIALI
Head of Capital Markets
Tel.: +33 (0) 1 47 59 17 49
olivier.ambrosiali@bnpparibas.com

Cyril ZAPRILLA
Head of Capital Markets
Tel.: +33 (0) 1 47 59 23 91
cyril.zaprilla@bnpparibas.com

Pierre-Michel OLIVIER
Head of Capital Markets Regions
Tel.: +33 (0) 1 47 59 23 61
pierre-michel.olivier@bnpparibas.com

Larry YOUNG
Head of International Investment Group
Tel.: +33 (0) 1 47 59 20 11
larry.young@bnpparibas.com

Franck POIZAT
Deputy Head of Capital Markets Logistics
Tel.: +33 (0) 1 47 59 17 34
franck.poizat@bnpparibas.com

---

**Contacts**

**BNP Paribas Real Estate**

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

**Guillaume Joly**
Head of Research
guillaume.joly@bnpparibas.com

**Morgane Lelievre**
Senior Investment Analyst
morgane.lelievre@bnpparibas.com

---

**Real Estate for a changing world**