AT A GLANCE
WAREHOUSES > 5,000 M² IN FRANCE
Q4 2017

A RECORD YEAR

• 2017 was an exceptional year for the French logistics market, which hit a record level. Indeed, for the first time since the early 2000s it exceeded the 4 million m² threshold (via 219 transactions), an outstanding performance! We note that over 80% of this concerned grade A warehouses (including owner-occupier and turnkey deals).
• Economic growth, the diversification of occupiers’ needs, new challenges posed by e-commerce and the streamlining of supply chains of large retailers have prompted some occupiers to opt for new platforms, often on a large scale. Consequently, the 10 biggest deals in 2017 alone accounted for over 20% of overall take-up.
• The market for existing warehouses (excluding owner-occupier and turnkey deals) perked up in 2017 (+14% in a year). Investors’ successful speculative operations has seen a rise in transactions for new units (+47% in a year), demonstrating that occupiers’ demand in terms of premises (functionality, environmental footprint etc.) remains high. Take-up of second-hand supply is meanwhile held back by a degree of obsolescence.
• Despite a fall in the number of transactions, the volumes concerned by owner-occupier and turnkey deals have nevertheless remained high, at close to 2 million m² as of end December 2017 (i.e. 50% of the overall market).
• Geographically, Ile-de-France is by far in the lead with over 1.9 million m² transacted over the last 12 months vs. an average of 860,000 m² between 2007 to 2016. This figure is all the more remarkable in that it is the first time ever that any French logistics market has seen such high take-up in a single year. The five biggest moves in Ile-de-France in 2017 represented about 30% of take-up. They included the owner-occupier deal by Conforama for 193,000 m² in Tournan-en-Brie and Amazon with 141,000 m² in Brétigny sur Orge.
• Boosted by the performance in Ile-de-France, most of the deals of the year were on the North-South axis. The Regions (excluding the North-South axis) were busy too, with take-up of 1.1 million m² again above the 10-year average.

Availability within a year in France

• Availability within a year has fallen with vacant premises at 3.1 million m² as of January 1, 2018 (-3% in a year). Relatively flat from one year to the next, the availability of grade A warehouses (1.5 million m²) remains well below its long-term average (1.9 million m²).
• Average headline rents for grade A warehouses have held up from one year to the next. The range of prime rents remains very wide. Paris dominates at € 56/m², vs. € 42-48 /m² in the regions. There has been an increase in certain markets this year, such as Lyon and Marseille which have seen rents rise from respectively € 45 and € 44 /m²/year at the end of 2016 to € 47 and € 46 /m² a year later. This increase stems from the low level of grade A warehouses available on these markets but also reflects the high quality of the leased premises.
• 2017 was also an outstanding year for logistics investment. Indeed, while the real estate market as a whole experienced a 17% fall in investment from one year to the next, logistics was one of the few assets to have seen an increase in 2017 (+14% in a year). Indeed, 2017 saw a series of “megadeals”, such as the Orchestra warehouse in Arras bought by Invesco for € 100m and the But warehouse in Pusignan sold to Segro for about € 50m. As such, investment in warehouses over the course of 2017 came in at about € 2bn.
• Once again, portfolio transfers were clearly dominant, representing about 55% of investment. Highlights included the Axxel portfolio bought by Green Oak for about € 130m.
• Another highlight of the year was the resumption of speculative schemes. Indeed, after returning in force in 2016, investors’ interest in this type of project has been confirmed over the past year, with around 12 schemes launched for a total of around 300,000 m².
• The prime yield in logistics, which was squeezed hard in 2015 and 2016, currently stands at 4.90 % both in the Paris area and the regions.

MARKET IN FRANCE
Availability within a year in France

Take-up in France
## KEY FIGURES

### SUPPLY IN FRANCE (m²) - 1st January 2018

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

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<th>Q4 2017 (on a rolling-year basis)</th>
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<td>Orléans/Tours</td>
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<td>Strasbourg</td>
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<td>Toulouse</td>
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</tr>
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<td><strong>Total</strong></td>
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<td><strong>978,000</strong></td>
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</tbody>
</table>

* Immostat, BNP Paribas Real Estate
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
Bagniol
Immeuble Les Mercuriales
40 rue Jean-laurs
93170 Bagnolet
Tel.: +33 (0) 1 49 93 70 02

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
Annce
PAR 57
19, avenue du Pré-de-Châlons
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

Chiermont-Ferrand
Immeuble le Képler
3, rue Képler
63100 Clermont-Ferrand
Tel.: +33 (0) 4 73 90 09 12

Dijon
Immeuble le Richeulieu
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 28 26 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
13008 Marseille Cedex 2
Tel.: +33 (0) 4 91 56 03 03

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

Montpellier
Immeuble Le Triangle
26, allée Jules Maillan
34205 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
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54000 Nancy
Tel.: +33 (0) 3 83 95 88 88

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

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

Orléans
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45100 Orléans
Tel.: +33 (0) 2 38 62 09 91

Rennes
Centre d’Affaires Athéas
11, rue Louis Kerautret-Bornel
35000 Rennes
Tel.: +33 (0) 93 22 85 55

Rouen
Immeuble Europa
101 Boulevard de l’Europe
76100 Rouen
Tel.: +33 (0) 2 35 72 25 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
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37000 Tours
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