With € 3.8bn invested in France in Q1 2018, investment in commercial real estate is stable compared to Q1 2017. This is a quiet start to the year, below the ten-year average of € 4.4bn. 

Île-de-France accounts for 77% of investment, vs. 74% on average. There were two office deals for over € 300m in Q1 2018: the acquisition by Generali of the entire Cœur Marais – Fhivie for a total of € 377m and the MSH building bought by CBRE GI for € 304m. In the regions, Aix-Marseille was comfortably in the lead attracting € 296m, notably thanks to the sale of the Corail building in Euroméditerranée. Lyon was in second place with just under € 100m invested, a fall compared to Q1 2017.

Offices are still investors’ favourite asset category: in Q1 they accounted for 78% of investment, up 10% vs. Q1 2017. Most of the investment in offices was in the Paris region (88%); this high proportion stems notably from the signature of 9 deals over € 100m in Île-de-France. Retail enjoyed a strong start to the year with an increase of 6% vs. Q1 2017. Among the main transactions, we note the sale to Carrefour Property of the Grand Vitrolles shopping centre for € 200m. Investment in other asset categories was in decline over the quarter: in Logistics, the market was driven by two pan-European portfolios over the quarter, representing 55% of investment: the NOVEM and TITAN portfolios, both bought by ARES MANAGEMENT LIMITED. Industrial premises fell by 27% in Q1 2018. There were no portfolio transfers in this asset category. Services were still in the minority over the quarter, representing only 3% of investment.

Funds once again drove the market with 30% of investment. Strong inflows continue to benefit insurers (20%) as well as SCPI-OPCI (28%). Property companies ranked next with 15% of investment. French investors again accounted for a large share: they represented 58% of buyers in Q1 2018. Even though French investors remain in the majority, foreign investors were involved in the market over the quarter: US funds accounted for 18% of investment, followed by the Italians (11%). Conversely Asian and Middle Eastern funds took a break from the French market.

The prime yield is starting to reach floor levels, even though slight declines are still expected in 2018. In Île-de-France, the prime office yield in Paris was 3.00% for the quarter, but is unlikely to fall much more over the year. In the regions, with the exception of Lyon and Aix-Marseille which have already experienced significant declines, prime office yields should continue to contract in 2018. For retail it could narrow to 2.50% for the best Paris assets. Declines are also expected in logistics, with a prime yield that should fall to about 4.50%.
## INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount invested in France</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Including amount invested in Île-de-France*</td>
<td>1,980</td>
<td>2,463</td>
<td>2,698</td>
</tr>
<tr>
<td><strong>Offices</strong></td>
<td>1,552</td>
<td>2,686</td>
<td>2,945</td>
</tr>
<tr>
<td><strong>Warehouses</strong></td>
<td>317</td>
<td>239</td>
<td>143</td>
</tr>
<tr>
<td><strong>Industrial premises</strong></td>
<td>108</td>
<td>98</td>
<td>71</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>1,280</td>
<td>467</td>
<td>497</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>1,165</td>
<td>176</td>
<td>128</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>2016</th>
<th>2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>74%</td>
<td>74%</td>
<td>77%</td>
</tr>
<tr>
<td>Regions</td>
<td>26%</td>
<td>26%</td>
<td>23%</td>
</tr>
</tbody>
</table>

### Investment amount

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; € 5 million</td>
<td>121</td>
<td>188</td>
<td>78</td>
</tr>
<tr>
<td>€ 5 - 10 million</td>
<td>232</td>
<td>189</td>
<td>173</td>
</tr>
<tr>
<td>€ 10 - 20 million</td>
<td>415</td>
<td>311</td>
<td>341</td>
</tr>
<tr>
<td>€ 20 - 50 million</td>
<td>1,065</td>
<td>786</td>
<td>591</td>
</tr>
<tr>
<td>€ 50 - 100 million</td>
<td>627</td>
<td>552</td>
<td>645</td>
</tr>
<tr>
<td>&gt; € 100 million</td>
<td>1,962</td>
<td>1,641</td>
<td>1,956</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,422</td>
<td>3,667</td>
<td>3,784</td>
</tr>
</tbody>
</table>

### Type of investors

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>33%</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>Sovereign funds</td>
<td>5%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Insurance</td>
<td>16%</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>SIIC (Reit)</td>
<td>10%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Other landholding companies</td>
<td>4%</td>
<td>4%</td>
<td>14%</td>
</tr>
<tr>
<td>SCPI</td>
<td>21%</td>
<td>31%</td>
<td>17%</td>
</tr>
<tr>
<td>OPCI</td>
<td>4%</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Private investors</td>
<td>4%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>
## Initial Prime Yields

### Offices in Île-de-France

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>3.25%</td>
<td>3.15%</td>
<td>3.00%</td>
<td>↘</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>3.50%</td>
<td>3.50%</td>
<td>3.25%</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>3.65%</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>3.80%</td>
<td>↘</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>5.50%</td>
<td>5.35%</td>
<td>5.20%</td>
<td>↘</td>
</tr>
</tbody>
</table>

### Offices in Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyon</td>
<td>4.80%</td>
<td>4.00%</td>
<td>3.90%</td>
<td>↘</td>
</tr>
<tr>
<td>Aix / Marseille</td>
<td>6.00%</td>
<td>5.75%</td>
<td>4.70%</td>
<td>↘</td>
</tr>
<tr>
<td>Lille</td>
<td>5.25%</td>
<td>4.90%</td>
<td>4.50%</td>
<td>↘</td>
</tr>
<tr>
<td>Nice / Sophia Antipolis</td>
<td>5.75%</td>
<td>5.50%</td>
<td>5.50%</td>
<td>g</td>
</tr>
<tr>
<td>Toulouse</td>
<td>6.20%</td>
<td>5.80%</td>
<td>5.40%</td>
<td>↘</td>
</tr>
<tr>
<td>Strasbourg</td>
<td>6.40%</td>
<td>5.95%</td>
<td>5.95%</td>
<td>g</td>
</tr>
<tr>
<td>Nantes</td>
<td>6.40%</td>
<td>6.10%</td>
<td>6.10%</td>
<td>↘</td>
</tr>
<tr>
<td>Bordeaux</td>
<td>5.90%</td>
<td>5.25%</td>
<td>5.10%</td>
<td>↘</td>
</tr>
</tbody>
</table>

### Grade A Warehouses

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>5.70%</td>
<td>5.50%</td>
<td>4.90%</td>
<td>↘</td>
</tr>
<tr>
<td>Regions</td>
<td>6.35%</td>
<td>5.60%</td>
<td>4.90%</td>
<td>↘</td>
</tr>
</tbody>
</table>

### Industrial Premises

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>6.70%</td>
<td>6.40%</td>
<td>5.90%</td>
<td>↘</td>
</tr>
</tbody>
</table>

### Retail

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Trend 2018 / 2017</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>5.10%</td>
<td>4.50%</td>
<td>4.50%</td>
<td>℺</td>
</tr>
</tbody>
</table>
6 BUSINESS LINES in Europe
A 360° vision

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 40 93 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 30727 Ergany
99815 Cergy Pontoise Cedex
Tel.: +33 (0) 1 34 30 86 46

Aix en Provence
Parc du Golf
Bât 23
350 rue Jean René Guillelmet
Gauthier de la Lauzère
Les Mêles
13290 Aix-en-Provence
Tel.: +33 (0) 4 42 90 72 72

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

Bordeaux
Opus 13
61-64 quai de Paludate
33800 Bordeaux
Tel.: +33 (0) 5 56 44 09 12

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

Grenoble
Immeuble Le Grenet
3, avenue du Docteur 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
Slex 1
15 rue des curassiers
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 71 43 40

Montpellier
Immeuble Le Triangle
26, allée Jules Mâhu
34300 Montpellier Cedex 02
Tel.: +33 (0) 4 83 83 30 45

Nantes
14 mail Pablo Picasso
BP 6111
44000 Nantes Cedex 01
Tel.: +33 (0) 4 20 20 20 20

Nice
Immeuble Phoenix – Arénas
455, promenade des Anglais
06265 Nice Cedex 3
Tel.: +33 (0) 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 Kerouard-Bonel
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 21 50

Strasbourg
Beverly Plaza
15 rue de Champagne
67300 Strasbourg
Tel.: +33 (0) 99 39 40 50

Toulouse
Eiffelizes
8-10 rue des 36 ponts
CS 84216
31402 Toulouse Cedex
Tel.: +33 (0) 81 82 34 40

Tourcoing
29, rue de la Mèlièterre
59300 Tourcoing
Tel.: +33 (0) 47 44 70 58

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BNP Paribas Real Estate: Simplified joint stock company with capital of € 383.071.696 - 692 012 180 RCS Nanterre - Code NAF 7010 Z - CE identification number FR 666 920 121 80

Headquarters: 167, Quai de la Bataille de Stalingrad - 92867 Issy los Moulinaux Cedex

BNP Paribas Real Estate is part of the BNP Paribas Banking Group - April 2018

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