AT A GLANCE
INVESTMENT IN FRANCE
H1 2018

AN EXCEPTIONAL FIRST HALF

Coming in at around €13bn for H1 2018, investment in France saw growth of 49% compared to the same period in 2017. This very steep growth was attributable not to the large number of transactions, but rather the conclusion of several large deals. Indeed there were 35 deals of over €100m over the 6-month period, which accounted for more than 60% of investment.

The market was mainly driven by Offices: these accounted for 70% of the total and saw an increase of 51% vs. H1 2017. Yet other asset categories played a part too: Retail represented 15% of investment with an increase of 57%; this healthy trend stemmed mainly from the sale of the Apple Store on the Champs Élysées, bought by BVK for about €600m. Thanks to the sale of several hefty portfolios, Logistics also flourished over the period, with a 67% rise in investment. Over €200m was transacted in Industrial premises, i.e. an increase of 10% vs. H1 2017. Investment in Services meanwhile reached a level equivalent to that of 2017, i.e. about €500m.

Three quarters of investment was still in Île-de-France. Paris was particularly sought after in H1. Paris non-CBD saw over 5 deals of over €100m which meant that investment there rose by 38% to over €2.3bn. In the CBD, €1.8bn was invested compared to just €319m last year. The Western Crescent also performed outstandingly, notably thanks to the acquisition of the Kosmo building by Sogecap for just over €460m. Conversely, La Défense attracted few investors over the quarter. However, the situation should change in the coming months as several large-scale deals are expected in the district. In the regions, Nice-Sophia takes top place thanks to the sale of the Polygone Riviera shopping centre in Cagnes-sur-Mer, bought by Unibail-Rodamco for €225m. Lyon and Aix-Marseille take second and third places respectively.

Funds were behind over 50% of investment over the half year, followed by insurers (12%). Whereas on average over the past five years SCPI have averaged 20% of investment, in H1 2018 they accounted for just 12%. French investors are still in the majority, representing 62% of investment. However, foreign investors are also active in the French market, particularly American funds (19%) and German funds (11%). We also note the arrival of Asian funds via the acquisition of the Balthazar building in Saint-Denis by Korean investors.

As for yields, these are at floor levels, particularly in Île-de-France where no decline is expected before the end of the year. The prime office yield in Paris is therefore still at 3.00%. In the regions, prime yields have fallen significantly in Lille, Aix-Marseille, Nice and Nantes. Prime yields on other markets should continue to contract in 2018. In Retail the yield has narrowed to 2.50% over the quarter and is unlikely to fall any further before the end of the year. There have also been contractions in Logistics and Industrial Premises, with prime yields down to respectively 4.75% and 5.60%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>17.2</td>
<td>8.3</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>2006</td>
<td>15.2</td>
<td>6.5</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>2007</td>
<td>13.7</td>
<td>4.6</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>2008</td>
<td>17.9</td>
<td>7.4</td>
<td>7.4</td>
<td>7.4</td>
</tr>
<tr>
<td>2009</td>
<td>18.9</td>
<td>11.5</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td>2010</td>
<td>31.9</td>
<td>31.9</td>
<td>31.9</td>
<td>31.9</td>
</tr>
<tr>
<td>2011</td>
<td>27.2</td>
<td>27.2</td>
<td>27.2</td>
<td>27.2</td>
</tr>
<tr>
<td>2012</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>2013</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>2014</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate.
## INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>H1 2016</th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount invested in France</strong></td>
<td>11,819</td>
<td>8,451</td>
<td>12,534</td>
</tr>
<tr>
<td>including amount invested in Île-de-France*</td>
<td>6,843</td>
<td>5,414</td>
<td>9,137</td>
</tr>
<tr>
<td><strong>Offices</strong></td>
<td>5,992</td>
<td>5,890</td>
<td>8,817</td>
</tr>
<tr>
<td><strong>Warehouses</strong></td>
<td>578</td>
<td>690</td>
<td>1,149</td>
</tr>
<tr>
<td><strong>Industrial premises</strong></td>
<td>226</td>
<td>189</td>
<td>208</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>2,338</td>
<td>1,189</td>
<td>1,870</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>2,685</td>
<td>494</td>
<td>490</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>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>74%</td>
<td>74%</td>
<td>76%</td>
</tr>
<tr>
<td>Regions</td>
<td>26%</td>
<td>26%</td>
<td>24%</td>
</tr>
</tbody>
</table>

### Investment amount

<table>
<thead>
<tr>
<th></th>
<th>H1 2016</th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; €5 million</td>
<td>291</td>
<td>367</td>
<td>216</td>
</tr>
<tr>
<td>€5 - 10 million</td>
<td>426</td>
<td>414</td>
<td>448</td>
</tr>
<tr>
<td>€10 - 20 million</td>
<td>998</td>
<td>781</td>
<td>818</td>
</tr>
<tr>
<td>€20 - 50 million</td>
<td>2,208</td>
<td>1,721</td>
<td>1,588</td>
</tr>
<tr>
<td>€50 - 100 million</td>
<td>2,103</td>
<td>1,711</td>
<td>1,613</td>
</tr>
<tr>
<td>&gt; €100 million</td>
<td>5,784</td>
<td>3,411</td>
<td>7,850</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,819</td>
<td>8,451</td>
<td>12,534</td>
</tr>
</tbody>
</table>

### Type of investors

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>33%</td>
<td>34%</td>
<td>52%</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>12%</td>
</tr>
<tr>
<td>SIIC (Reit)</td>
<td>10%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Other landholding companies</td>
<td>4%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>SCPI</td>
<td>21%</td>
<td>31%</td>
<td>12%</td>
</tr>
<tr>
<td>OPCI</td>
<td>4%</td>
<td>3%</td>
<td>4%</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>6%</td>
</tr>
</tbody>
</table>
### Initial Prime Yields

#### Offices in Île-de-France

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Q2 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>3.40%</td>
<td>3.25%</td>
<td>↑</td>
</tr>
<tr>
<td>La Défense</td>
<td>4.90%</td>
<td>4.25%</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>4.05%</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>Area</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Q2 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>5.10%</td>
<td>4.90%</td>
<td>4.15%</td>
<td>↑</td>
</tr>
<tr>
<td>Nice / Sophia Antipolis</td>
<td>5.75%</td>
<td>5.50%</td>
<td>4.75%</td>
<td>↑</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>5.95%</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>4.75%</td>
<td>↑</td>
</tr>
<tr>
<td>Bordeaux</td>
<td>5.90%</td>
<td>5.25%</td>
<td>4.95%</td>
<td>↑</td>
</tr>
</tbody>
</table>

#### Grade A Warehouses

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Q2 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>5.70%</td>
<td>5.25%</td>
<td>4.75%</td>
<td>↑</td>
</tr>
<tr>
<td>Regions</td>
<td>6.25%</td>
<td>5.25%</td>
<td>4.75%</td>
<td>↑</td>
</tr>
</tbody>
</table>

#### Industrial Premises

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Q2 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>6.70%</td>
<td>6.40%</td>
<td>5.60%</td>
<td>↑</td>
</tr>
</tbody>
</table>

#### Retail

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2016</th>
<th>Q2 2017</th>
<th>Q2 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>2.50%</td>
<td>↑</td>
</tr>
<tr>
<td>Shopping centres in France</td>
<td>4.75%</td>
<td>4.20%</td>
<td>4.20%</td>
<td>g</td>
</tr>
<tr>
<td>Retail parks in France</td>
<td>5.10%</td>
<td>4.50%</td>
<td>4.50%</td>
<td>g</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 30723 Ergany
95915 Cergy Pontoise Cedex
Tel.: +33 (0) 1 34 30 86 46

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

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

Bordeaux
Opus 33
61-84 quai de Paludate
33800 Bordeaux
Tel.: +33 (0) 5 56 44 09 12

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

Grenoble
Immeuble Le Grenet
3, avenue du Docteur Louis Weil
38000 Grenoble
Tel.: +33 (0) 4 76 85 45 43

Lille
100, Tour de Lille
Boulevard de Turin
59777 Euralille
Tel.: +33 (0) 3 20 06 99 00

Lyon
Silex 1
15 rue des cuivrassiers
69031 Lyon
Tel.: +33 (0) 74 73 62 61

Marseille
44, boulevard de Dunkerque
1311527 - 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 87 20 10

Monselvaer
Immeuble Le Triangle
26, allée Jules Mâhau F S89501
34265 Montpellier Cedex 02
Tel.: +33 (0) 4 67 92 43 60

Mulhouse
Beverly Plaza
15 rue de la République
67350 Mulhouse
Tel.: +33 (0) 3 89 33 40 50

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

Nantes
Immeuble Phoenix – Ariane
455, promenade des Anglais
82285 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 États-Unis
11, rue Louis Kerautret-Borel
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 25 50

Strasbourg
Beverly Plaza
15 rue de la République
67350 Schiltigheim
Tel.: +33 (0) 87 77 35 72

Toulouse
31432 Toulouse Cedex
Tel.: +33 (0) 5 81 84 23 40

Aeroports
8-10 rue des 36 points
94216
31432 Toulouse Cedex
Tel.: +33 (0) 5 81 84 23 40

Tours
29, rue de la Milière
37000 Tours
Tel.: +33 (0) 4 77 44 70 58

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