Investment in France took off over the last quarter of 2018, coming in at € 13.4bn. This excellent quarter meant that 2018 was another record year. For the first time ever, investment broke through the € 32bn mark. This was notably thanks to the outstanding trend in the office segment, the high number of mega-deals and the enthusiasm of international investors for the French market.

**Offices** are still the preferred asset category for investors: they account for 70% of investment and showed an increase of 18% vs. 2017, reaching € 23 bn, i.e. a higher figure than 2007. With respect to Île-de-France, Paris CBD stood out in particular: investment more than doubled between 2017 and 2018. Paris non-CBD also attracted a lot of investors over the year. All told, Paris accounted for almost half of investment in Île-de-France. Investors waited until the last quarter before piling into La Défense. As such, 8 transactions were signed over the last three months of the year, of which 3 were over € 400m. In the regions, the office market set a new record, for the first time breaking through the € 3bn threshold. This remarkable figure was thanks to investors’ strong appetite for off-plan sales and the acquisition by Batipart and Primonial of two portfolios sold by Gecina for a total of about € 800m.

**Retail** retained its second place with € 4.4 bn invested, higher than the 10-year average. The High Street was a major market driver over the year, with several symbolic sales, such as the Apple Store on the Champs Élysées and a number of luxury stores on the Rue Saint Honoré. 2018 also saw the return of sale and lease back portfolios, such as the CUBE portfolio, mainly made up of “But” stores, as well as several Monoprix stores.

**Logistics** also enjoyed a record year: with over € 2.4bn invested, it is increasingly establishing itself as a secure asset. This was the highest level of investment since 2007. Portfolios once again drove the market: they represented two thirds of investment in 2018. This was mainly thanks to several large-scale pan-European portfolios changing hands, such as that sold by Prologis to the Singapore investor Mapletree for c. € 145m and the AZURITE portfolio acquired by Blackstone for over € 200m. Over € 680m was transacted in **Industrial Premises** in 2018, i.e. an increase of 50% vs. 2017. The SPEAR portfolio, bought by Blackstone for about € 180m was a major contributor to the healthy market trend.

**Services** meanwhile saw investment of over € 2bn. The hotel market enjoyed a sharp upturn with investment almost doubling between 2017 and 2018 to € 1.6bn. There were two landmark deals over the course of the year: the sale of Westin Paris Vendôme for € 550m and that of the Lancaster for over € 60m. Among the alternative assets, we also note the sale of two senior housing portfolios, each for over € 150m.

The prime yield for offices has changed very little, having already reached very low levels. In Paris therefore it still stands at 3.00%. In the regions, prime office yields fell significantly in 2018 on most markets. The new prime yield for offices in the regions stands at 3.85% for a new scheme in the Gerland district of Lyon. In retail, the yield narrowed to 2.50%. There were also contractions for logistics and industrial premises, with prime yields reaching respectively 4.75% and 5.40%; these yields could further contract in the coming year.

**Investment in commercial real estate in France**

![Investment in commercial real estate in France](image-url)
## INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount invested in France</strong></td>
<td>31,935</td>
<td>27,422</td>
<td>32,828</td>
</tr>
<tr>
<td>including amount invested in Île-de-France*</td>
<td>20,260</td>
<td>19,351</td>
<td>23,074</td>
</tr>
<tr>
<td>Offices</td>
<td>18,228</td>
<td>19,581</td>
<td>23,039</td>
</tr>
<tr>
<td>Warehouses</td>
<td>1,688</td>
<td>2,073</td>
<td>2,449</td>
</tr>
<tr>
<td>Industrial premises</td>
<td>1,056</td>
<td>455</td>
<td>684</td>
</tr>
<tr>
<td>Retail</td>
<td>5,209</td>
<td>4,007</td>
<td>4,393</td>
</tr>
<tr>
<td>Services</td>
<td>5,754</td>
<td>1,307</td>
<td>2,263</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>Location</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>74%</td>
<td>74%</td>
<td>75%</td>
</tr>
<tr>
<td>Regions</td>
<td>26%</td>
<td>26%</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Investment amount

<table>
<thead>
<tr>
<th>Investment Range</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; € 5 million</td>
<td>686</td>
<td>784</td>
<td>559</td>
</tr>
<tr>
<td>€ 5 - 10 million</td>
<td>1,017</td>
<td>956</td>
<td>1,091</td>
</tr>
<tr>
<td>€ 10 - 20 million</td>
<td>2,074</td>
<td>1,830</td>
<td>2,012</td>
</tr>
<tr>
<td>€ 20 - 50 million</td>
<td>4,824</td>
<td>4,436</td>
<td>4,572</td>
</tr>
<tr>
<td>€ 50 - 100 million</td>
<td>4,380</td>
<td>4,820</td>
<td>5,434</td>
</tr>
<tr>
<td>&gt; € 100 million</td>
<td>18,955</td>
<td>14,596</td>
<td>19,161</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31,935</td>
<td>27,422</td>
<td>32,828</td>
</tr>
</tbody>
</table>

### Type of investors

<table>
<thead>
<tr>
<th>Type of Investors</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>33%</td>
<td>34%</td>
<td>49%</td>
</tr>
<tr>
<td>Sovereign funds</td>
<td>5%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Insurance</td>
<td>16%</td>
<td>10%</td>
<td>16%</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>4%</td>
</tr>
<tr>
<td>SCPI</td>
<td>21%</td>
<td>31%</td>
<td>14%</td>
</tr>
<tr>
<td>OPCI</td>
<td>4%</td>
<td>3%</td>
<td>1%</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>3%</td>
</tr>
</tbody>
</table>
## Initial Prime Yields

### Offices in Île-de-France

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>3.15%</td>
<td>3.05%</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>4.75%</td>
<td>4.10%</td>
<td>4.00%</td>
<td>▼</td>
</tr>
<tr>
<td>Western Crescent</td>
<td>3.65%</td>
<td>3.25%</td>
<td>3.25%</td>
<td>→</td>
</tr>
<tr>
<td>Inner Rim</td>
<td>4.35%</td>
<td>4.05%</td>
<td>3.80%</td>
<td>▼</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>5.50%</td>
<td>5.20%</td>
<td>5.20%</td>
<td>→</td>
</tr>
</tbody>
</table>

### Offices in Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyon</td>
<td>4.80%</td>
<td>3.90%</td>
<td>3.85%</td>
<td>▼</td>
</tr>
<tr>
<td>Aix / Marseille</td>
<td>5.75%</td>
<td>5.20%</td>
<td>4.70%</td>
<td>▼</td>
</tr>
<tr>
<td>Lille</td>
<td>5.10%</td>
<td>4.50%</td>
<td>4.15%</td>
<td>▼</td>
</tr>
<tr>
<td>Nice / Sophia Antipolis</td>
<td>5.50%</td>
<td>5.50%</td>
<td>4.75%</td>
<td>▼</td>
</tr>
<tr>
<td>Toulouse</td>
<td>6.20%</td>
<td>5.40%</td>
<td>5.00%</td>
<td>▼</td>
</tr>
<tr>
<td>Strasbourg</td>
<td>5.95%</td>
<td>5.95%</td>
<td>5.95%</td>
<td>→</td>
</tr>
<tr>
<td>Nantes</td>
<td>6.10%</td>
<td>6.10%</td>
<td>4.75%</td>
<td>▼</td>
</tr>
<tr>
<td>Bordeaux</td>
<td>5.90%</td>
<td>5.10%</td>
<td>4.95%</td>
<td>▼</td>
</tr>
</tbody>
</table>

### Grade A Warehouses

<table>
<thead>
<tr>
<th>Region</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>5.50%</td>
<td>4.90%</td>
<td>4.75%</td>
<td>▼</td>
</tr>
<tr>
<td>Regions</td>
<td>5.60%</td>
<td>4.90%</td>
<td>4.75%</td>
<td>▼</td>
</tr>
</tbody>
</table>

### Industrial Premises

<table>
<thead>
<tr>
<th>Region</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>6.70%</td>
<td>5.90%</td>
<td>5.40%</td>
<td>▼</td>
</tr>
</tbody>
</table>

### Retail

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Trend 2018 / 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street-level store in Paris</td>
<td>2.75%</td>
<td>2.75%</td>
<td>2.50%</td>
<td>▼</td>
</tr>
<tr>
<td>Shopping centres in France</td>
<td>4.20%</td>
<td>4.20%</td>
<td>4.20%</td>
<td>→</td>
</tr>
<tr>
<td>Retail parks in France</td>
<td>4.50%</td>
<td>4.50%</td>
<td>4.50%</td>
<td>→</td>
</tr>
</tbody>
</table>
Main locations

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

GREATER PARIS
Aubervilliers
Parc des Portes de Paris
40 rue Victor Hugo
84 264 / 4ème étage
93300 Aubervilliers
Tél. : +33 (0)1 49 93 70 73

Issy les Moulineaux
167, Quai de la Bataille de Stalingrad - 92867 Issy les Moulineaux Cedex
Tél. : +33 (0)1 47 59 20 04

Eragny
Immeuble Tennessee
8 allée Rosa Luxembourg
BP 10272 Eragny
95615 Cergy Pontoise Cedex
Tél. : +33 (0)1 34 30 86 46

REGENS
Aix-en-Provence
Parc du Golf - 84 233
350 rue Jean René Guilibert
444 000 Aix en Provence Cedex 2
Tél. : +33 (0)4 42 90 72 72

Aix-en-Provence
13290 Aix-en-Provence
Tél. : +33 (0)4 42 90 72 72

Amiens
18, avenue du Pré-de-Chailles
78440 Amiens, Caudry
Tél. : +33 (0)3 44 94 94 94

Bordeaux
Opus 33
63 64 quai du Paludate
33900 Bordeaux
Tél. : +33 (0)5 56 42 12 12

Bordeaux
15, avenue des Champs Elysées
33900 Bordeaux
Tél. : +33 (0)5 56 42 12 12

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

Grenoble
Immeuble le Grenat
38 540 Grenoble
Tél. : +33 (0)4 76 85 43 43

Lille
100, Tour de lille
Boulevard de Tournon
59777 Villeneuve d'Ascq
Tél. : +33 (0)3 20 06 99 00

Lyon
15, avenue des carrassiers
69003 Lyon
Tél. : +33 (0)4 78 63 62 61

Marseille
44, boulevard de dunkerque
1311527 - 13235 Marseille Cedex 2
Tél. : +33 (0)4 91 56 03 03

Metz
WTC - Technopôle de Metz
2, rue Augustin Fresnel
57082 Metz Cedex 3
Tél. : +33 (0)3 87 37 20 10

Montpellier
Immeuble Le Triangle
26, allées Jules Maïs
84000 Montpellier Cedex 02
Tél. : +33 (0)4 67 92 43 50

Mulhouse
Beverly Plaza
15 rue de Strasbourg
67600 Mulhouse
Tél. : +33 (0)3 89 35 40 50

Nancy
Immeuble les Portes d'Alsace
40 rue Victor
54000 Nancy
Tél. : +33 (0)3 83 95 88 88

Nantes
14, mail Pablo Picasso
34000 Nantes
Tél. : +33 (0)2 40 20 20 20

Nice
Immeuble Phoenix – Arènes
455, promenade des Anglais
06200 Nice Cedex 3
Tél. : +33 (0)4 93 19 08 88

Orléans
16, rue de la république
45000 Orleans
Tél. : +33 (0)2 38 62 09 91

Rennes
Centre d'affaires Athéas
11, rue Louis Kerrouet-Botmel
35000 Rennes
Tél. : +33 (0)2 99 22 85 55

Rouen
Immeuble Europe
101, Boulevard de l'Europe
76100 Rouen
Tél. : +33 (0)2 35 72 12 50

Strasbourg
Beverly Plaza
15 rue de Strasbourg
67600 Strasbourg
Tél. : +33 (0)3 88 22 19 44

Toulouse
Immeuble Ellipsys
8-10 rue des 36 Ponts
31421 Toulouse Cedex
Tours
29, rue de la Milletière
37000 Tours
Tél. : +33 (0)2 47 44 70 58

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