AT A GLANCE
WAREHOUSES > 5,000 M² IN FRANCE
Q4 2018

LOGISTICS... BECOMING A MORE SECURE ASSET WITH EACH PASSING YEAR

- Logistics in France enjoyed another vintage year in 2018. With take-up of over 4 million m², it was the second-best performance on record.
- With respect to the type of warehouses taken up, 2018 was in line with the previous year. Once again, occupiers preferred secure assets: grade A premises (81% of overall volume) located on the North-South axis (63% of the overall volume).
- Logistics providers and shippers shared the market equally. They respectively represented 45% and 40% of transactions by number and 47% and 44% by volume. E-commerce relinquished some ground this year. Indeed, whereas certain major players in the sector have stepped up their large-scale deals over the last couple of years, they were much quieter in 2018. However, we should once again see resurgence in this type of deal over the coming years. Indeed, e-commerce companies should remain a cornerstone of the French logistics market from 2019.
- Whereas many large scale deals boosted the market over the last couple of years, those were much rarer over the past 12 months. There is nothing alarming about this fall. Indeed, with 15 moves recorded in total over 2018 totalling over 830,000 m², deals for over 40,000 m² performed in line with their long-term average.
- Transactions of between 20,000 and 40,000 m² meanwhile accounted for 34% of take-up and were the core of the market in 2018, with take-up of about 1.4 million m².
- With 80 deals made over the past year, turnkey and owner-occupier operations are still popular with companies. Note that on average, 70 transactions of this type have been recorded in France each year since 2014.

However, in keeping with the general trend, there have also been fewer deals over 40,000 m² in this category. As such, with just over 1.6 million m² taken up in 2018, owner-occupier and turnkey operations have seen a significant fall, to below the 1.7 million m² threshold for the first time since 2016.
- Despite the return of speculative development in 2016, the French Logistics market is still characterised by a degree of obsolescence. However, as investors’ confidence in market fundamentals has also returned, building starts have resumed in earnest in recent months. As such, some 310,000 m² was under construction as of end 2018. This is the highest figure since 2009 in France. Availability within a year meanwhile stands at 3.3 million m² over the period (existing supply and space under construction), of which over 1.9 million m² in grade A buildings (space under construction included).
- Meanwhile, investment in France was record-breaking in 2018. Logistics played a full role in this outstanding trend, with over € 2.4bn invested over the course of the year. This is the highest figure since 2007.
- Portfolios once again drove the market: as such, they accounted for two thirds of take-up in 2018. This very high share stems notably from the signing of several large-scale pan-European portfolios, such as that sold by Prologis to a Singaporean investor Mapletree for about € 145m for the AZURITE portfolio acquired by Blackstone for over € 200m.
- For the past 10 years already, North American funds such as Blackstone, ARES and GreenOak, have dominated the French market. 2018 was no exception to the rule as it accounted for around 60% of investment.
- The prime yield in logistics stood at 4.75% at end 2018. It should continue to contract, and thereby reach 4.50% from Q1 2019.

MARKET IN FRANCE
Availability within a year in France

Take-up in France
SUPPLY IN FRANCE - 31 DECEMBER 2018

TAKE-UP 2018
## KEY FIGURES

### SUPPLY IN FRANCE (m²) - 1st January 2019

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

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<td>923,000</td>
<td>265,000</td>
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* Immostat-IPD, BNP Paribas Real Estate
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Ergany
Immeuble Tennessee
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95615 Cergy Pontoise Cedex
Tel.: +33 (0) 1 34 30 86 46

REGIONS
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74840 Annecy-le-Vieux
Tel.: +33 (0) 5 50 64 12 12

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

Dijon
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21000 Dijon
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Grenoble
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91403 Montois Cedex 02
Tel.: +33 (0) 1 67 92 43 60

Mulhouse
Beverly Plaza
15 rue de Copenhagen
67300 Schiltigheim
Tel.: +33 (0) 3 85 22 19 44

Nancy
Immeuble Les Portes d’Austrasie
40 rue Victor
54000 Nancy
Tel.: +33 (0) 3 85 95 88 88

Nantes
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BP 83111
44006 Nantes Cedex 01
Tel.: +33 (0) 2 40 20 20 20

Nice
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06285 Nice Cedex 3
Tel.: +33 (0) 9 33 18 08 88

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45000 Orléans
Tel.: +33 (0) 2 38 62 09 91

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Tel.: +33 (0) 2 99 22 85 55

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76100 Rouen
Tel.: +33 (0) 3 26 32 15 50

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67300 Schiltigheim
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BNP Paribas Real Estate is part of the BNP Paribas Banking Group - January 2018

6 BUSINESS LINES
in Europe
A 360° vision

Real Estate for a changing world