AT A GLANCE
INVESTMENT IN FRANCE
Q4 2019

€ 40 BILLION THRESHOLD BREACHED

A backdrop of economic resilience and rock-bottom interest rates prompted both private and institutional investors to diversify their investments and increase their allocations to real estate. As such, investment accelerated dramatically, particularly in the second half of the year, enabling it to break through the threshold of € 40bn in France for the first time.

Offices accounted for just over 60% of investment in 2019, a slightly lower proportion than in previous years. Investment in offices in Île-de-France came to € 21.9bn, i.e. an increase of 8% vs. 2018. The market was driven by the appeal of Île-de-France to international investors, with South Korean players spending over € 4bn in 2019. To contend with the lack of supply in Paris, investors have spread their nets wider. The Western Crescent attracted the most investment during the year, with around € 5.6bn. La Défense and in the Inner and Outer Rims also saw growth. The regions held their own: investment once again came in at about € 3.5bn, thanks in particular to a stellar performance by Lyon.

Although offices enjoyed another very good year, it was the other asset categories that mainly benefited from the buoyant real estate trend. Retail boasted growth of 37%, with over € 6bn invested. Almost half of the investment was in street-level stores in the city centre. Landmark sales included the Nike flagship on the Champs Élysées for over € 600m and the Leonardo portfolio on Avenue Montaigne, for € 250m. Investment in out-of-town retail and shopping centres also flourished, with showcase portfolios sold by Casino for € 500m and € 465m and the sale of the Italie 2 shopping centre in the 13th arrondissement of Paris for € 433m.

Logistics and Industrial Premises were the big winners of investors’ enthusiasm for real estate. These two categories combined attracted over € 6bn, compared to € 3.5bn in 2018. They benefited from several portfolios changing hands, such as the CARGO portfolio bought by Cargan for over € 900m or the LOTUS portfolio sold by Tikehau to Blackstone for about € 160m.

Services also saw growth. Over € 2.6bn was invested in hotels, i.e. an increase of 50% compared to last year. Seeking to diversify, investors are increasingly opting for alternative assets, such as managed residences or health establishments.

In this propitious context, it is unsurprising to see prime yields continue to narrow. As such, the prime office yield in Paris CBD has fallen below 3.00%. The prime yield in the regions has contracted to 3.50% in Lyon. Yields are generally stable in Retail, with contractions still possible for assets that have high reversion potential. The greatest compression of the prime yield has been for logistics assets: these have narrowed from 4.75% end 2018 to around 4.00% today.
### INVESTMENT IN COMMERCIAL REAL ESTATE IN FRANCE (€ MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</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>19 351</td>
<td>23 613</td>
<td>26 940</td>
</tr>
<tr>
<td>Offices</td>
<td>19 623</td>
<td>23 630</td>
<td>25 331</td>
</tr>
<tr>
<td>Retail</td>
<td>4 100</td>
<td>4 514</td>
<td>6 188</td>
</tr>
<tr>
<td>Warehouses</td>
<td>2 073</td>
<td>2 814</td>
<td>5 040</td>
</tr>
<tr>
<td>Industrial premises</td>
<td>455</td>
<td>706</td>
<td>1 277</td>
</tr>
<tr>
<td>Services</td>
<td>1 312</td>
<td>3 278</td>
<td>3 633</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>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>74%</td>
<td>75%</td>
<td>71%</td>
</tr>
<tr>
<td>Regions</td>
<td>26%</td>
<td>25%</td>
<td>29%</td>
</tr>
</tbody>
</table>

### Investment amount

<table>
<thead>
<tr>
<th>Amount</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; €5 million</td>
<td>792</td>
<td>636</td>
<td>650</td>
</tr>
<tr>
<td>€5 - 10 million</td>
<td>950</td>
<td>1 236</td>
<td>1 155</td>
</tr>
<tr>
<td>€10 - 20 million</td>
<td>1 859</td>
<td>2 470</td>
<td>2 467</td>
</tr>
<tr>
<td>€20 - 50 million</td>
<td>4 443</td>
<td>5 031</td>
<td>6 415</td>
</tr>
<tr>
<td>€50 - 100 million</td>
<td>4 922</td>
<td>5 538</td>
<td>5 401</td>
</tr>
<tr>
<td>€100 - 200 million</td>
<td>6 833</td>
<td>7 348</td>
<td>8 476</td>
</tr>
<tr>
<td>&gt; €200 million</td>
<td>7 764</td>
<td>12 684</td>
<td>16 904</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27 563</strong></td>
<td><strong>34 942</strong></td>
<td><strong>41 469</strong></td>
</tr>
</tbody>
</table>

### Type of investors

<table>
<thead>
<tr>
<th>Type of investors</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>34%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Insurance</td>
<td>10%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>SCPI</td>
<td>31%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>SIIC (REIT)</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Private investors</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Other property companies</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Sovereign funds</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>OPCI</td>
<td>3%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>
### INITIAL PRIME YIELDS

#### Offices in Île-de-France

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Trend 2019 / 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>3,05</td>
<td>3,00</td>
<td>2,80</td>
<td>↘</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>3,40</td>
<td>3,25</td>
<td>3,10</td>
<td>↘</td>
</tr>
<tr>
<td>La Défense</td>
<td>4,10</td>
<td>4,00</td>
<td>4,00</td>
<td>→</td>
</tr>
<tr>
<td>Western Crescent</td>
<td>3,25</td>
<td>3,25</td>
<td>3,25</td>
<td>→</td>
</tr>
<tr>
<td>Inner Rim</td>
<td>4,05</td>
<td>3,80</td>
<td>3,80</td>
<td>→</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>5,20</td>
<td>5,20</td>
<td>4,85</td>
<td>↘</td>
</tr>
</tbody>
</table>

#### Offices in Regions

<table>
<thead>
<tr>
<th>Location</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Trend 2019 / 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyon</td>
<td>3,90</td>
<td>3,85</td>
<td>3,50</td>
<td>↘</td>
</tr>
<tr>
<td>Aix / Marseille</td>
<td>5,20</td>
<td>4,70</td>
<td>4,50</td>
<td>↘</td>
</tr>
<tr>
<td>Lille</td>
<td>4,50</td>
<td>4,15</td>
<td>4,15</td>
<td>→</td>
</tr>
<tr>
<td>Nice / Sophia Antipolis</td>
<td>5,50</td>
<td>4,75</td>
<td>4,75</td>
<td>→</td>
</tr>
<tr>
<td>Toulouse</td>
<td>5,40</td>
<td>5,00</td>
<td>4,50</td>
<td>↘</td>
</tr>
<tr>
<td>Strasbourg</td>
<td>5,95</td>
<td>5,80</td>
<td>5,45</td>
<td>↘</td>
</tr>
<tr>
<td>Nantes</td>
<td>6,10</td>
<td>4,75</td>
<td>4,75</td>
<td>→</td>
</tr>
<tr>
<td>Bordeaux</td>
<td>5,10</td>
<td>4,95</td>
<td>4,65</td>
<td>↘</td>
</tr>
</tbody>
</table>

#### Grade A Warehouses

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Trend 2019 / 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>4,90</td>
<td>4,75</td>
<td>4,00</td>
<td>↘</td>
</tr>
</tbody>
</table>

#### Industrial Premises

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Trend 2019 / 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Paris</td>
<td>5,90</td>
<td>5,60</td>
<td>5,00</td>
<td>↘</td>
</tr>
</tbody>
</table>

#### Retail

<table>
<thead>
<tr>
<th>Location</th>
<th>Q4 2017</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Trend 2019 / 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street-level store in Paris</td>
<td>2,75</td>
<td>2,50</td>
<td>2,50</td>
<td>→</td>
</tr>
<tr>
<td>Shopping centres in France</td>
<td>4,20</td>
<td>4,20</td>
<td>4,00</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>
BUSINESS LINES in Europe
A 360° vision

LOCATIONS

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

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

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

REGIONS

Aix-en-Provence
Parc du Golf - Bât 33
350, rue Jean René Guillibert
13290 Aix-en-Provence
Tél. : +33 (0)4 42 90 72 72

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

Biarritz
26 Allée Marie Politier
64200 Biarritz
Tél. : +33 (0)5 59 22 62 00

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

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

Grenoble
Immeuble Le Grenat
285 rue Lavoisier
38330 Montbonnot
Tél. : +33 (0)4 76 85 43 43

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

Lyon
Silex 1
15 rue des Cuirassiers
69003 Lyon
Tél. : +33 (0)4 78 63 62 61

Marseille
44, boulevard de Dunkerque
CS11527—13235 Marseille Cedex 2
Tél. : +33 (0)4 91 56 09 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, allée Jules Milhau
34950 Montpellier Cedex 02
Tél. : +33 (0) 4 67 92 43 60

Mulhouse
Bevery Plaza
15, rue de Copenhague
67300 Schiltigheim
Tél. : +33 (0)3 89 33 40 50

Nantes
14, mail Pablo Picasso
BP 61611
44016 Nantes Cedex 1
Tél. : +33 (0)2 40 20 20 20

Nice
Immeuble Phoenix – Arénas
455, promenade des Anglais
06285 Nice Cedex 3
Tél. : +33 (0)4 93 18 08 88

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37100 Tours
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101, Boulevard de l’Europe
76100 Rouen
Tél. : +33 (0)2 35 72 15 50

Strasbourg
Beverly Plaza
15 rue de Copenhague
67300 Schiltigheim
Tél. : +33 (0)3 88 22 19 44

Toulouse
Immeuble Elipsys
8/10 rue des 36 Ponts
CS 84216
31432 Toulouse Cedex
Tél. : +33 (0)5 61 21 56 56

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