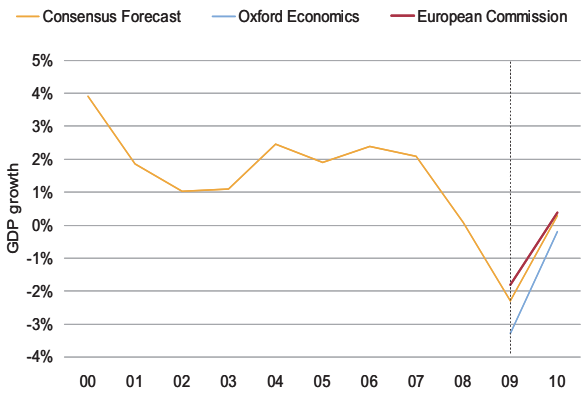
# Quarterly data bulletin
# France commercial property markets

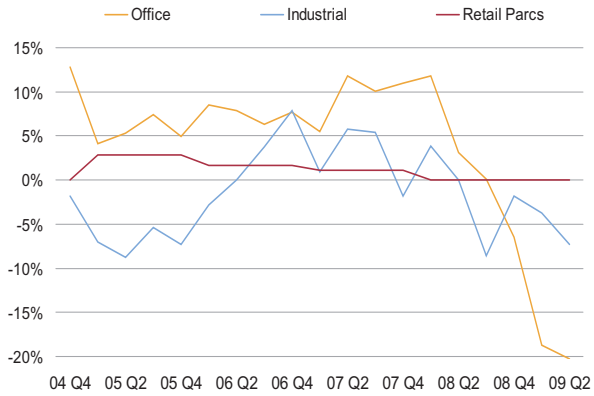
## 2009 Q2

### Economic background and forecast




Source: Consensus Forecast / Oxford economics / EC

### Annual rental growth




Source: Savills Research

**"The investment market has shown some signs of recovery, however the letting market still point to weakening demand and steadily rising immediate supply."**

**Herve Blanchet - Head of the Paris offiice**

- The level of office transactions continued to slow down and recorded a quarterly drop of 27.2%. Take-up totalled 414,321 sqm during the second quarter, bringing the volume of transactions since the beginning of the year to 860,027 sqm. This represent an annual regression of 7% compared to the same period last year. The immediate supply reached 3,216,000 sqm, which is a rise of 25% on last quarter. The prime rent in the CBD declined by 25% compared to last year and stands at €607/sqm/year. During the same period, the average rent in IDF decreased by 2.2%.
- The slight retail sales' rise in April (0.9%) and the increase of the shopping centre activity index in June (1.9%), which is based on footfall, herald more optimistic prospects for the second part of the year. Rental values remained stable during the considered period.
- The quarterly change in the industrial warehousing demand remained stable. Some 350,000 sqm were leased or sold to end-users during this semester, bringing the mid-year take-up to nearly 700,000 sqm. This represents a 41% fall compared to the same period last year. The number of lease renewals remained high. Availabilities soared to 2,658,000 sqm, which is a 41% jump compared to the last quarter. Rents remained relatively stable, despite downward pressures on values.
- The investment market has shown some signs of recovery. Investments amounted to €1.43 billion, which represent an increase of 90% compared to the previous quarter. Yet, the investment turnover since January (€2.28 billion) remains 71% lower than in 2008. Upward pressure on yields seemed to ease.

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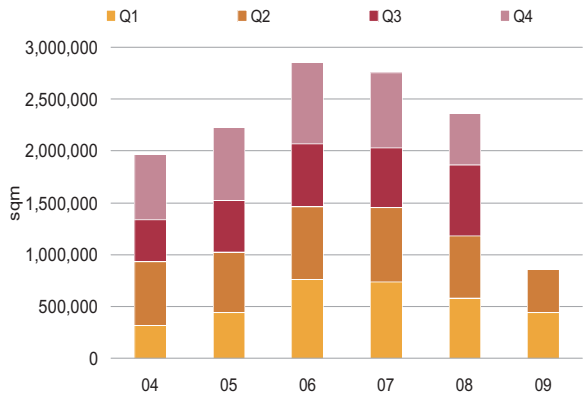
# Office

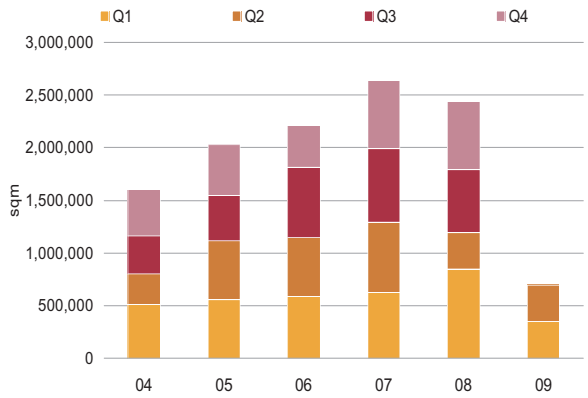
# Industrial > 10 000 sqm

### Take-up - IDF



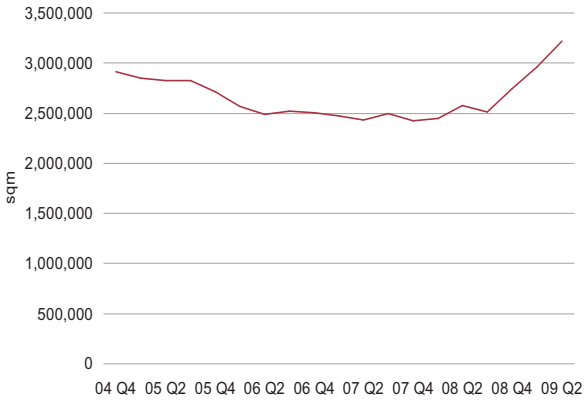

Source: Savills Research

### Take-up - France



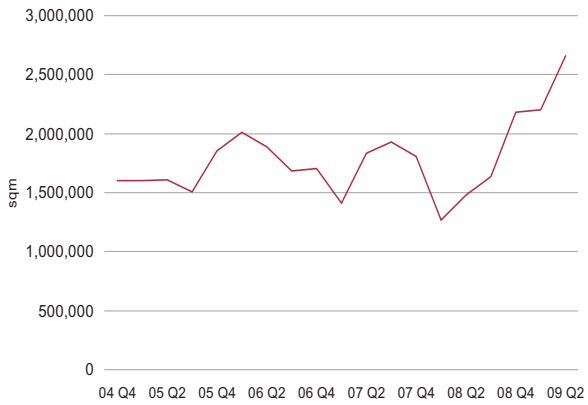

Source: Savills Research

### Immediate supply - IDF



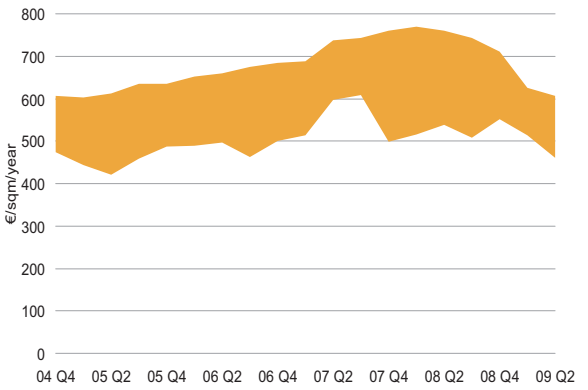

Source: Savills Research

### Immediate supply - France



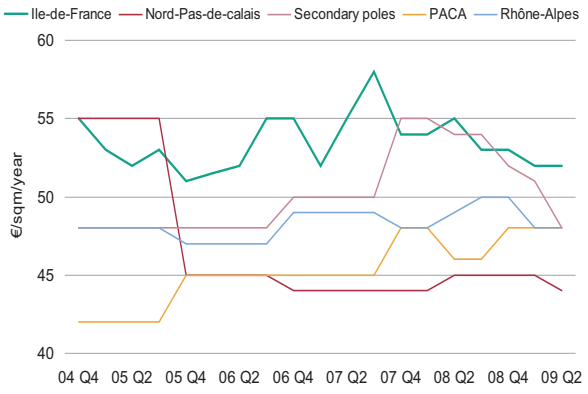

Source: Savills Research

### Rental values - Paris CBD




Source: Savills Research

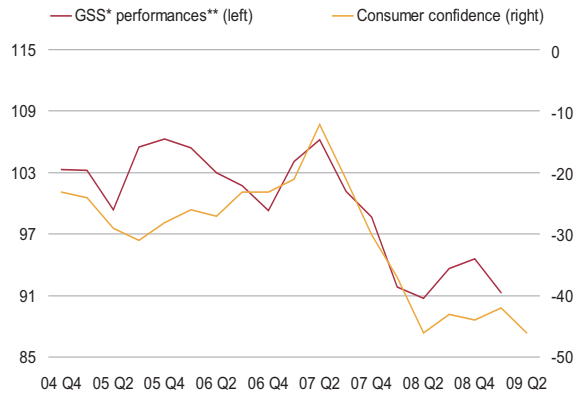
### Prime rents - France




Source: Savills Research

# Retail

## Consumer confidence and retail performances

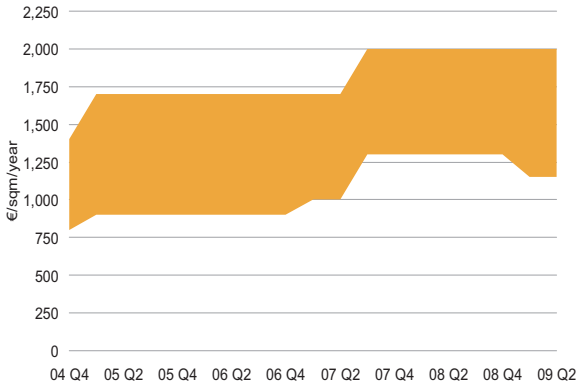



Source: INSEE, CNCC

* GSS: Large specialised retail units

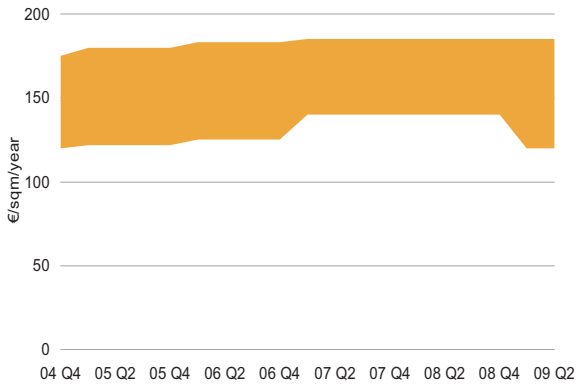
**Index calculated on monthly turnover

## Shopping centre rents




Source: Savills Research

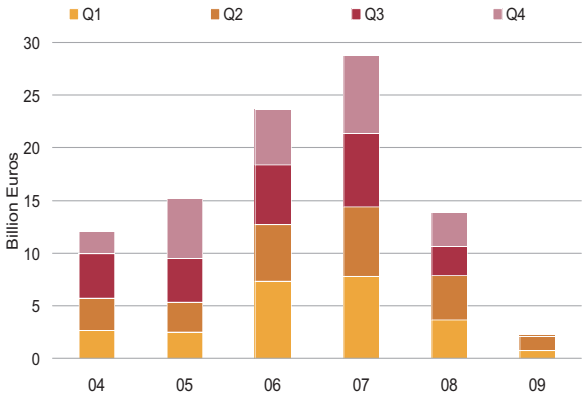
## Retail parcs rents




Source: Savills Research

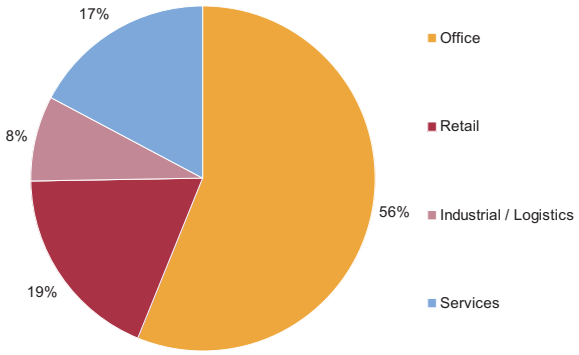
# Investment

## Investment volume



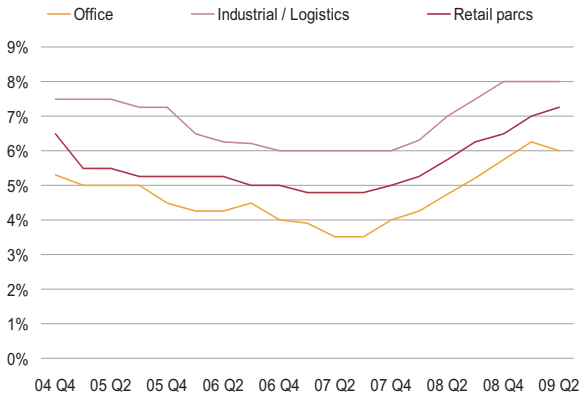

Source: Savills Research

## Investment breakdown per type of asset




Source: Savills Research

## Yields




Source: Savills Research

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**Rents and yield data**

| | 2008 Q3 | 2008 Q4 | 2009 Q1 | 2009 Q2 | 2008 Q3 | 2008 Q4 | 2009 Q1 | 2009 Q2 |
|---|---|---|---|---|---|---|---|---|
| Office | Rental values €/sqm/year | | | | Yields | | | |
| Prime Paris CBD | 744 | 711 | 626 | 607 | 5.50% | 6.00% | 6.25% | 6.00% |
| Second-hand Paris CBD | 508 | 537 | 513 | 460 | 5.90% | 6.75% | 7.00% | 7.00% |
| Prime La Défense | 549 | 552 | 561 | 550 | 6.00% | 6.25% | 6.50% | 6.50% |
| Second-hand La Défense | 474 | 436 | 460 | 460 | 6.50% | 7.25% | 7.25% | 7.25% |
| Prime Lyon | 231 | 226 | 217 | | 6.25% | 6.25% | 6.75% | 7.00% |
| Second-hand Lyon | 205 | 176 | 168 | | 8.25% | 8.75% | 8.75% | 8.75% |
| Industrial (>10 000 sqm) | Rental values €/sqm/year | | | | Yields | | | |
| Prime IDF | 53 | 53 | 52 | 52 | 7.50% | 8.00% | 8.00% | 8.00% |
| Second-hand IDF | 45 | 45 | 45 | 43 | 8.50% | 8.75% | 9.00% | 9.25% |
| Prime Rhône-Alpes | 50 | 50 | 48 | 48 | 7.50% | 8.00% | 8.50% | 8.75% |
| Second-hand Rhône-Alpes | 37 | 35 | 35 | 35 | 8.50% | 9.00% | 9.25% | 9.50% |
| Prime Lille | 45 | 45 | 45 | 44 | 8.00% | 8.50% | 8.50% | 8.50% |
| Second-hand Lille | 35 | 35 | 35 | 35 | 8.50% | 9.25% | 9.50% | 9.50% |
| Prime PACA | 46 | 48 | 48 | 48 | 8.00% | 8.50% | 8.50% | 8.50% |
| Second-hand PACA | 37 | 37 | 35 | 35 | 8.50% | 9.00% | 9.25% | 9.50% |
| Retail | Rental values €/sqm/year | | | | Yields | | | |
| Prime retail parc | 185 | 185 | 185 | 185 | 6.25% | 6.50% | 7.00% | 7.25% |
| Second-hand retail parc | 140 | 140 | 120 | 120 | 7.30% | 7.50% | 8.50% | 8.50% |
| Prime Shopping Centre (SC) | 2,000 | 2,000 | 2,000 | 2,000 | 5.00% | 5.25% | 6.00% | 6.25% |
| Second-hand (SC) | 1,300 | 1,300 | 1,150 | 1,150 | 5.50% | 5.75% | 7.00% | 7.25% |

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