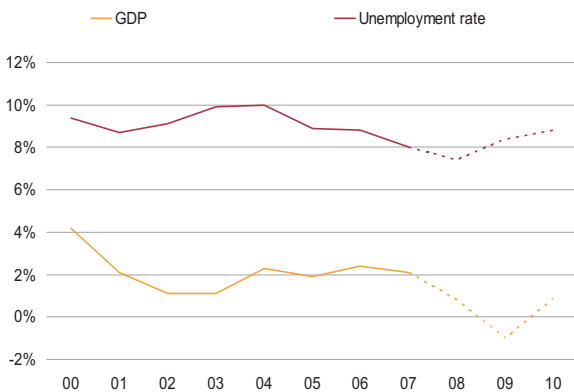


Quarterly data bulletin

France commercial property markets

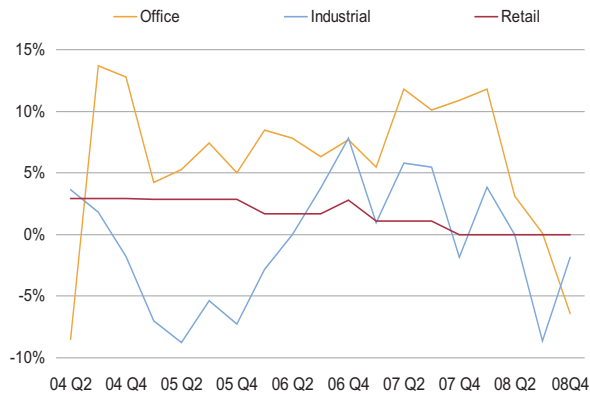
2008 Q4

Economy



Source: Consensus Forecast

Rental growth



Source: Savills Research

“2008 Q4 data headlines the downturn of commercial letting markets, with demand slowly drying-up and risk of flooding vacancies threatening. Effective office rents started to decline whereas retail and industrial rental values hold steady.”

Lydia Brissy - Associate Director Research



- Office take-up in Paris - Ile-de-France recorded a 28.8% drop in the final quarter of 2008. This is also a fall of 27% compared to the 5-year Q4 average, which is traditionally a dynamic period. The total annual volume of transactions decreased by 14.5%. Vacancies are once again on the rise, +9.2% recorded this quarter which brought the annual figure to 11.7%. Consequently, rental values are adjusting downwards.
- Consumer spending growth continued softening to +0.1% forecasted for the last three months of 2008 leading to a mere 0.9% annual growth. Retailer demand remained nonetheless significant and rental values notably for Retail parks hold still.
- The number of letting transactions of industrial and logistic properties recorded an 8.9% increase q-o-q, yet annual take-up dropped by 7.6%. In the same time immediate supply grew for the 3rd consecutive quarter reaching an annual growth of 21%. In spite of the deteriorating level of activity, industrial and logistic rental values remained stable in the country.
- A small revival in investment activity was recorded during the last quarter of 2008. The €3.27 billion invested during Q4 08, brought the total 2008 investment volume to €13.9 billion. Upwards pressure on yields continued for all type of commercial properties.

Savills
Research

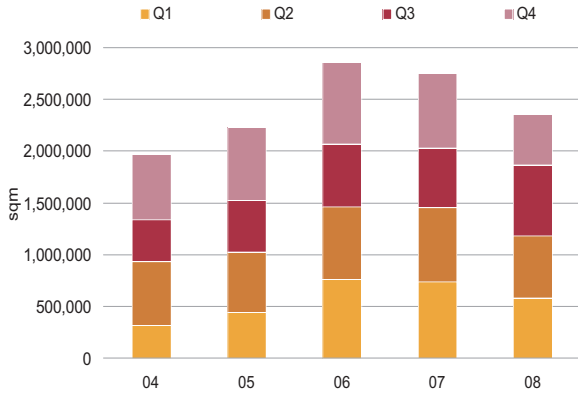
savills.com/research

savills

Office

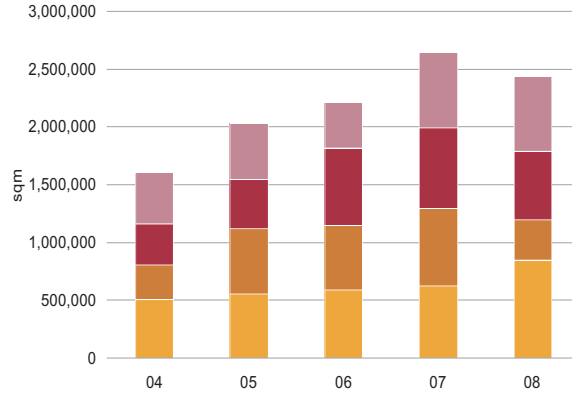
Industrial > 10,000 sqm

Take-up - IDF



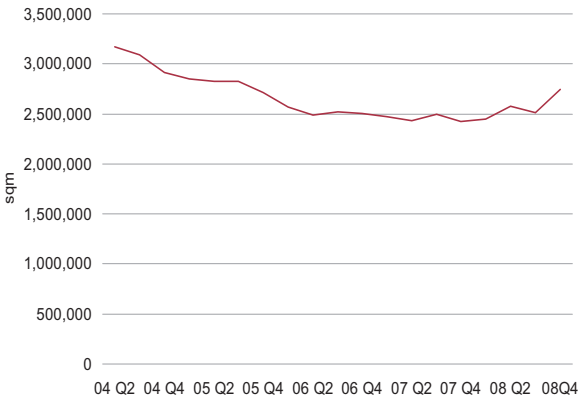
Source: Savills Research

Take-up



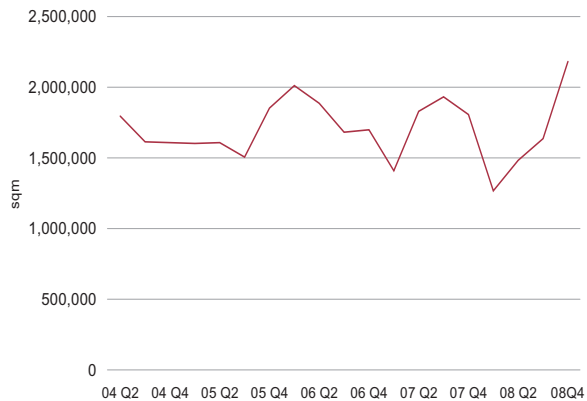
Source: Savills Research

Immediate supply - IDF



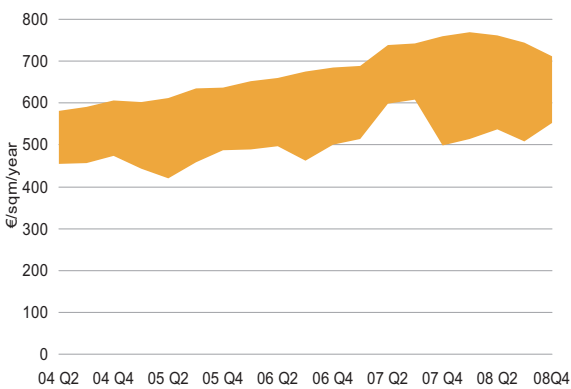
Source: Savills Research

Immediate supply



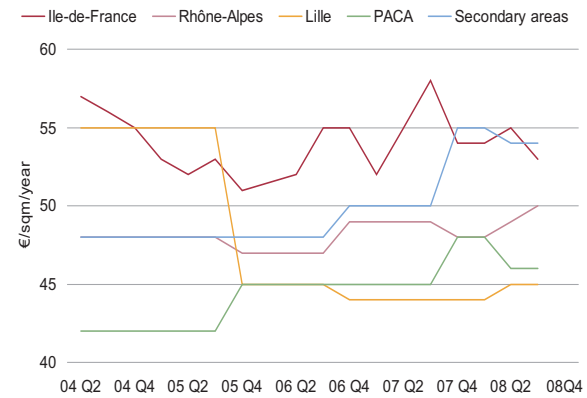
Source: Savills Research

Rental values CBD



Source: Savills Research

Prime rents France

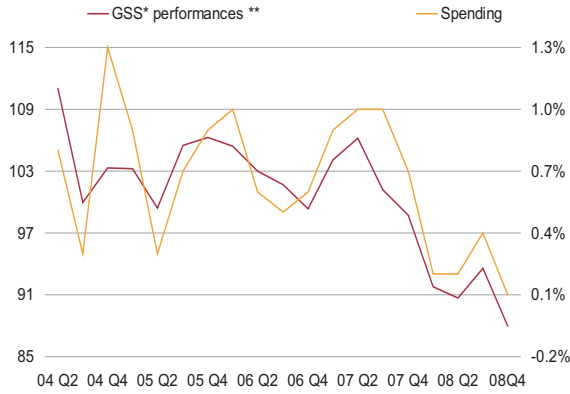


Source: Savills Research

Retail

Investment

Spending and GSS performances

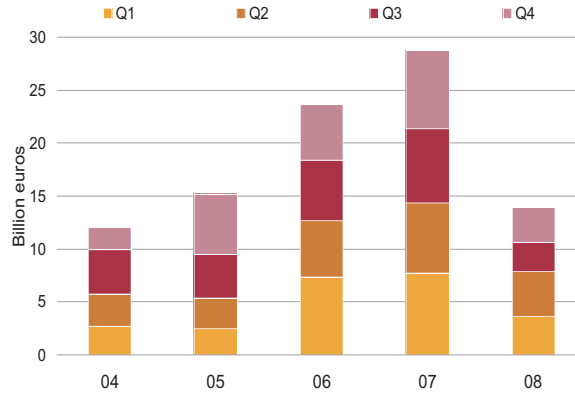


Source: INSEE, CNCC

* GSS: Large specialised retail units

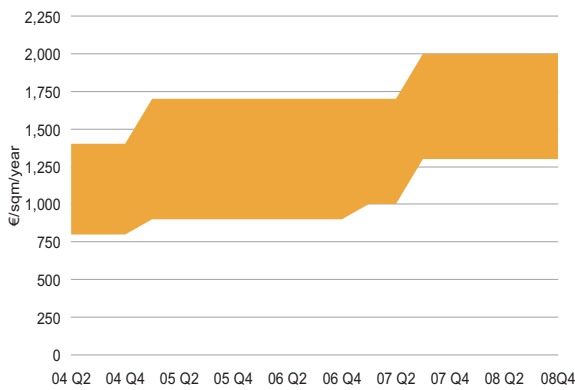
**Index calculated on monthly turnovers

Investment volume



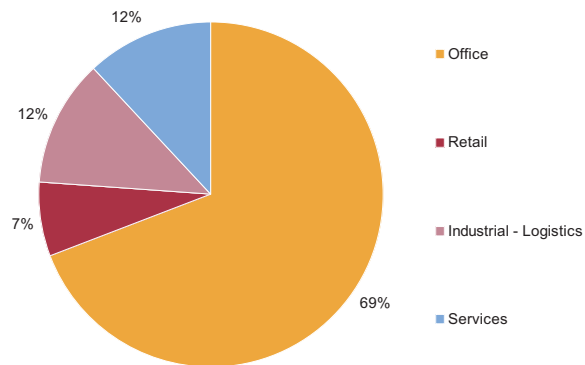
Source: INSEE, CNCC

Shopping centers rents



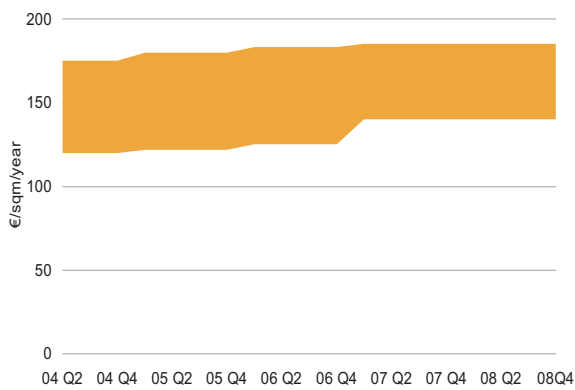
Source: Savills Research

Investments breakdown per type of asset



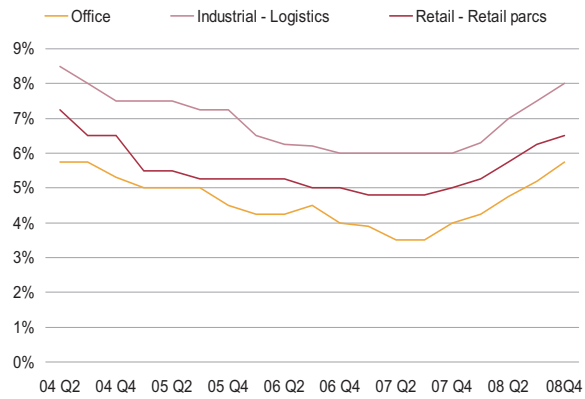
Source: Savills Research

Retail parcs rents



Source: Savills Research

Yields



Source: Savills Research

France commercial property markets

Quarterly data

Rents and yields data

	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4
Office	Rental values in €/sqm/year				Yields			
Prime Paris CBD	770	761	744	711	4.25%	4.75%	5.20%	5.75%
Second-hand Paris CBD	515	538	508	537	5.00%	5.50%	5.90%	6.75%
Prime La Défense	530	552	549	552	5.00%	5.25%	6.00%	6.75%
Second-hand La Défense	425	452	474	436	5.80%	6.00%	6.50%	7.25%
Prime Lyon	227	235	231	226	6.00%	6.50%	7.25%	7.50%
Second-hand Lyon	176	211	205	176	7.00%	7.00%	7.80%	8.20%
Industrial (>10,000 sqm)	Rental values in €/sqm/year				Yields			
Prime IDF	54	55	53	53	6.30%	7.00%	7.50%	8.00%
Second-hand IDF	45	45	45	45	7.00%	7.80%	8.50%	8.75%
Prime Rhône-Alpes	48	49	50	50	6.80%	7.50%	8.00%	8.50%
Second-hand Rhône-Alpes	37	37	37	35	7.30%	8.00%	8.50%	9.00%
Prime Lille	44	45	45	45	7.00%	7.50%	8.00%	8.50%
Second-hand Lille	35	35	35	35	7.50%	8.00%	8.50%	9.25%
Prime PACA	48	46	46	48	6.80%	7.50%	8.00%	8.50%
Second-hand PACA	37	37	37	37	7.30%	8.00%	8.50%	9.00%
Retail	Rental values in €/sqm/year				Yields			
Prime Retail parc	185	185	185	185	5.25%	5.75%	6.25%	6.50%
Second-hand Retail parc	140	140	140	140	6.50%	7.30%	7.30%	7.50%
Prime Shopping center (SC)	2 000	2 000	2 000	2 000	4.00%	4.25%	5.00%	5.25%
Second-hand SC	1 300	1300	1 300	1 300	5.00%	5.50%	5.50%	5.75%
Prime High-street	10 500	10 000	10 000	10 000	4.00%	4.50%	5.00%	5.25%
Second-hand High-street	6 500	6 500	6 500	6 500	-	-	-	-

For further information please contact



Lydia Brissy
Research Europe
+44 20 7016 3776
lbrissy@savills.com



Magalie Mollet
Research France
+33 1 44 51 73 88
mmollet@savills.fr

Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 180 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. A unique combination of sector knowledge and entrepreneurial flair give clients access to real estate expertise of the highest calibre. We are regarded as an innovative-thinking organisation backed up with excellent negotiating skills. Savills chooses to focus on a defined set of clients, therefore offering a premium service to organisations with whom we share a common goal. Savills takes a long-term view to real estate and works hard to invest in long term and strategic relationships and is synonymous with a high quality service offering and a premium brand.

This bulletin is for general informative purposes only. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The bulletin is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research. (c) Savills Ltd February 2009

Savills
Research

savills.com/research

savills