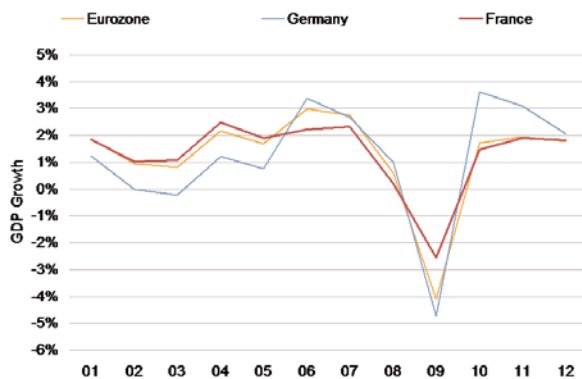


Quarterly data bulletin

French commercial property markets

Q2 2011

Economic background and forecast



Source: Focus Economics

Rental values



Source: Savills Research

“In the wake of the slackening economy the activity of the French property markets markedly faded over the course of the second quarter of the year. Nevertheless, figures for the first half of 2011 remain positive notably thanks to the relatively dynamic first quarter.”



Hervé Blanchet - Head of the Paris office

- With 503,194 sqm leased in IDF in Q2 2011, office take-up is 20% down on last quarter. Nevertheless, the total letting volume for the first half of the year posted some good performances (+4% yoy) notably thanks to the strong level of demand for Parisian addresses during the first months of the year. Vacant stock decreased slightly by 1% and currently stands at 3.6 million sqm. The prime CBD rent declined by 5% qoq and stood at €710/sqm/year at the end of June.
- Take-up in industrial warehousing remained stable in Q2 2011. More than 335,000 sqm were transacted in France this quarter bringing the half-year result to nearly 656,150 sqm. IDF remains the preferred localisation, accounting for 41% of the national letting volume. The immediate supply remained unchanged and stood at 3.4 million sqm. Prime rental values remain unchanged, ranging from €52/sqm/year in IDF to €44/sqm/year in Lille.
- In the second quarter, household consumer spending fell by 0.4 % and the GSS performance index moved back slightly compared to the previous quarter. Nevertheless, consumer confidence stood still. In this context, retailers' demand remained predominantly focused on prime locations. Rents have remained stable during the period.
- Over the course of the second quarter €2.6 billion were invested in France against €3.8 billion last quarter, which had been notably fuelled by several acquisitions of service properties (hotel, assisted living...). Thus overall the market remained relatively stable, still characterised by the lack of prime and secured assets. The active investors' panel remains unchanged, largely made of domestic equity-rich investors.

Savills
Research

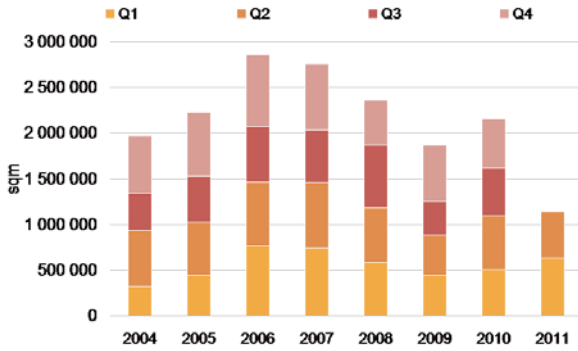
savills.com/research



Offices

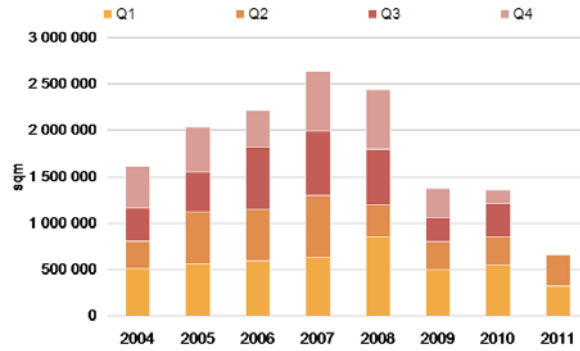
Industrial > 10.000 sqm

Take-up - IDF



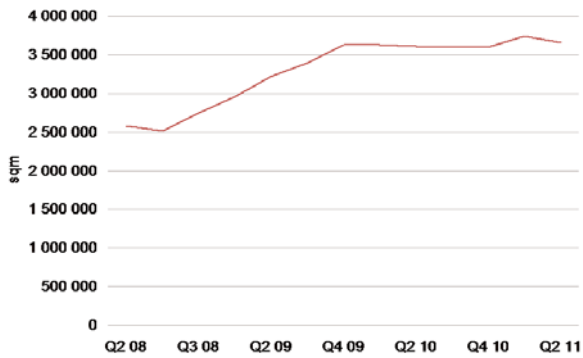
Source: Savills Research

Take-up - France



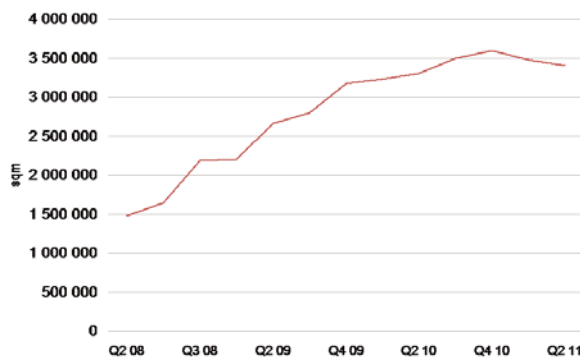
Source: Savills Research

Immediate supply - IDF



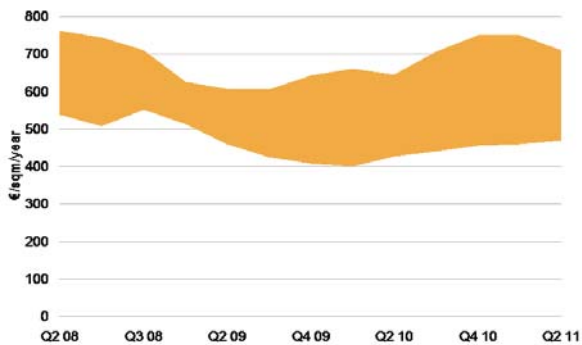
Source: Savills Research

Immediate supply - France



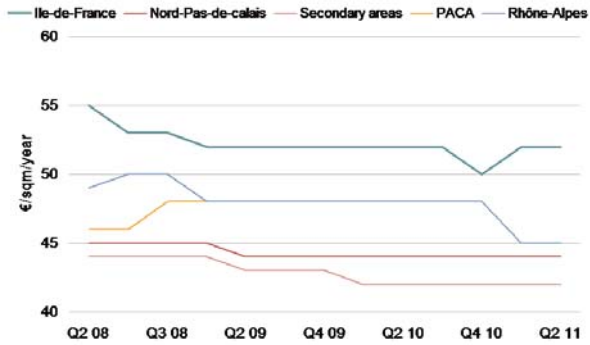
Source: Savills Research

Rental values - Paris CBD



Source: Savills Research

Rental values - France

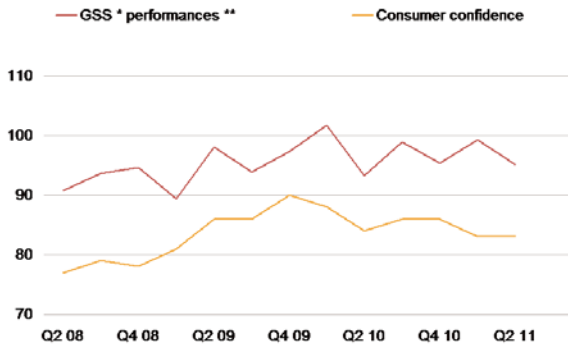


Source: Savills Research

Retail

Investment

Consumer confidence and GSS performances

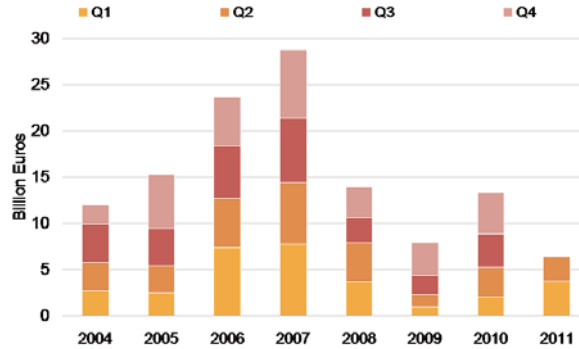


Source: INSEE, CNCC

* Large specialised retail units

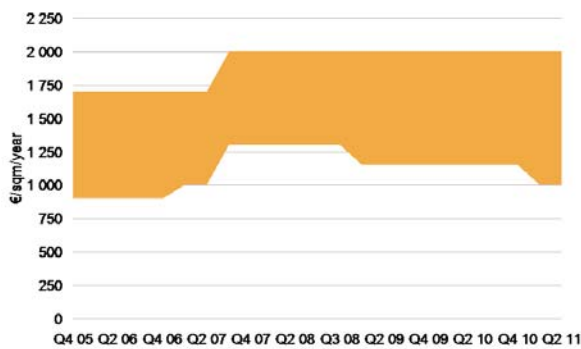
** Index calculated on monthly turnovers

France investment volume



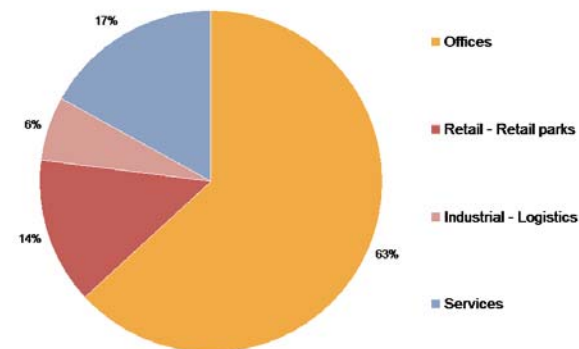
Source: Savills Research

Shopping centres rents (<50 sqm)



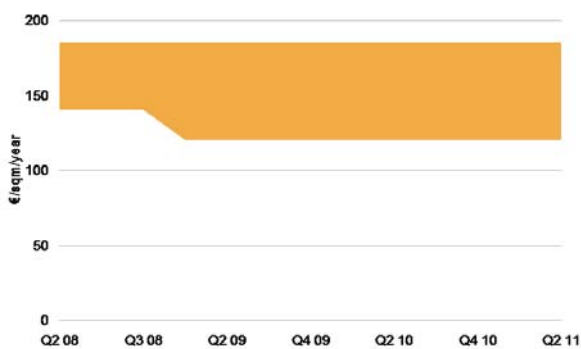
Source: Savills Research

Investment breakdown per type of asset - 2011 H1



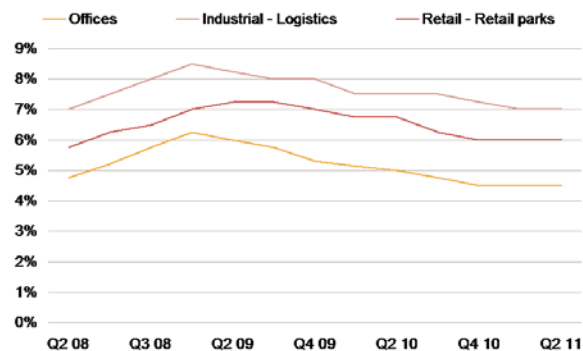
Source: Savills Research

Retail parks rents (>1,000 sqm)



Source: Savills Research

Prime yields



Source: Savills Research

Quarterly data bulletin

French commercial property markets

Rents and yields data

| | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 |
|------------------------------------|--------------------------|------------|------------|------------|------------|------------|------------|------------|
| Offices | Rental values €/sqm/year | | | | Yields | | | |
| Prime Paris CBD | 740 | 750 | 750 | 710 | 4.75% | 4.50% | 4.50% | 4.50% |
| Second-hand Paris CBD | 441 | 456 | 459 | 468 | 5.75% | 5.50% | 5.25% | 5.25% |
| Prime La Défense | 515 | 515 | 554 | 550 | 5.25% | 5.25% | 5.25% | 5.25% |
| Second-hand La Défense | 438 | 400 | 457 | 471 | 6.00% | 6.00% | 6.00% | 6.00% |
| Prime Lyon | 220 | 223 | 276 | 230 | 5.75% | 5.75% | 5.50% | 5.50% |
| Second-hand Lyon | 176 | 181 | 180 | 180 | 7.00% | 7.00% | 7.00% | 7.00% |
| Industrial (>10.000 sqm) | Rental values €/sqm/year | | | | Yields | | | |
| Prime IDF | 52 | 50 | 52 | 52 | 7.50% | 7.25% | 7.00% | 7.00% |
| Second-hand IDF | 43 | 43 | 43 | 43 | 9.00% | 9.00% | 9.00% | 9.00% |
| Prime Rhône-Alpes | 48 | 48 | 45 | 45 | 7.25% | 7.25% | 7.25% | 7.25% |
| Second-hand Rhône-Alpes | 35 | 35 | 35 | 35 | 9.00% | 9.00% | 9.00% | 9.00% |
| Prime Lille NPDC | 44 | 44 | 44 | 44 | 7.50% | 7.50% | 7.50% | 7.50% |
| Second-hand Lille | 35 | 35 | 35 | 35 | 9.50% | 9.50% | 9.00% | 9.00% |
| Prime PACA | 48 | 48 | 45 | 45 | 7.25% | 7.25% | 7.25% | 7.25% |
| Second-hand PACA | 35 | 35 | 35 | 35 | 9.50% | 9.50% | 9.50% | 9.50% |
| Commerce | Rental values €/sqm/year | | | | Yields | | | |
| Retail park prime location | 185 | 185 | 185 | 185 | 6.25% | 6.00% | 6.00% | 6.00% |
| Retail park secondary location | 120 | 120 | 120 | 120 | 7.50% | 7.25% | 7.25% | 7.25% |
| SC prime location | 2,000 | 2,000 | 2,000 | 2,000 | 5.25% | 5.20% | 5.25% | 5.25% |
| SC park secondary location | 1,150 | 1,150 | 1,000 | 1,000 | 6.50% | 6.50% | 6.50% | 6.50% |

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1. yoy Year-on-year
2. qoq Quarter-on-quarter
3. SC Shopping Centres

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