



MARKET SUMMARY & OUTLOOK



Over the first 9 months of 2020, hotel transaction volume reached nearly EUR 217 million in Paris, compared to EUR 1.5 billion over the same period in 2019, representing an 86% decline. Nonetheless, 6 hotels were transacted, of which two were forward funding transactions. This may be an indication that such deals are becoming attractive, as it allows investors to avoid the short-term challenges of the trading environment.

Yields in Paris appear to remain stable, although there is limited transaction evidence so far. This is likely due to continued investor interest in the sector, along with notable capital to deploy. Nevertheless, an upward trend may be expected over the next months to reflect the perceived risk along with less available financing.

In the first 9 months of 2020, RevPAR had fallen by 76%, driven by a decline in occupancy by over 70%. Economy and midscale hotels have been less impacted, compared to upscale hotels which are more dependent on international visitation. While many hotels gradually reopened in the summer, the outlook remains challenging due to the second wave of COVID-19.

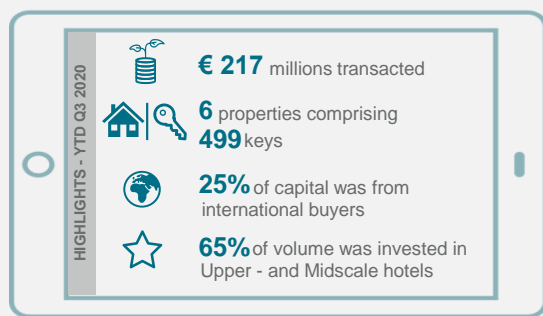
Hotel supply in Paris increased by 2% in 2020, primarily driven by openings of midscale and upper midscale hotels. The initial outlook for 2021 only expected a marginal 0.5% increase in supply, and this is likely to be reduced even further as projects experience construction shutdowns and delays, along with the potential closure of existing hotels due to COVID-19.

Despite the sharp fall in demand in the first 9 months of 2020, the medium-term outlook remains positive. According to Oxford Economics, domestic visitation is anticipated to already recover in 2023, while international demand is expected to reach pre-COVID levels a year later.



INVESTMENT TRENDS

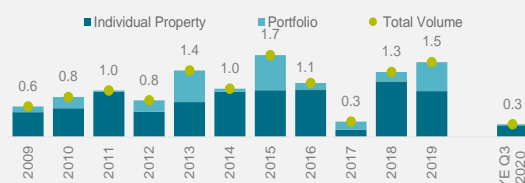
The numbers shown for Paris include : Greater Paris area incl Paris de Gaulle-Orly Airport, Marne La Vallée, La Défense, Porte de Versailles/Congrès



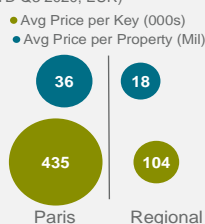
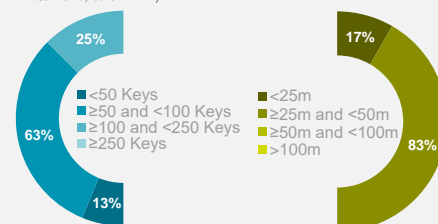
RECENT TRANSACTION TRENDS

	YTD Q3 2020	% Change**	YE Q3 2020	% Change***
Properties Sold	6	-82.4%	9	-78.0%
Rooms Sold	499	-90.3%	763	-87.5%
Volume Transacted*	217	-85.5%	262	-89.0%

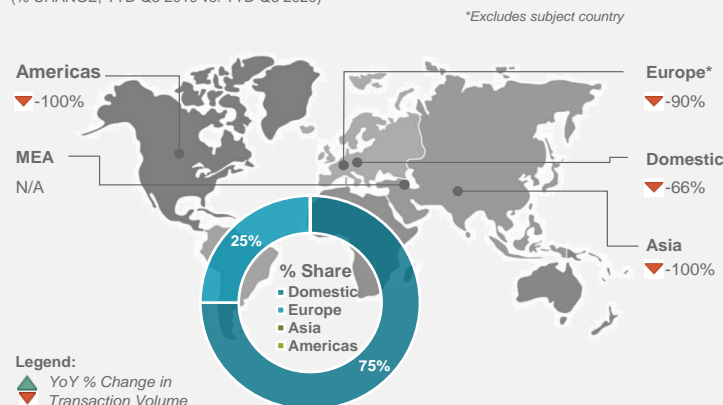
*Millions
 ** % Change compares to the same period last year
 *** % Change compared to 2019 full year

ANNUAL TRANSACTION VOLUMES
(2010 - YTD Q3 2020, BILLIONS)

Source: Cushman & Wakefield

AVERAGE TRANSACTION PRICE
(YTD Q3 2020, EUR)BREAKDOWN BY NO. OF KEYS SOLD & DEAL SIZE
(YTD Q3 2020, % SHARE)

NATURE OF INVESTMENTS

TRANSACTION VOLUME BY SOURCE OF CAPITAL
(% CHANGE, YTD Q3 2019 vs. YTD Q3 2020)TRANSACTION VOLUME BY TYPE OF INVESTOR
(% CHANGE, YTD Q3 2019 vs. YTD Q3 2020)

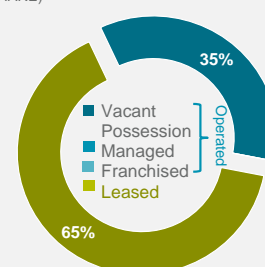
Source: Cushman & Wakefield

N/A - "Not Applicable" as no transaction in previous year

TRANSACTION VOLUME BY HOTEL CLASS
(% CHANGE, YTD Q3 2019 vs. YTD Q3 2020)

HOTEL CLASS	% CHANGE	% SHARE ON TOTAL VOLUME
Upper Upscale	100%	12%
Upscale	-67%	65%
Midscale	-64%	22%

No transactions recorded in Luxury and Economy hotels

TRANSACTION VOLUME BY OPERATING STRUCTURE
(YTD Q3 2020, % SHARE)



MAJOR DEALS

SELECTED MAJOR HOTEL TRANSACTIONS (PARIS, 2019 - YTD Q3 2020)

Year	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
2020	Hôtel Boulevard Victor	15th District	105	La Francaise	FRA	Mata Capital	FRA
2020	Royal Hôtel	8th District	58	Sogeidi Holding	FRA	Colony Capital	USA
2020	Zoku Paris	18th District	129	DWS Group	DEU	Linkcity	FRA
2019	Explorers Hotel Disneyland	Magny-le-Hongre	390	Benson Elliot Schrodgers*	GBR	Schrodgers	GBR
2019	Room Mate Alain	16th District	36	Antares	ESP	MonHotel	FRA
2019	Vienna House Dream Castle Paris Vienna House Magic Circus Paris	Magny-le-Hongre	793	Benson Elliot Schrodgers	GBR	UBM Hotels Warimpex	AUS
2019	Marriott Rive Gauche Hôtel & Conference Center	14th District	757	Aroundtown	LUX	Host Hotels & Resorts, Inc.	USA
2019	L'Îlot Saint-Germain	7th District	N/A	Constellation Hotels	QAT	French Gouvernement	FRA
2019	Staycity La Défense	La Defense	216	LaSalle	USA	Kaufman & Broad	FRA
2019	Mama Shelter La Defense	La Defense	211	Atream	FRA	Groupe Elysées Monceau	FRA

*Set up of a joint venture

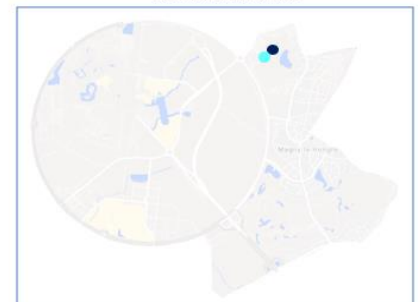
Source: Cushman & Wakefield

GREATER PARIS TRANSACTIONS - MAP VIEW (2019 - YTD Q3 2020)

LA DEFENSE - COURBEVOIE



DISNEYLAND PARIS - MAGNY-LE-HONGRE



- Hôtel Boulevard Victor
- Royal Hôtel
- Zoku Paris
- Explorers Hotel Disneyland
- Room Mate Alain
- Disneyland Vienna House (2 hotels)
- Marriott Rive Gauche Hotel & Conference Center
- L'Îlot Saint-Germain
- Staycity La Défense
- Mama Shelter La Défense

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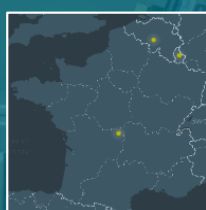
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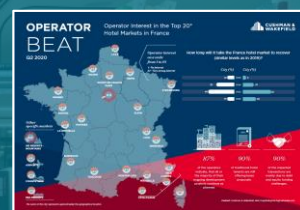
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