

MARKET SUMMARY OUTLOOK

	YoY Chg	12-Mo. Forecast
Investment Trends	▼	▲
Prime Yields	▲	▲
Market Performance	▼	▲
Supply	▲	▲
Demand	▼	▲

Transaction volume declined by more than 70% to €821m in 2020, while the annual average over the last 5 years was at €2bn. Unlike in 2019 - an exceptional year with nearly € 3 billion transacted - there were no large portfolios or trophy assets sold in 2020. Despite the uncertainties that continue to weigh on the economy, 2021 looks more promising with several notable transactions in progress.

In 2020 there was no major decompression of yields, that remained relatively stable, especially in core locations. This can be explained by a combination of several factors including government support to businesses to prevent bankruptcies as well as the lack of transactions combined with the ongoing appetite among some investors, such as SCPIs, seeking to invest their funds.

Overall, the occupancy at French hotels declined to 28% in 2020 (-40.5 pts.) and RevPAR to €27, 69% less than in 2019. The southeast of France (Cote d'Azur, Annecy) recorded better performance incl. ADR growth, thanks to being a more leisure-oriented market. In terms of hotel class budget properties (up to 3 stars) have been the least affected by the crisis.

COVID-19 has slowed down the supply growth across France, due to the many restrictions imposed over the lockdowns. Those in construction and in final planning will most likely proceed. While the projects at an early planning stage have been delayed or even completely canceled due to the COVID-19 pandemic.

The tourism revenue shortfall in France during 2020 is estimated at about €60 bn, including €28.4 bn loss from international visitors. Nonetheless, most operators believe that the French market will return to 2019 performance levels between 2022 and 2024, depending on the gradual lifting of restrictions and success of vaccination campaigns. Leisure destinations are expected to recover faster than the cities.

INVESTMENT TRENDS

HIGHLIGHTS - YE Q4 2020

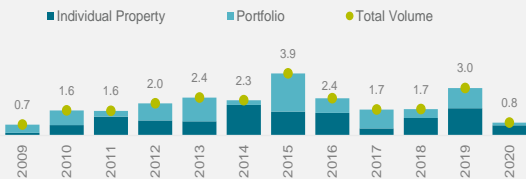
- 821€** million transacted
- 42** properties and **4218** keys sold
- 86%** of capital was from domestic buyers
- 44%** of volume was invested in upscale and upper midscale hotels

RECENT TRANSACTION TRENDS

	Last 6 months (H2 2020)				CALENDAR YEAR 2020			
	Properties Sold	Rooms Sold	Volume Transacted*	% Change**	Properties Sold	Rooms Sold	Volume Transacted*	% Change**
France	20	2,031	382	-80.5%	42	4,218	821	-72.9%
Regional	18	1,846	317	-75.3%	35	3,491	579	-71.2%
Paris	2	185	66	-90.3%	7	727	242	-76.2%
Lyon	0	0	0	-100.0%	1	60	>25	-69.4%
Marseille	0	0	0	-100.0%	1	194	>25	-17.4%
Bordeaux	0	0	0	-	1	147	>25	10.6%

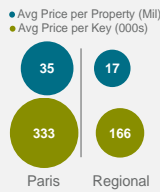
*Volume transacted in EUR, millions
**Refers to the % change in transaction volume from the previous period

ANNUAL TRANSACTION VOLUMES (2010-2020, EUR BILLIONS)

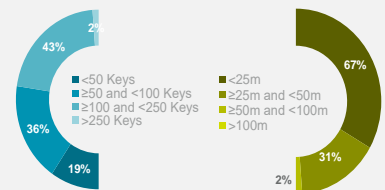


Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE (YE Q4 2020, EUR)

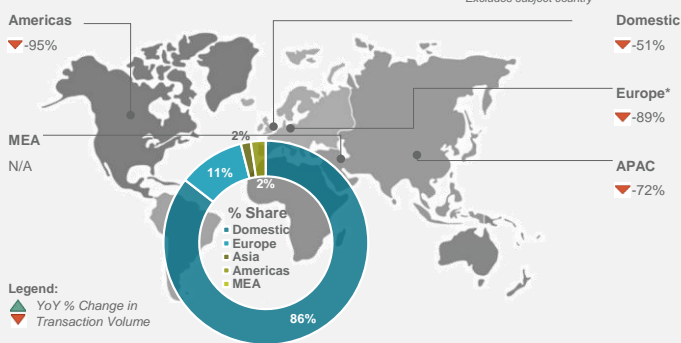


BREAKDOWN BY NO. OF KEYS SOLD & DEAL SIZE (YE Q4 2020, % SHARE)



NATURE OF INVESTMENTS

TRANSACTION VOLUME BY SOURCE OF CAPITAL (% CHANGE, YE Q4 2020 vs. YE Q4 2019)



TRANSACTION VOLUME BY TYPE OF INVESTOR (YE Q4 2020)

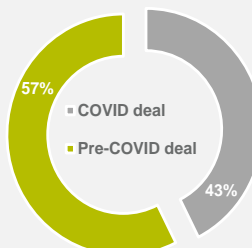
Investor Type	BUYERS (% Share)		SELLERS (% Share)	
	Last 12 Months	% Change	Last 12 Months	% Change
Private	34%	-76%	23%	-25%
Institutional	52%	-70%	34%	-69%
Public	14%	-79%	42%	-97%
Other	N/A	N/A	1%	-100%

Source: Cushman & Wakefield / RCA

TRANSACTION VOLUME BY HOTEL CLASS (YE Q4 2020)

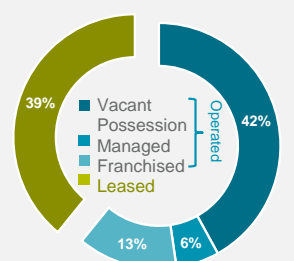
HOTEL CLASS	% CHANGE	% SHARE ON TOTAL VOLUME
Luxury	-100%	0%
Upper Upscale	-70%	15%
Upscale	-70%	27%
Upper Midscale	-80%	17%
Midscale	-47%	22%
Economy	-70%	19%

TRANSACTION VOLUME BY COVID-19 STATUS (2020, % SHARE)



A pre-COVID deal is a transaction that was agreed/committed before the COVID-19 outbreak

TRANSACTION VOLUME BY OPERATING STRUCTURE (YE Q4 2020, % SHARE)



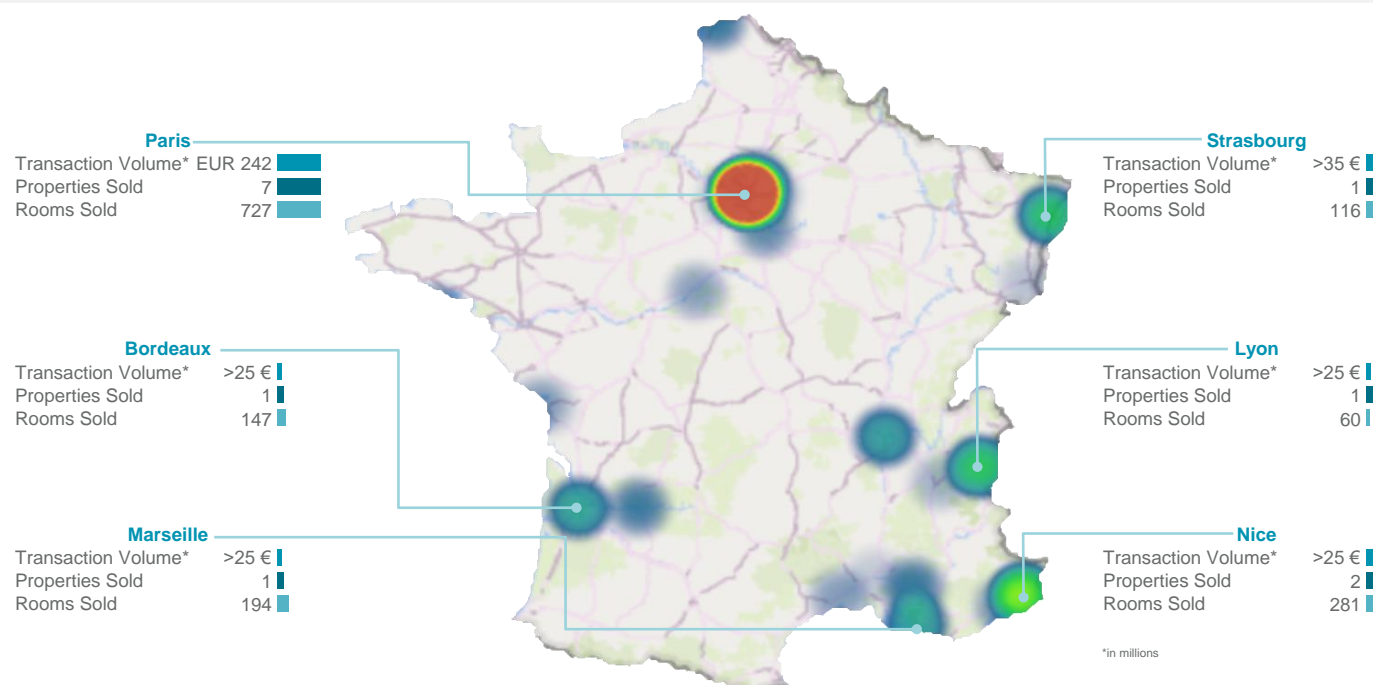
MAJOR DEALS

SELECTED MAJOR HOTEL TRANSACTIONS (FRANCE, YE Q4 2020)

Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Holiday Inn Paris-Porte de Clichy	Clichy	262	Extendam; Catella Hospitality Europe - IM	FRA	Cofis	CHE
Zoku Paris (VEFA)	Paris	354	Vivion	LUX	Linkcity	FRA
Tsuba Hotel	Paris	82	Famille Wargny	FRA	Privé	FRA
Boulevard Victor Hotel (VEFA)	Paris	105	Confidential	FRA	Mata Capital	FRA
Reside Etudes Mixte Ivry	Ivry-sur-Seine	175	Primonial REIM	FRA	Caisse des Depots	FRA
Altapura	Les Belleville	88	Eoden	FRA	Groupe Sibuet	FRA
Hotel Nuée-Bleue Strasbourg (VEFA)	Strasbourg	116	La Francaise	FRA	Vinci Immo	FRA
Royal Hôtel	Paris	58	Sogeydi Holding	FRA	Colony Capital	USA
Hotel Plaza Nice	Nice	152	Covivio	FRA	Varde Partners	USA
Novotel Suites Paris CDG Airport Villepinte	Roissy-en-France	173	Central Hotel	FRA	Turenne Capital	FRA
Les 3 Tours Hotel	Bordeaux	147	Alboran	FRA	Groupe Duval	FRA
Waldorf Madelaine	Paris	45	Xenia	FRA	HNWI	FRA
Meininger Marseille (VEFA)	Marseille	194	BNP Paribas Real Estate	FRA	COFFIM	FRA
UCPA Youth Hostel	Paris	228	Swisslife	FRA	Linkcity	FRA
Cour des Loges Hotel	Lyon	60	Principal Real Estate Europe	GBR	Arteh Hotels	PRT
Citadines Didot Montparnasse Paris	Paris	80	Solanet SAS	FRA	Ascott Residence Trust	SGP
Odalis Blvd Rene Cassin	Nice	129	La Francaise	FRA	Confidential	-
Urban Ivry B&B hotel	Ivry-sur-Seine	175	Primonial REIM	FRA	Caisse des Depots	FRA
ibis Marne-la-Vallée Champs-sur-Marne	Champs Sur Marne	110	Confidential	-	Extendam	FRA
Citadelle Vauban	Le Palais	55	Keys Asset management	FRA	Les Hotels Tres Particuliers	FRA

Source: Cushman & Wakefield

FRANCE TRANSACTION - MAP VIEW (FY 2020)



Source: Cushman & Wakefield / RCA

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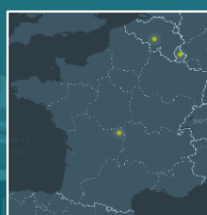
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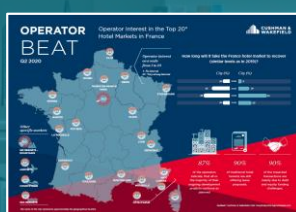
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**OPERATOR BEAT
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