MARKET BEAT
GREATER PARIS
Hospitality H1 2024

MARKET SUMMARY & OUTLOOK

	YoY Chg.	12-Mo. Forecast.	
Investment Trends	▲	▲	In the first half of 2024, hotel transaction volume in Greater Paris reached nearly €1.2 billion, involving 19 properties with over 1,750 rooms. While the number of sold hotels declined by 33%, the transaction volume dropped only by 4%. This is due to four large deals accounting for almost 80% of the total volume: Pullman Tour Eiffel, Hilton Paris Opéra, Mandarin Oriental, and Hôtel Dame des Arts.
Prime Yields	▬	▼	Following a decompression in 2023, yields remained stable in H1 2024, with values further supported by growing income and minor compressions for prime deals in Greater Paris. With the ECB's interest rate cut in June and growing debt liquidity, further stabilization is expected for the second half of 2024, with gradual yield sharpening for prime assets and value discovery for secondary assets/opportunistic plays as we move into 2025.
Market Performance	▼	▲	During the first quarter, hotels in Greater Paris recorded a RevPAR growth of 1.9% from last year (+2.4% in Inner Paris). However, Q2 2024 RevPAR was negatively impacted by the lower visitation prior to the Olympic Games combined with the notable supply growth, resulting in a 6.7% decrease for H1 2024 (-3.9% in Inner Paris).
Supply Outlook	▬	▬	In H1 2024, hotel supply increased by 21 properties compared to H2 2023, adding approximately 2,500 rooms to greater Paris' supply. Major openings included 5-star Disneyland Hotel Paris (487 rooms) and 4-star Hôtel Kopster (126 rooms) in January, 3-star Eklo Paris Expo (304 rooms) in Porte de Versailles in February, and 4-star Hotel Maison Hamelin (65 rooms, 1st Handwritten Collection by Accor in Paris) in Paris 16th arrondissement in June.
Demand Outlook	▲	▲	In H1 2024, Greater Paris hotels saw a 2.0% drop in room nights sold compared to H1 2023, driven by declines in April (-4%), May (-1%), and June (-12%). This is due to Q2 performance being negatively impacted by the lack of events in the months preceding the Olympic Games, higher travel costs, and visitors postponing their trips to Paris. Conversely, demand is expected to significantly increase in July-September 2024 and normalize in 2025.

Sources: Cushman & Wakefield, INSEE, Oxford Economics, STR, MKG

Note: A contingency of 5% is assumed for transactions in the last 12 months, as some deals are revealed with notable delay.

INVESTMENT TRENDS

HIGHLIGHTS - 2024 H1

- **€ 1.2** million transacted
- **19** properties comprising **1,754** rooms sold
- **69%** of capital was deployed by international buyers
- **81%** of volume was invested in Luxury & Upper Upscale hotels

RECENT TRANSACTION TRENDS

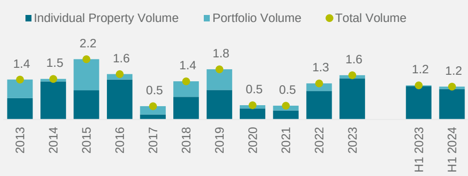
	Last 6 months (H1 2024)			Last Year (2023)		
	H1 2024	H1 2023	% Change*	LY 2023	LY 2022	% Change*
Properties Sold	19	28	**-33%**	51	38	**34%**
Rooms Sold	1,754	1,926	**-9%**	4,160	3,292	**26%**
Volume Transacted	1,185	1,231	**-4%**	1,596	1,303	**22%**

Volume transacted in EUR

*Refers to the % change in transaction volume from the previous period

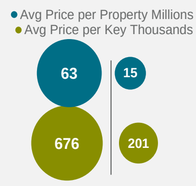
Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES
(2013 - H1 2024, EUR BILLIONS)

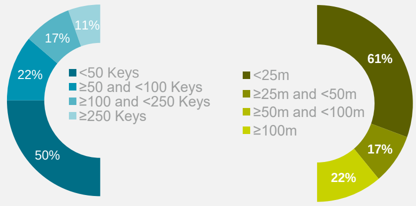


Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE
(H1 2024, EUR)



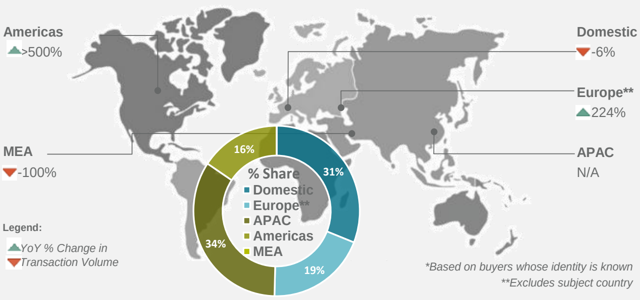
BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE
(H1 2024, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL
(% CHANGE, H1 2024 vs H1 2023)



*Based on buyers whose identity is known

**Excludes subject country

Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS
(% CHANGE, H1 2024 vs H1 2023)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	18%	▲ 291%	Luxury	8%	▲ 229%
Upper Upscale	63%	▼ -14%	Upper Upscale	52%	▲ 13%
Upscale	2%	▼ -82%	Upscale	2%	▼ -88%
Upper Midscale	5%	▲ 139%	Upper Midscale	7%	▲ 220%
Midscale	10%	▲ 4%	Midscale	21%	▼ -38%
Economy	1%	▲ 10%	Economy	9%	▲ 88%

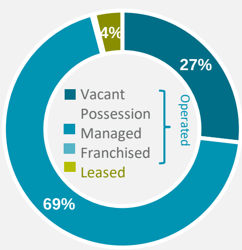
Source: Cushman & Wakefield

TRANSACTED VOLUME BY TYPE OF INVESTOR
(H1 2024, % SHARE OF TOTAL VOLUME)

	BUYERS (% Share)		SELLERS (% Share)	
	Last 6 months	% Change	Last 6 months	% Change
Institutional	18%	-73% ▼	62%	-11% ▼
Private	59%	49% ▲	19%	28% ▲
Public	23%	320% ▲	19%	-10% ▼

Source: Cushman & Wakefield / RCA

TRANSACTED VOLUME BY OPERATING STRUCTURE
(H1 2024, % SHARE OF DEALS)



Source: Cushman & Wakefield

MARKET BEAT

GREATER PARIS

Hospitality H1 2024

MAJOR DEALS OF H1 2024

SELECTED MAJOR HOTEL TRANSACTIONS IN H1 2024

Property	Postal code	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Pullman Paris Tour Eiffel	75015	430	Morgan Stanley; QuinSpark Investment Partners	USA; FRA	Amundi Immobilier	FRA
Hilton Paris Opera	75008	268	City Developments Limited	SIN	The Blackstone Group	USA
Mandarin Oriental Paris	75001	138	Gruppo Statuto	ITA	Mandarin Oriental Hotel Group	HK
Hôtel Dame des Arts	75006	109	Sono Hospitality Group	KOR	Angelo Gordon; EQ Group	USA; GBR
Aparthotel Adagio Paris Opera	75009	99	CDC INVESTISSEMENT IMMOBILIER	FRA	Allianz Global Investors GmbH	FRA
Hotel Le Cardinal	75009	77	Club-deal privé avec Famille Wargny	FRA	Hôtel Investissement Capital (HIC)	FRA
Le Pigalle	75009	40	Biografy Group	FRA	Perseus Capital Partners	GBR
Brittany Hotel	75009	40	Famille Matton	FRA	Famille Dutreix	FRA
Hôtel de Notre Dame - Maitre Albert	75005	34	Famille Teil	FRA	Jean-Pierre Fouhety	FRA
Hotel Louvre Piemont	75001	20	Herve Lecat	FRA	Naxicap Partners	FRA

Note: Ordered by deal size

GREATER PARIS TRANSACTIONS - MAP VIEW H1 2024

1. Pullman Paris Tour Eiffel
2. Hilton Paris Opera
3. Mandarin Oriental Paris
4. Hôtel Dame des Arts
5. Aparthotel Adagio Paris Opera
6. Hotel Le Cardinal
7. Le Pigalle
8. Brittany Hotel
9. Hôtel de Notre Dame - Maitre Albert
10. Hotel Louvre Piemont

Source: Cushman & Wakefield

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