

## MARKET SUMMARY & OUTLOOK

	YoY Chg	12-Mo. Forecast
<b>Investment Trends</b>	▼	▲
<b>Prime Yields</b>	—	—
<b>Market Performance</b>	▲	▲
<b>Supply</b>	▲	—
<b>Demand</b>	▲	▲

Hotel investments in Greater Paris reached €1.1bn in H1 2023 despite high financing costs and economic & geopolitical concerns. This is 3.4x higher than in H1 2022 and was primarily driven by notable individual deals, such as the Westin Paris Vendôme (€650M), as well as numerous Upscale and Upper Upscale assets.

We have observed a decompression of yields on hospitality assets, which occurred in the latter half of 2022. Since late 2022, we estimate a yield increase of approximately 100 basis points. In September 2019, Paris yields were between 3.5% to 4.0% for 'prime' assets with a lease in place, while in the course of 2023, they have consistently reached 5% or higher.

YTD June 2023 ADR\* for Greater Paris stood at €116.1 (+15% vs the YTD June 2022). Meanwhile, occupancy reached 65.5%, 6.0 percentage points above 2022 and only 1.5 percentage points below 2019 levels. The significant growth in ADR led to a RevPAR of €76.1, respectively 27% and 21% above 2022 and 2019.

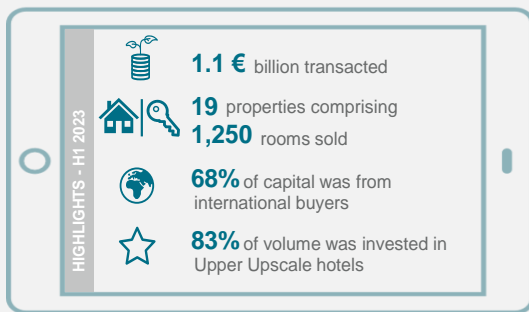
During H1 2023, hotel supply increased by 35 properties, adding approximately 4,000 rooms to Greater Paris's total supply. This primarily included Upper Upscale hotels in the city centre.

Hotel overnights have reached 34.7M in H1 2023, a 2.1% increase relative to 2019 figures. This was primarily driven by the return of international visitors (56% of overnights, mainly coming from the USA, Brazil and China). July and August 2023 welcomed 12.7M tourists, (+4% vs 2022). Looking forward, the Rugby World Cup should enable Greater Paris to record an exceptional year.

Sources: VisitParisRegion, MKG, Cushman & Wakefield

Note: Contingency of 5% is applied for transactions in H2 2022 and H1 2023, as some deals are revealed with notable delay.

## INVESTMENT TRENDS



### RECENT TRANSACTION TRENDS

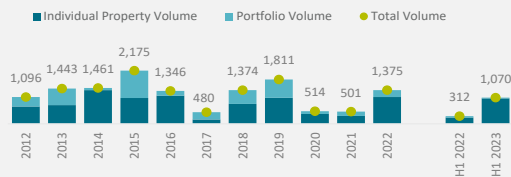
	Last 6 months (H1 2023)			CALENDAR YEAR 2022		
	H1 2022	H1 2023	% Change*	2021	2022	% Change*
<b>Properties Sold</b>	17	19	11%	27	40	49%
<b>Rooms Sold</b>	1,337	1,250	-7%	2,579	3,603	40%
<b>Volume Transacted</b>	312	1,070	243%	501	1,375	174%

Volume transacted in EUR, millions

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

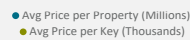
Source: Cushman & Wakefield

### ANNUAL TRANSACTION VOLUMES (2012 - H1 2023, EUR MILLIONS)



Source: Cushman & Wakefield / RCA

### AVERAGE TRANSACTION PRICE (H1 2023, EUR)



Greater Paris Regional

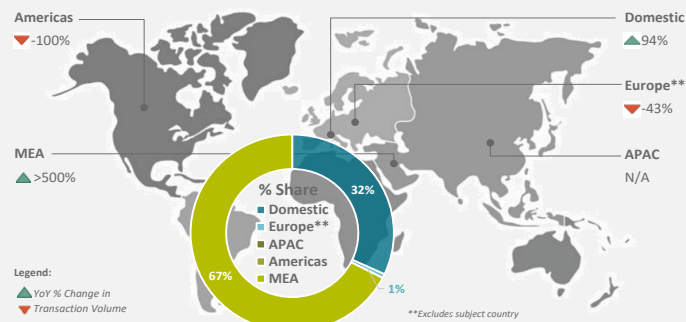
### BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE (H1 2023, % SHARE OF DEALS)



Source: Cushman & Wakefield

## NATURE OF INVESTMENTS

### TRANSACTION VOLUME\* BY SOURCE OF CAPITAL (% CHANGE, H1 2023 vs H1 2022)



Source: Cushman & Wakefield

\*Based on buyers whose identity is known

### TRANSACTION VOLUME BY TYPE OF INVESTOR (H1 2023, % SHARE OF TOTAL VOLUME)

	BUYERS (% Share)			SELLERS (% Share)	
	Last 6 Months	% Change		Last 6 Months	% Change
Institutional	60%	970% ▲	Private	76%	1064% ▲
Private	35%	76% ▲		14%	67% ▲
Public	5%	>100% ▲		10%	25% ▲

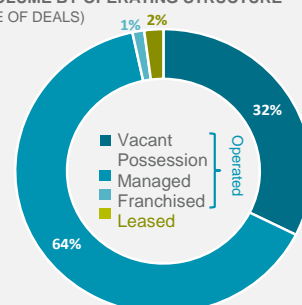
Source: Cushman & Wakefield / RCA

### TRANSACTION VOLUME PER HOTEL CLASS (% CHANGE, H1 2023 vs H1 2022)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	0%	n/a	Luxury	0%	n/a
Upper Upscale	83%	>500%	Upper Upscale	62%	>500%
Upscale	9%	-42%	Upscale	12%	-65%
Upper Midscale	2%	9%	Upper Midscale	3%	-86%
Midscale	5%	16%	Midscale	19%	-37%
Economy	1%	-34%	Economy	4%	-69%

Source: Cushman & Wakefield

### TRANSACTION VOLUME BY OPERATING STRUCTURE (H1 2023, % SHARE OF DEALS)



Source: Cushman & Wakefield



## MAJOR DEALS

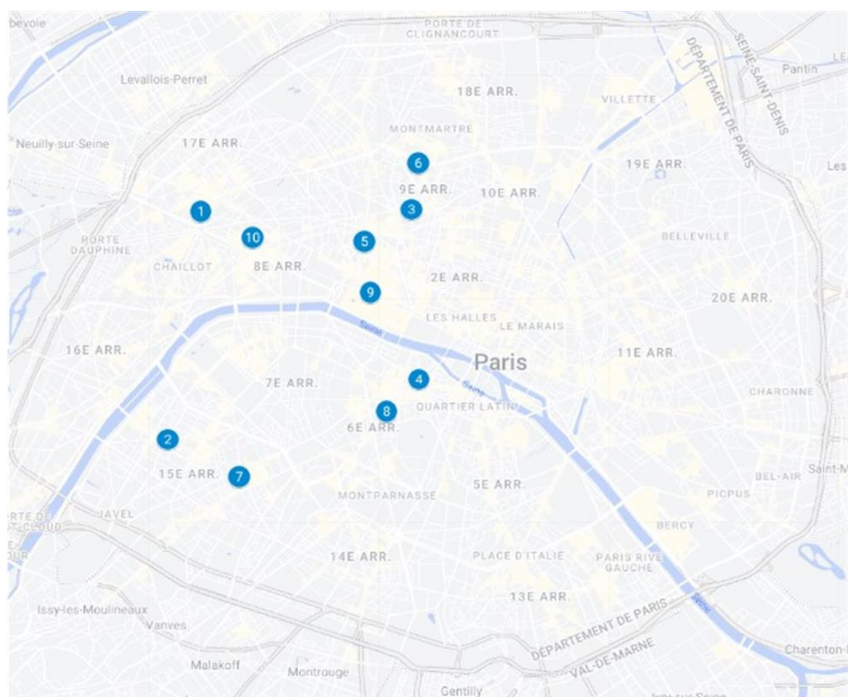
## SELECTED MAJOR HOTEL TRANSACTIONS (Greater Paris, H1 2023)

Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Etoile Park Hôtel	75017	28	Mesrop Yeremian	FRA	Groupe Envergure	FRA
Hôtel Korner Eiffel	75015	35	Family Office	N/A	Famille Félius	FRA
Hotel Touraine Opera	75009	39	Private	N/A	Tikehau Capital	FRA
Hotel De Seine	75006	30	Famille Henneveux	FRA	Berajema	FRA
Hotel Chavanel	75008	27	Emeraude Hotels	FRA	Famille Charlet	FRA
Hotel Mercure Paris Pigalle Sacré Coeur	75009	62	Figestel & Bastille Invest	FRA	Private	N/A
Hotel Eiffel Blomet	75015	87	Financière M.P. Landowski	FRA	Schroders Capital / Extendam / Capital Familial Cèdre	GBR / FRA / FRA
Hôtel de l'Abbaye Saint Germain	75006	44	Compagnie Hôtelière de Bagatelle	FRA	Steller Hotels	FRA
Westin Paris Vendome	75001	428	Dubai Holding	UAE	Henderson Park Capital Partners	GBR
Hotel California	75008	174	Tikehau Capital	FRA	Colony Capital	USA

Note: Sorted by date of transaction.

## GREATER PARIS TRANSACTIONS - MAP VIEW 2023

- 1 Étoile Park Hôtel
- 2 Hôtel Korner Eiffel
- 3 Hôtel Touraine Opéra
- 4 Hôtel de Seine
- 5 Hôtel Chavanel
- 6 Hôtel Mercure Paris Pigalle Sacré Coeur
- 7 Hôtel Eiffel Blomet
- 8 Hôtel de l'Abbaye Saint-Germain
- 9 The Westin Paris Vendôme
- 10 Hôtel California





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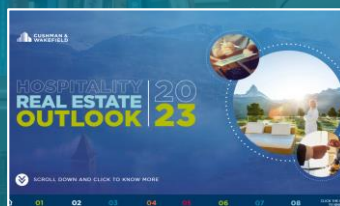
## RECENT PUBLICATIONS



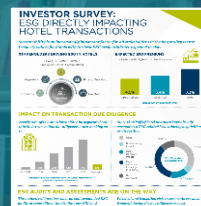
**HOTEL MARKET  
BEAT**  
Europe - Q1 2023



**HOTEL OPERATOR  
BEAT**  
France - H1 2023



**HOSPITALITY REAL  
ESTATE OUTLOOK**  
2023



**INVESTOR ESG  
SURVEY**  
Europe - 2022

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