

MARKET SUMMARY & OUTLOOK

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

The hotel transaction volume in Greater Paris reached €1.9bn during 2022. This was 300% above 2021 but also 7% above 2019 level. The key driver were several major transactions in prime locations, with price per room exceeding €1M. Examples of landmark deals in 2022 include The Hoxton and the Locke Paris.

In 2022, yields gradually rose with a steady increase in the second half of the year, especially in the last quarter. This has been primarily driven by rising cost of financing and risk concerns, underpinned by the geopolitical and economic challenges. The European Central Bank wants to keep a positive outlook saying that the situation is now "more balanced" than in December 2022.

Hotels recorded an outstanding performance in 2022, with RevPAR at €154 in Paris and €98 in Greater Paris (+14% and +8% above 2019). As previously experienced in H1 2022, performances were driven by strong ADR (€205 in Paris and €142 in Greater Paris). In the meantime, occupancy reached 75% and 69%, slightly below 2019 levels, due to still weaker demand from corporate segment and long-haul source markets, especially China.

In 2022, the hotel supply increased by 75 properties, adding approximately 10,000 rooms, most of which opened in the first half of the year. This included primarily midscale and upper midscale hotels in central Paris and the periphery, but also highly expected high-end assets such as the TOO Hotel and the SO/Paris Hotel. More high-profile openings are expected in the first quarter of 2023, such as the Hotel Dames des Arts.

After two difficult years, hotels in Paris have bounced back thanks to strong demand from international tourists in 2022. While leisure tourism has picked up, business tourism is to take longer to return to pre-covid levels. While the occupancy level of hotels in Paris was still behind 2019, the recent removal of travel restrictions from China and Japan, as well as the Rugby World Cup, should help hotels to recover fully in the course of 2023.

Sources: C&W, Reuters, MKG, INSEE, Hospitality On, VisitParisRegion

INVESTMENT TRENDS

HIGHLIGHTS - 2022

- €1.9 billion transacted
- 39 properties comprising 3,549 rooms sold
- 70% of capital was from international buyers
- 88% of volume was invested in Upscale & Upper Upscale hotels

RECENT TRANSACTION TRENDS

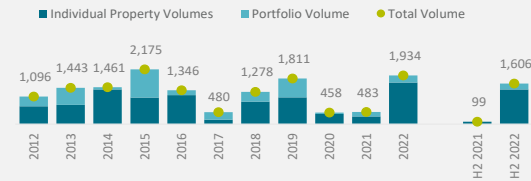
	Last 6 months (H2 2022)			CALENDAR YEAR 2022		
	H2 2021	H2 2022	% Change*	2021	2022	% Change*
Properties Sold	6	21	250%	26	39	49%
Rooms Sold	429	2,145	400%	2,461	3,549	44%
Volume Transacted	99	1,606	1526%	483	1,934	300%

Volume transacted in EUR, millions.
**% Change in transaction volume from the previous period

A contingency of 5% is assumed for 2022 volumes, number of properties and rooms sold, based on the past experience with additional deals being revealed in several months after the period.

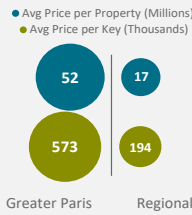
Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES (2012 - 2022, EUR MILLIONS)



Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE (2022, EUR)



Greater Paris Regional

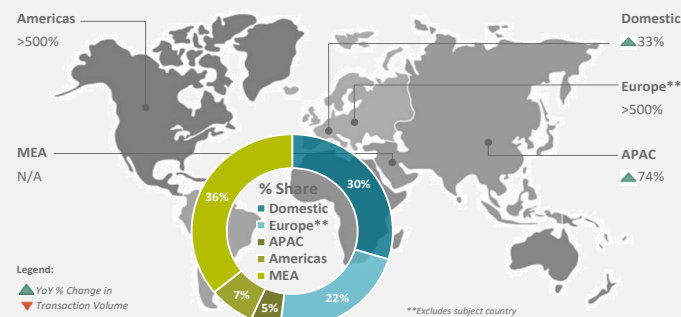
BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE (2022, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL (% CHANGE, 2022 vs 2021)



Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS (% CHANGE, 2022 vs 2021)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	0%	▼-100%	Luxury	0%	▼-100%
Upper Upscale	47%	▲1075%	Upper Upscale	22%	▲315%
Upscale	41%	▲1150%	Upscale	38%	▲158%
Upper Midscale	5%	▼-32%	Upper Midscale	16%	▼-22%
Midscale	5%	▼-32%	Midscale	16%	▼-28%
Economy	2%	▲8%	Economy	8%	▲5%

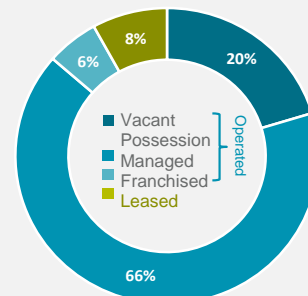
Source: Cushman & Wakefield

TRANSACTION VOLUME BY TYPE OF INVESTOR (2022, % SHARE OF TOTAL VOLUME)

BUYERS (% Share)	Last 12 Months		SELLERS (% Share)	Last 12 Months	
	% Share	% Change		% Share	% Change
Institutional	46%	38% ▲	41%	84% ▲	
Private	54%	91% ▲	38%	4% ▲	
Public	0%	-100% ▼	21%	919% ▲	

Source: Cushman & Wakefield / RCA

TRANSACTION VOLUME BY OPERATING STRUCTURE (2022, % SHARE)



Source: Cushman & Wakefield

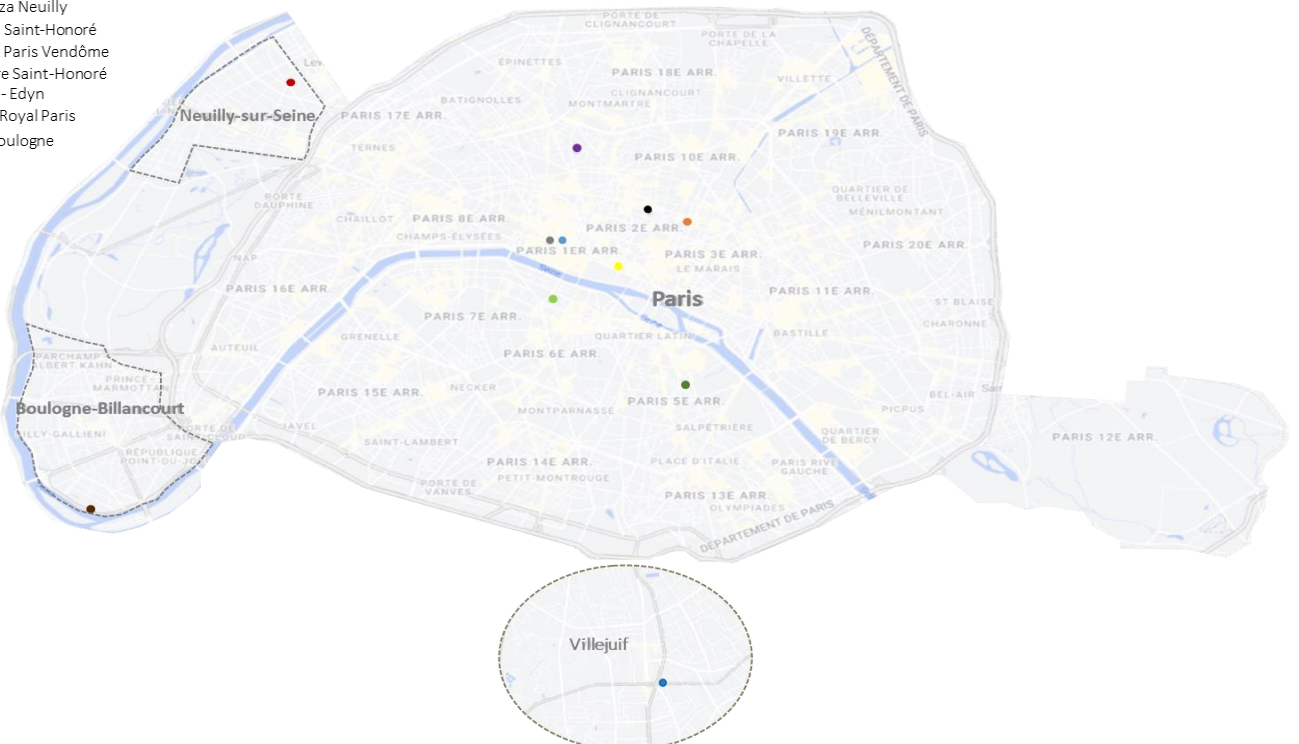
MAJOR DEALS

SELECTED RECENT MAJOR HOTEL TRANSACTIONS (GREATER PARIS)

Year	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Q4 2022	The Hoxton Paris	75002	172	Schroder Investment Management Limited	GBR	Ennismore Capital	GBR
Q4 2022	Hotel Royal Saint-Honoré	75001	68	Archer Hotel Capital B.V.	GBR	Hôtels et Résidences du Roy / DigitalBridge	FRA / USA
Q4 2022	Soho House Paris	75009	36	Amundi	FRA	Compagnie de Phalsbourg	FRA
Q4 2022	Portfolio Moon (Hotel Marais Grands Boulevards & Hotel Louvre Saint-Honoré)	7500375001	4337	Confidential	Confidential	Eternam / Extendam / Centaurus Hospitality Management	FRA
Q4 2022	Locke Paris	75005	145	Edyn Group	GBR	Noxavia	FRA
Q3 2022	Courtyard by Marriott Paris Arcueil	94110	170	Eternam / EQ Group	FRA / GBR	Confidential	Confidential
Q3 2022	Art Hotel Boulogne (VEFA)	92100	220	Ardian	FRA	Emerige / AOG Real Estate Luxembourg SARL	FRA / MLT
Q3 2022	Ibis Styles Villejuif (VEFA)	94800	178	Suitcase Hospitality	FRA	Groupe Legendre OTI	FRA
Q2 2022	Crowne Plaza Paris Neuilly	92200	281	Artbridge Investments ICADE	FRA	SAS de l'Hotel de Neuilly	FRA
Q1 2022	Hotel Pont Royal Paris	75007	75	Confidential	USA	Colony Capital	USA

PARIS TRANSACTIONS - MAP VIEW 2022

- Hotel Marais Grands Boulevards
- Ibis Hotel Villejuif
- The Hoxton Paris
- Hotel Soho House
- Crowne Plaza Neuilly
- Hotel Royal Saint-Honoré
- The Westin Paris Vendôme
- Hotel Louvre Saint-Honoré
- Locke Paris - Edyn
- Hotel Pont Royal Paris
- Art Hotel Boulogne



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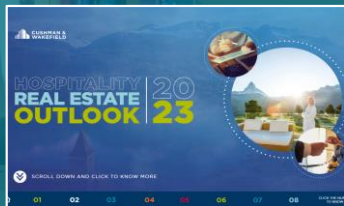
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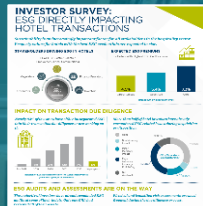
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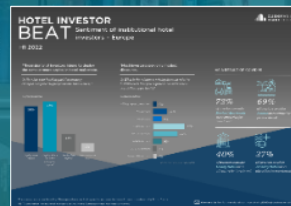
RECENT PUBLICATIONS



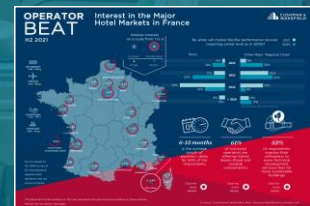
HOSPITALITY REAL ESTATE OUTLOOK 2023



INVESTOR ESG SURVEY Europe - 2022



HOTEL INVESTOR BEAT Europe - H1 2022



HOTEL OPERATOR BEAT France - H2 2021

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