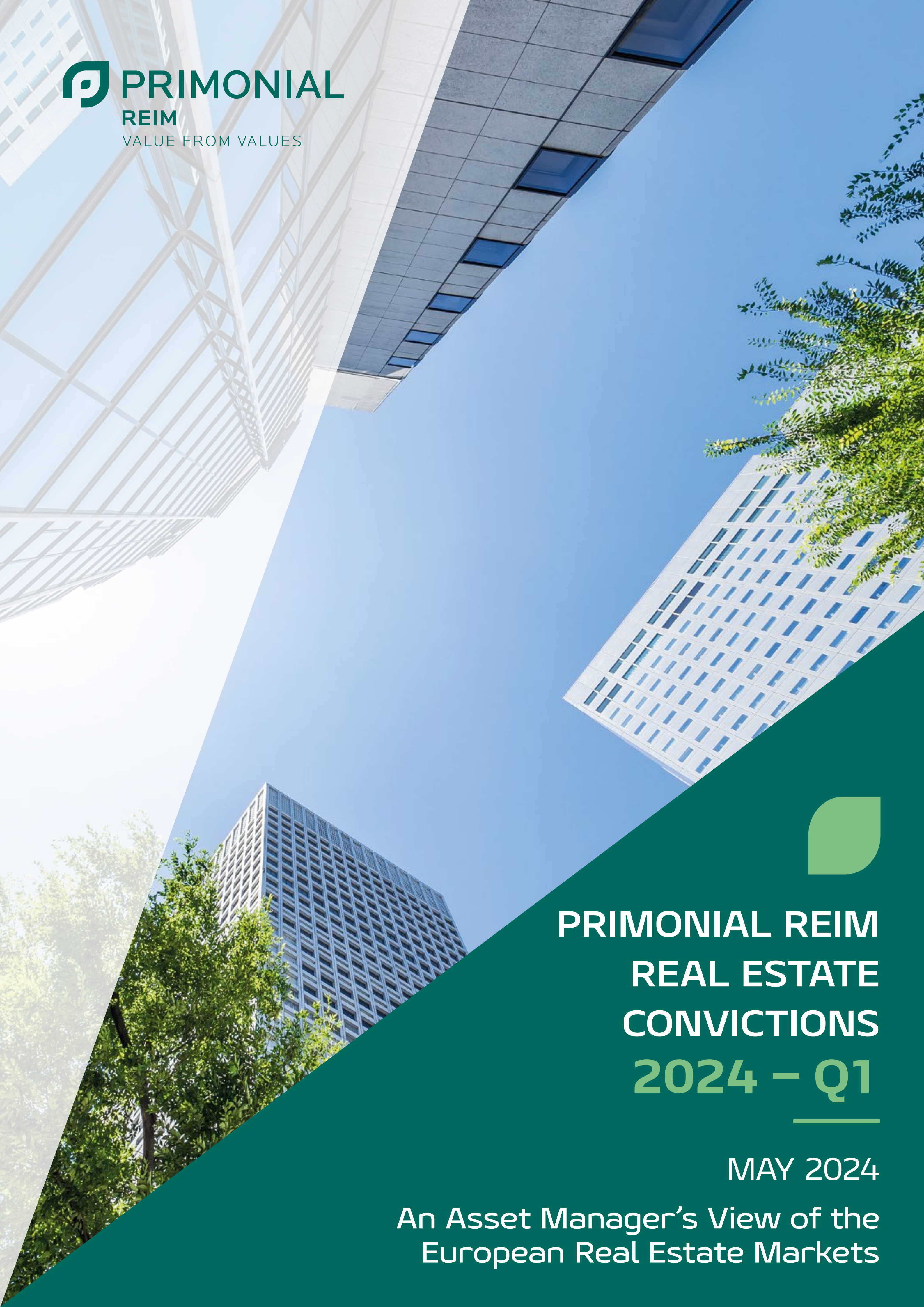


PRIMONIAL REIM
VALUE FROM VALUES

PRIMONIAL REIM REAL ESTATE CONVICTIONS 2024 – Q1

MAY 2024

An Asset Manager's View of the European Real Estate Markets

ECONOMIC AND REAL ESTATE ENVIRONMENT

« While economies have managed to withstand the historic rise in central bank key interest rates, new risks have emerged due to tensions in the Red Sea, escalation risks in the Near and Middle East and the persistence of the conflict in Ukraine. For now, European real estate professionals have been cautious and are watching for the tipping point that could occur with the announcement of the first change in direction by the ECB. »

Henry-Aurélien NATTER
MRICS, Head of Research

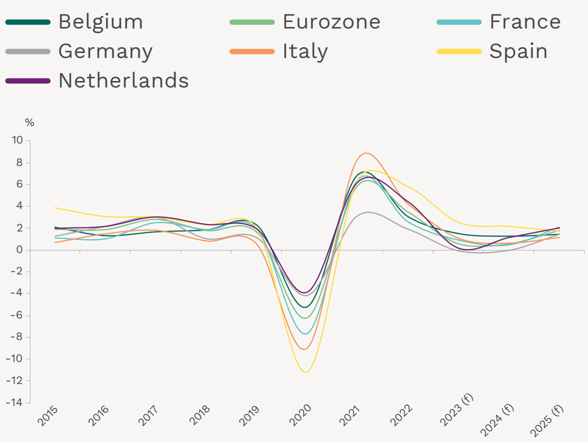
While uncertainty dominated during the first months of the year 2024, it would seem that the worst time for global growth has passed. Indeed, the possibility of a US recession following the monetary tightening seems to be ruled out due to the resilience of the economy. Similarly, the latest figures for Chinese growth have been better than initially anticipated, although they remain low compared to recent years. Thus, global growth is forecast at +2.4% for 2024, before a more dynamic recovery in 2025 (+2.8%).

The outlook for 2024–2025 in the eurozone suggests the prospect of a widespread and gradual recovery in growth (+0.6% and +1.8%). The breakthrough is expected to occur in the second half of 2024 due to positive cyclical factors, including continued decline in inflation, monetary policy easing and an improvement in order books. By major countries, the GDP of Spain is expected to grow by +2.1% in 2024 and +1.7% in 2025, Belgium (+1.2% and +1.4%), the Netherlands (+1.0% and +2.0%), Italy (+0.7% and +1.1%), France (+0.5% and +2.0%) and Germany (0.0% and +1.4%).

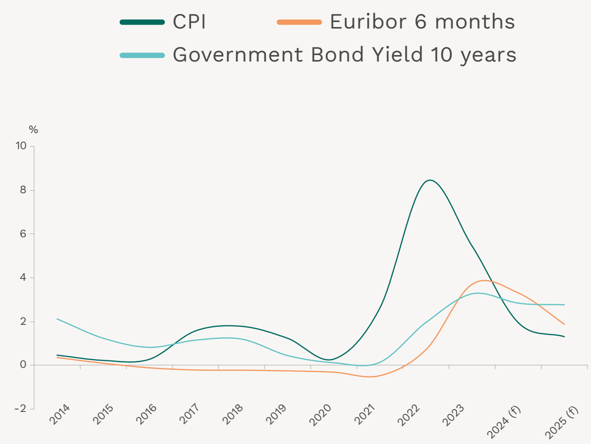
The ECB's strategy to tighten its monetary policy has achieved its objective with inflation gradually receding from +2.9% in December 2023 to +2.4% at the end of March 2024. At its meeting in April 2024, the ECB officially opened the door to a potential first reduction in its key interest rates in June 2024. However, this is a probability, not a certainty, as the Board will have a lot more data at that time to make a decision regarding a change in its key interest rate policy. Conditionality also remains strong, especially if there are new setbacks regarding inflation in the coming months.

After experiencing a peak in 2023, the 10-year sovereign rates of the various European economies have eased. However, in the event of a more pronounced than expected deterioration in the public finances of some European countries, an increase in financing costs cannot be ruled out.

ECONOMIC ENVIRONMENT: GDP IN EUROPE



10-YEAR GOVERNMENT BONDS, EURIBOR AND THE EUROZONE CONSUMER PRICE INDEX



Investor caution persisted during the first quarter of 2024. The United Kingdom, Germany and France accounted for more than half of the investment volumes in Europe. Alternative assets have attracted investor interest.

In the expectation of a more accommodative monetary policy, investors have continued their selectivity. This caution also stems from the significant imbalance between the expectations of suppliers and those on the demand side regarding prices. The question of liquidity remains, and with it that of distressed assets as well. In this context, the volume of investment was again low, with 30 billion euros in commitments for the first quarter of 2024, compared to 41 billion in the same period in 2023.

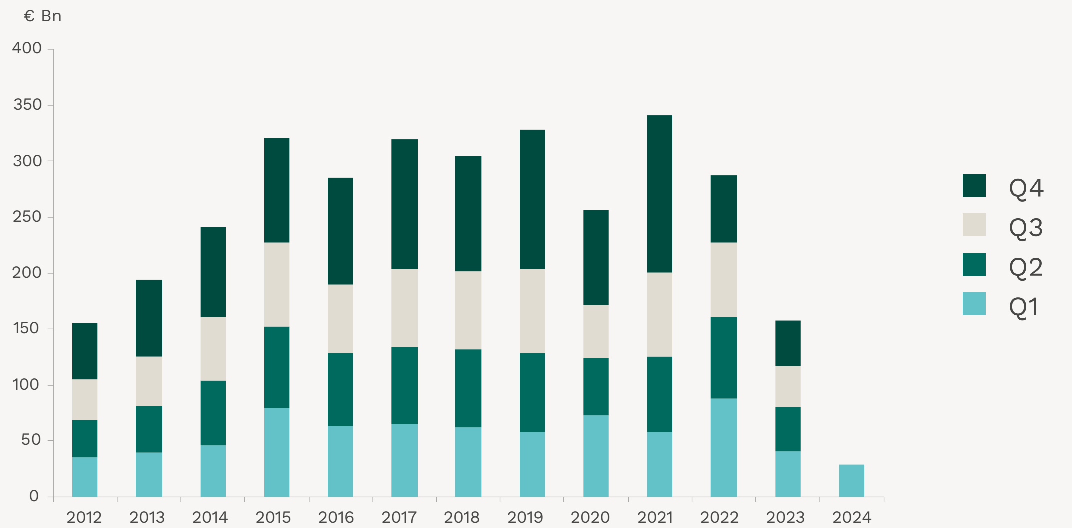
By major countries, the distribution of real estate investment volumes was concentrated at 65% in three countries: the United Kingdom (34%), Germany (19%) and France (13%). These countries were followed by the Netherlands (9%), Spain (9%) and Italy (5%).

By market, the cities of London, Paris and Munich recorded the largest investment volumes.

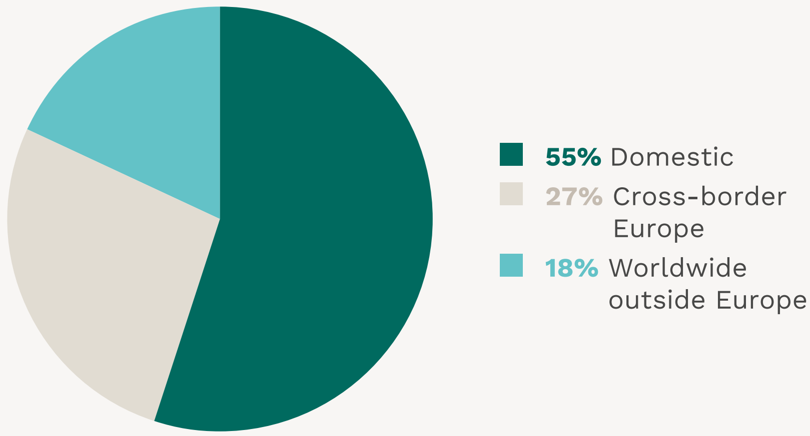
By asset class, a balanced diversification characterised the beginning of 2024. Office (22%) and logistics (22%) were thus placed in first position. They are followed by residential (19%), retail (17%), hotels (15%) and healthcare (4%).

Regarding capital flows, investors preferred their domestic market (55%), dominated by institutions (20%), private companies (22%), listed real estate companies (7%) and users (6%). International capital flows outside Europe are small (18%), but international investors are poised to seize assets that could result from forced sales.

REAL ESTATE INVESTMENT VOLUME IN EUROPE



CAPITAL FLOWS IN EUROPE (INCLUDING UK) BY ORIGIN IN Q1 2024



After being impacted by the sudden rise in interest rates, real estate performance has gradually entered a stabilisation phase. While the capital growth was the most impacted, income return will have made it possible to offset the extent of the decline. The end of the ECB's interest rate hikes since October 2023 has gradually helped to alleviate the downward pressure on prices. If the ECB's monetary policy shift occurs in June 2024, then the turning point will be clear for the real estate sector.

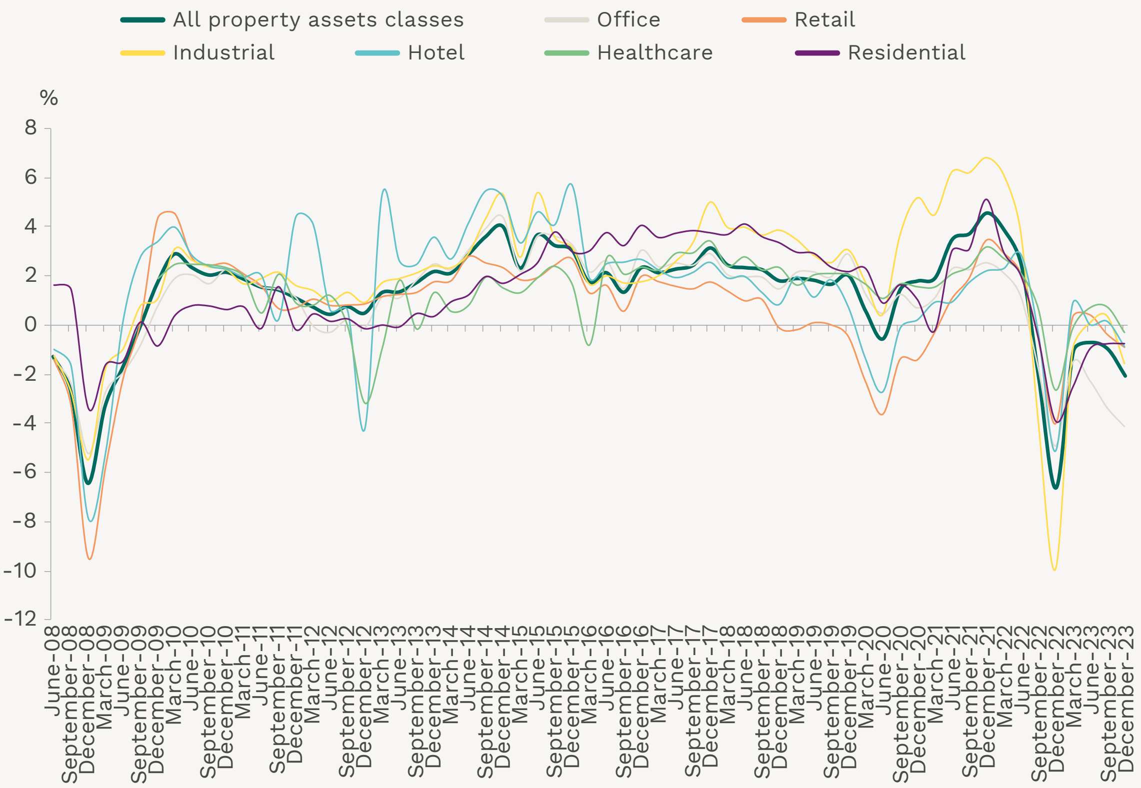
The ECB's monetary tightening policy, characterised by the rapid increase of its key interest rates, has led to a process of rebuilding the risk premium between bonds and real estate.

The income return has continued to grow for all asset classes, while capital growth has been the volatile variable in total performance.

Healthcare (especially in France, Italy, the Netherlands, Spain and the United Kingdom) and hospitality (especially in Spain, Italy and France) are the asset classes that will have fared well during this period of turbulence due to a less significant "repricing" phase compared to other asset classes and well-directed income return, notably due to high occupancy rates. Trade has also held up well, particularly in Italy, Spain and the United Kingdom. Logistics is the asset class that is experiencing significant headwinds in Europe with countries such as France and Germany that have experienced a process of value correction, while the United Kingdom is already seeing its capital growth rebound. The office category has experienced significant value repositioning, but the process is gradually stabilising. Central offices aligned with new usage trends have better performance prospects. Regarding residential, it is also experiencing contradictory performances depending on the markets. However, the pressure of demand in strained areas is already helping to guide total performance positively.

After an intense "repricing" phase that began as early as the end of 2022, a window of stabilization of values is expected before the turning point, which could occur when the ECB begins to ease its restrictive monetary policy to exert less pressure on the economy.

TOTAL RETURN ON EUROPEAN REAL ESTATE ASSET CLASSES



OFFICES

INVESTMENT IN OFFICE REAL ESTATE IN EUROPE – 2024 Q1 (3 MONTHS)	€6.5 bn
PRIME YIELDS IN EUROPE – 2024 Q1 / 2023 Q4	→
TAKE-UP IN EUROPE – 2024 Q1 (3 MONTHS) / 2023 Q1 (3 MONTHS)	→
VACANCY RATE IN EUROPE – 2024 Q1 / 2023 Q4	→
RENTS IN EUROPE – 2024 Q1 / 2023 Q4	↗
JOB CREATION – 2024 Q1 / 2023 Q4	↗

Investor caution has prevailed regarding offices, pending the next decrease in the ECB's key interest rates and uncertainties related to work organisation. The market is split in two. Well-located assets and buildings with ESG criteria were sought after by investors. It is in this context that office real estate investment volumes in Europe reached just over 6.5 billion euros in the first quarter of 2024, compared to 13 billion euros in the same period in 2023. The United Kingdom is the leading office market in Europe with around 1.7 billion euros invested in the first quarter of 2024, followed by France and Germany with around 1 billion euros respectively, followed by Italy, the Netherlands and Spain with less than one billion euros.

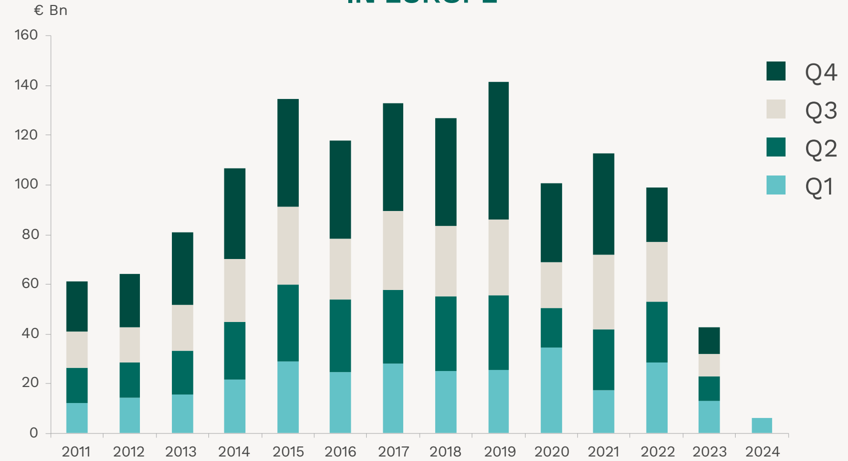
A large majority of office markets[1] in Europe experienced stable prime yields in the first quarter of 2024 compared to the end of 2023. The stability of bond rates since October 2023 explains this trend towards rate stability. In order to reconstitute the risk premium of office real estate, decompressions were necessary. The most prime markets had a yield of between 4.0% and 5.0% and were located in cities such as Paris, London, Munich, Berlin, Copenhagen, Madrid and Milan.

The European user market totalled an almost stable volume of demand over one year. The take-up for offices totalled about 2 million m² for the first quarter of 2024, a volume almost identical to that of the first quarter of 2023. The European labour market is still resilient despite economic stagnation. In fact, job creation continued. While the pace of job creation is expected to slow down, a deterioration of the job market in 2024 is currently ruled out in the eurozone. The user market should therefore be aligned with the performance of 2024. For the time being, the Parisian market has been up slightly, totalling more than 450,000 m² in the first quarter of 2024, followed by London, Munich/Berlin, Warsaw, Stockholm and Milan with about 100,000 m² leased on each market, respectively. Users confirmed their searches for central, flexible and energy-efficient offices. We observe that a differential has been created in Europe between "green buildings" and "brown buildings".

Over the past three months, supply has shown signs of stability for a majority of the market. The central districts confirmed their attractiveness to users with vacancy rates that remain at low levels. This is the case of central Paris or Munich, for example, with a vacancy rate of about 5%. Conversely, Barcelona, Madrid, Frankfurt and Hamburg had a vacancy rate of more than 10%, which was increasing.

Rents were up slightly in the first quarter of 2024, but the growth momentum between the central districts and the periphery is increasing. The prime rent of the Parisian business district exceeded €1,000/m² for certain highly sought-after assets. Dublin, Berlin, Munich or Milan offer rents between €500–750/m² and markets such as Brussels, Madrid or Barcelona have rents of around €300–500/m². Accompanying measures (rent deductibles) remained at an identical level from one quarter to the next on average. The largest deductible levels are offered for markets with a large offer or for less attractive areas in order to attract users.

INVESTMENT VOLUME IN OFFICE REAL ESTATE IN EUROPE



(1) Out of more than one hundred European markets analysed by Primonial REIM Research and Strategy.

RESIDENTIAL

INVESTMENT IN RESIDENTIAL REAL ESTATE IN EUROPE – 2024 Q1 (3 MONTHS)	€5.5 bn
PRIME YIELDS IN EUROPE – 2024 Q1 / 2023 Q4	→
RESIDENTIAL PRICE GROWTH IN EUROPE – 2024 Q1 / 2023 Q1	→
HOUSEHOLD INCOME IN THE EUROZONE – 2024 Q1 / 2023 Q1	↗

Residential investment volumes in "block" in Europe recorded a low level of activity. The market totalled about 5.5 billion euros for the first quarter of 2024, compared to 7.5 billion euros for the same period in 2023. In the eurozone, Germany has total investments of more than €1 billion, followed by the Netherlands and Spain, which have investments of around €1 billion respectively, followed by France, with around €500 million. Outside of the eurozone, the United Kingdom was the most active, with investments of more than €2 billion, followed by Sweden with around €500 million, and Denmark with less than €500 million in commitments.

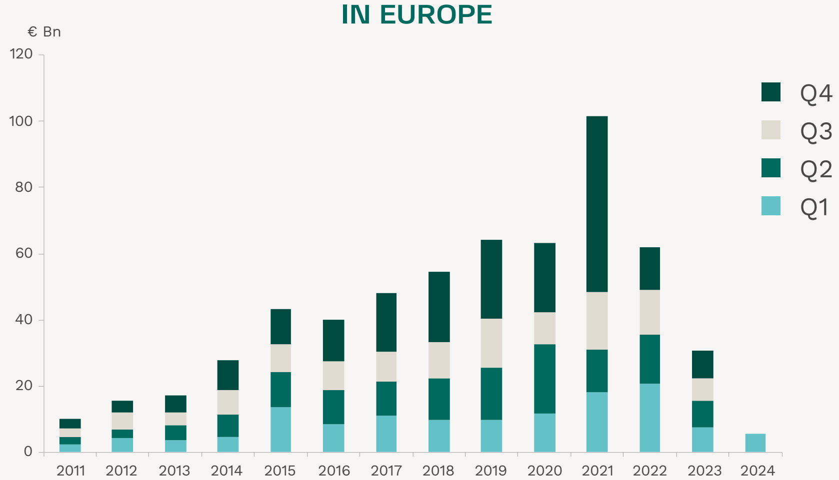
Housing prices in the eurozone are again up slightly on an annualised basis (+0.5% over one year). While an improvement in price dynamics has begun at the eurozone level, not all countries are following the same trend. Portugal (+7.3% over one year), Ireland (+6.9%), Spain (+4.5%), Belgium (+4.1%), the Netherlands (+3.8%) and Italy (+1.9%) are up, while prices were still on a downward trend in Germany (-1.5%), Finland (-2.1%), Austria (-2.5%) and France (-3.0%). Limited supply, the resilience of the labour market and wage dynamics have made it possible to contain the fall in prices and the resumption of price growth. It is interesting to note that over the period 2021–2023 (3 years), Portugal is at the top of the ranking, with a 30% growth in its value, followed by the Netherlands (+26%), Ireland (+23%), Austria (+21%) and Germany (+17%).

Prime yields remained mostly stable in the first quarter of 2024 compared to the end of 2023. In the eurozone, Paris and Munich have a prime yield, which has remained around 3.0%. The other main European cities also experienced stability in their prime rates.

The consumer price index (CPI) in the eurozone remained above the 2% target at the end of the third quarter of 2024. For residential real estate, the CPI rate will be reflected in part or in full according to the indexation mechanisms specific to each country. On the other hand, regulations such as "rent control" or "carbon tax" can affect rent dynamics.

The construction of buildings in Europe recorded a decline in the first months of the year 2024, but an increase within the eurozone countries. Conflicting trends coexist between countries. If the growth in residential construction costs is expected to be less than 4% over one year, we are no longer seeing the inflationary spiral of the last quarters. Some markets even show declines from quarter to quarter.

INVESTMENT IN BLOCK RESIDENTIAL REAL ESTATE IN EUROPE



HEALTHCARE

INVESTMENT IN HEALTHCARE REAL ESTATE IN EUROPE – 2024 Q1 (3 MONTHS)	**€1.5 bn**
PRIME YIELDS IN EUROPE – 2024 Q1 / 2023 Q4	→
OUTLOOK FOR CARE BED REQUIREMENTS BY 2030 IN EUROPE	↗

The healthcare real estate sector (senior residences and care homes) attracted a capital volume of around €1.5 billion in Europe during the first quarter of 2024, an amount identical to the period in 2023. Like hotels and logistics, healthcare real estate will therefore have less of an impact compared to other asset classes. The investment volumes were concentrated in six countries: the United Kingdom, Sweden, Germany, France, the Netherlands and Belgium.

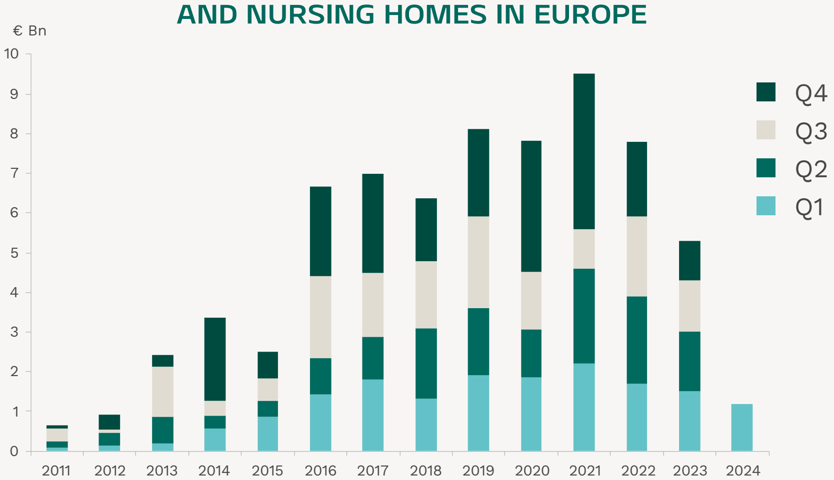
Prime yields in healthcare real estate remained stable in a large majority of the market in the first quarter of 2024 compared to the end of 2023. France, the United Kingdom, Belgium, Austria and Sweden have prime yields of between 4.5% and 5.0% for nursing homes. Prime yields were between 5.0% and 6.0% for care homes in Germany, Italy, Spain, the Netherlands, Finland, Ireland and Portugal. Finally, the decompression process also seems to have stabilised during the first quarter of 2024 for clinics. Prime yields were around 5.0% and 6% in France, Germany, the Netherlands, Italy and the United Kingdom. Regarding Germany, the reform of hospital financing that was launched in 2023 by the authorities could lead to the closure of a large number of regional hospitals.

The average price per bed in Europe was 187,000 euros in the first quarter of 2024. The highest prime assets averaged around 250,000 euros per bed, whereas the assets in the lower quartile were signed at 100,000 euros. By country, France and Germany have seen a range of price signatures per bed between 100,000 and 250,000 euros. Outside the eurozone, the United Kingdom recorded an average price per transaction of more than 200,000 euros. Finally, Sweden had a price per bed of €250,000 on average.

If overall health expenditure by the administrations is at high levels, significant disparities exist concerning health expenditure per capita. While the highest amounts of benefits per capita are in Western Europe, the lowest are recorded in Eastern Europe. There is a strong correlation between income and health expenditure. Thus, high-income European countries are generally the ones that spend the most on healthcare per capita.

The population of seniors is growing in all European countries and is generating demand for healthcare real estate. The renovation of existing properties and the construction of new buildings must make it possible to meet the pressures of this demand. The loss of autonomy must be supported through assistance or care, especially for the population over 75 years of age, which will increase from 44 million in 2020 to more than 66 million in 2040 in the European Union (excluding the United Kingdom). Dependency usually becomes critical from the age of 75.

INVESTMENT VOLUME IN RETIREMENT HOMES AND NURSING HOMES IN EUROPE



HOTELS

INVESTMENT IN HOTEL REAL ESTATE IN EUROPE – 2024 Q1 (3 MONTHS)	€4.5 bn
ROOM OCCUPANCY RATES IN EUROPE – 2024 Q1 (3 MONTHS) / 2023 Q1	↗
REVPAR IN EUROPE – 2024 Q1 (3 MONTHS) / 2023 Q1	↗
AVERAGE DAILY RATE IN EUROPE – 2024 Q1 (3 MONTHS) / 2023 Q1	↗
PRIME YIELDS IN EUROPE – 2024 Q1 / 2023 Q4	→
TOURIST ARRIVALS EXPECTED IN EUROPE – 2024/2023	↗

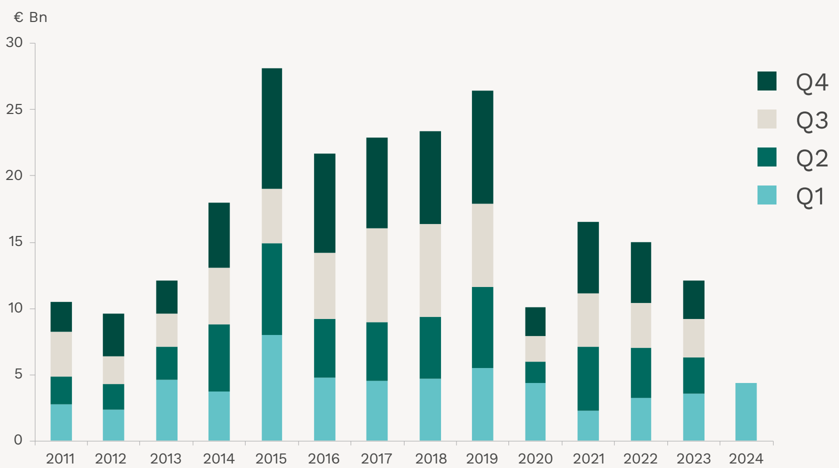
Hotel assets are the only asset class to have experienced an increase in investment volume over the past year. The potential strong dynamism of tourist activity and upcoming sporting events in Europe explain this trend. The European hotel real estate market reached 4.5 billion euros in the first quarter of 2024, compared to 3.6 billion over the same period in 2023. Capital was concentrated in three major markets: the United Kingdom with nearly 2 billion euros in commitments, followed by Spain and France with just under one billion euros. Germany, Italy and Portugal recorded just under 500 million euros for each of these markets.

Prime hotel asset yields in Europe remained mostly stable in the first quarter of 2024 compared to the end of 2023. Prime yields for leased hotels, based on rental profitability, have largely remained stable. Moreover, in the major cities of the South, such as Milan, Rome, Madrid, Barcelona, Lisbon and Athens, they offered a yield of between 5% and 8%, or in those of the North, in markets such as London, Paris, Amsterdam, Brussels, Dublin, Helsinki and the major German cities, with yields of between 4.75% and 6.0%. The prime yields of hotels under a management contract, enabling hotel owners to tap into both the value of the business capital and the value of the real-estate asset, offer prime returns in Europe of between 6.0% and 9.5%.

While the number of hotel rooms sold or rented in Europe at the end of the first quarter of 2024 was on the rise (+2.8% over one year), the trend is towards normalisation after several years of catching up. The year 2024 should, however, be a good year for the Old Continent because of the many sporting events. These include the Euro football championship, which will take place in Germany, and the Paris Olympic Games, as well as many other events on the agenda. Revenues are expected to increase and the number of tourist arrivals should also be dynamic for the whole of 2024. The countries with the best hotel trends at the beginning of the year include France, Spain and Italy. By category, budget hotels continued to grow (between +0% and +2%). The mid-range category also increased well (between 2% and 4%). Rooms in high-end hotels (+4.5%) and those in the luxury category (+6%) continue to catch up.

Hotel indicators were on an upward trend during the first quarter of 2024, the average price and the RevPAR confirmed that they were now above their level at the end of 2019. On the increase, the occupancy rate of the hotel industry in Europe stood at 61% at the end of the first quarter of 2024. The average price is also on an upward trend, set to rise to €135 by the end of March 2023, compared to €132 over the same period in 2023. The RevPAR continued to increase and stood at €82, compared to €78 a year earlier. By category, the economy hotel sector is the only one to benefit from an occupancy rate of more than 67% since the beginning of the year. The other categories are between 50% and 62%.

HOTEL INVESTMENT VOLUME IN EUROPE



RETAIL

INVESTMENT IN RETAIL REAL ESTATE IN EUROPE – 2024 Q1 (3 MONTHS)	€5 bn
PRIME HIGH STREET YIELDS IN EUROPE – 2024 Q1 / 2023 Q4	→
PRIME YIELDS IN EUROPEAN SHOPPING CENTRES – 2024 Q1 / 2023 Q4	→
RETAIL SALES IN THE EUROZONE, ADJUSTED FOR INFLATION – 2024 Q1/ 2023 Q1	↗

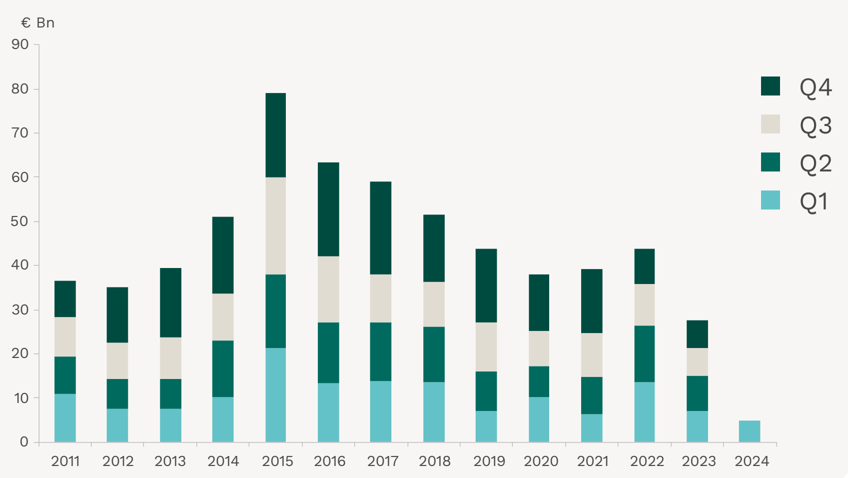
The volume of investment in retail real estate declined over one year. Consequently, the volume of investment in retail real estate in Europe will have reached more than 5 billion euros for the first quarter of 2024, compared to 7 billion euros for the same period in 2023. The United Kingdom and Germany were the most active markets, with between one and two billion euros invested respectively. Spain has also been quite dynamic with nearly 800 million invested, followed by France and the Netherlands with a low level since less than 500 million euros have been invested. For investors, the appetite remains strong for stores with the best locations that involve a high pedestrian flow and a dynamic turnover for brands. Conversely, retail outlets that will have to undergo heavy restructuring, which are unattractive to the consumer and energy-intensive, will not be the assets sought after by investors.

The rates of return for high street retail and shopping centres remained stable during the first quarter of 2024 compared to the end of 2023. The prime yields for retail properties on high street retail in Amsterdam, Milan, Madrid, Munich and Paris ranged between 4.0% and 4.5%. In Vienna, Brussels, Lisbon, Dublin and Helsinki the rates are greater than 4.5% and 6.0%. With regard to shopping centres, the trend is also stable with prime rates of between 5% and 9% in Europe.

The rental values of high street retail were mainly on an upward trend in the first quarter of 2024 and slightly more dynamic for those of shopping centres. The favoured scenario for 2024 is that the decline in inflation, combined with an increase in wages, will allow a rebound in consumption. However, this is contingent upon the normalization of the savings rate, as it remains at a high level. On the side of retailers, the risk of growth in business failures is something to monitor closely.

Advanced indicators suggest that private consumption is currently uncertain. Indeed, despite the increase in real incomes, the labour market is less dynamic, which could lead to a reduction in the pace of consumption in the coming months. For the moment, consumer demand has fed retailers' turnover, which was growing by more than 2% in the eurozone during the first quarter of 2024. Some countries experienced good momentum in the first quarter of 2024, such as Spain, France and Italy. However, it should be noted that while brand turnover growth is still dynamic, the pace of growth is decelerating quarter after quarter and no country is spared. Across the eurozone level, retail sales volumes were once again on a downward trend in the first quarter of 2024. Revenue growth remains driven by price growth.

RETAIL INVESTMENT VOLUME IN EUROPE



LOGISTICS

INVESTMENT IN LOGISTICS REAL ESTATE IN EUROPE – 2024 Q3 (3 MONTHS)	**€6.5 bn**
PRIME YIELDS IN EUROPE – 2024 Q1 / 2023 Q4	→
INTERNATIONAL TRADE – 2024 Q1 / 2023 Q1	↘
E-COMMERCE TURNOVER TRENDS IN THE EUROZONE EXPECTED IN 2024	↗
INDUSTRIAL PRODUCTION – 2024 Q1 / 2023 Q1	↘

Logistics recorded an identical volume of investment in the first quarter of 2024 compared to the same period in 2023. However, logistics will have managed to attract volumes of capital similar to those of office spaces. Consequently, the European logistics real estate market totalled 6.5 billion euros in the first quarter of 2024. Capital was concentrated in the United Kingdom, the Netherlands, Germany and France with investment volumes of between one and two billion euros per market. Spain and Italy totalled less than 500 million euros each.

Prime yields in logistics in Europe were mostly stable in the first quarter of 2024 compared to the end of 2023. The most sought-after markets, such as Germany, the Netherlands, France and Belgium, have a prime yield of less than 5.5%. The most sought-after warehouses are located on the major freight corridors that can serve the major industrial areas and major urban hubs of the continent, mixing barycentre goods supply and barycentre distribution.

Rental market activity is in decline during the first quarter of 2024. The net absorption volume of warehouses was more than 4.2 million m² during the first three months of 2024, a decrease compared to the same period in 2023 which had recorded a volume of 6.9 million m² of net absorption. The largest markets were France, Italy, the Netherlands, the United Kingdom and Germany, with a net absorption of between 400,000 m² and 1.2 million m². Modernised supply chains that allow retailers, manufacturers and distributors to adapt to new business models are a growth driver for the logistics user market. The question of verticalisation of warehouses is starting to arise in dense urban areas.

In general, the supply of logistics real estate increased slightly during the first quarter of 2024. Markets such as Germany, the Netherlands, Belgium, Italy and France still have a vacancy rate of less than 5%. Conversely, the United Kingdom, Spain and Poland had a vacancy rate of more than 5%.

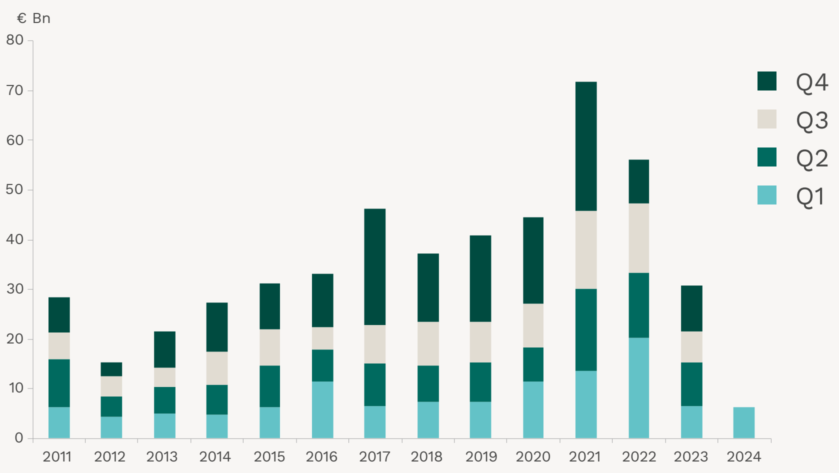
Rents were again on an upward trend during the first three months of 2024. The average headline rents of prime warehouses have experienced increases ranging from 0% to 3% during the first quarter of 2024 compared to the end of 2023. The United Kingdom, Germany, the Netherlands and Spain dominate, with rents of more than €100/m², against rents of between €70/m² and €90/m² in countries such as France or Belgium.

The growth of e-commerce is helping to increase demand for logistics real estate. In 2023, e-commerce turnover in Europe is expected to be 975 billion euros (+8% over one year), thus constituting a major challenge for logistics with its population of more than 580 million people.

On the other hand, the relocation of industrial and manufacturing companies, initiated in Europe since the Covid health crisis, is a movement that is confirmed and expected to continue in the years to come. This trend is likely to further fuel demand for logistics real estate. Industrialists particularly mention a movement towards deglobalisation, which requires greater resilience in supply chains. In proportion to GDP, the trend is expected to be quite marked in France and Germany in particular.

Regarding foreign trade, according to initial estimates, the eurozone recorded a surplus in its trade in goods with the rest of the world at the beginning of the year 2024. Exports of goods from the eurozone were up, while imports from the rest of the world recorded a further decline. These flows are likely to either fuel or curb demand for warehouses along transport corridors and in industrial-port areas, which serve as gateways to or from the European territory.

LOGISTICS INVESTMENT VOLUME IN EUROPE



DEFINITIONS

10-year government bonds: debt securities issued by a state for a period of ten years, generally acknowledged to be a risk-free investment.

Investment volume in corporate real estate: total volume of premises acquired in the offices, retail, business premises and warehouses segments by an investor.

Take-up of offices: all leases or sales to the occupant (as opposed to sales to investors) for premises to be used as offices. It is expressed as square meters of usable space.

Sale Before Completion: sale before completion is the contractual method for selling a building before it is built. The investor becomes the owner as it is built.

Free leases: favourable measures granted to tenants (rent cuts, renovation work, etc.).

Yield: ratio between the gross or net revenues from the building and the capital committed by the buyer (acquisition price + fees and transfer taxes).

Store premises: traditional ground-floor retail premises located in town-center high streets.

Shopping center: a building containing at least 20 retail outlets housed in indoor centers around a large food store that drives customer traffic.

Retail park: an outdoor shopping center built and managed as a single unit. It comprises at least five buildings linked by lanes and located on city peripheries.

Care homes: a health facility that houses dependent elderly people.

Medical, surgery and obstetric clinics: medical facilities for short-term care, with or without lodging, or for severe conditions during their acute phase.

RevPAR: abbreviation for Revenue Per Available Room. It corresponds to the turnover on accommodation of an establishment divided by the total number of rooms RevPAR also corresponds to Occupancy Rate multiplied by ADR.

ADR: abbreviation for Average Daily Rate. It is calculated (excluding breakfast) by dividing total revenue by the number of occupied rooms.

Hotel Occupancy Rate (OR): ratio of the number of occupied rooms to the total number of rooms in a hotel.

About Primonial REIM

Primonial REIM has a workforce of 450 employees in **France, Germany, Luxembourg, Italy, United Kingdom** and **Singapore**. Its values of conviction and commitment as well as its expertise on a European scale are used to design and manage real estate funds for its national and international clients, whether they are individuals or institutions.

Primonial REIM currently has **€38,4 billion** of assets under management. Its conviction-based allocation breaks down into:

- **48%** healthcare/education,
- **33%** offices,
- **8%** residential,
- **5%** retail,
- **5%** hotels,
- **1%** logistics.

Its pan-European platform manages **61 funds** and has more than 100,000 investor clients, **55%** of which are **institutional investors** and **45% individual**. Its real estate portfolio consists of more than 1 695 properties (offices, healthcare/education, retail, residential, hotels) located in **10 European countries.**

www.primonialreim.com

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The Research & Strategy Department's role is to formalise Primonial REIM's real estate investment strategies, based on continuous monitoring of the French and European markets. Although collective real estate accounts for a growing share of institutional portfolios and household savings, it is at the crossroads of financial (hierarchy of rates), economic (tenants' business models), demographic (the metropolisation phenomenon) and societal (changes in usage) factors. This is why a cross-cutting analysis is needed, which is also long term and therefore in keeping with the horizon of most real estate investors.

Real Estate Convictions Europe offers Primonial REIM's quarterly view of its markets of choice, i.e. offices, retail outlets and healthcare and residential real estate, in the Eurozone.

Sources used throughout this document: Primonial REIM Research and Strategy Data, Immostat, CBRE, Savills, BNP PRE, JLL, Knight Frank, MSCI, Oxford Economics, Eurostat, Econpol Europe, OECD, IMF, Stabel, NSI, CZSO, DST, Destatis, Stat, CSO, Statistics, INE, INSEE, DZS, ISTAT, CSB, Statistics Lithuania, Statec, KSH, CBS, Statistik Austria, Stat Poland, INE, INSSE, Statistics Finland, SCB, SSB, BFS, ONS, STR, Operators, national e-commerce associations, Statista.

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