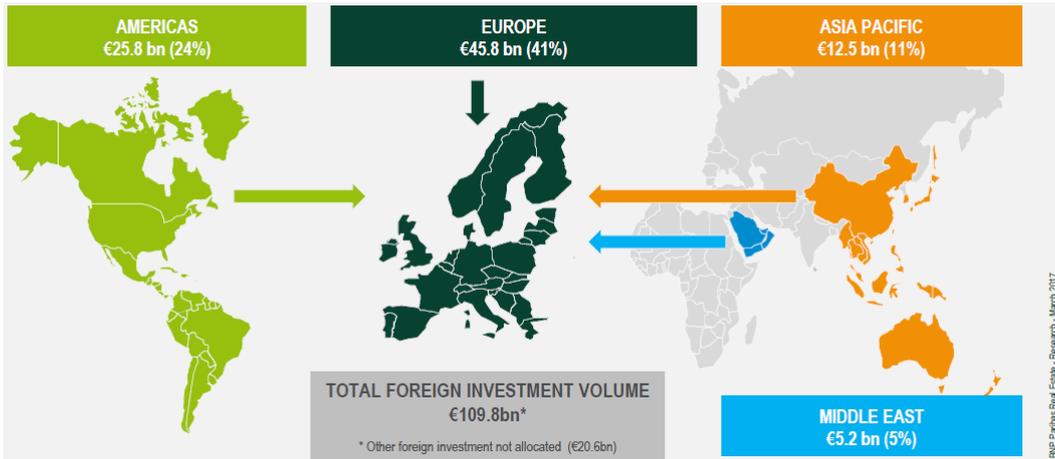


PRESS RELEASE

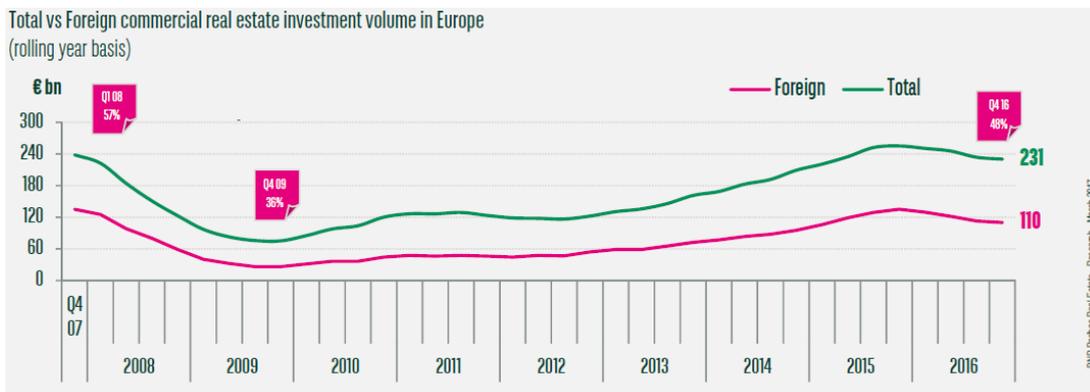
EUROPEAN COMMERCIAL REAL ESTATE: FOREIGN INVESTMENT DROPPED 19% IN 2016, AFTER A RECORD VOLUME IN 2015

“AT A GLANCE” PUBLICATION - CROSS-BORDER INVESTMENT IN EUROPE



The economic recovery continues in the Eurozone. Despite a slowdown at mid-year, GDP maintained a stable pace of growth in 2016 with 1.7% on average. It should enjoy growth close to 1.5 % in 2017, a slight decline on 2016 due to political uncertainties at national level and some less favourable economic fundamentals (such as raw materials, inflation, oil prices and interest rates).

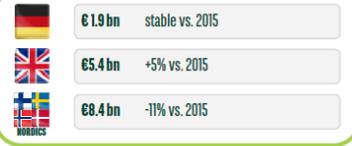
Coming in the wake of a record year 2015, the European investment market, at €230 bn, recorded a 10% slowdown in 2016. The share of cross-border investment dropped during 2016, Etienne Prongue, head of International Investment Group at BNP Paribas Real Estate, explains that “One of the strengths of the European commercial real estate market has been the amount of capital moving in between markets and flowing into Europe. After peaking in 2015, the share of cross-border investment dropped to 48% of the total in 2016 but, at €110 bn, it is still the third highest amount in the last ten years.”



EUROPEAN CROSS-BORDER INVESTORS



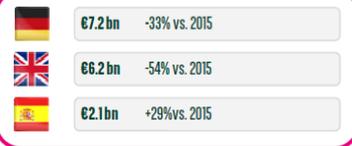
TOP 3 DESTINATIONS IN 2016



AMERICAN INVESTORS



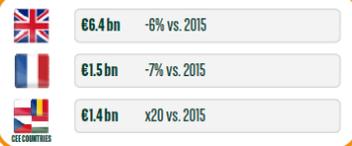
TOP 3 DESTINATIONS IN 2016



ASIAN INVESTORS



TOP 3 DESTINATIONS IN 2016



MIDDLE EASTERN INVESTORS



TOP 3 DESTINATIONS IN 2016



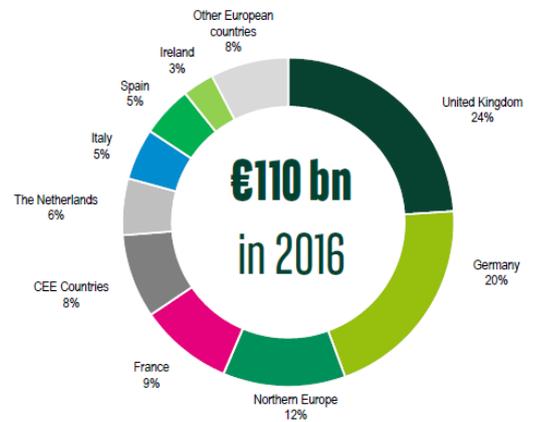
Amongst foreign investors, European were the most represented (41%) with a volume of € 45.8bn, quite fairly split between Eurozone (51%) and non-Eurozone investors (49%).

American investors plunged 37% reaching almost € 26bn in 2016. They represent only 24% of the total foreign investment volume in Europe (vs. 31% a year ago). Sharp pricing and uncertainties have driven the investors on CEE countries, which stay up while it was halved in Europe top 3 markets.

Besides a 12% decrease in volume invested into European real estate, the Asian share of cross-border investment total rose to 11%. They became the main foreign investors in the UK, before the Americans.

“Besides drops in volume, there was no change in the relative ranking of the destinations of foreign capital” said Céline Cotasson-Fauvet head of Pan-European Research at BNP Paribas Real Estate. “Indeed, the UK remains #1 destination of foreign investment in Europe, but dropped 30% in volume due to the wait-and-see attitude of most investors. Germany suffered from an on-going shortage of supply which has held total turnover back; international investment volume was 20% down on 2015. Whereas, France, albeit dropping 19% of foreign investment, still represent 9% of their European allocations. The main gainers were Ireland, The Netherlands and Central & Eastern Europe.”

Cross border real estate investment volume in Europe by destination in Europe



About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management.

With 3,900 employees, BNP Paribas Real Estate supports owners, leaseholders, investors and communities in their projects thanks to its local expertise through 36 countries (16 direct facilities and 20 through its Alliance network) in Europe, Middle-East and Asia.

BNP Paribas Real Estate generated € 704 m revenues in 2016 with, for property development, 154 000 sqm of completions and more than 1,500 homes launched; € 24.1 bn assets under management in Investment Management; 38m sqm managed in Property Management; 6.2m sqm taken up and € 19bn invested in Transaction; and three main types of Consulting services: Real Estate Advisory for occupiers, Building Consultancy and Outsourced Real Estate Management.

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