

PRESS RELEASE

**BNP PARIBAS REAL ESTATE ANNOUNCES €811m REVENUES\* IN 2017**

**€ 187m profit before tax**

**Breakdown of revenues:**

- **46% outside of France** (of which 12% in the UK, 24% in Germany, 4% in Italy) and **54% in France**
- **74% in Real Estate Services** (Transaction, Consulting, Valuation, Property Management and Investment Management), **and 26% in Commercial and Residential real estate development.**
- **38% from recurrent revenues:** Consulting, Valuation, Property Management and Investment Management and Serviced Accommodation.

**Key figures 2017:**

- **Investment Management:** over € 1.7bn of new cash collected in funds and € 27.4bn of assets under management in Europe.
- **Property Management:** revenues of €98m and a managed portfolio of 40.5 million m<sup>2</sup>.
- **Advisory (Transaction, Consulting, Valuation):** revenue of €390m.
- **Commercial real estate development:** 137 600 m<sup>2</sup> under construction in France and about 100 000m<sup>2</sup> delivered in 2017.
- **Residential real estate:** a sales volume of more than 1.1 billion. Housing units started came in at 2,401 homes.
- **Strutt & Parker** - one of the UK's largest independent property partnerships - acquired by BNP Paribas Real Estate in 2017 – sold 2,291 properties for a total of £ 2.9bn.

*“Our business lines performed remarkably in 2017, reaching new highs, with revenues of € 811m and € 187m of pre-tax net profit. At the same time, we strengthened our international strategy, with 46% of our revenues generated outside France. The acquisition this year of the UK company Strutt & Parker is a compelling illustration of our international expansion. Indeed, building on our leadership positions in France and Germany, this external growth has enabled BNP Paribas Real Estate to considerably strengthen its network in the UK. Our company is now a leader of real estate services in Europe”,* observes **Thierry Laroue-Pont, Chairman of the Management Board of BNP Paribas Real Estate.**

*\* Revenue corresponds to net banking income plus income from companies consolidated under the equity method. It mostly consists of net fees from the different business lines and margins of development schemes based on percentage of completion.*

# 2017 statement by business line

## 1. Investment Management

With revenues of **€112,8m**, this business line saw inflows of **over €3.1 bn**, thereof **1.7bn of new cash in funds** and **€1.4bn in separate accounts/mandates** in 2017. At the end of the year, it managed **€27.4bn** of assets in Europe (+€3.3bn vs. 2016), of which 75% was on behalf of institutional investors.

A transaction volume of about **€4.8bn** was generated (€3.5 bn investments and €1.3 bn divestments), a record high.

## 2. Property Management

Property Management revenues came to **€98M** in 2017. The amount of space under management increased by **6.6%** to **40.5 million m<sup>2</sup>** (including 56% offices and 25% logistics), 41% in France and 59% abroad.

Property Management enjoys a leadership position in mainland Europe for tertiary real estate, and an optimal regional coverage in Europe, established in 13 countries and 57 cities.

## 3. Advisory (Transaction, Consulting and Valuation)

In 2017, revenues generated by Advisory activities came to **€390m**. In **Transaction**, **6 million m<sup>2</sup>** of commercial property was leased or sold in Europe (of which 2million m<sup>2</sup> in France) through **3,458** commercial property transactions. The total investment volume came in at **€22.5bn**.

In **Valuation**, the business was predominantly in France (44%) in terms of revenues, followed by the UK (24%). The value of assets valued in the 12 countries where this business operates totalled **€329bn**, representing about 124 million m<sup>2</sup>.

**Consulting** offers services including Real Estate Advisory for occupiers (78%), Project Management (11%), and Outsourced Real Estate Management (11%).

## 4. Commercial Property Development

Some **100,000 m<sup>2</sup> was completed** in 2017. Among the major schemes delivered were the management centre for the PSA brands in Rueil-Malmaison (about 16,200m<sup>2</sup>); the head office of L'Oréal's international selective divisions at Levallois-Perret (about 59,000m<sup>2</sup>) and the HQ of the *Caisse Centrale de la Mutuelle Sociale Agricole* (CCMSA) in Bobigny (about 18,500m<sup>2</sup>).

As of January 1, 2018, 137,600 m<sup>2</sup> of offices are under construction in Europe.

All told, there is over half a million m<sup>2</sup> of advanced office development.

## 5. Residential real estate (Property Development, Transaction and Property Management of serviced residences with Studélites and Hipark)

In 2017, the residential business line generated a **sales volume of more than €1.1bn**.

**Housing units started came in at 2,401 homes. 6,358 units** in serviced residences are under management across 53 Studélites student residences and five Hipark residences for business travellers.

Among the great successes of 2017, the teams delivered the world's first development of smart homes, controllable from software including Apple's « Home » app.

## 6. Prospects

*"In 2018, we aim to generate about € 900m in revenues, € 891m to be precise, with around € 1bn targeted for 2020. We would note that the impact of acquiring Strutt & Parker in the UK automatically boosts our revenues to reach € 950m. Our growth drivers include the € 34bn of assets under management that we are aiming for in Investment Management. In Property Management, after having broken through the threshold of 40 million m<sup>2</sup> managed, we shall continue to structure a service offer around new usages with a user-centric and wellbeing approach, while strengthening our presence in Spain, Italy, Belgium, Holland and Ireland. We also have big plans for our Advisory business line, through which we aim to generate revenues at least equivalent to 2017. With respect to our Development business, we have the firm intention to develop new schemes abroad, thanks to our structured development teams and we shall continue with our mixed project strategy. Lastly, in Residential, we have set ourselves a target of starting over 4,000 homes by 2020", indicates Thierry Laroue-Pont, Chairman of the Management Board of BNP Paribas Real Estate.*

*"More than ever, our values are enabling us to display a collective strength that allows us to outperform in what is sometimes a complex political, economic and technical environment. In this context, we can draw upon our DNA, that of a player encompassing six business lines for which the skillsets are complementary in terms of both geographical coverage and the lifecycle of our various activities. We can now aim to be the "best in class" on all asset types in mainland Europe and rank among the top agents in the UK. More than ever, BNP Paribas Real Estate is a committed player with a proactive CSR policy that we have laid out in our Inspire Real Estate 2020 vision", concludes Thierry Laroue-Pont, Chairman of the Management Board of BNP Paribas Real Estate.*

### 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 5,100 employees, BNP Paribas Real Estate supports owners, leaseholders, investors and communities in their projects thanks to its local expertise across 36 countries (15 through its facilities and 21 through its Alliance network) in Europe, the Middle-East and Asia. BNP Paribas Real Estate generated € 811 m revenues in 2017. In 2017 BNP Paribas Real Estate continued its growth through the acquisition of Strutt & Parker, one of the UK's largest independent property partnerships. BNP Paribas Real Estate is part of the BNP Paribas Group.



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