

MARKET BEAT

GREATER PARIS

Hospitality Full Year 2023



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MARKET SUMMARY & OUTLOOK

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

In 2023, the hotel transaction volume in Greater Paris reached €1.7 billion, marking a 27% rise from 2022. The significant increase was primarily driven by The Westin Paris transaction, making up 40% of the total volume, with a price per key exceeding €1.5 million. Excluding this major transaction, the total volume would have been 23% lower than the level recorded in 2022.

Following a sharp increase in benchmark interest rates initiated in mid-2022 to combat inflation and a series of rate hikes halted in October 2023, the eurozone now stands at around 4%. Confident in its monetary policy and its ability to bring rates back to around 2%, 2024 holds promise, with analysts forecasting a potential rate cut starting in the summer of 2024.

Hotels recorded outstanding performances in 2023, with a RevPAR of 178€ in inner Paris (+35.7% vs 2019) and 61€ in Greater Paris (+7.5% vs 2019). Operational performances were mainly driven by a strong ADR (226€ for inner Paris and 89€ for Greater Paris) while occupancy rates reached 78.9% in inner Paris and 68.5% in Greater Paris, representing a decrease of -1.1 and -5.6 percentage points compared to 2019.

In 2023, the hotel supply increased by 40 properties (newly opened and renovated properties), adding approximately 4,000 rooms, most of which opened in the first half of the year. This included primarily midscale to upper-upscale properties in central Paris and the periphery, but also highly expected high-end assets such as the Domaine de la Reine Margot MGallery, Maison Delano Paris and Le Grand Mazarin by Maisons Pariente.

During 2023, Greater Paris pursued its recovery in terms of demand, recording an increase of approximately 10% in the number of hotel arrivals compared to the previous year, but a decrease of around 5.0% compared to 2019. It is anticipated that 2024 will accelerate this trend, allowing Paris to regain pre-COVID levels of visitors, notably due to the summer period and the hosting of the Olympic Games.

Sources: Cushman & Wakefield, Olakala MKG, INSEE, CCI Paris

Note: A contingency of 5% is assumed for transactions in the last 12 months, as some deals are revealed with notable delay.

INVESTMENT TRENDS

HIGHLIGHTS - 2023 Full Year

- €1.7 billion transacted
- 53 properties comprising 4,255 rooms sold
- 53% of capital was deployed by international buyers
- 61% of volume was invested in Upper Upscale hotels

RECENT TRANSACTION TRENDS

	Last 6 months (H2 2023)			Current Year (2023)		
	H2 2023	H2 2022	% Change*	CY 2023	CY 2022	% Change*
Properties Sold	23	21	10%	53	38	38%
Rooms Sold	2,234	1,955	14%	4,255	3,292	29%
Volume Transacted	366	991	-63%	1,659	1,303	27%

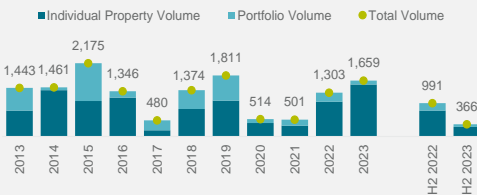
Volume transacted in EUR, millions

Source: Cushman & Wakefield

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

ANNUAL TRANSACTION VOLUMES

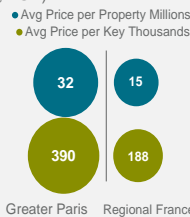
(2013 - 2023, EUR MILLIONS)



Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE

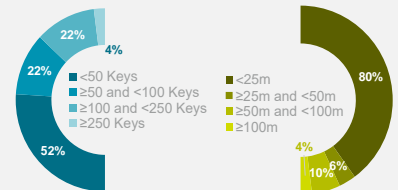
(2023, EUR)



Greater Paris Regional France

BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE

(2023, % SHARE OF DEALS)

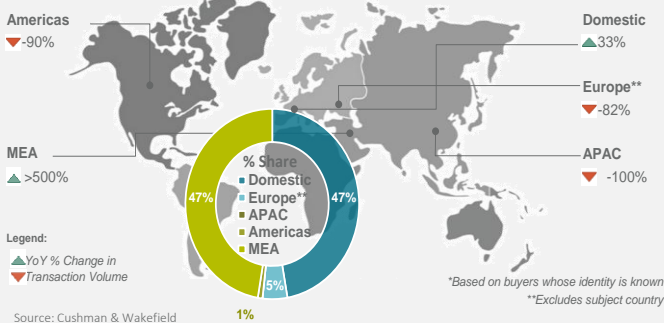


Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL

(% CHANGE, 2023 vs 2022)



Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS

(% CHANGE, 2023 vs 2022)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	3%	>500%	Luxury	1%	>500%
Upper Upscale	61%	136%	Upper Upscale	30%	106%
Upscale	17%	-57%	Upscale	23%	-26%
Upper Midscale	2%	-72%	Upper Midscale	1%	-92%
Midscale	16%	186%	Midscale	38%	195%
Economy	2%	-20%	Economy	7%	4%

Source: Cushman & Wakefield

TRANSACTIONED VOLUME BY TYPE OF INVESTOR

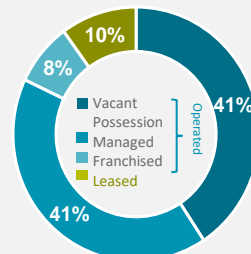
(2023, % SHARE OF TOTAL VOLUME)

Investor Type	BUYERS (% Share)		SELLERS (% Share)	
	Current Year	% Change	Current Year	% Change
Institutional	53%	79% ▲	65%	164% ▲
Private	43%	32% ▲	17%	-7% ▼
Public	4%	-43% ▼	18%	34% ▲
User/Other	0%	0%	0%	-100% ▼

Source: Cushman & Wakefield / RCA

TRANSACTIONED VOLUME BY OPERATING STRUCTURE

(2023, % SHARE OF DEALS)



Source: Cushman & Wakefield

MAJOR DEALS OF 2023

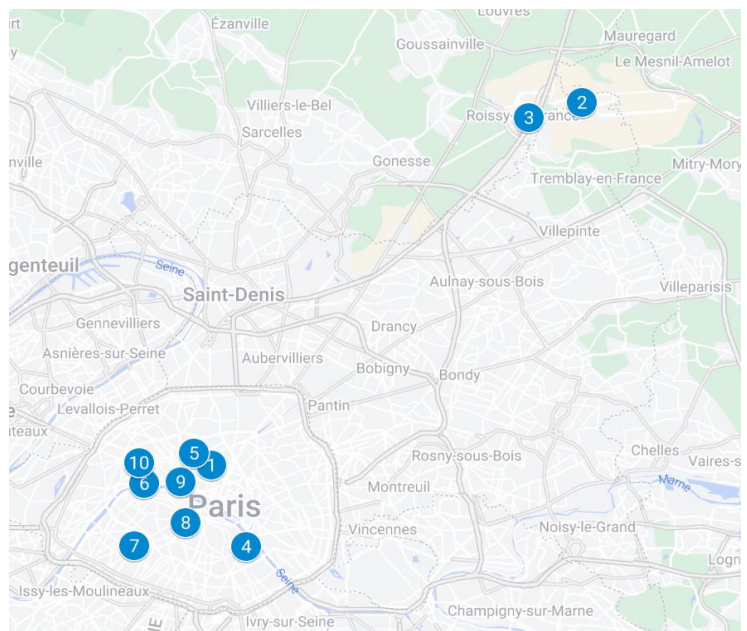
SELECTED MAJOR HOTEL TRANSACTIONS IN 2023

Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Hotel California	75008	172	Tikehau Capital	FRA	Colony Capital	USA
The Westin Paris	75001	428	Dubai Holding	UAE	Henderson Park Capital Partners	GBR
Hotel Eiffel Blomet	75015	87	Financière M.P.Landowski	FRA	Schroder Investment Mgt Ltd / Extendam / Cèdre	GBR / FRA
Hôtel de l'Abbaye Saint Germain	75006	44	Compagnie Hôtelière de Bagatelle	FRA	Steller Hotels	FRA
Le Damantin Paris Hotel & Spa	75008	44	Private Family	FRA	Audacia	FRA
Pestana CR7 Paris 201X	75013	210	Pestana Hotel Group	PRT	Kaufman & Broad	FRA
Hôtel Touraine Opéra	75009	39	Private Family	FRA	Tikehau Capital	FRA
Paris CDG Airport Marriott Hotel	95700	297	AEW	FRA	Commerz Real AG	DEU
Courtyard by Marriott Roissy Paris CDG Airport	95700	240	HPC Capital	FRA	EQ Group / Angelo Gordon	GBR / USA
Hôtel Prélude Opéra	75009	59	Fattal Hotels	ISR	Tikehau Capital	FRA

Note: Ordered by date

GREATER PARIS SELECTED TRANSACTIONS - MAP VIEW FULL YEAR

- 1 Hôtel Prélude Opéra Paris
- 2 Courtyard by Marriott Paris CDG Airport
- 3 Paris Marriott Charles de Gaulle Airport Hotel
- 4 Pestana CR7 Paris 201X
- 5 Hôtel Touraine Opéra
- 6 Le Damantin Paris Hôtel & Spa
- 7 Hotel Eiffel Blomet
- 8 Hôtel de l'Abbaye Saint Germain
- 9 The Westin Paris Vendôme
- 10 Hôtel California



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