

PRESS RELEASE

**BNP PARIBAS REAL ESTATE GENERATES € 968M REVENUES\* IN 2018**

**- € 191m profit before tax -**

**Breakdown of revenues:**

- **52% in France** and **48% outside France** (of which 17% in the UK, 21% in Germany and 3% in Italy)
- **77% in Real Estate Services** (Transaction, Consulting, Valuation, Property Management and Investment Management) and **23% in Commercial and Residential real estate development;**
- **37% from recurrent revenues:** Consulting, Valuation, Property Management, Investment Management and Serviced Accommodation.

**Key figures 2018:**

- **Investment Management:** over € 1.6bn of new cash collected in funds and c. € 29bn assets under management in Europe.
- **Property Management:** revenues of € 103.6m and a managed portfolio of 42.9 million m<sup>2</sup>.
- **Advisory (Transaction, Consulting, Valuation):** revenue of € 517.7m (+25% vs. 2017).
- **Commercial real estate development:** as of December 31, 2018, 187,000 m<sup>2</sup> of offices were under construction in France. In total, there are over half a million m<sup>2</sup> at an advanced stage in office development, including a scheme in Lisbon and another in Frankfurt.
- **Residential Real Estate:** a sales volume of € 756m and construction begun on over 3,000 homes.

*“Whereas 2017 was already the most successful year in terms of revenues which totalled €811m, the growth of 19% in 2018 yet again surpassed this result. This exceptional vintage was further enhanced by the almost perfect balance between our revenues in France and the 14 other countries where we are established, in line with our international expansion strategy which is also manifested in human terms as 63% of the workforce is now based outside France. Moreover, the acquisition a year and a half ago of Strutt & Parker enabled us to reinforce our position in the UK (5<sup>th</sup> place in the market) with a very successful integration and diversified expertise. This performance underpins our ambition to break through the billion euro mark by 2021 and confirms our leadership position for real estate services in Europe”,* comments **Thierry Laroue-Pont, Chairman & Chief Executive Officer 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.*

## 2018 statement by business line

### 1. Investment Management

With revenues of **€ 122.2m**, this business line saw inflows of **€ 3.8bn in 2018**, made up of over **€ 1.6bn of new cash** into its funds and **€ 2.2bn of mandates and “separate accounts”**. At the end of 2018, the business line managed **€ 28.7bn** of assets in Europe (+ € 1.3bn vs. 2017), of which 73% on behalf of institutional investors.

**€ 4.5bn** was transacted (of which € 3.1bn investments and € 1.4bn divestments).

### 2. Property Management

The 2018 revenues of Property Management came in at **€ 103.6m**. The number of m<sup>2</sup> managed increased **6%** to **42.9 million m<sup>2</sup>** of which 59% offices and 25% logistics, 41.3% in France and 58.7% abroad.

As the office real estate leader in mainland Europe, the Property Management business line has optimal geographic coverage in Europe, established in 13 countries and 57 cities.

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

In 2018, Advisory generated € 517.7m in revenues (+25% vs. 2017). As such, in **Transaction**, over **7,2 million m<sup>2</sup>** of offices and industrial premises changed hands in Europe thanks to **3,402** transactions made. Investment came in at **€ 26bn**. In France, 2018 was another year of record-breaking sales (+12% vs. 2017) thanks to 1,759 transactions (offices and industrial premises) representing take-up of 2 million m<sup>2</sup>. In terms of investment, € 8.5bn was invested in France, i.e. an increase of 23.8% vs. 2017.

For **Valuation**, France represents about 37% of revenues, followed by the UK (35.7%). Valued assets in the 12 countries where this business operates total over € 363bn, and represent over 250 million m<sup>2</sup>.

**Consulting** covers Real Estate Advisory for occupiers (78%), Project Management (11%), and Feasibility Studies (11%).

### 4. Commercial Property Development

As of December 31, 2018, 187,000 m<sup>2</sup> of offices were under construction in France. All told, over half a million m<sup>2</sup> is at an advanced stage in office development, including a scheme in Lisbon and another in Frankfurt.

Among the major schemes launched in 2018 are the 37,000 m<sup>2</sup> *Métal 57* building in Boulogne-Billancourt. This is an iconic reconversion for a new generation of offices.

### 5. Residential real estate: Development, Transaction and management of student accommodation (Studélites)

The Residential business line generated **sales of € 756m in new assets. Building starts stood at 3,000 homes**. Serviced accommodation stands at **6,137** units, spread across 52 Studélites sites.

Among the major successes of 2018, BNP Paribas Immobilier teamed up with OWWI, an innovative start-up offering **modular, new-generation** homes, with the possibility of choosing the wall layout ahead of the completion and with management possible over the period.



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## 6. Prospects

“Our growth drivers include the € 34bn of assets under management that we are targeting in Investment Management. After having broken through the threshold of 40 million m<sup>2</sup> under management in 2017, the business line dedicated to Property Management will continue to structure its service offer around new working patterns, by adopting an innovative approach centred on the user and data, while bolstering its presence in Europe. With respect to the Advisory activities, our strategy consists of strengthening our no. 1 position in France and Germany and to build our market share in Spain, Italy, Ireland, Benelux and Centrale and Eastern Europe. The residential activity was meanwhile boosted by an economic backdrop featuring historically low interest rates and the continuation of tax incentives, namely the Pinel law. The results are clear with a very favourable trend in both second-hand and new, as demonstrated by our latest commercial launches. Lastly, Development benefited from the enthusiasm for Grand Paris with this great opportunity to develop new areas in Ile-de-France, like the town of Bagneux in Hauts-de-Seine, an exceptional site where 1,700 homes are to be developed. We also plan to continue the international expansion of our commercial real estate development business, with two large-scale schemes in Europe: 74,000 m<sup>2</sup> of offices and housing developed on the Alcantara site in Lisbon but also the 25,000 m<sup>2</sup> scheme 99 West Tower in Frankfurt, Germany.”

“2019 will doubtless bring superb challenges for each of the business lines and departments of our fast-growing company. In an increasingly global competitive context, BNP Paribas Real Estate is transforming itself thanks to major projects, essential for the future, such as the international expansion of certain business lines, the digital transformation, the role of data, the launch of new services and innovative solutions for the client experience, collaboration with start-ups, as well as many ESG initiatives. For the latter, in keeping with the continued commitment of BNP Paribas, it is becoming vital to give ever more meaning to our actions by being an ethical player that is engaged with our clients, our partners, our investors, local authorities and of course each of our employees.

Innovation will also be high on the agenda, as we aim to work in an ecosystem of co-construction by combining different skills (sociologists, architects, researchers, government, urban planners, start-ups, etc.) to reinvent usages and build cities that are more inclusive, diverse, and virtuous in terms of carbon footprint and reversible in the future. The iconic Métal 57 scheme that will be home to our next HQ, is a fine illustration of these ambitions and will be a shop window for our know-how in terms of wellbeing at work, integration into the city and mixture of uses” **concludes Thierry Laroue-Pont, Chairman & Chief Executive Officer 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 5,400 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, as part of the BNP Paribas Group, generated € 968 m revenues in 2018.

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