BNP PARIBAS REAL ESTATE GENERATES €765M OF FEES IN 2015, WITH GROWTH DRIVEN BY ALL BUSINESS LINES

€ 156m net profit before tax

Breakdown of fees:

- **54% in France**, 18% in Germany, 16% in the UK, 6% in Italy and 6% in other countries.
- **71% in Property Services** (Transaction, Advisory, Valuation, Property Management and Investment Management) and 29% in Commercial Property Development and Residential
- **40% in recurring income**: Advisory, Valuation, Property Management and Investment Management and management of serviced accommodation.
- Business dominated by commercial real estate: 88%

"2015 was the best year in the Group’s existence, thanks to organic growth and the impact of our development plan. Fees in 2015 came in at € 765m, up 1.8%, notably thanks to an exceptional performance in Q4. This acceleration suggests a good start to 2016", explains Philippe Zivkovic, Chairman of the Supervisory Board of BNP Paribas Real Estate.

* The fees (or turnover) include: - for the services, corresponding to Transaction, Consulting, Valuation, Property Management and Investment Management fees. - For Property Development corresponding to management fees and margins for co-payments to the progress of sales operations. Application of IFRS 11 as of 01/01/2014: joint promotion operations previously included in turnover, now appear as non-operating income.
Review of 2015 by business line

1. Investment Management

With fees of €113.4m, up 6% vs. 2014, this business line saw inflows of over €1.2bn in “new cash” in 2015. At the end of the year, it had €22bn assets under management in Europe (+8% vs. 2014), 78% of which was managed on behalf of institutional investors. About €2.7bn was transacted (investments and arbitrage). In total, this business line now has over 100,000 clients.

2. Property Management

Property Management fees in 2015 came in at €97m, flat vs. 2014. The number of sqm managed rose by 2.7% to 36.3 million sqm, with offices accounting for 61% of the total, and logistics 21%. France accounted for 41% of Property Management fees. As the leader in mainland Europe, Property Management boasts optimal geographical coverage, established in 14 countries and 54 cities.

3. Advisory (Transaction, Consulting, Valuation)

In 2015, Advisory fees broke through the symbolic threshold of €300m to reach €330m, an 11.6% increase on 2014. This historical figure was achieved thanks to an exceptional performance by France and Germany, followed by the UK and then the Netherlands, Ireland and Poland. In Transaction, 5.2 million sqm was taken up in Europe (of which 1.7 million sqm was in France) across 3,700 transactions. Investment came in at €17.1bn (of which €5.9bn was in France). The Asian and Gulf platforms saw €1.7bn transacted in 2015.

In Valuation, in terms of fees, France dominated (43%) followed by the UK (24%). The value of assets given valuations in the 11 countries where this business line operates totalled €292bn, representing about 143 million sqm.

Consulting offers three main types of service: Real Estate Strategy for occupiers (74%), Project Management (steering projects, feasibility and opportunity analysis) accounting for 18% and Occupier Management (outsourcing real estate management) with 8%, as well as the creation and management of databases for investors.

4. Commercial real estate development

In 2015, the volume of activity was €971m, up 2.4% on 2014. Completions came in at 146,000 sqm including: CityLights (Boulogne-Billancourt), rented to GE and Solocal and sold to investors BNP Paribas Cardiff and in 2015 to Cecina; and King’s Cross (London) rented to Google with AXA Real Estate and PSP Investments as investors. Other notable transactions include the sale of Art & Fact 2.0 (Rueil-Malmaison) to Crédit Agricole Assurances; Luminem (Bobigny) sold to La Caisse Centrale de la MSA and Via Crespi (Italy) sold to a fund managed by Hines. As of January 1, 2016, there were 281,000 sqm of offices under construction in Europe.

5. Residential real estate (Development, Transaction and management of serviced accommodation with Studélices and Hipark)

The Residential business line saw turnover of €546m (1982 units reserved), up 9% vs. 2014. In a tricky legislative environment, the business line cleverly recalibrated its service offering with a pricing policy. Building starts were adapted to the market with 2,007 homes launched, up 38% vs. 2014, with 58% in Ile-de-France, 34% in the regions and 8% in Italy. 1,278 homes were completed in 2015. Currently, about 4,000 apartments are under construction.
6. Outlook

“By 2017, Commercial Real Estate should launch over 200,000 sqm of new schemes in France, the UK and Germany. Our ambition in Investment Management is to reach €30bn in assets under management and to consolidate our position in the European top five. We are also strengthening our Advisory offering with two specialty platforms (created in 2015) in Logistic and Retail investment and a Property Management outsourcing business. These platforms have pan-European coordination. In Property Management, we are embarking on a new chapter for the company and plan to develop sources of growth such as green management, project management and residential property management. In Residential, we plan to launch more than 2,400 homes, including our first housing scheme in London. A new residential agency is to open in France in 2016”, concludes Thierry Laroue-Pont, Chief Executive Officer of BNP Paribas Real Estate.

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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. BNP Paribas Real Estate has local expertise on a global scale through its presence in 37 countries with approximately 180 offices and 3,800 employees (16 wholly owned and 21 by its Alliance network that represents today more than 3,200 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas.

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