

Colonial



Colonial – Investor Day
OPERATIONS FRANCE
Mr. Dimitri Boulte
SFL Chief Operating Officer



Madrid 17/10/18



Introduction & Property SFL Portfolio

1 PARIS REGION MARKET 2018 (at September 30, 2018)

UNPRECEDENTED PERFORMANCE SINCE THE BEGINING OF THE YEAR DESPITE A SLOW DOWN IN THE 3rd QUARTER

Source : JLL

INVESTMENT

- ✓ Total investment volume : €12.8bn, (+33% vs N-1 / 2 x vs 10y average)
- ✓ 35 transactions > €100m recorded, (63% of the total)
- ✓ Foreign investors accounted for 38% of transactions
- ✓ Strong demand for Paris assets : 52% of the Paris region market (€6.7bn of investment)
- ✓ Prime yields in the Paris CBD stable around a 3% floor

LEASING

- ✓ 2018 take up at 1.9 million m² (best performance. since 2007)
- ✓ Focus on the Paris CBD, a market under pressure
 - Vacancy rate at its lowest level:1.5% in the CBD (vs 2.2% for innercity Paris).
 - Prime nominal rents rose to 810 €/m² with slight decrease on rental incentives (16% on average)
 - Office pipeline at 157,000 m² will be delivered in 2019, of which 35% have already been pre-let

Examples of major transactions in 2018

114 Champs-Élysées / Paris 8



5,500 sq.m.
approx. €600m
Buyer BVK

KOSMO / Neuilly



26,200 sq.m.
€466m / €17,800 per sq.m.
Altarea / Buyer SOGECAP

Marché St Honoré / Paris 1



16,800 sq.m.
approx. €290m / €17,000 per sq.m.
BNP / Buyer: CBRE GI

Métropolitain / Paris 17



17,400 sq.m.
approx. €287m / €16,500 per sq.m.
JP Mor. / Buyer : DEKA

2 OCCUPANCY RATE : 96,6%* (at September 30, 2018)

Washington Plaza
Paris 8

#Cloud.paris
Paris 2

Cézanne Saint-Honoré
Paris 8

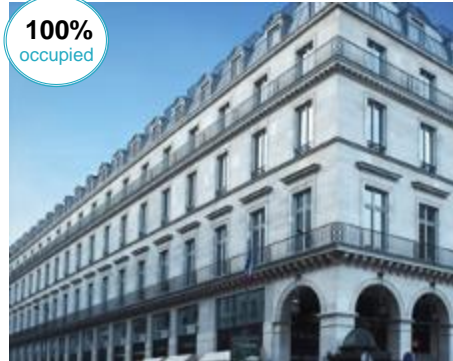
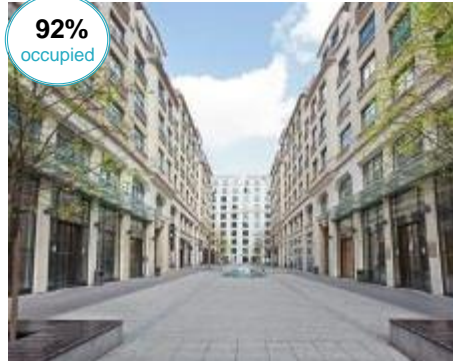
Louvre Saint-Honoré
Paris 1

100%
occupied

100%
occupied

92%
occupied

100%
occupied



98%
occupied

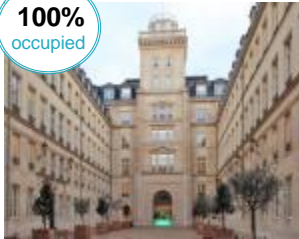
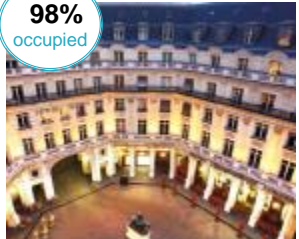
100%
occupied

100%
occupied

100%
occupied

100%
occupied

99%
occupied



Edouard VII
Paris 9

103 Grenelle
Paris 7

131 Wagram
Paris 17

92 Champs-Elysées
Paris 8

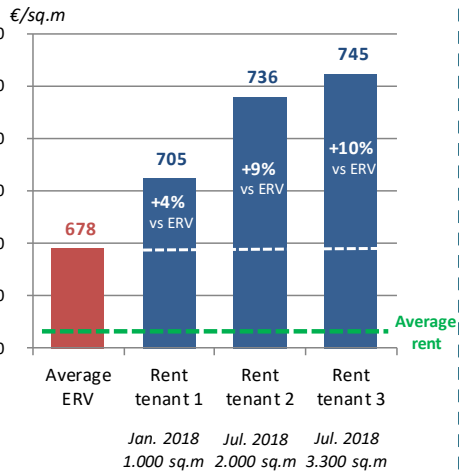
9 Percier
Paris 8

90 Champs-Elysées
Paris 8

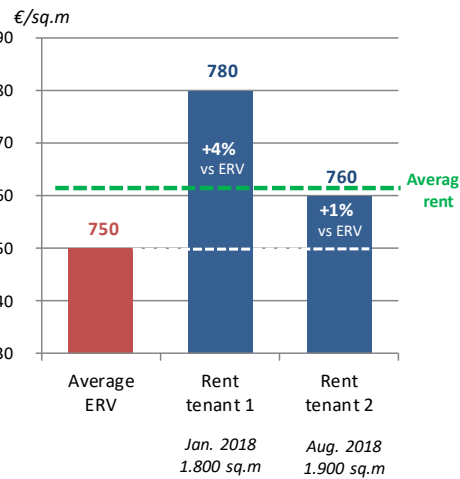
*% Occupancy s/ surface in operation

3 MAIN LEASES SIGNED IN 2018

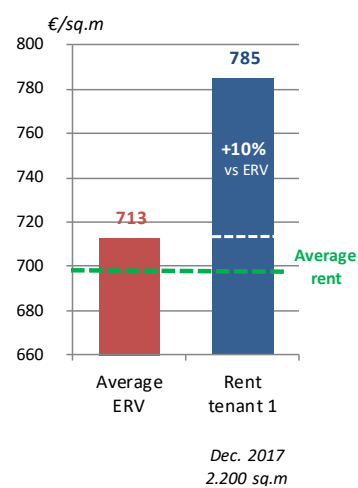
Washington Plaza / Paris 8



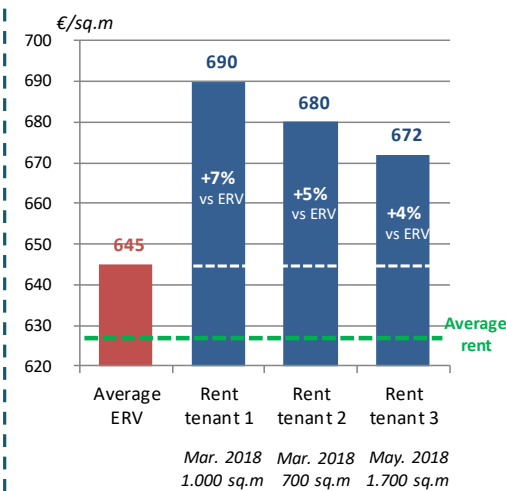
Cézanne Saint-Honoré / Paris 8



#Cloud.paris / Paris 2



Louvre Saint-Honoré / Paris 1



4 FULL VALUE CREATION : WASHINGTON PLAZA BUSINESS CASE



Redesigning common areas

2014 - 2015

- ✓ New lobby (250 m²) and inner restaurant
- ✓ Green spaces, terraces and outside gardens
- ✓ Strong architectural identity
- ✓ Interior design

Upgrading floorplates

2016-2018

- ✓ Technical improvement
- ✓ Large, horizontal and divisible floorplates
- ✓ New design

New services spaces dedicated to end-users

2018

- ✓ New pool of services : wellness, fitness, flexible business meeting rooms
- ✓ Community newspaper/magazine
- ✓ Weekly Events

USER'S COMFORT AND EXPERIENCE / BEST WORKING ENVIRONMENT

100% occupied*

*% Occupancy s/ surface in operation, at September 30, 2018

A strong rise in rental levels



2012	2013	2015	2016	2018	
Tenant 1 (6.700 sq.m)	Tenant 2 (3.000 sq.m)	Tenant 3 (2.000 sq.m)	Tenant 4 (5.200 sq.m)	Tenant 5 (2.000 sq.m)	Tenant 6 (3.300 sq.m)
€633 /sq.m	€651 /sq.m	€655 /sq.m	€670 /sq.m	€736 /sq.m	€745 /sq.m



Pipeline

- **96 IENA**
- **112 ZOLA**
- **LOUVRE SAINT HONORE**



96 Iéna

A VERY PREMIUM OFFICE REFERENCE IN PARIS

1 VERY PREMIUM LOCATION IN THE HEART OF PARIS CBD

- ✓ A PRESTIGIOUS ADDRESS : “83 Avenue Marceau”
- ✓ AN IDEAL ACCESSIBILITY
- ✓ A GREAT EXPOSURE FROM THE “ARC DE TRIOMPHE” AND THE CHAMPS ELYSEES AVENUE



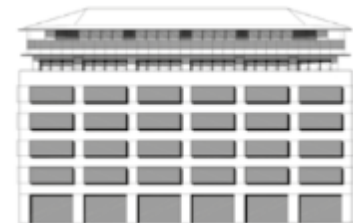
2 BRAND NEW ATTRACTIVE CONCEPT WITH CONTEMPORARY DESIGN

THE FRENCH D. PERAULT SELECTED TO IMPLEMENT THE REDESIGN SFL PROJECT

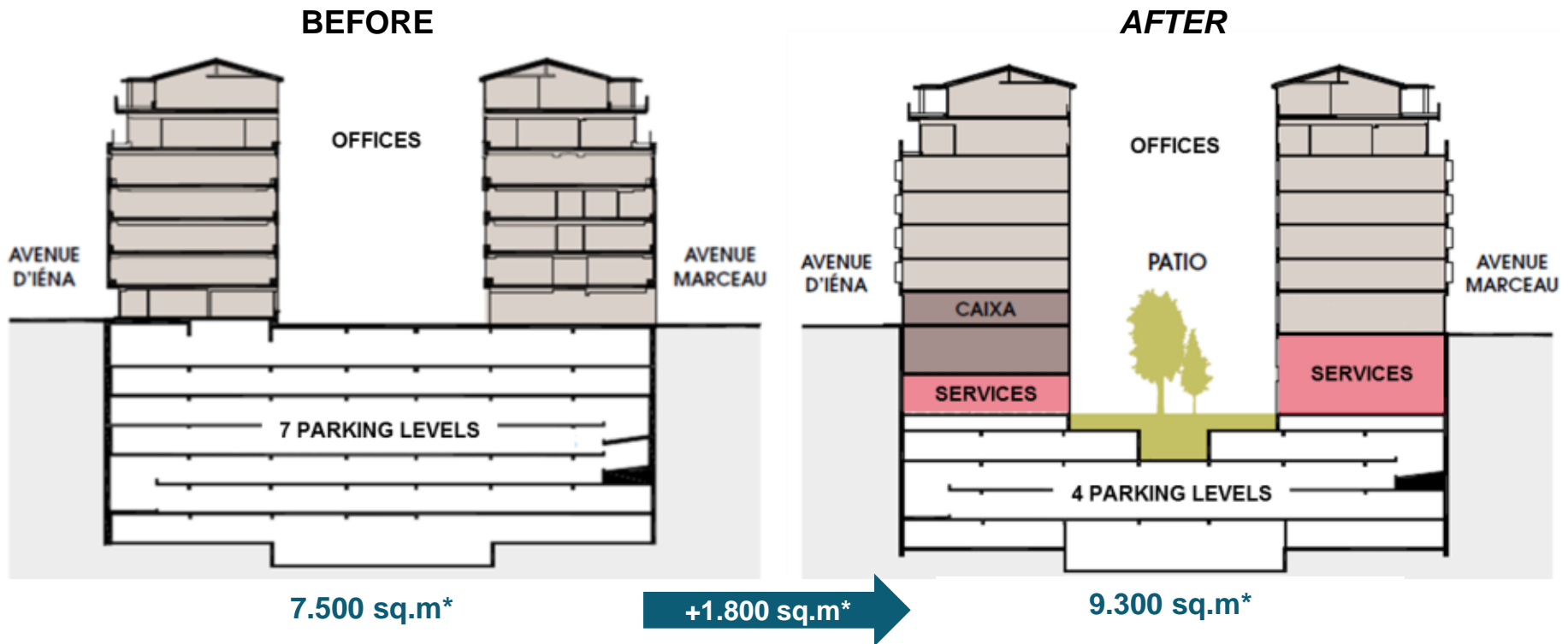
BEFORE



AFTER



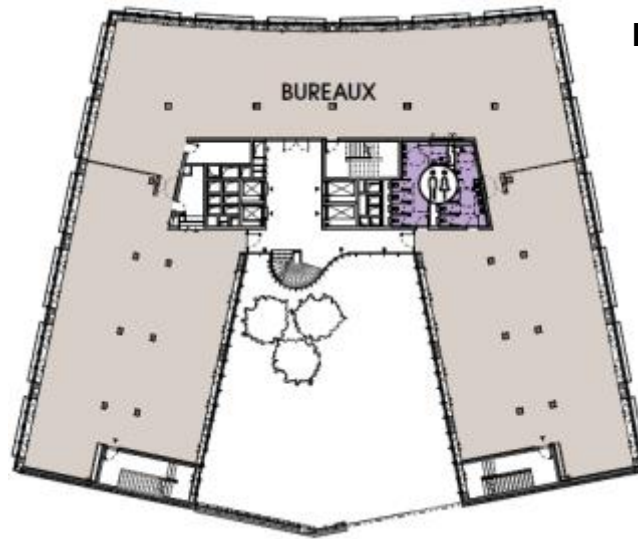
3 AN INDEPENDANT BUILDING WITH HIGH-END FULL OF SERVICES



- ✓ New spaces dedicated to services (cafeteria, business center ...)
- ✓ Creation of an internal atrium to bring daylight until level -2
- ✓ Fully Accessible to public
- ✓ Creation of a garden in the patio
- ✓ Best environmental performance

*Office and services area

4 ENHANCE USER COMFORT IN HIGH PERFORMANCE WORKING SPACE



Floor plate

Optimization of **floor plates** to enhance communication and team project organisation

5th floor

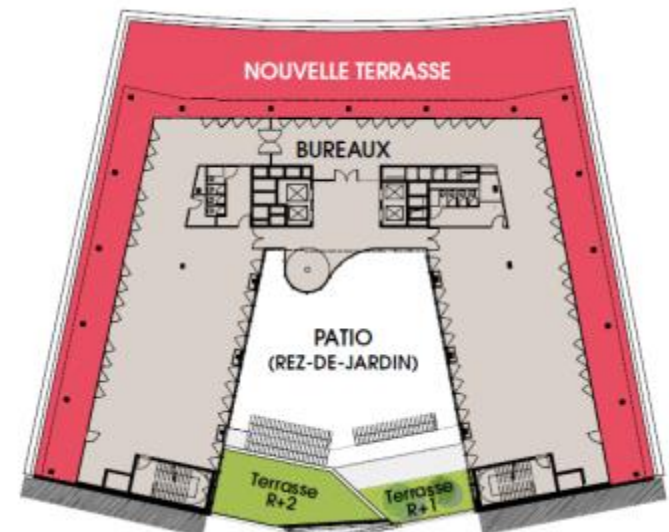
TERRASSE



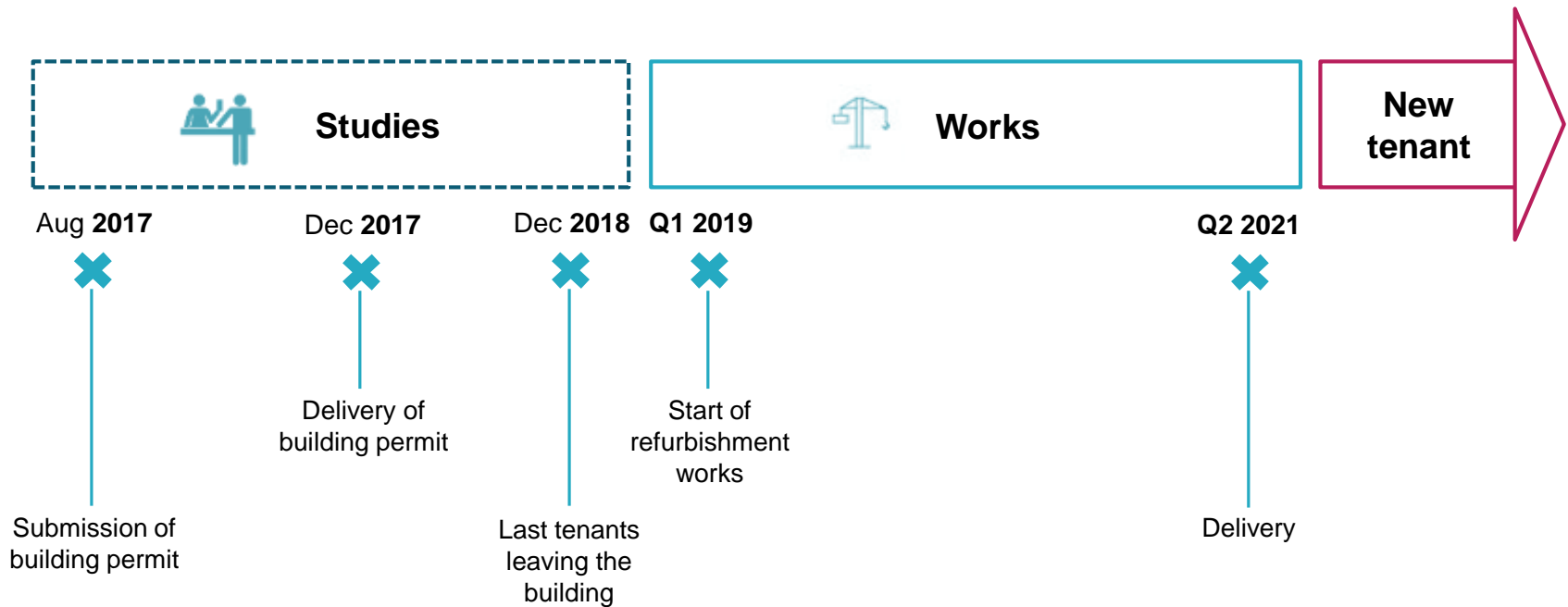
Creation of **large balconies** on the 5th floor and a **terrace** on the 6th floor **with a view on the « Arc de Triomphe »**

6th floor

NOUVELLE TERRASSE



5 ESTIMATED CALENDAR AND KEY INDICATORS



- Targeted pretax free CF IRR > 8%
- ROI ≈ 5%



112 Zola

**A NEW GENERATION CAMPUS IN THE
PARIS « left » River side**

1 THE NEW ICONIC BUILDING IN THE WEST OF PARIS

A LARGE SCALE REDEVELOPMENT PROJECT DESIGNED BY YMA AND JOUIN-MANKU

BEFORE

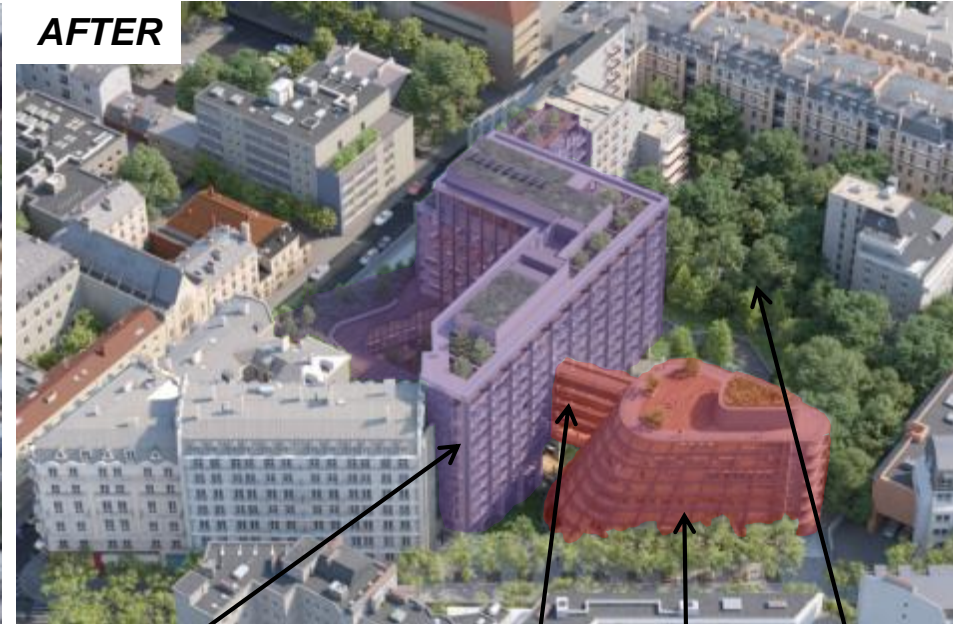


An obsolete building but :

- ✓ Ideally located in Paris 15 (5 min from Beaugrenelle shopping)
- ✓ Site big scale : major land plot (6.300 sq.m)

Today 21.000 sq.m*

AFTER



Refurbishment of the existing building

Connection with the building

Creation of a new iconic building

Convenient outdoor spaces

- ✓ a recognized contemporary architectural identity
- ✓ best standards for sustainability issues and certifications

+3.500 sq.m*

Future 24.500 sq.m*

BEFORE

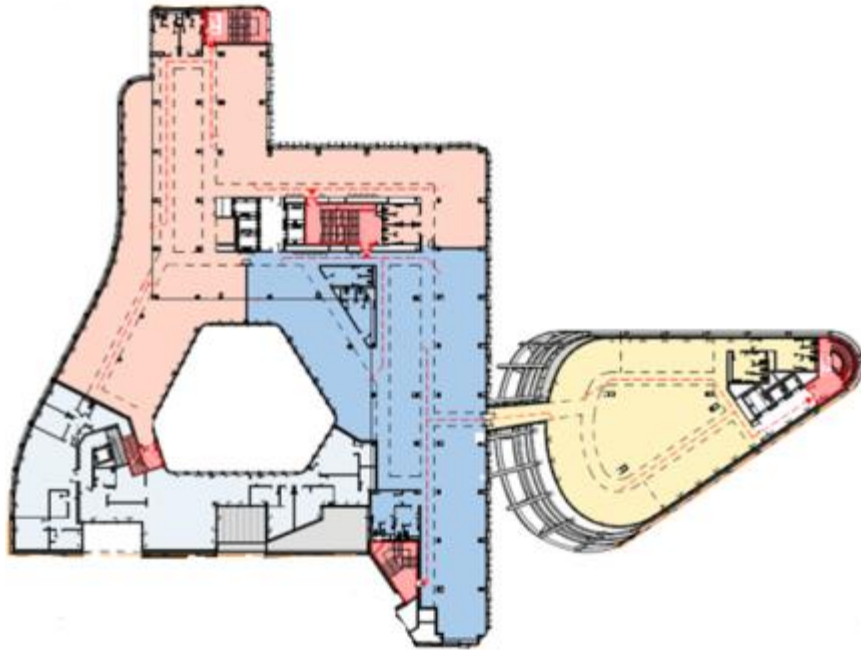


AFTER



2 VERY EFFICIENT OFFICE ASSET WITH A HIGH LEVEL OF SERVICES

FLOORPLATE



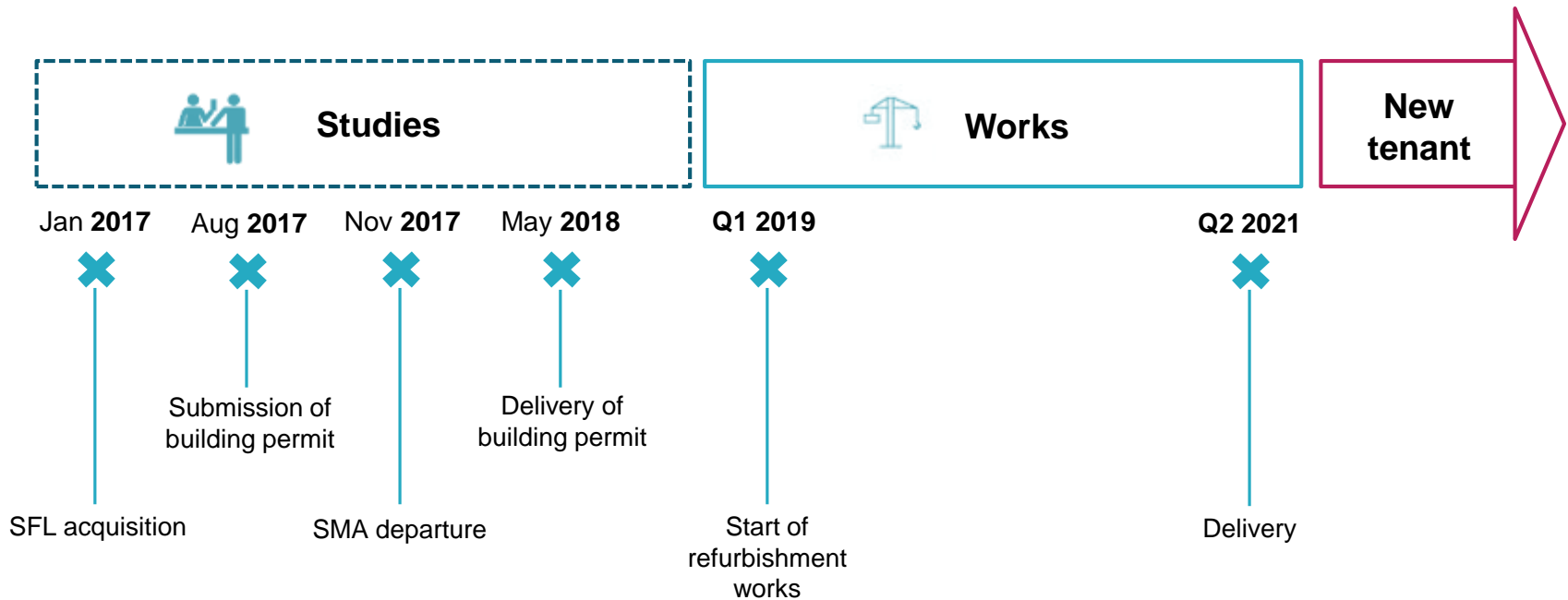
BASEMENT



- ✓ **Large, horizontal and flexible floor plates with no structural constraints**
 - from 1 400 m² up to 3 500 m²
- ✓ **Creation of many terraces**
- ✓ **Creation of an internal atrium to enhance natural light and comfort**

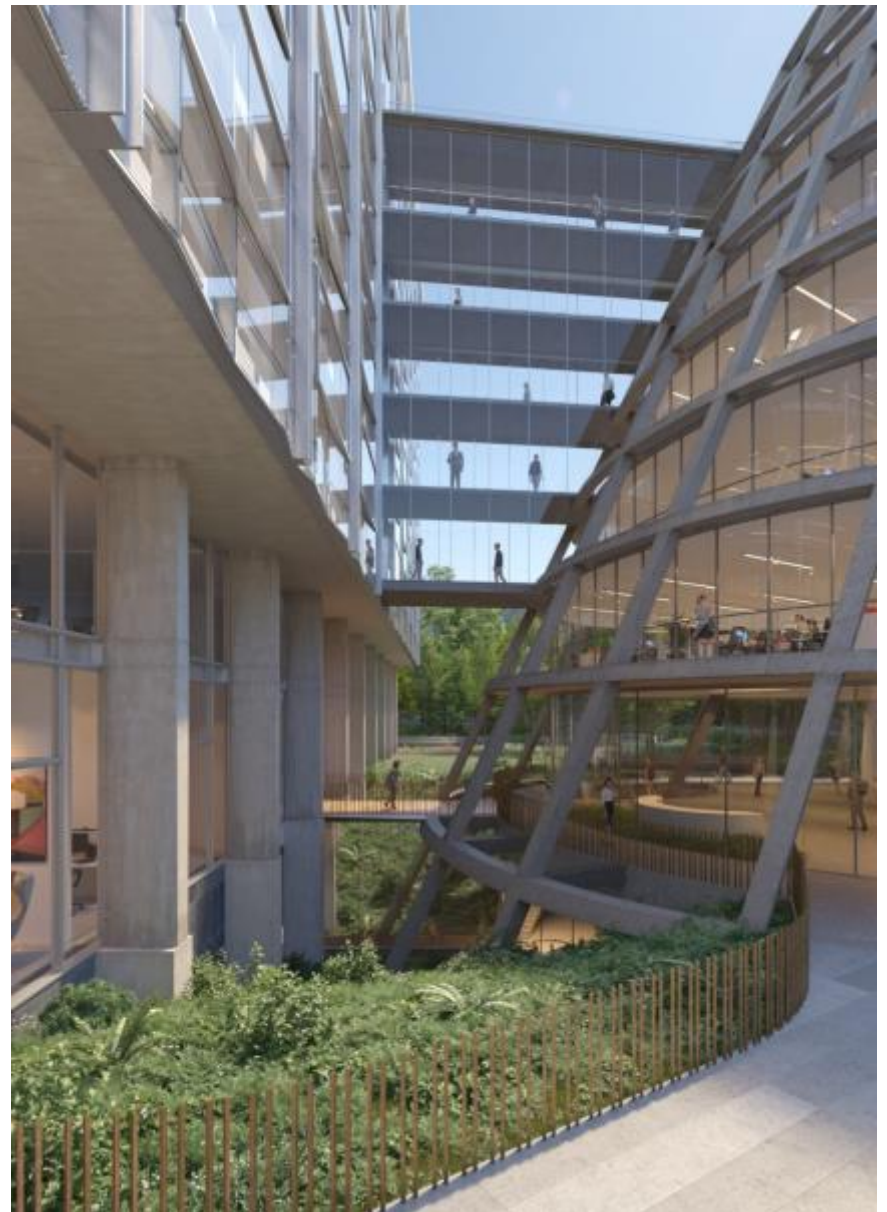
- ✓ **A building hosting full services :**
 - Business centre with auditorium
 - Modular rooms
 - Cafeteria and corporate restaurant
 - ...

3 ESTIMATED CALENDAR AND KEY INDICATORS



- Targeted IRR \approx 8%
- ROI > 5%







Louvre Saint Honoré

1 EXCEPTIONAL LOCATION IN THE HEART OF THE HISTORICAL PARIS

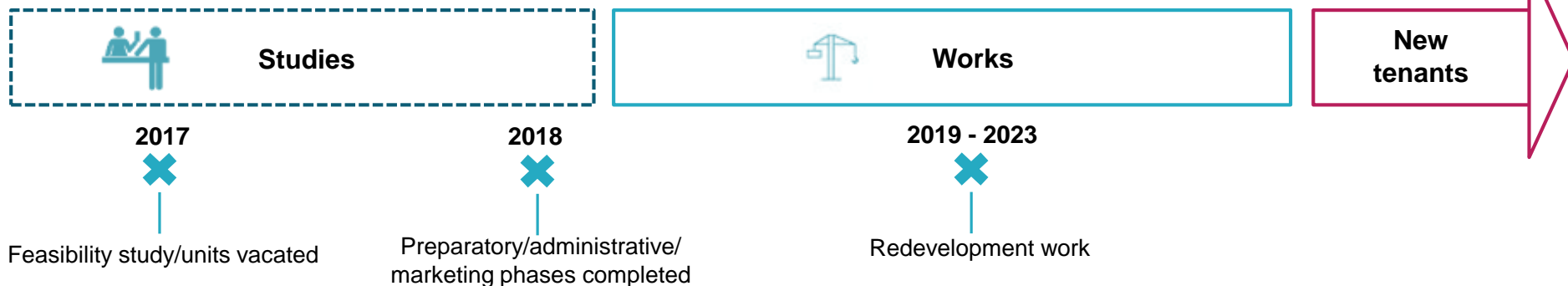


2

A MAJOR PARIS PROJECT TO CREATE A NEW DESTINATION



- ✓ Redevelopment of 16,000 sq.m. of retail space
- ✓ Prime contractor: B-Architecture
- ✓ Redevelopment of retail space: Lower ground/Ground/Upper ground floors
- ✓ CDAC retail redevelopment permit obtained: 15,000 sq.m.
- ✓ Building permit/Modified building permit obtained
- ✓ Relocation of staff restaurant



SFL PIPELINE OVERVIEW

