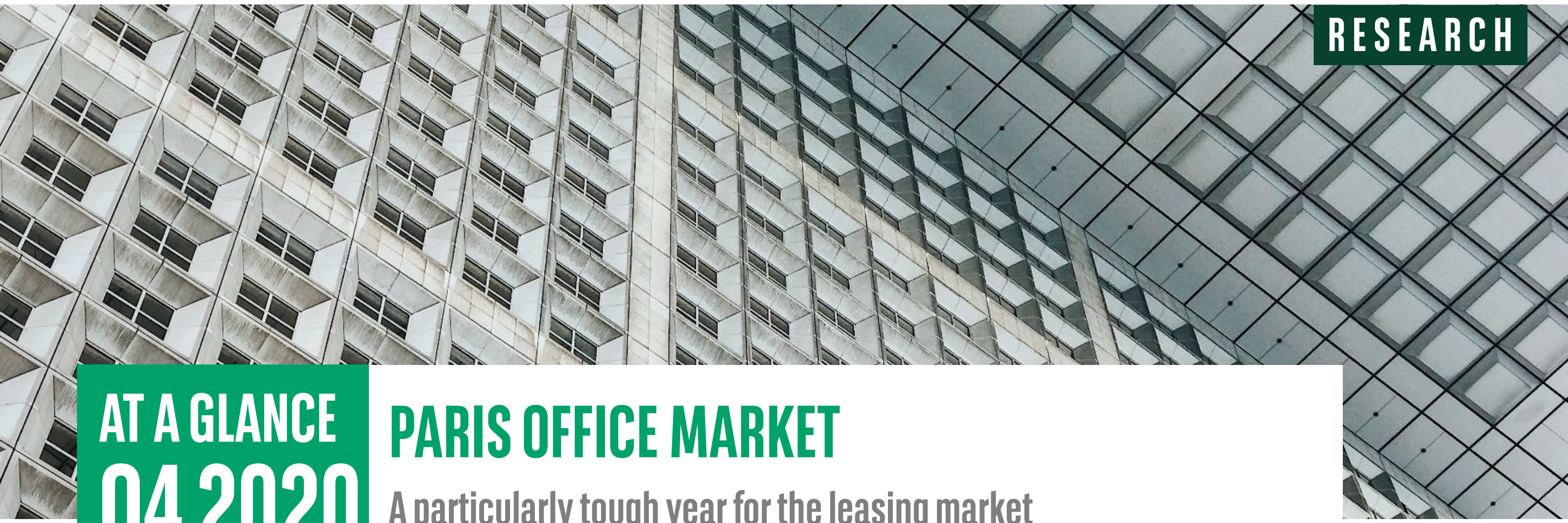


AT A GLANCE Q4 2020

PARIS OFFICE MARKET

A particularly tough year for the leasing market

1,321,010 m²
Take-up 2020
(-45% vs 2019)

5.1 M m²
Availability within a year
(+ 22% vs Q4 2019)

6.8%
Vacancy rate

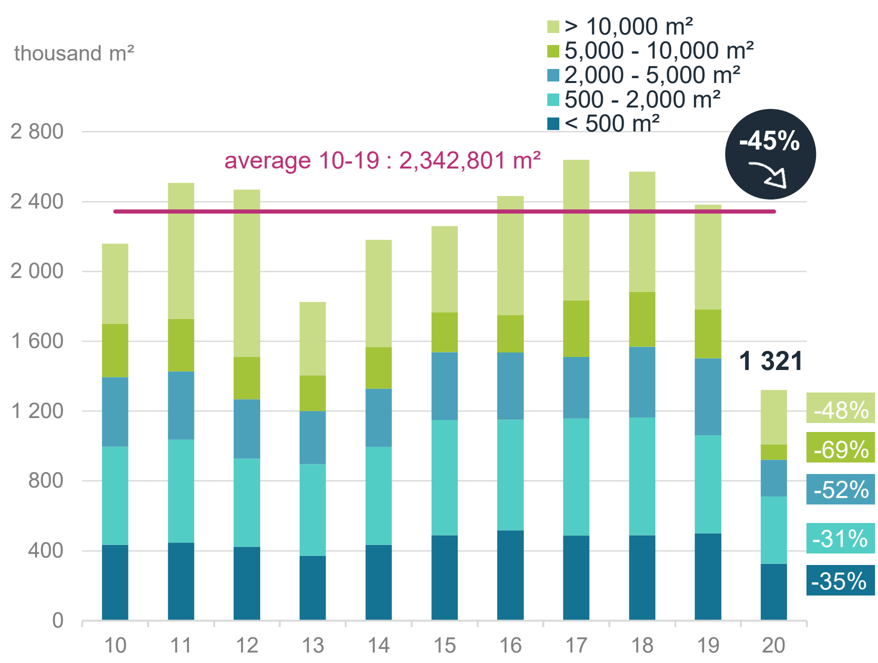
Steep fall in take-up over 2020

Office take-up in Île-de-France fell by 45% over 2020 to 1.3 million sqm.

The large office segment (> 5,000 sqm) was hit particularly hard with transactions historically low at 400,000 sqm. Despite two exceptional transactions registered during the year (Total in The Link tower at La Défense with 126,000 sqm and Engie's future Eco-Campus in Garenne Colombes with 83,000 sqm), the slump was dramatic: -55% over 12 months with just 21 transactions in 2020 (vs. 73 in 2019).

The decline was slightly less for the segment of small and medium-sized units (< 5,000 sqm), which fell by -39% over 2020.

Transactions over 12 months by size segment



Almost all districts affected by the decline

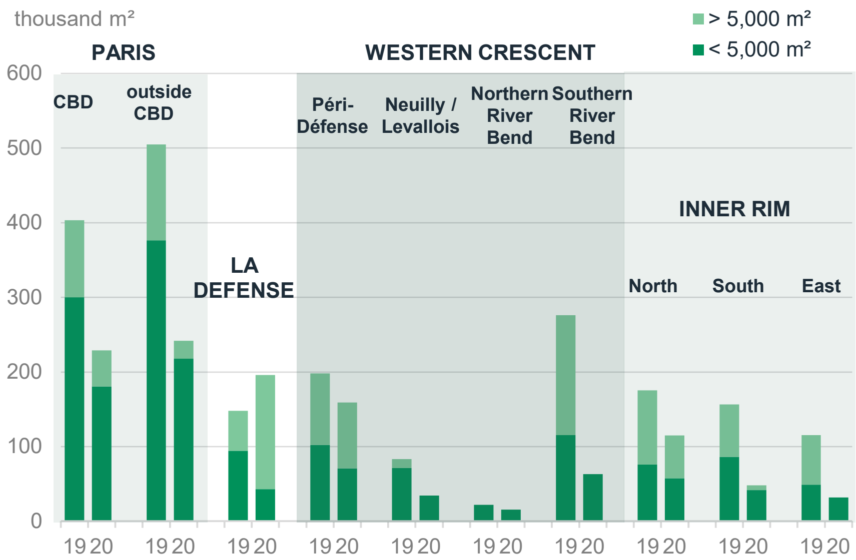
The downward trend has continued across all districts, apart from La Défense, which was boosted by the exceptional transaction that took place there over the course of the year.

The hardest hit are the Southern River Bend and the Eastern Inner Rim, with respective declines of -77% and -72%. These markets, which are usually driven by large units changing hands, have been suffering from the lack of such transactions. Next is the Southern Inner Rim with rental take-up down -69%.

Paris Inner City has also suffered, down -48% over one year.

Lastly, the Northern Inner Rim showed some resilience with the smallest decline of the Inner Rim at -34%.

Transactions over 12 months by disctrict



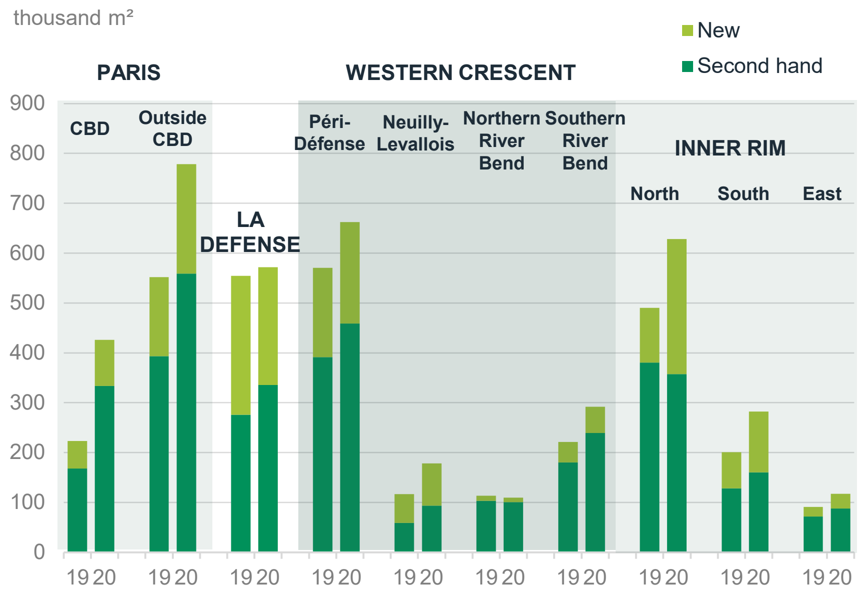
BNP Paribas Real Estate - Research - January 2021

Increase in availability within a year

The slide in take-up automatically pushed up availability within a year (+22% over 12 months), which stood at 5.1 million sqm on January 1, 2021. The share of new and refurbished offices continues to rise and accounts for around 30% of vacant space.

Future new supply increased slightly in Q4 2020, including 1.8 million sqm under construction. The uneven situation in Île-de-France persists, with construction concentrated in certain districts: the Northern Inner Rim (24%), Péri-Défense (17%) and La Défense (15%).

Availability within a year (to December 31)



BNP Paribas Real Estate - Research - January 2021

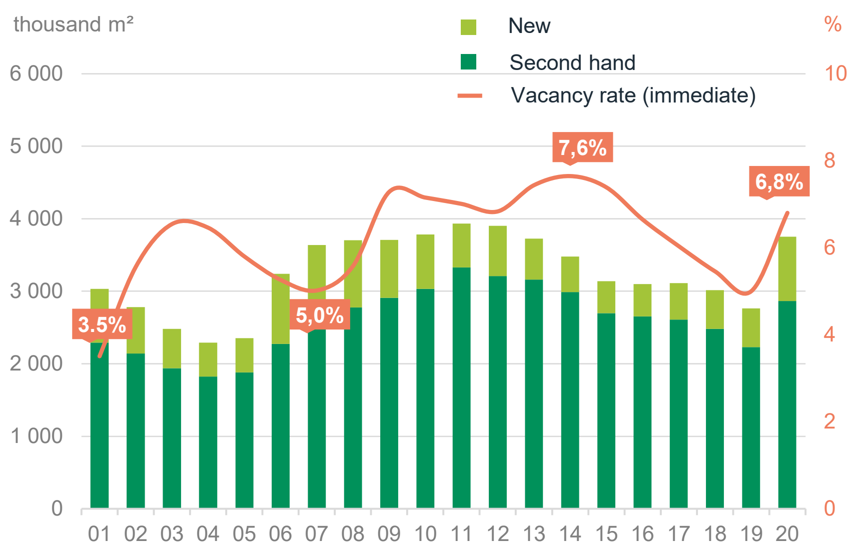
Sharp increase in the vacancy rate in Île-de-France

The office vacancy rate in Île-de-France continued to rise to end Q4 2020 and now stands at 6.8%.

Again, some districts stand out, with a two-speed trend. As such, the vacancy rate in Péri-Défense reached 18%, while although it rose in Paris CBD, it remains low at 3.8%, below the 10-year average (4.1%).

The higher vacancy rate is bound to have an impact on rents. The first rents to be affected will be for assets that have not fully kept up with the usage revolution begun by occupiers. Conversely, the prime segment has not yet been impacted much by the health crisis; the prime rent in Paris CBD in 2020 was € 900/sqm/year.

Vacant space and vacancy rate



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Ile de France offices – key figures

	2019			2020			Immediate supply variation	Take-up variation
	Immediate supply* (m²)	Vacancy rate* (%)	Take-up (m²)	Immediate supply* (m²)	Vacancy rate* (%)	Take-up (m²)		
Paris CBD	90 000	1,4%	403 000	242 000	3,6%	229 000	+169%	-43%
Paris outside CBD	282 000	2,7%	505 000	493 000	4,7%	242 000	+75%	-52%
La Défense	159 000	4,5%	148 000	381 000	10,7%	196 000	+140%	+32%
Péri-Défense	460 000	14,8%	198 000	551 000	17,7%	159 000	+20%	-20%
Neuilly/Levallois	52 000	3,5%	83 000	106 000	7,2%	35 000	+104%	-58%
Northern River Bend	89 000	10,7%	22 000	99 000	11,9%	16 000	+11%	-27%
Southern River Bend	158 000	6,2%	276 000	195 000	7,7%	63 000	+23%	-77%
Northern Inner Rim	312 000	9,6%	175 000	375 000	11,6%	115 000	+20%	-34%
Southern Inner Rim	114 000	4,6%	156 000	179 000	7,3%	48 000	+57%	-69%
Eastern Inner Rim	63 000	2,6%	115 000	89 000	3,7%	32 000	+41%	-72%
Outer Rim	938 000	5,2%	300 000	973 000	5,4%	187 000	+4%	-38%
Total	2 717 000	5,0%	2 381 000	3 683 000	6,8%	1 321 000	+36%	-45%

* end of period

	Availability within a year (m²)			Space under construction (m²)		
	2019 Q4	2020 Q4	Variation 2020 Q4 / 2019 Q4	2019 Q4	2020 Q4	Variation 2020 Q4 / 2019 Q4
Paris CBD	223 000	426 000	+91%	151 000	152 000	+1%
Paris outside CBD	552 000	779 000	+41%	133 000	132 000	-1%
La Défense	555 000	571 000	+3%	441 000	268 000	-39%
Péri-Défense	570 000	663 000	+16%	102 000	307 000	+201%
Neuilly/Levallois	117 000	178 000	+52%	82 000	88 000	+7%
Northern River Bend	113 000	109 000	-4%	6 000	0	-
Southern River Bend	221 000	292 000	+32%	56 000	37 000	-34%
Northern Inner Rim	490 000	628 000	+28%	352 000	425 000	+21%
Southern Inner Rim	201 000	282 000	+40%	157 000	170 000	+8%
Eastern Inner Rim	91 000	117 000	+29%	62 000	111 000	+79%
Outer Rim	1 043 000	1 039 000	0%	99 000	86 000	-13%
Total	4 176 000	5 084 000	+22%	1 641 000	1 776 000	+8%

6 BUSINESS LINES in Europe

A 360° vision

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