



**AT A GLANCE
Q1 2021**

PARIS OFFICE MARKET

Green shoots on the rental market



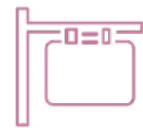
327,400 m²

Take-up in Q1 2021
(-30% vs Q1 2020)



5.4 M m²

Availability within a year
(+ 20% vs Q1 2020)



6.9%

Vacancy rate

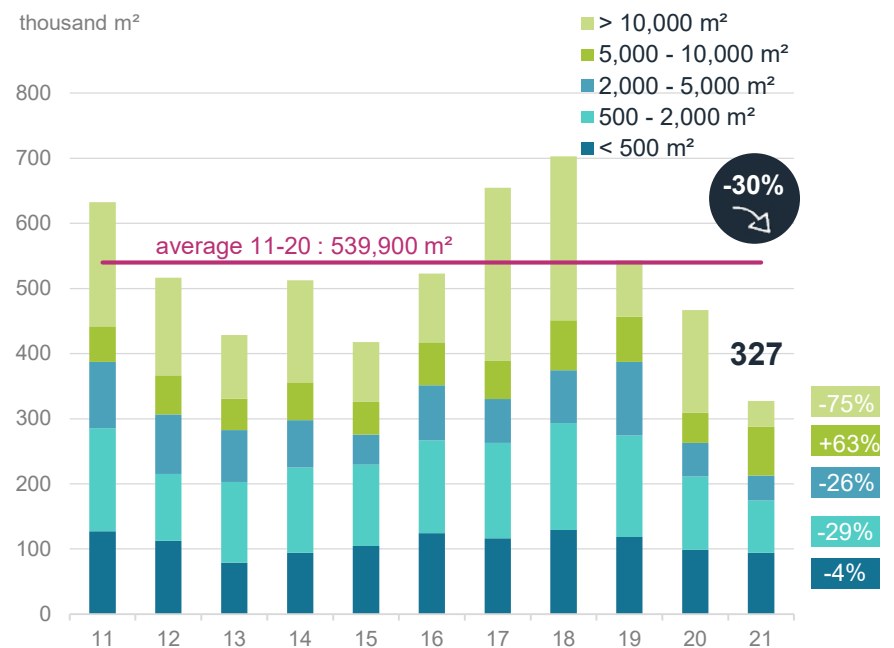
Healthy trend on the large unit segment

After a particularly difficult year in 2020, take-up was still down 30% in Q1 2021, coming in at 327,400 m². Even though most of this decline relates to the high comparative figure following TOTAL's 126,000 m² move in Q1 2020 to The Link in La Défense, take-up is still substantially lower than its 10-year average (539,900 m²).

Nevertheless, the large unit segment was robust, with 13 transactions > 5,000 m² (vs. 10 in Q1 2020) totalling 115,000 m², largely driven by the 5,000 - 10,000 m² segment (+63% over one year).

Small and medium-sized units started the year timidly, but the fall of -19% over one year was less than in previous quarters.

Transactions over 3 months by size



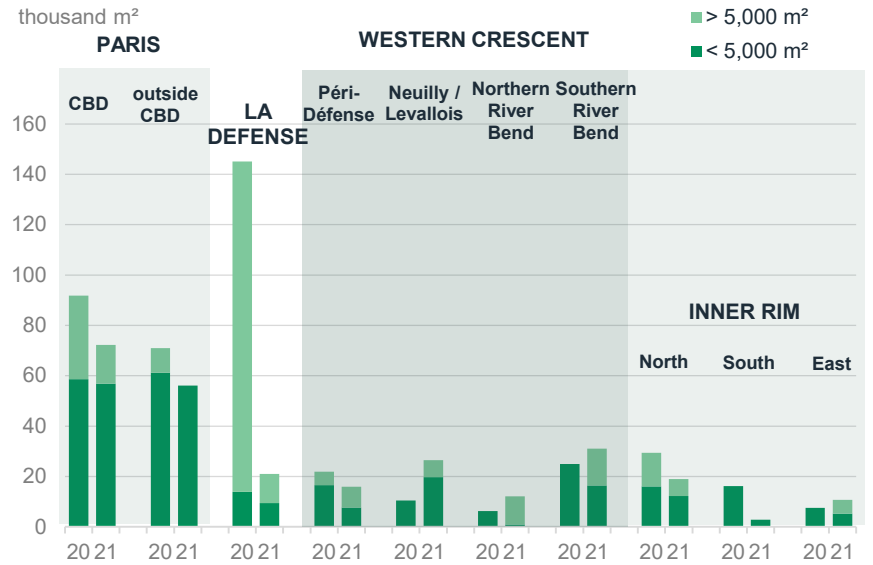
Growth for the Western Crescent

There are major differences between districts. On the one hand, the Western Crescent enjoyed strong growth over the year, mainly thanks to Neuilly/Levallois and the Northern and Southern River Bends, which saw a revival in transactions for space > 5,000 m² after no such transactions in this segment last year.

Conversely, some districts have seen dramatic slides: La Défense (for which the fall mainly stems from the transaction recorded in Q1 2020) and the Southern Inner Rim, where transactions all but dried up (-82% over one year).

Paris Inner City is faring better than the previous quarters with a fall of 21% over one year.

Take-up over 3 months by district

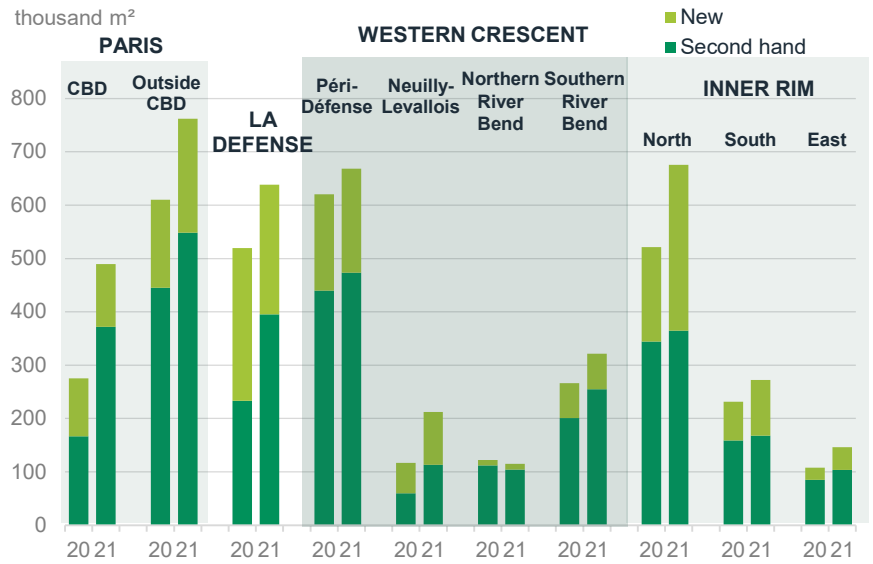


Availability continues to rise

Unsurprisingly, availability within a year has continued to rise and now stands at 5.4 million m² as of April 1, 2021 (+20% over one year). The share of new and refurbished offices has stabilised at around 29% of availability.

Meanwhile, offices under construction remain at a historically high level (1.8 million m²). Most of the sites are in the Northern Inner Rim (24%), Péri-Défense (17%) and La Défense (15%), which will swell the availability in areas that are already oversupplied. Conversely, new schemes are slowing, with granted building permits sliding further (-18% over one year).

Availability within a year (to April 1st)

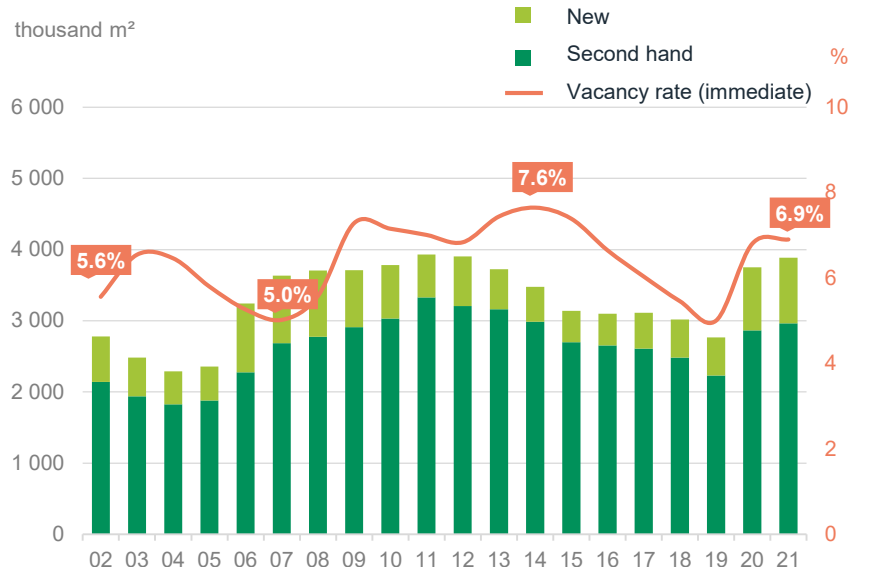


Moderate increase in the vacancy rate

The office vacancy rate in Île-de-France continues to grow more moderately and stood at 6.9% at the end of Q1 2021. There are still major variations between districts, with a vacancy rate of 3.9% in Paris CBD while it stands at 18% in Péri-Défense. This contrast between districts will certainly affect rental trends, which have been relatively unscathed by the health crisis so far.

The rental adjustment is likely to firstly affect assets that only partly meet occupiers' expectations, in terms of location and work space (particularly the criteria of wellbeing, agility, resilience, etc.). Conversely, rents for prime assets should remain high: for example the prime rent in Paris CBD has increased again to €915/m²/year.

Vacant space and vacancy rate



Ile de France offices – key figures

	Q1 2020			Q1 2021			Immediate supply variation	Take-up variation
	Immediate supply* (m ²)	Vacancy rate* (%)	Take-up (m ²)	Immediate supply* (m ²)	Vacancy rate* (%)	Take-up (m ²)		
Paris CBD	105 000	1,6%	92 000	263 000	3,9%	72 000	+150%	-21%
Paris outside CBD	315 000	3,0%	71 000	532 000	5,0%	56 000	+69%	-21%
La Défense	184 000	5,5%	145 000	386 000	11,2%	21 000	+110%	-86%
Péri-Défense	504 000	16,2%	22 000	571 000	18,0%	16 000	+13%	-27%
Neuilly/Levallois	58 000	3,9%	11 000	110 000	7,3%	26 000	+90%	+152%
Northern River Bend	84 000	10,1%	6 000	95 000	11,7%	12 000	+13%	+95%
Southern River Bend	171 000	6,7%	25 000	195 000	7,8%	31 000	+14%	+25%
Northern Inner Rim	326 000	10,1%	29 000	400 000	12,7%	19 000	+23%	-35%
Southern Inner Rim	122 000	5,0%	16 000	191 000	8,0%	3 000	+57%	-82%
Eastern Inner Rim	75 000	3,1%	8 000	91 000	3,7%	11 000	+21%	+42%
Outer Rim	972 000	5,4%	43 000	953 000	5,3%	60 000	-2%	+41%
Total	2 916 000	5,4%	468 000	3 787 000	6,9%	327 000	+30%	-30%

* end of period

	Availability within a year (m ²)			Space under construction (m ²)		
	Q1 2020	Q1 2021	Variation Q1 2021 / Q1 2020	Q1 2020	Q1 2021	Variation Q1 2021 / Q1 2020
Paris CBD	275 000	490 000	+78%	153 000	166 000	+8%
Paris outside CBD	610 000	762 000	+25%	133 000	178 000	+34%
La Défense	520 000	638 000	+23%	425 000	257 000	-40%
Péri-Défense	620 000	668 000	+8%	200 000	299 000	+50%
Neuilly/Levallois	117 000	212 000	+81%	88 000	104 000	+18%
Northern River Bend	122 000	115 000	-6%	6 000	0	-
Southern River Bend	266 000	322 000	+21%	56 000	37 000	-34%
Northern Inner Rim	522 000	675 000	+29%	399 000	418 000	+5%
Southern Inner Rim	232 000	272 000	+17%	171 000	220 000	+29%
Eastern Inner Rim	108 000	146 000	+35%	62 000	96 000	+55%
Outer Rim	1 091 000	1 066 000	-2%	73 000	73 000	0%
Total	4 483 000	5 366 000	+20%	1 766 000	1 848 000	+5%

LOCATIONS

(JANUARY 2021)

HEADQUARTER

167, quai de la Bataille de
Stalingrad
92867 Issy les Moulineaux Cedex
Tél. : +33 (0)1 55 85 20 04

ÎLE-DE-FRANCE

AUBERVILLIERS

Parc des Portes de Paris
40 rue Victor Hugo
Bât 264 / 4ème étage
93300 Aubervilliers
Tél. : +33 (0)1 49 93 70 73

ERAGNY

Immeuble Tennessee
8 allée Rosa Luxembourg
BP 30272 Eragny
95615 Cergy Pontoise Cedex
Tél. : +33 (0)1 34 30 86 46

REGIONS

AIX-EN-PROVENCE

Parc du Golf - Bât 33
350, rue Jean René Guillobert
Gauthier de la Lauzière
Les Milles
13290 Aix-en-Provence
Tél. : +33 (0)4 42 90 72 72

ANNECY

PAE Des Glaisins
19, avenue du Pré-de-Challes
74940 Annecy-le-Vieux
Tél. : +33 (0)4 50 64 12 12

BIARRITZ

26 Allée Marie Politzer
64200 Biarritz
Tél. : +33 (0)5 59 22 62

BORDEAUX

Immeuble Opus 33
61-64, quai de Paludate
33800 Bordeaux
Tél. : +33 (0)5 56 44 09 12

DIJON

Immeuble Le Richelieu
10, boulevard Carnot
21000 Dijon
Tél. : +33 (0)3 80 67 3

GRENOBLE

Immeuble Le Grenat
285 rue Lavoisier
38330 Montbonnot
Tél. : +33 (0)4 76 85 43 43

LILLE

100, Tour de Lille
Boulevard de Turin
59777 Euralille
Tél. : +33 (0)2 20 06 99 00

LYON

Silex 1
15 rue des Cuirassiers
69003 Lyon
Tél. : +33 (0)4 78 63 62 61

MARSEILLE

44, boulevard de Dunkerque
CS11527-13235 Marseille
Cedex 2
Tél. : +33 (0)4 91 56 03 03

METZ

WTC-Technopôle de Metz
2, rue Augustin Fresnel
57082 Metz cedex 3
Tél. : +33 (0)3 87 37 20 10

MONTPELLIER

Immeuble Le Triangle
26, allée Jules Milhau
CS 89501
34265 Montpellier Cedex 02
Tél. : +33 (0)4 67 92 43 60

MULHOUSE

Beverly Plaza
15, rue de Copenhague
67300 Schiltigheim
Tél. : +33 (0)3 89 33 40 50

NANCY

Immeuble Quai Ouest
35 avenue du XX^{ème} Corps
54000 Nancy
Tél. : +33 (0)3 83 95 88 88

NANTES

14, mail Pablo Picasso
BP 61611
44016 Nantes Cedex 1
Tél. : +33 (0)2 40 20 20 20

NICE

Immeuble Phoenix - Arénas
455, promenade des Anglais
06285 Nice Cedex 3
Tél. : +33 (0)4 93 18 08 88

ORLÉANS

16, rue de la République
45000 Orléans
Tél. : +33 (0)2 38 62 09 91

RENNES

Centre d'affaires Athéas
11, rue Louis Kerautret-Botmel
35000 Rennes
Tél. : +33 (0)2 99 22 85 55

ROUEN

Immeuble Europa
101 Boulevard de l'Europe
76100 Rouen
Tél. : +33 (0)2 35 72 15 50

STRASBOURG

Beverly Plaza
15 rue de Copenhague
67300 Schiltigheim
Tél. : +33 (0)3 88 22 19 44

TOULOUSE

Immeuble Elipsys
8/10 rue des 36 Ponts
CS 84216
31432 Toulouse Cedex
Tél. : +33 (0)5 61 23 56 56

TOURS

29, rue de la Milletière
37100 Tours
Tél. : +33 (0)2 47 44 70 58

CONTACT

RESEARCH FRANCE

Guillaume JOLY
Head of Research France
guillaume.joly@bnpparibas.com

Lucie CHATENOD
Research Analyst - Paris offices
Lucie.chatenoud@bnpparibas.com

TRANSACTION

Laurent BOUCHER
Chairman Managing Director
Advisory France
Tél. : +33 (0)1 47 59 23 35
Laurent.boucher@bnpparibas.com

Eric SIESSE
Head of Lettings Paris Region
Tél. : +33 (0)1 47 59 23 70
Eric.siesse@bnpparibas.com

Eric BERAY
Senior Director - Partner
Head of large operations office
Paris Ile-de-France
Tél. : +33 (0)1 47 59 21 50
Eric.beray@bnpparibas.com

Frédéric GODARD
Director - Partner
Paris Office Lettings Team
Tél. : +33 (0)1 47 59 22 96
Frederic.godard@bnpparibas.com

Frédéric BLIES
Head of West suburb of Paris Team
Tél. : +33 (0)1 47 59 20 92
Frederic.blies@bnpparibas.com

Marie CHARRA
Head of Left Bank Southern Inner Rim Team
Tél. : +33 (0)1 47 59 17 26
Marie.charra@bnpparibas.com

Frédéric DOS SANTOS
Director - Partner
Office Lettings & Sales
Paris North East Department
Tél. : +33 (0)1 49 93 70 73
Frederic.dossantos@bnpparibas.com

SALES TO USERS

Guillaume NOULIN
Director - Partner
Offices Sales & Acquisitions
Greater Paris
Tél. : +33 (0)1 47 59 25 46
Guillaume.noulin@bnpparibas.com

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