



**AT A GLANCE
Q3 2022**

OFFICES IN THE REGIONS – 6 main cities
Continued healthy trend



878,250 sqm

Take-up in 9M 2022
(+23% vs 9M 2021)



1.6 m sqm

Availability within a year
(- 11% vs Q3 2021)



€330/sqm/year

Prime rent
(Lyon)

A resilient market

The regional office market* confirmed its recovery at the end of Q3 2022, with take-up of 878,250 sqm over nine months, i.e. growth of 23% over one year.

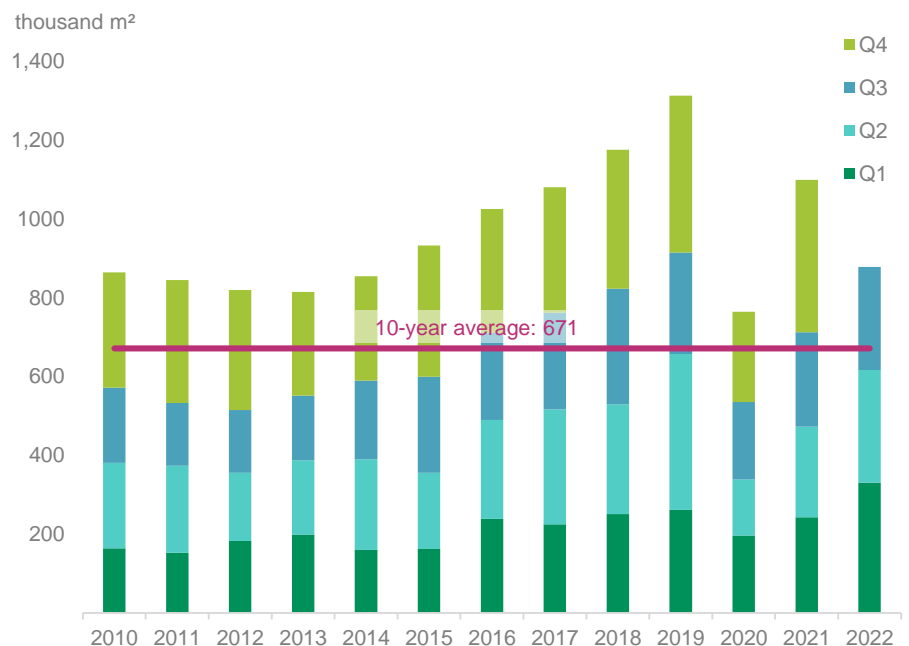
Moreover, transaction volumes across the six main markets were well above their 10-year average (+31%).

Interestingly, large units > 5,000 sqm were particularly popular. Take-up in this segment increased 51% over one year and now accounts for some 30% of overall take-up, i.e. +7 points vs last year.

Against the gloomy economic backdrop, the regional office market* is proving resilient and should see take-up match or even exceed that of 2019.

*6 cities: Aix/Marseille, Bordeaux, Lille, Lyon, Nantes, Toulouse

Take-up by quarter



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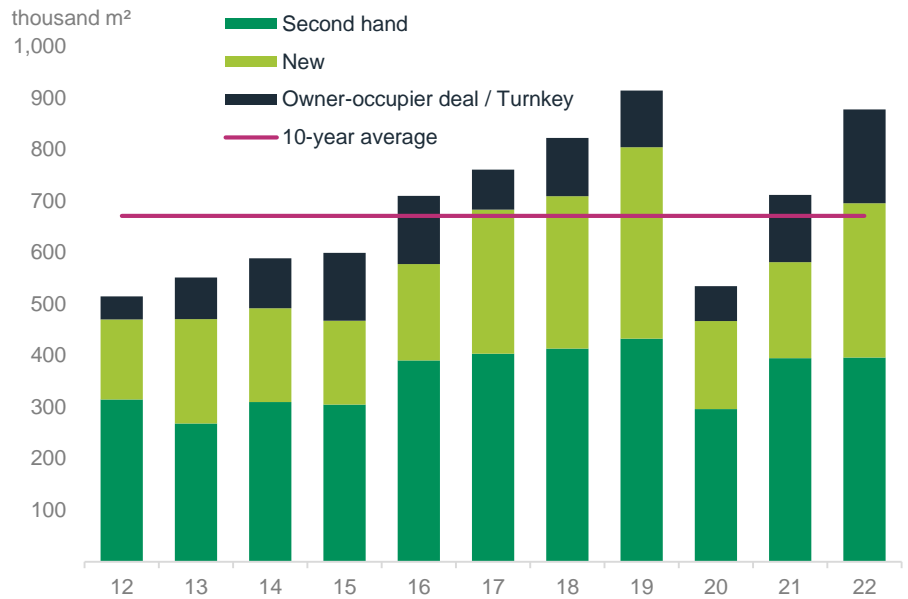
High demand for new and owner/occupier offices

The regional office market (6 cities) has been boosted by owner-occupier and turnkey deals, with take-up of these assets up 40% compared to the same period last year.

Transactions for new offices (excl. owner-occupier and turnkey) account for over a third of take-up (34%) and surged by 61% in volume terms compared to the same period in 2021.

As such, new and owner-occupier/turnkey premises are driving the market and account for over half of transactions volumes (55% vs 45% in 2021), at the expense of second-hand offices, which have stalled compared to the first nine months last year.

Take-up



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Lille still in pole position

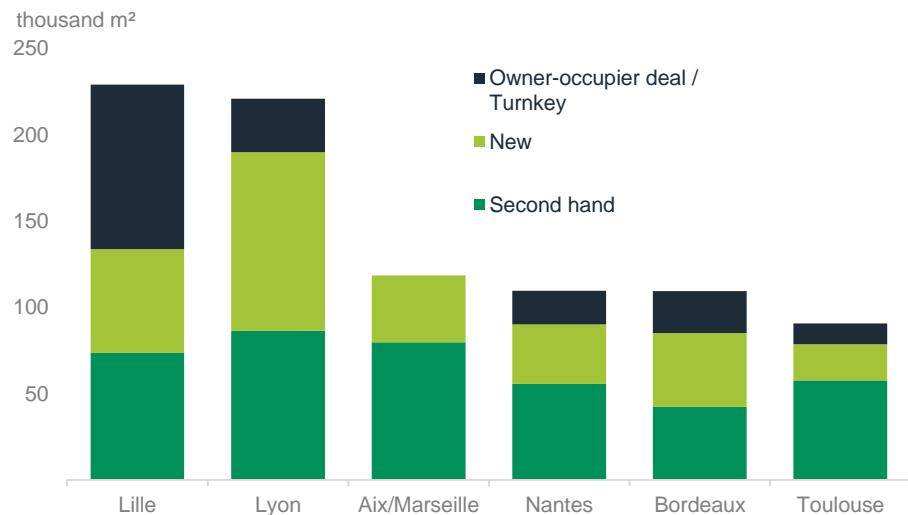
With take-up of some 230,000 sqm, Lille held on to first place in the 6-city ranking, with volumes up 18% year-on-year. Owner-occupier and turnkey deals accounted for 42% of the city's take-up.

Lyon is still in second place, with take-up of 221,000 sqm (+19% over one year) notably driven by deals for new offices (+41% in volume over one year).

Meanwhile, Aix-Marseille is still in third place, with 118,500 sqm taken up, followed by Nantes and Bordeaux with around 110,000 sqm each.

Toulouse came in sixth, with take-up of 91,000 sqm, i.e. up 30% over one year.

Take-up by city in 9M 2022



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Fall in supply

Availability within a year (6 cities) stands at 1.58 million sqm, representing a fall of 11% over one year.

New supply is down 17% while second-hand supply is down 8%, largely due to steady take-up.

Given the poor economic climate due to rising construction costs and possible delays to completions, the downward trend in supply is likely to intensify in the coming quarters.



487,340 m²

Space under construction

Availability within a year



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Stable investment

After a very buoyant first half, investment in the regions remains balanced, with € 2bn invested over the first nine months, i.e. -1% vs the year-earlier period. Nevertheless, the figure remains above its 5-year average.

With respect to buyer types, SCPI accounted for over half of investment in the regions (52%) followed by funds (19%) and Insurers-Mutual funds (11%).

There was a significant decline in off-plan sales, which accounted for just 24% of investment in offices, compared to 30% in 2021.

Lyon still the top city for investment in the regions

Lyon remains in top position with stable investment (-1%), followed by Lille and Aix-Marseille, where the figures increased by 23% and 42% respectively.

Toulouse stood out with investment of € 242m vs. € 41m over nine months in 2021, representing a jump of 483%.

Major deals include the acquisition by Principal Global Investors and Aream of the Urban Garden campus (30,000 m²) in Lyon, the La Marseillaise tower in Marseille bought by Perial for over € 200m and the Sensorium building in Lille purchased by Primopierre for € 105m.



3,50%

Prime yield

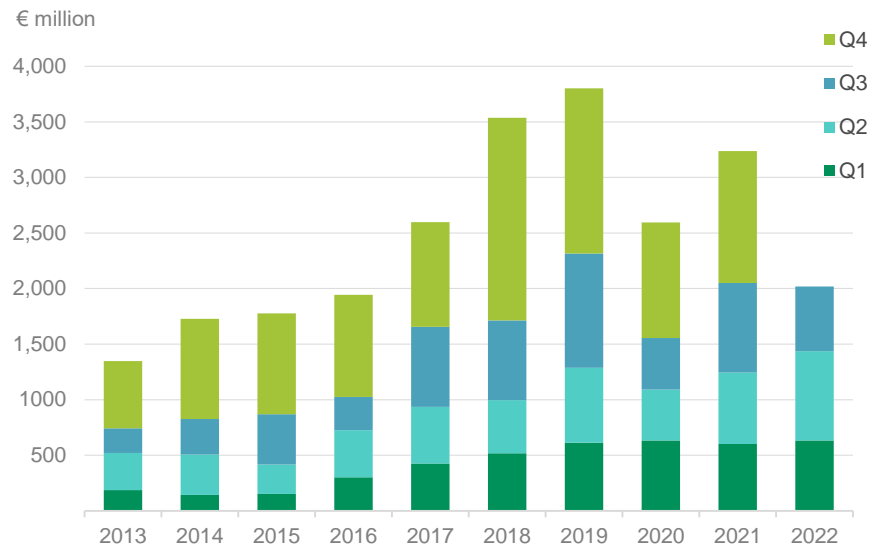
Mixed yield trends

Prime yields in the regions had widened as of end September. The increase is directly related to the significant rise of the 10-year OAT, which stood at 2.71% in Q3 2022.

Apart from Nantes and Lille, there were substantial yield increases in Toulouse, where it rose from 3.90% at the end of 2021 to 4.10% in Q3 2022, and in Bordeaux, where it rose from 3.90% at the end of 2021 to 4.10% in Q3 2022.

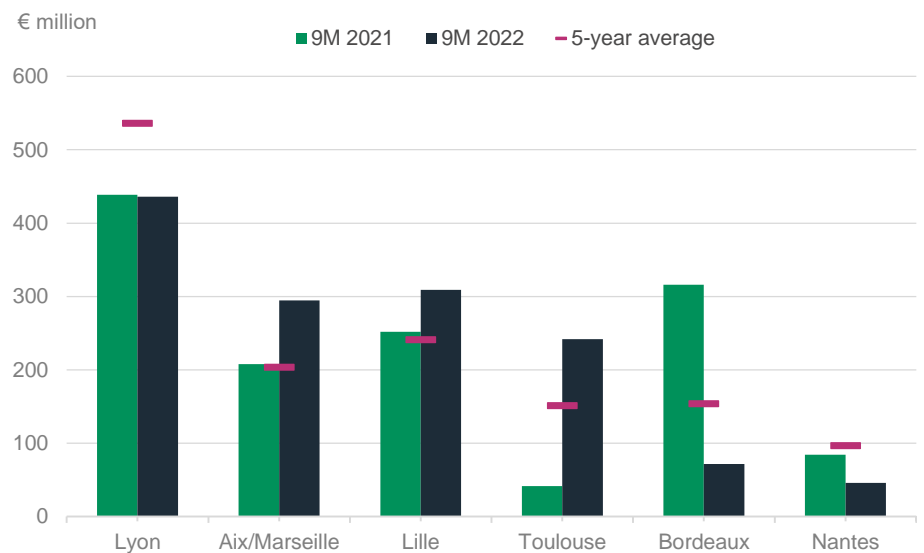
This upward trend is set to continue given the expected rise in the 10-year OAT in Q4 2022.

Quarterly investment figures



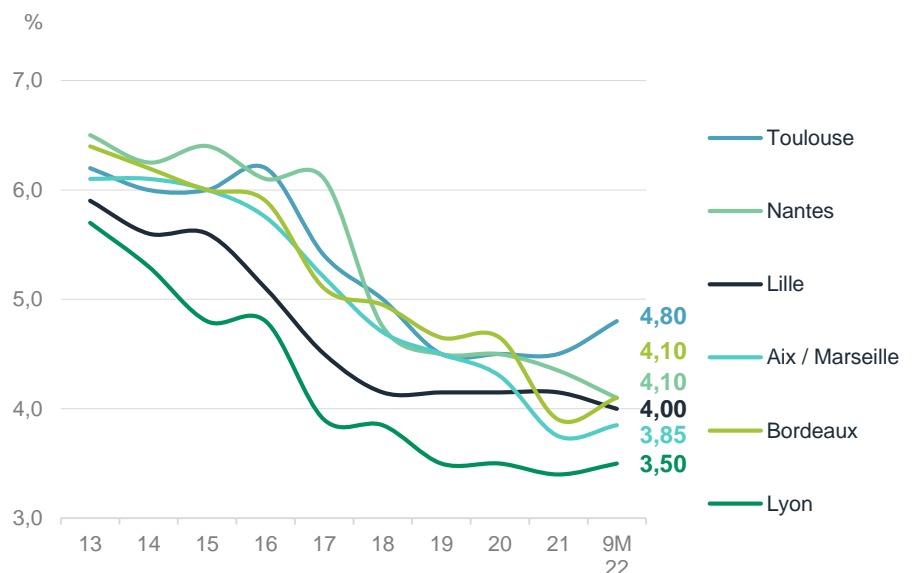
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Investment in the main regional markets



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Prime yields



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