



AT A GLANCE Q1 2023

OFFICES IN THE REGIONS (7 cities)

Hiatus after a historic year



262,600 sqm

Take-up
(-32% vs Q1 2022)



1.8M sqm

Availability within a year
(+10% vs Q1 2022)



€330/sqm/year

Prime rent
(Lyon)

Slower start to the year, but above the 10-year average

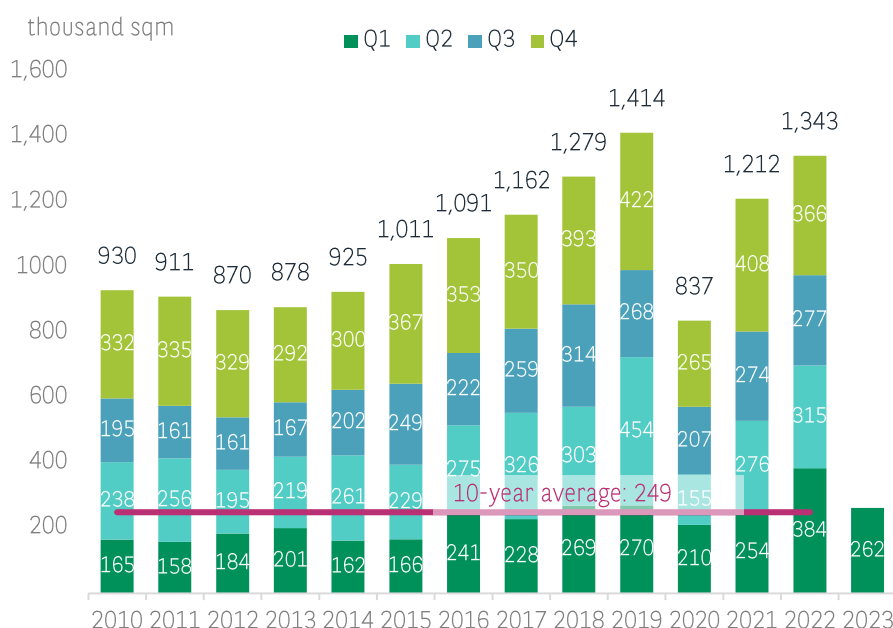
After a historic year in 2022 for the regional office market*, take-up slowed in Q1 2023, with transactions at around two thirds of their Q1 2022 level. This weaker start to the year stems from the uncertain economic backdrop, driven by high inflation and borrowing costs.

Nevertheless, this should be seen in perspective. Transactions were slightly higher than in Q1 2021 and still came in 5% above the ten-year average.

The economic climate is expected to improve over the year, which could see the regional office market recover its former momentum.

*7 cities: Aix/Marseille, Bordeaux, Lille, Lyon, Montpellier, Nantes and Toulouse

take-up trend by quarters



Steep fall in owner - occupier deals

In Q1 2023, owner/occupier and turnkey rentals only accounted for 11% of take-up, a steep fall of 63% compared to Q1 2022.

Over half of transactions were for second-hand units (51% of total volume for the quarter) but these too were down by more than 25% year-on-year.

In terms of size segment, we note a steep fall in deals for over 10,000 sqm, which represented just 4% of the total volume, i.e. a fall of over 85% vs Q1 2022.

Interestingly, demand for units of between 2,000 sqm and 5,000 sqm is intact. This was the only segment for which demand increased compared to Q1 2022 (+4%).

As ever, the regional market is driven by small units over under 1,000 sqm, which accounted for 46% of total volumes.

Mixed fortunes among the different cities

Lille took the top place over the quarter* with take-up of 53,000 sqm, followed by Toulouse which continued to progress and came in second, with a year-on-year increase of 74%.

Lyon was relegated to third place with 44,000 sqm transacted, while Bordeaux rose from fifth place to fourth with a year-on-year increase of over 34%.

Nantes held onto a top 5 position among cities in the regions with take-up over 60% higher than its 10-year average.

Aix/Marseille and Montpellier brought up the rear*, but nevertheless each with transactions totalling over 20,000 sqm.

*7 cities: Aix/Marseille, Bordeaux, Lille, Lyon, Montpellier, Nantes et Toulouse

Supply on the rise

Availability within a year stands at 1.8 million sqm, i.e. a rise of 10% year-on-year.

The increase applied to both new and second-hand premises in similar proportions.

New supply accounts for 34% of the total and rose by 7%. Meanwhile, second-hand supply increased by 11% compared to Q1 2022, representing 66% of the total.

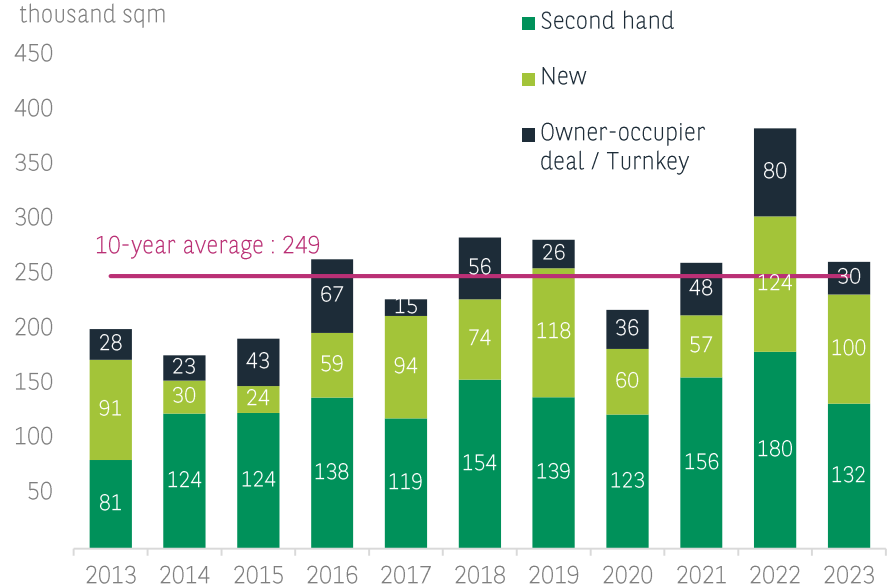


553,000 sqm

Space under construction

Take-up

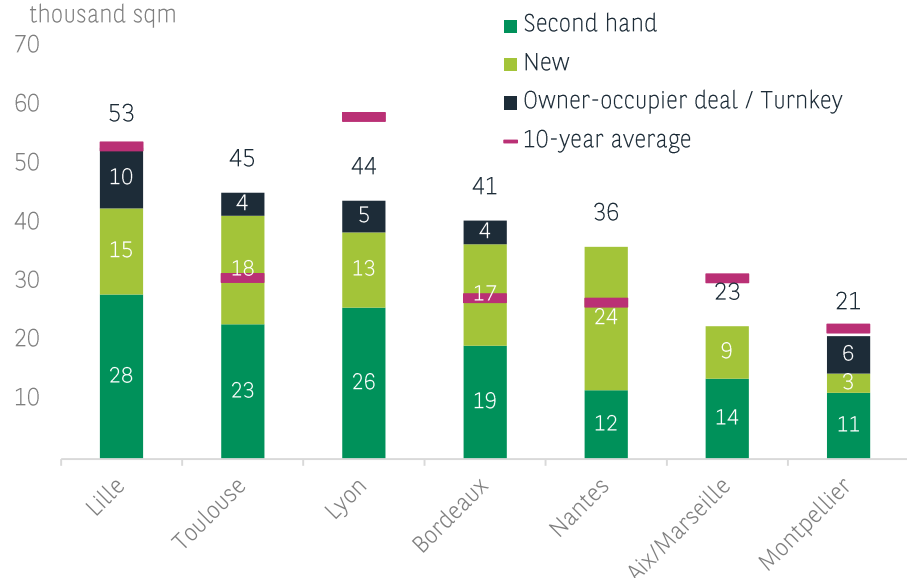
thousand sqm



Source: BNP Paribas Real Estate - Research - May 2023

Take-up by city for Q1 2023

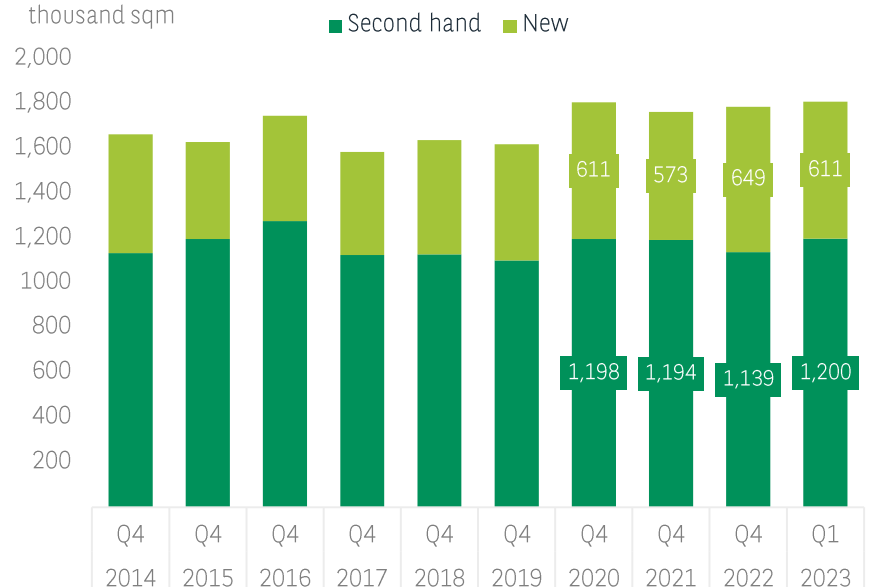
thousand sqm



Source: BNP Paribas Real Estate - Research - May 2023

Availability within a year

thousand sqm



Source: BNP Paribas Real Estate - Research - May 2023

Subdued investment

With investment of €1.4bn (all asset categories combined), the regions accounted for a third of total investment in France in Q1 2023 (32%).

However, the regional office market saw a slide of 17% vs the same period in 2022.

There was a noticeable lack of foreign investment in regional offices over the quarter. On average over the last 5 years, they have accounted for 11% of overall investment.

In terms of buyer types for regional offices, SCPIs have continued to rise and now represent over half of investment (53%), followed by private investors who account for over a quarter of the overall amount.

Lyon leads the pack for regional investment

Lyon held onto its top place in Q1, followed by Toulouse and Nantes, where investment was swelled by several large deals.

Lille came in fourth, with investment up 37% vs last year. Thereafter, all cities except Bordeaux saw lower investment than the year-earlier period.

Major deals included the acquisition of the Areca Metro building by AEW CILOGER in Lyon (€103M), the 1PULSION building in Toulouse bought by KEYS AM for €60M and the Val Crêtes building in Nice purchased by Nexity for €30M.



4.00%

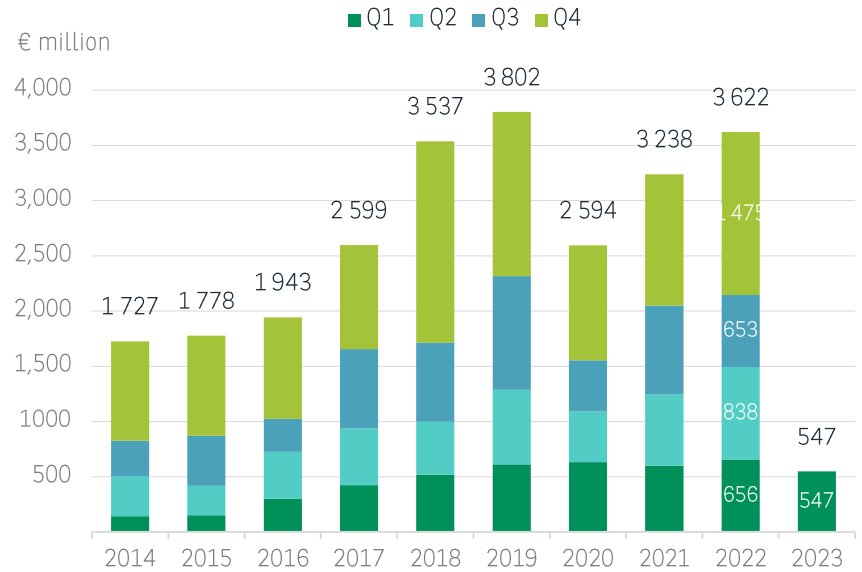
Prime yield (Lyon)

Prime yields still expanding

In 2023, prime yields in the regions are still moving significantly, largely due to the 10-year OAT remaining high (2.80% at the end of Q1) following the upswing in 2022.

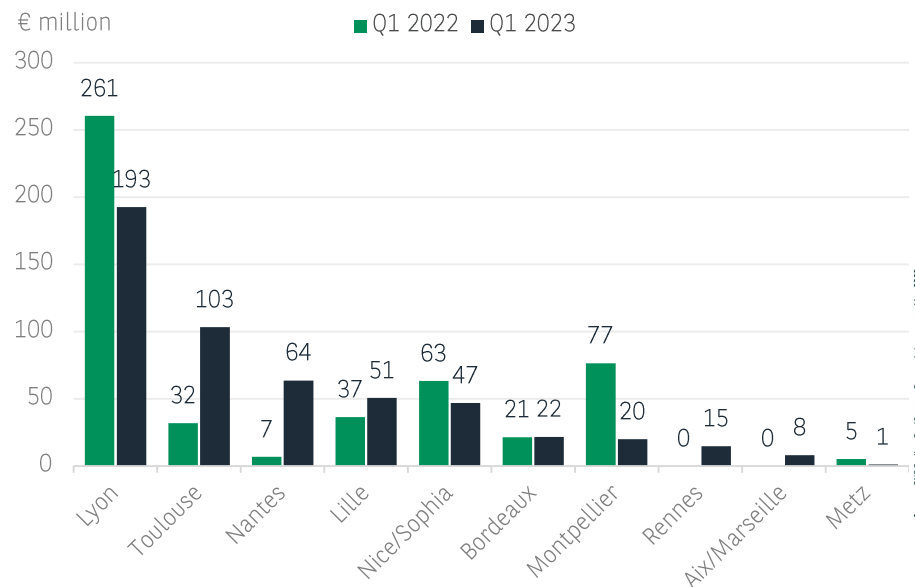
Apart from Toulouse, yields continue to expand, particularly in Lyon where it stands at 4% (+30 basis points vs Q4 2022), Lille, where it is up 40 basis points to 4.40% and Aix/Marseille (4.40% vs 4.20% at end 2022).

Quarterly investment figures



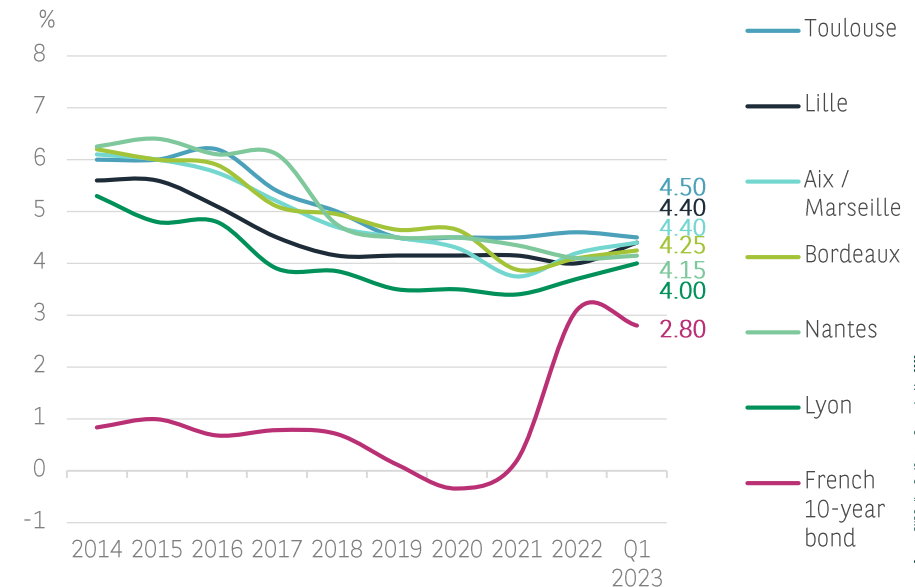
Source: BNP Paribas Real Estate - Research - ImmoStat - May 2023

Investment in the main regional markets



Source: BNP Paribas Real Estate - Research - ImmoStat - May 2023

Prime yields



Source: BNP Paribas Real Estate - Research - ImmoStat - May 2023

LOCATIONS

(MAY 2023)

CONTACT

HEADQUARTER

50 cours de l'Île Seguin
CS 50280
92650 Boulogne-Billancourt
Tél. : +33 (0)1 55 65 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 Guillebert
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 35 72

GRENOBLE

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

LILLE

Immeuble Eurosud
213 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

Immeuble les Muses
1, rue des Messagers
57000 Metz
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

RESEARCH FRANCE

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

Simon PRÉAU
Regional office analyst
simon.preau@bnpparibas.com

TRANSACTION REGIONAL OFFICES

Jean-Laurent DE LA PRADÉ
Head of the Regions and
Director South East Region
Tél. : +33 (0)1 47 59 17 18
jean-laurent.delaprade@bnpparibas.com

Xavier DELECROIX
Director North Region
Tél. : +33 (0)3 20 06 99 00
xavier.delecroix@bnpparibas.com

Benoît DE FOUGEROUX
Director Rhône-Alpes Region
Tél. : +33 (0)4 78 63 62 61
benoit.defougeroux@bnpparibas.com

Marc DELPOUX
Director South West Region
Tél. : +33 (0)5 61 23 56 56
marc.delpoux@bnpparibas.com

Christine SERRA
Director Centre West Region
Tél. : +33 (0)2 40 20 20 20
christine.serra@bnpparibas.com

Nancy SPANN
Director East Region
Tél. : +33 (0)3 88 22 19 44
nancy.spann@bnpparibas.com

KEEP-UP-TO-DATE WITH BNP PARIBAS REAL ESTATE'S NEWS WHEREVER YOU ARE

 **#BEYONDBUILDINGS**



www.realestate.bnpparibas.com



BNP PARIBAS REAL ESTATE

Real Estate
for a changing
world

BNP PARIBAS REAL ESTATE, is a simplified joint-stock company with capital of €383,071,696 and headquarters at 50, cours de l'Île Seguin - CS 50 280 - 92650 Boulogne-Billancourt - France, registered on the Nanterre Trade and Companies Register under no. 692 012 180 - APE 7010 Z Code - Identification Number CE TVA FR 66692012180. Address: 50 cours de l'Île Seguin - CS 50280 - 92650 Boulogne-Billancourt Cedex. Phone: +33 (0)1 55 65 20 04 - Fax: +33 (0)1 55 65 20 00 - www.realestate.bnpparibas.com. BNP Paribas Real Estate is part of the BNP PARIBAS Group (art. 4.1 of the French law 70-9, 02/01/70)

N° ADEME : FR200182_03KLJL

