• With take-up of 613,000 m² over Q1 2011, the office market in Île-de-France saw a 21% increase vs. the same period in 2010. This impressive performance extends the recovery that began last year and is well above the ten-year average of 510,000 m².

• Just as in H2 2010, deals for small and medium sized units drove the market increase in Q1 2011 (+26% over one year), thereby confirming recovery of the market in Île-de-France for this unit segment. For large units, although take-up volumes increased by 15% compared to Q1 2010, this figure was skewed by the exceptional nature of the 82,000 m² lease by Thales in the “Carré 92” business park in Gennevilliers. As such, although many players are streamlining, transactions for this type of asset are taking longer to complete.

• In terms of location, Paris inner city has confirmed its appeal with 231,000 m² taken up over Q1 2011, well above the ten-year average of 171,000 m². Other submarkets such as the Northern River Bend or the Péri-Defense are also showing signs of resurgent take-up. The healthy performances confirm occupiers’ preference for locations on markets with appealing rents. Conversely, there is still a lack of major deals at La Défense.

• Although availability within a year stabilised at around 4.85 million m² at the end of Q1, there are two major opposing trends. On the one hand, high consumption of new units combined with the low production of buildings is currently causing shortages in certain districts of Île-de-France, such as the Southern Inner Rim. In these conditions, the resumption of speculative operations that began in Q1 may open up new prospects for occupiers and thereby satisfy rising demand. On the other hand, the release of second hand premises onto the market continues to add to availability. As such, it would seem that landlords need to undertake heavy refurbishment work to meet occupiers’ expectations, or the vacancy rate for this type of asset may increase.

• While there was a turnaround in the office cycle in 2010 in Île-de-France, the office market should at the very least see consolidation in 2011. The upturn in employment (+40,000 jobs forecast in 2011) should support net absorption over the full year. Meanwhile, the government’s real estate policy should also have a positive impact on take-up. As such, on the back of this first quarter, take-up could exceed the 2010 figure to reach between 2.2 and 2.4 million m² over FY 2011.
OFFICE MARKET IN ÎLE-DE-FRANCE

Take-up (Q1)

Availability within a year (Q1)

Future supply - 31/03/2011
# OFFICE MARKET IN ÎLE-DE-FRANCE

<table>
<thead>
<tr>
<th>Area</th>
<th>Immediate supply*</th>
<th>Vacancy rate*</th>
<th>Take-up</th>
<th>Immediate supply*</th>
<th>Vacancy rate*</th>
<th>Take-up</th>
<th>Immediate supply variation</th>
<th>Take-up variation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paris CBD</strong></td>
<td>409,000</td>
<td>6.3</td>
<td>86,700</td>
<td>383,000</td>
<td>5.8</td>
<td>95,000</td>
<td>-6%</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>Paris outside CBD</strong></td>
<td>508,000</td>
<td>5.0</td>
<td>177,300</td>
<td>499,000</td>
<td>5.2</td>
<td>136,400</td>
<td>-2%</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>La Défense</strong></td>
<td>162,000</td>
<td>5.2</td>
<td>8,000</td>
<td>233,000</td>
<td>7.0</td>
<td>14,300</td>
<td>+44%</td>
<td>+79%</td>
</tr>
<tr>
<td><strong>Péri Défense</strong></td>
<td>294,000</td>
<td>16.3</td>
<td>29,400</td>
<td>324,000</td>
<td>18.0</td>
<td>47,200</td>
<td>+10%</td>
<td>+61%</td>
</tr>
<tr>
<td><strong>Neuilly/Levallois</strong></td>
<td>95,000</td>
<td>6.8</td>
<td>16,500</td>
<td>85,000</td>
<td>6.1</td>
<td>26,800</td>
<td>-11%</td>
<td>+62%</td>
</tr>
<tr>
<td><strong>Northern River Bend</strong></td>
<td>223,000</td>
<td>14.3</td>
<td>9,200</td>
<td>243,000</td>
<td>15.5</td>
<td>124,800</td>
<td>+9%</td>
<td>+1,257%</td>
</tr>
<tr>
<td><strong>Southern River Bend</strong></td>
<td>218,000</td>
<td>9.8</td>
<td>25,700</td>
<td>239,000</td>
<td>10.7</td>
<td>35,100</td>
<td>+10%</td>
<td>+37%</td>
</tr>
<tr>
<td><strong>Northern Inner Rim</strong></td>
<td>206,000</td>
<td>10.2</td>
<td>18,800</td>
<td>180,000</td>
<td>8.9</td>
<td>19,300</td>
<td>-13%</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Southern Inner Rim</strong></td>
<td>217,000</td>
<td>12.2</td>
<td>31,100</td>
<td>169,000</td>
<td>9.5</td>
<td>13,200</td>
<td>-22%</td>
<td>-58%</td>
</tr>
<tr>
<td><strong>Eastern Inner Rim</strong></td>
<td>107,000</td>
<td>7.5</td>
<td>5,500</td>
<td>120,000</td>
<td>8.4</td>
<td>13,100</td>
<td>+12%</td>
<td>+138%</td>
</tr>
<tr>
<td><strong>Outer Rim</strong></td>
<td>1,189,000</td>
<td>6.1</td>
<td>97,000</td>
<td>1,262,000</td>
<td>6.8</td>
<td>88,000</td>
<td>+6%</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,628,000</td>
<td>7.2</td>
<td>505,300</td>
<td>3,737,000</td>
<td>7.4</td>
<td>613,100</td>
<td>+3%</td>
<td>+21%</td>
</tr>
</tbody>
</table>

* end of period

Source: Immotstat-IPD, BNP Paribas Real Estate

## Availability within a year

<table>
<thead>
<tr>
<th>Area</th>
<th>Q1 2010</th>
<th>Q1 2011</th>
<th>Variation Q1 2010 / Q1 2011</th>
<th>Q1 2010</th>
<th>Q1 2011</th>
<th>Variation Q1 2010 / Q1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paris CBD</strong></td>
<td>571,400</td>
<td>495,300</td>
<td>-13%</td>
<td>105,800</td>
<td>59,100</td>
<td>-44%</td>
</tr>
<tr>
<td><strong>Paris outside CBD</strong></td>
<td>733,800</td>
<td>756,800</td>
<td>+3%</td>
<td>182,200</td>
<td>51,700</td>
<td>-72%</td>
</tr>
<tr>
<td><strong>La Défense</strong></td>
<td>401,400</td>
<td>342,200</td>
<td>-15%</td>
<td>122,700</td>
<td>188,600</td>
<td>+54%</td>
</tr>
<tr>
<td><strong>Péri Défense</strong></td>
<td>414,600</td>
<td>420,400</td>
<td>+1%</td>
<td>2,800</td>
<td>5,400</td>
<td>+93%</td>
</tr>
<tr>
<td><strong>Neuilly/Levallois</strong></td>
<td>136,600</td>
<td>200,600</td>
<td>+47%</td>
<td>73,100</td>
<td>49,600</td>
<td>-32%</td>
</tr>
<tr>
<td><strong>Northern River Bend</strong></td>
<td>252,600</td>
<td>265,100</td>
<td>+5%</td>
<td>0</td>
<td>10,600</td>
<td>+40%</td>
</tr>
<tr>
<td><strong>Southern River Bend</strong></td>
<td>319,800</td>
<td>379,100</td>
<td>+19%</td>
<td>88,400</td>
<td>51,900</td>
<td>-41%</td>
</tr>
<tr>
<td><strong>Northern Inner Rim</strong></td>
<td>227,200</td>
<td>283,300</td>
<td>+25%</td>
<td>35,000</td>
<td>67,700</td>
<td>+93%</td>
</tr>
<tr>
<td><strong>Southern Inner Rim</strong></td>
<td>251,700</td>
<td>205,200</td>
<td>-18%</td>
<td>0</td>
<td>21,600</td>
<td>+40%</td>
</tr>
<tr>
<td><strong>Eastern Inner Rim</strong></td>
<td>154,600</td>
<td>132,700</td>
<td>-14%</td>
<td>24,600</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Outer Rim</strong></td>
<td>1,362,900</td>
<td>1,380,600</td>
<td>+1%</td>
<td>67,000</td>
<td>30,700</td>
<td>-54%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,826,500</td>
<td>4,861,200</td>
<td>+1%</td>
<td>701,500</td>
<td>536,900</td>
<td>-23%</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate
IMMOSTAT AREA

Source: Immostat
Glossary

The numerical data used by BNP Paribas Real Estate for its statistics feature all the information at the group’s disposal when compiling them. These statistics may change according to new information brought to our knowledge that is often confidential to begin with.

Definitions from A to Z...

Building:
- **New**: Building built within the last 5 years.
- **Major Refurbishment**: Building which has undergone structural alteration less than five years ago, subject to planning permission.
- **Recent**: Building less than 10 years old.
- **Renovated**: Building which has undergone renovation work not requiring for planning permission less than five years ago.
- **Modern**: High-performance building over 10 years old.
- **Old**: Low-performance building over 10 years old.

CCI (Cost of Construction Index): index that makes quarterly measurements of construction prices for new house building. It is the price after VAT paid by the owner to construction companies. It excludes land-related prices and costs (site development, special foundations, etc.), fees and financial costs.

Demand: a search for premises expressed to BNP Paribas Real Estate. The analysis pertains only to the flow of new demand expressed.

For the occupier: operation undertaken by an occupier for its own purposes.

New supply: Any new building and/or heavily refurbished building that adds to the existing stock. These are analysed according to progress.
- **Completed new supply**: buildings on which construction work is finished.
- **Under construction**: buildings on which construction has effectively begun. Prior demolition work is not taken into account.
- **Planning permission granted**: authorisation to build obtained, generally booked after settlement of third party claims.
- **Planning permission submitted**: planning permission requested, being processed.
- **Projects**: identified intention of a building operation for which no request has been filed.

HQE: voluntary initiative for high-quality environmental management of construction or refurbishment of buildings. This is an initiative by real estate and construction professionals and is subject to a certification procedure drawn up by AFNOR (Association Française de Normalisation).

Immediate supply: all vacant premises and buildings, available immediately for letting and occupation.

Immostat: an Economic Interest Group founded in 2001, through an association between BNP Paribas Real Estate, CB Richard Ellis, DTZ Jean-Thouard, and Jones Lang LaSalle. In the interests of consistency, the brokers adopted numerous joint definitions: market districts in Île-de-France, conditions of buildings and premises, definitions of surface areas to be taken into account, rents, etc.

The structure of the EIG guarantees the independence of data processing and respect for the confidentiality commitments of each of its members.

New or major-refurbished offices:
- **New**: premises in a new building that have never been occupied.
- **Major Refurbishment**: premises in a refurbished building that have never been occupied.

Office stock: includes all completed offices, vacant or occupied. The office stock includes offices of the public and private sectors. In Île-de-France, it is regularly updated by the Observatoire Régional de l’Immobilier d’Entreprise d’Île-de-France (OREI) and the Direction Régionale de l’Equipement d’Île-de-France [Regional Facilities Department for Île-de-France] (DREIF) from the official statistics on new construction, the annual taxation on offices, as well as the data relative to demolition.

Owner-occupier development: construction of a building for an occupier who has signed a bill of sale on a property still to be built.

Pre-letting: Transaction signed by an occupier more than 6 months before the delivery of the building.

Rent:
- **Headline rent**: annual rent per square metre, featured on the lease, and expressed excluding taxes and charges. Does not include attached premises such as parking areas, archives, staff canteens, etc. If the rental is progressive, the value applied is the average for the first three years or the fixed term of the lease.
- **Average headline rent**: Weighted average of rented area. The average featured is a moving average over three quarters, to smooth out the changes.
- **Underlying rent**: Annual rent per square metre expressed free of tax and charges and excluding advantages agreed by the owner (rent incentives, building works, etc.).
- **Prime rent**: represents the top headline rent (excluding non significant transactions) for an office unit:
  - of standard size
  - of the highest quality and specification
  - in the best location in each market.
- **Top rent**: represents the top headline rent for an office unit. It is not necessarily a prime rent.

Second hand premises: Premises that have been previously occupied by an occupier for vacant for more than five years.
- **Renovated**: premises that have been renovated for the new occupier.
- **Very good condition**: high-performance premises of high quality.
- **Existing state of repair**: low-performance premises that can be rented as they are.
- **To be renovated**: low-performance premises that need renovation.

Speculative / Non-speculative operation:
- **Speculative**: construction launched without prior rental or sale to the occupier.
- **Non-speculative**: construction launched after partial or complete sale or rental to an occupier.

Supply available within one year: all premises and buildings available within one year, including the supply available immediately, new supply that has not been pre-let and second-hand supply that will be vacated definitively (notably terminated leases).

Take-up: rental or sale of a property asset, finalised by the signature of a lease or a bill of sale, including turnkey transactions and owner-occupier. The transaction is only taken into account once any existing conditional clauses have been lifted.

Turnkey rental: construction of a building for an occupier who has signed a lease on a property still to be built.

Vacancy rate: ratio measuring the relationship between the supply immediately available and the existing stock.

BNP Paribas Real Estate Disclaimer clause

BNP Paribas Real Estate cannot be held responsible if, despite its best efforts, the information contained in the present report turns out to be inaccurate or incomplete. This report is released by BNP Paribas Real Estate and the information in it is dedicated to the exclusive use of its clients. The report and the information contained in it may not be copied or reproduced without prior permission from BNP Paribas Real Estate.

Should you no longer wish to receive this report, or wish to modify the conditions of reception of this report, please send an e-mail to: unsubscribe.mailing@bnpparibas.com

BNP PARIBAS REAL ESTATE
CONTACTS

RESEARCH

167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 55 65 20 04
Richard MALLE
Head of Research
richard.malle@bnpparibas.com
Guillaume JOLY
Research Analyst - Offices in IDF
guillaume.joly@bnpparibas.com

BUSINESS LINES

PROPERTY DEVELOPMENT
Louis Raudouin DECAIX
Tel.: +33 (0)1 55 65 24 34
louis.raoulin.decaix@bnpparibas.com

CONSULTING / STRATÉGIE IMMOBILIERE
Sylvain HASSE
Tel.: +33 (0)1 47 59 22 24
sylvain.hasse@bnpparibas.com

VALUATION
Jean-Claude DUBOIS
Tel.: +33 (0)1 47 59 17 80
jean-claude.dubois@bnpparibas.com

PROPERTY MANAGEMENT
Jean-Claude TANGUY
Tel.: +33 (0)1 55 65 29 49
jean-claude.tanguy@bnpparibas.com

INVESTMENT MANAGEMENT
Etienne DUPUY
Tel.: +33 (0)1 55 65 28 38
etienne.dupuy@bnpparibas.com
Jacqueline FAISANT
Tel.: +33 (0)1 55 65 26 94
jacqueline.faisant@bnpparibas.com

TRANSACTION
Thierry LAROUE PONT
Tel.: +33 (0)1 47 59 25 83
thierry.laroquepont@bnpparibas.com
Laurent BOUCHER
Tel.: +33 (0)1 47 59 23 35
laurent.boucher@bnpparibas.com

TRANSACTION ÎLE-DE-FRANCE OFFICES

Jean-Laurent DE LA PRADE
Head of Offices in Île-de-France
Partner Manager
Letting under 5,000 m²
167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 47 59 17 18
jean-laurent.delaprade@bnpparibas.com

Loïc-Raphaël CUVELIER
Head of Offices in western Île-de-France
Partner Manager
Letting under 5,000 m²
167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 47 59 21 01
loic-raphael.cuvelier@bnpparibas.com

Aymeric LE ROUX
Head of Offices in Paris
Partner Manager
Letting under 5,000 m²
167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 47 59 20 97
aymeric.leroux@bnpparibas.com

Guillaume NOULIN
Head of Offices in western river-bank
and southwestern Île-de-France
Partner Manager
Letting under 5,000 m²
167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 47 59 25 46
guillaume.noulin@bnpparibas.com

François CHAUVEY
Head of Offices in Île-de-France
Partner Manager
Letting and Sales over 5,000 m²
Immeuble Les Mercurelais
40 Rue Jean Jaures - Bagnolet
Tel.: +33 (0)1 49 93 70 33
francois.chauvey@bnpparibas.com

Eric BERAY
Head of Offices in Paris and western Île-de-France
Partner Manager
Letting over 5,000 m²
167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 47 59 21 50
eric.beray@bnpparibas.com

Jean-René BARD
Head of Offices in Paris and western & southern Île-de-France
Partner Manager
Sales
167, Quai de la Bataille de Stalingrad
92867 Issy les Mouslineaux Cedex
Tel.: +33 (0)1 47 59 17 42
jean-rene.bard@bnpparibas.com