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MACROECONOMIC BACKDROP

Moderate economic growth in 2011

After a particularly difficult year in 2009, the French economy returned to growth in 2010. The easing of tensions on monetary and financial markets, low interest rates and massive stimulus plans have put an end to the recession and allowed the so-called "convalescence" phase to begin. Nevertheless, bearing in mind the austerity measures rolled out in H2 2010 in most European countries, French economic growth this year is unlikely to exceed that of last year, although without another slide in the economy. In these conditions, French GDP growth will probably be about +1.5% in 2011, as in 2010.

Buoyant household consumption in 2010

After showing impressive resilience during the financial crisis, household spending confirmed the trend and even produced some fine performances in certain segments, such as manufactured goods in 2010. As such, consumer spending for this type of product increased by 1.9% over the fourth quarter, boosted by the last days of the scrap bonus. Nevertheless, some economic indicators are less than encouraging, such as the rise in inflation, low wage increases and consequently, a squeeze on purchasing power, suggesting that consumption growth could dip in 2011.

Mixed trend for industrial activity

Even though the recent Coe-Rexecode report commissioned by the government clearly shows that France lags behind Germany in terms of competitiveness, other economic indicators such as French industrial output have rallied in 2010. Meanwhile, surveys from December 2010 (PMI) show that the business climate is settling in both services and industry. Even though confidence is still fairly high, there are still doubts about corporate activity and competitiveness in 2011.

Stabilisation of employment in 2011

After considerable job destruction in 2009 (-60,000 jobs), the job market in Île-de-France confirmed its recovery with the creation of about 25,000 additional jobs in 2010. This recovery is likely to slow in 2011 (+10,000 jobs), in view of lacklustre economic growth. Nevertheless, this overall picture ignores the disparities between various business sectors. As such, although stabilisation in the construction sector and the gradual recovery in the service sector are good news for the employment market in Île-de-France, the ongoing decline in the number of jobs in industry is likely to prevent a significant fall in unemployment in the capital region. As such, unemployment in Île-de-France is likely to be about 8.5% in 2011.
The office market in Île-de-France confirmed its recovery and achieved take-up growth of +16% up to 2,161,000 m² in 2010, compared to 1,870,000 m² in 2009. This healthy performance meant that transactions were almost back to the level of 2005.

**Turn in the office cycle**

With take-up of 922,000 m² in 2010, i.e. 43% of all transactions in Île-de-France, Paris inner city was by far the area with the strongest trend. This spectacular recovery in take-up was attributable to rental adjustments over the previous quarters. As most of the correction has now taken place, rents for high quality premises are even expected to rise in the coming quarters. Another striking phenomenon in 2010 was the resurgence of major prime deals in Paris Central Business District for over € 750/m².

Unlike Paris, La Défense suffered from a lack of deals for large units in 2010. Nevertheless, the forthcoming completion of this type of asset combined with the decline in new supply for office space over 5,000 m² in Paris CBD could boost the district in 2011. Lastly, some of the districts outside Paris also showed signs of recovery in terms of take-up in 2010, such as the Southern River Bend and the Northern Inner Rim, with respectively +56% and +57% variation over one year.

**Stabilisation of available supply**

After rising for several consecutive quarters, availability within a year has stabilised since mid-2010 at around 4.8 million m². This has largely been attributable to the high consumption of new units and the low level of buildings under construction (540,000 m² in Q4 2010, i.e. a 10-year low). This low level of new supply means that shortages are arising in certain sub-districts of Greater Paris, such as the Southern Inner Rim and Northeast Paris. Conversely, the volume of second hand assets is still rising in Île-de-France, suggesting that the squeeze on rents for this type of asset is set to continue in 2011.

Whereas 2010 marked the turning point for the office cycle in Île-de-France, 2011 should be a year of stabilisation. As such, taking into account the economic growth prospects for France, which are stabilising (at around +1.5% in 2011), take-up in 2011 should be comparable to that of 2010. Availability within a year may contract slightly under these conditions, to between 4.6 and 4.8 million m² of availability over 2011.
PARIS

In 2010, take-up on the Paris office market increased by 53% over one year to 922,000 m² compared to 601,000 m² in 2009, thereby representing 43% of all transactions in the Ile-de-France region. This performance meant that the trend in Paris inner city was comfortably the most buoyant and is now helping to drive the take-up recovery in Ile-de-France.

Paris CBD: recovery of prime transactions in 2010

Take-up in Paris Central Business District (CBD) increased by 60% compared to 2009 reaching 424,000 m². These healthy figures mean that take-up on this office market is now very similar to 2005. Take-up of units over 5,000 m² rose significantly, totalling 77,000 m², i.e. three times the amount last year. Another striking phenomenon of the year was the recovery in prime transactions, as shown by the recent lease of 7,500 m² by Gide Loyrette Nouel in the Bayard / Seine building in the 8th arrondissement of Paris. Now that the period of correction in rents is finished, the average headline rent in Paris CBD increased at the end of the year. The sharp drop in new space available within a year (-50% over one year) and the quality of certain second hand buildings should extend this automatic rise in rents in 2011.

Paris outside CBD: historically brisk market for large units

In Paris outside CBD, about 500,000 m² was taken up in 2010, up 48% compared to 2009. This increase brought the office market back into line with the amounts transacted in 2006, which was the peak of the last ten years. Although small and medium sized units performed respectably, accounting for 302,000 m², the district’s impressive trend was mainly attributable to deals of office space over 5,000 m² in 2010. About 200,000 m² were counted there over 2010, i.e. twice the volume of 2009, thereby setting a new record. Following the major consumption of large units over 2010, new or refurbished space available within a year has fallen by 27% since the end of 2009. This trend, combined with the low level of building starts has already led to shortages in the northeast of Paris.

In 2011, the Paris office market should see a continued decrease in new supply as well as slight tension on rents. As such, take-up in Paris CBD could fall slightly in 2011 to the advantage of outlying districts such as La Défense and the Southern River Bend. Nevertheless, Paris outside CBD should attract major occupiers that are keen for a Parisian address.
LA DÉFENSE

With 154,000 m² taken up over 2010, the La Défense office market contracted by 9% compared to 2009, well below the 10-year average of 190,000 m². Although the upturn in take-up over H2 suggests that the 2011 figures should be stronger (97,000 m² transacted in 2010 compared to 55,000 m² in 2009), the overall volume in 2010 was dented by a slow start to the year.

Low take-up of large units in 2010

Generally speaking, over the whole of 2010, the La Défense office market experienced the biggest fall in take-up in Île-de-France, far short of the figures for previous years. Although take-up of small and medium-sized units was respectable at 67,000 m² (+70% over one year), the business district failed to attract major occupiers in 2010, which are the structural core of the market. After take-up of 130,000 m² in 2009, the market for large units (over 5,000 m²) is now showing a decline of 33% with 87,000 m² taken up in 2010, of which just one deal of more than 15,000 m².

Several factors account for the slowdown in take-up. Firstly, rents at La Défense remained high in 2010, unlike neighbouring areas such as Paris inner city. As the competition between assets becomes increasingly fierce, some major occupiers preferred to move into high quality Parisian buildings with appealing rents and better access. Another factor was the low number of large units available in H1, explaining the low level of take-up in 2010.

Market awaits forthcoming completions

Availability within a year diminished for the second consecutive quarter, with 333,000 m² available in Q4 2010. Nevertheless, these figures should be viewed in perspective, insofar as the lease by Ernst & Young of 33,500 m² in part of the First tower was a major reason behind the fall in supply. In 2011, the district could be boosted by the low level of large units available in Paris CBD and thereby attract major new occupiers. Although La Défense has suffered particularly from the lack of new units in recent years, the forthcoming completion of new buildings should galvanise the market by offering high quality new offices. In particular, the imminent completion of the First tower, the construction of the Carpe Diem tower and the refurbishment of the Descartes tower should all help to consolidate the renewal of the La Défense district.

Deals over 15,000 m² - La Défense

<table>
<thead>
<tr>
<th>Year</th>
<th>Building</th>
<th>Occupier</th>
<th>Landlord</th>
<th>Conditions</th>
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<tbody>
<tr>
<td>2009</td>
<td>Le CNIT</td>
<td>SNCF</td>
<td>UNIBAIL</td>
<td>Major</td>
<td>22 147</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>RODAMCO</td>
<td>Refurbishment</td>
<td></td>
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<tr>
<td>2010</td>
<td>First - CB 31</td>
<td>ERNST &amp; YOUNG</td>
<td>BEACON CAPITAL PARTNERS</td>
<td>New</td>
<td>33 500</td>
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<td></td>
<td>Tour Gan</td>
<td>SUEZ ENVIRONNEMENT</td>
<td>FONCIÈRE DES RÉGIONS</td>
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<td></td>
<td>Le Galilée</td>
<td>AREVA</td>
<td>UNIBAIL RODAMCO</td>
<td>Renovated</td>
<td>32 167</td>
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</table>

Average headline rent over 12 months - La Défense

Office market - La Défense

New supply of office space > 5,000 m² - La Défense

Availability within a year

Source: BNP Paribas Real Estate, Immostat-IPD
Take-up - over 12 months

<table>
<thead>
<tr>
<th>Northern River Bend</th>
<th>Neuilly/Levallois</th>
<th>Western Crescent</th>
<th>Southern River Bend</th>
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<tr>
<td>2009: 45,000 m²</td>
<td>2009: 45,000 m²</td>
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<td>2010: 100,000 m²</td>
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New supply of office space > 5,000 m²

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<thead>
<tr>
<th>Western Crescent</th>
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<tr>
<td>2009: 0 m²</td>
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<td>2010: 5,000 m²</td>
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Average headline rent

<table>
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<th>New offices - over 12 months</th>
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<tbody>
<tr>
<td>Northern River Bend</td>
</tr>
<tr>
<td>2002: 410 €/m²/year excl. VAT and charges</td>
</tr>
<tr>
<td>2003: 420 €/m²/year excl. VAT and charges</td>
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<tr>
<td>2004: 430 €/m²/year excl. VAT and charges</td>
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<tr>
<td>2005: 440 €/m²/year excl. VAT and charges</td>
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<td>2006: 450 €/m²/year excl. VAT and charges</td>
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<td>2007: 450 €/m²/year excl. VAT and charges</td>
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<td>2008: 450 €/m²/year excl. VAT and charges</td>
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<td>2009: 450 €/m²/year excl. VAT and charges</td>
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<tr>
<td>2010: 450 €/m²/year excl. VAT and charges</td>
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**WESTERN CRESCENT**

Take-up on the office market in the Western Crescent increased by 12% to 407,000 m² in 2010, compared to 371,000 m² in 2009. Nevertheless, this fine overall figure does not show the major disparities between the four main sub-districts.

**Southern River Bend: new units are back in vogue**

Take-up on the Southern River Bend jumped by 56% over 2010, up to 157,000 m², which was the most robust growth of the Western Crescent. This healthy performance means that the office market is now recovering to the level of 2006. There were several major deals in 2010, such as the recent lease by Michelin of 7,318 m² in the Jazz building in Boulogne-Billancourt. Another striking aspect was that all the deals were for new or refurbished premises. This trend confirms a return to consumption of new units in the district. Conversely, the high stock of second hand units (256,000 m² in Q4 2010) continues to squeeze rents. This is likely to continue in 2011.

**Neuilly/Levallois: fluid and dynamic office market**

Like the Southern River Bend, take-up in Neuilly/Levallois continued to rise, up 35% compared to 2009, totalling 85,000 m². Although small and medium sized units still account for most of the market, i.e. 73% of take-up by volume, the biggest growth was in transactions for units of over 5,000 m² with take-up of 23,000 m² in 2010 compared to just 10,000 m² the previous year. Meanwhile, availability within a year rose to 203,000 m² in Q4 2010. Unlike many districts in Ile-de-France, this rise was mainly thanks to the increase in new units. As such, the forthcoming completion of the So Ouest building should help to develop the market and thereby add to the appeal of the district in 2011.

**Peri-Défense: a spill-over district for occupiers of La Défense**

The Peri-Défense district saw a rise in take-up (+12% over one year) with 120,000 m² transacted in 2010. There was just one major deal in Q4, which was Heineken’s lease of 8,972 m² in the H2O building in Rueil-Malmaison. The district is now a spill over area for occupiers of La Défense. Availability within a year has stabilised, in line with the overall trend for Ile-de-France, i.e. an increase in second-hand volumes and conversely a sharp rise in the consumption of new units.

**Northern River Bend: low level of activity in 2010**

Unlike the other three sub-districts, the Northern River Bend experienced a sharp fall in 2010 with only 45,000 m² taken up compared to 100,000 m² in 2009. There was just one deal for over 5,000 m² recorded in 2010. Although there are a number of factors behind the weak take-up of large units (obsolescence of part of the business park, resurgent interest in neighbouring districts, poor public transport access), the biggest reason was undoubtedly uncompetitive rents. Despite a readjustment in rents over the previous quarters, many occupiers prefer to be located in the Northern Inner Rim, where they can find new properties at more competitive rents.
Inner and Outer Rims

Inner Rim: varying trends

Take-up on the office market of the Inner Rim in 2010 stood at 313,000 m², representing a slide of 8% over one year. This decline was mainly due to fewer deals for large units, such as the Southern Inner Rim where take-up reached just 74,000 m² in 2010 compared to 125,000 m² the previous year. The district is still suffering from the lack of new units. In another sub-district, the story is quite different as the Northern Inner Rim enjoyed the highest growth of the district with take-up of 140,000 m² in 2010, i.e. growth of 57% compared to the previous year. There were ten major deals in the district in 2010 of which three in Q4, such as the recent lease by the Regional Office for Enterprise, Competition, Consumption, Work and Employment in the Les Bureaux du Canal building in Aubervilliers. Occupiers are mainly attracted to the area by the quality of space available and competitive rents. In 2011, the district may be boosted by the government’s real estate policy of streamlining its costs and locations, insofar as the threshold set by the government for its leases is € 400 per m², which is now consistent with rents in the district.

The total volume of availability within a year has stabilised, with 613,000 m² of offices available in Q4 2010. Nevertheless, this overall trend hides the disparities between the various sub-districts. Although the Northern Inner Rim has 276,000 m² of space available (of which about half new) and is thereby able to absorb the spill over of occupiers from neighbouring sub-districts, the Southern Inner Rim is hampered by a lack of large new units. As there is already a shortage of this type of property, new construction needs to resume swiftly in order to prevent the district finding itself undersupplied in terms of new offices. Lastly, the Eastern Inner Rim is in line with the overall trend for Ile-de-France, namely with a rising amount of second hand premises offset by dwindling new supply.

Outer Rim: suffering from the abundance of supply

With take-up of 364,000 m² in 2010, transactions in the Outer Rim fell moderately by 6% compared to 2009. As was the case in the Inner Rim, the district was not boosted by the Parisian trend and take-up was short of the ten-year average of 418,000 m². The attractive rents no longer appear to be a key criterion for occupiers in opting for a location in the Outer Rim and some occupiers have nevertheless taken advantage of the general readjustment in rents in Ile-de-France to find somewhere closer to the capital.

Meanwhile, availability within a year continued its upward trend in the Outer Rim, with an increase of 5% between the end of 2009 and the end of 2010. The period of time for supply to be absorbed was 3.7 years in Q4 2010. The gap between supply and demand is wide in the Outer Rim. Furthermore, bearing in mind that second hand units represent over 80% of space available within a year, it must be acknowledged that the district is likely to remain oversupplied for some time yet.
Sales to occupiers - Île-de-France (excl. Owner-occupier deals)

Sales to occupiers - Île-de-France - 2010 (excl. Owner-occupier deals)

Capital Values - Paris CBD

OCCUPIER SALES

Whereas Île-de-France experienced an overall recovery in terms of take-up, the occupier sales market was quite the opposite, with a downward trend. Acquisitions in 2010 (excluding owner/occupier deals) stood at 208,000 m² compared to 294,000 m² in 2009, i.e. a fall of 29% over one year. This decline was due to the non-recurrence of the exceptional deal by Crédit Agricole in 2009, when it bought 71,000 m² in the Evergreen building.

The share of sales on the office occupier market contracted, to just 11% of total take-up in Île-de-France compared to 17% in 2009. This poor performance was mainly due to weak transactions of large units, which fell by 57%. Nevertheless, the 5,000 – 10,000 m² segment took over from the largest deals with a much higher level of transactions than in previous years. Conversely, the average transaction size was 792 m² in 2010 compared to 1,000 m² in 2009 (excluding the Crédit Agricole deal). The trend confirms that this market is mainly driven by small and medium-sized companies and that the major occupier projects undertaken have been held back by the lack of large buildings for sale.

In terms of location, the most dynamic district was Paris outside CBD with 60,000 m² transacted throughout 2010, i.e. 28% of transactions for sale in the Île-de-France region. With 38,000 m² each, the Inner Rim and the Western Crescent were joint second. These deals included the recent acquisition by the Confédération Française des Travailleurs Chrétiens (CFTC) of 5,500 m² offices in Pantin.

After a readjustment of capital values in Île-de-France in 2009, the average price per asset sold generally increased in 2010. In a reflection of the rental market, Paris inner city drove the recovery of average capital values in Île-de-France. As such, the occupier sales market in Paris outside CBD enjoyed the largest rise in capital values in Île-de-France (+9% over one year), i.e. an average price of € 5,480 /m² over 2010, compared to € 5,034/m² in 2009. Meanwhile, the average price in Paris CBD exceeded € 8,100 /m² in 2010, representing a rise of 5% over the year.

In 2011, the shift in financing terms could play an important part in the market trend for occupier sales. These terms are likely to deteriorate, but should remain at a low level, thereby preserving the financial balance of operations. Apart from the financial and economic backdrop, the occupier sales market should remain brisk thanks to an occupier base that prefers buying to renting for wealth or accounting reasons.
Investors broadening their target areas

Investment in Île-de-France increased by 54% to about €7bn in 2010. The rush for secured prime assets in Paris Central Business District has a significant impact on yields, prompting investors to broaden their geographical criteria. In 2010, the heart of the Paris market (Paris CBD) accounted for 26% of investment in Île-de-France, compared to 38% in 2009. Although the amounts invested over these periods were almost identical in Paris CBD, there were considerable increases in La Défense, the Western Crescent and the Inner Rim. The gradual increase in office investment over 2010 in Île-de-France went hand-in-hand with wider geographical dispersion. However, at the heart of a still fragile economy, investors are still averse to risk and are still mainly opting for high quality buildings rented to well-known tenants with long leases.

Banks still cautious and selective

Although access to financing and terms have improved significantly, it is still limited and selective. Banks are now willing to finance up to 70% for the most secured real estate projects. Nevertheless, financing rarely exceeds 50% for development projects, far from the 2005-2007 period when investors were able to leverage up to 90% for more or less risky projects. This cautious approach is likely to remain in place, since new regulatory constraints placed on banks via Basel 3 will mean they increase their Tier 1 ratio according to their outstanding mortgage lending. Nevertheless, office deals for more than €100m have recovered, up from 9 in 2009 to 18 in 2010. One of the biggest deals in 2010 was the acquisition by a Qatar investment fund of the HSBC headquarters on the Champs Elysées for €440m. Meanwhile, Allianz bought part of the Capital 8 building located in the 8th arrondissement of Paris for €244m.

Contraction in the prime yield continues

The fierce competition for core assets, particularly in the heart of the Paris market, has led to a major contraction in prime yields. The prime yield in the CBD has fallen since H2 2009 to 4.50% for assets of between €20-50m and occasionally 4.25% for smaller assets, compared to 5.5% a year ago.

Buyers still prefer core assets

The amount of investment should continue to grow in the coming quarters. Even though investors still prefer the most secure assets, new more speculative market niches (such as speculative off-plan) should emerge. Indeed, in a context where new supply is expected to be scarce in certain sub-districts of Île-de-France out to 2012/2013 and at a time when yields are still appealing, new opportunities should develop. Prime yields may thereby stop contracting before rallying slightly towards the end of 2011, once the OAT [French T-Bonds] yield has risen.
The economic climate gradually improved in the euro area in 2010. While Germany remained the driver behind the recovery, with strong growth thanks in particular to exports, the economic recovery has remained modest overall.

Cautious recovery in take-up in 2010
The office market in Europe experienced a moderate upturn in take-up in 2010. Over the full year and in the eight largest markets, take-up rose by about 30% compared to 2009. The biggest recoveries were in Milan and Central London, thanks to a handful of major deals. In Q4 it was Germany that turned in the best performance of the leading European markets, lifted by a very favourable economic backdrop.

Vacancy rate: trend reversal in H2
Immediate supply stabilised or diminished in most European markets in H2. This trend was based on lower completions and rising demand. As such, although vacancy rates peaked in mid-2010, they have been contracting for the last two quarters, thereby marking the turning point for office markets in Europe. This downward trend applies to all the markets except Milan, where vacancy rates continued to rise due to very low net absorption. In 2011, the vacancy rate should fall gradually on the main European markets.

Rents should continue to climb
In view of the high consumption of new units and the low level of completions, availability of this type of asset fell in 2010. Since Q4, this trend has automatically pushed up prime rents. As such, the European prime rent index climbed by 2.3% over the last three months. As in previous quarters, the biggest rental increases were in Central London. Bearing in mind that demand for new assets should continue to be strong and that the volume of completions is set to diminish in parallel, the rise in rents should continue in 2011.

Economic growth in most European countries should slow in 2011, thereby hampering a lasting recovery in real estate markets. Take-up on the main European markets should therefore be similar to 2010. Meanwhile, low levels of completion should have an impact on immediate supply in most European markets. The vacancy rate is therefore set to fall gradually in 2011. Lastly, since employment growth and net absorption is expected to be low in 2011, most major office markets may evolve differently: on the one hand high vacancy rates in secondary locations and the second-hand buildings, and on the other hand supply shortages in the new buildings.
### KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>Immediate supply* (m²)</th>
<th>Vacancy rate*</th>
<th>Take-up (m²)</th>
<th>Immediate supply* (m²)</th>
<th>Vacancy rate*</th>
<th>Take-up (m²)</th>
<th>Variation immediate supply</th>
<th>Variation Take-up</th>
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<tbody>
<tr>
<td><strong>Paris CBD</strong></td>
<td>426,000</td>
<td>6,5%</td>
<td>265,200</td>
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<td><strong>Eastern Inner Rim</strong></td>
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<td>83,600</td>
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<tr>
<td><strong>Total</strong></td>
<td>3,626,000</td>
<td>7,3%</td>
<td>1,869,900</td>
<td>3,604,000</td>
<td>7,2%</td>
<td>2,160,500</td>
<td>-1%</td>
<td>+16%</td>
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* end of period

Source: Immostat-IPD, BNP Paribas Real Estate

### Availability within a year

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<tr>
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<th>Q4 2009</th>
<th>Q4 2010</th>
<th>Variation Q4 2009 / Q4 2010</th>
<th>Q4 2009</th>
<th>Q4 2010</th>
<th>Variation Q4 2009 / Q4 2010</th>
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<tr>
<td><strong>Paris CBD</strong></td>
<td>638,203</td>
<td>514,132</td>
<td>-19%</td>
<td>129,999</td>
<td>55,264</td>
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</tr>
<tr>
<td><strong>Paris outside CBD</strong></td>
<td>780,533</td>
<td>774,049</td>
<td>-1%</td>
<td>139,959</td>
<td>53,133</td>
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<tr>
<td><strong>La Défense</strong></td>
<td>277,307</td>
<td>332,742</td>
<td>+20%</td>
<td>89,832</td>
<td>169,894</td>
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<tr>
<td><strong>Northern River Bend</strong></td>
<td>248,896</td>
<td>293,379</td>
<td>+19%</td>
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<td>10,580</td>
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<td>5,437</td>
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<tr>
<td><strong>Neuilly/Levallois</strong></td>
<td>147,195</td>
<td>203,609</td>
<td>+38%</td>
<td>48,356</td>
<td>50,540</td>
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<tr>
<td><strong>Southern River Bend</strong></td>
<td>288,364</td>
<td>372,932</td>
<td>+29%</td>
<td>149,840</td>
<td>89,510</td>
<td>-40%</td>
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<tr>
<td><strong>Northern Inner Rim</strong></td>
<td>251,539</td>
<td>275,915</td>
<td>+10%</td>
<td>34,220</td>
<td>56,920</td>
<td>+66%</td>
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<tr>
<td><strong>Eastern Inner Rim</strong></td>
<td>157,483</td>
<td>143,624</td>
<td>-9%</td>
<td>24,610</td>
<td>-100%</td>
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<tr>
<td><strong>Southern Inner Rim</strong></td>
<td>242,565</td>
<td>193,688</td>
<td>-20%</td>
<td>29,809</td>
<td>13,970</td>
<td>-53%</td>
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<tr>
<td><strong>Outer Rim</strong></td>
<td>1,261,785</td>
<td>1,328,613</td>
<td>+5%</td>
<td>129,593</td>
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<tr>
<td><strong>Total</strong></td>
<td>4,709,517</td>
<td>4,855,513</td>
<td>+3%</td>
<td>825,464</td>
<td>540,099</td>
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Source: BNP Paribas Real Estate
### RENTS
(Moving average based on a year)

#### PARIS

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<th>New</th>
<th>€ /m²/year excl. VAT and charges</th>
<th>Second hand</th>
<th>Quarterly variation</th>
<th>&lt; 500 m²</th>
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#### WESTERN CRESCENT, LA DÉFENSE AND INNER RIM :

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#### OUTER RIM

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<td>↑</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate
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 (ORIE) and the Direction Régionale de l’Équipement d’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.

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.

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