CONFIRMATION OF A FALL IN TAKE-UP AFTER NINE MONTHS

- With take-up of 1,564,000 m² over the first nine months of 2012, the office market in Ile-de-France has declined by 19% compared to the same period in 2011. Despite this substantial drop, take-up is still close to the 10-year average of 1,649,000 m². Although the take-up volume of office space over 5,000 m² (-27% over one year) was lower, several sizeable deals took place, such as the recent 7,800 m² lease by a strategy consultancy in the Le Magistère building (Paris 8th). On the segment of small and medium-sized units (less than 5,000 m²), the market was resilient, with 925,000 m² taken up in 2012, i.e. a fall of just 12% over one year.

- By district, there were a number of large transactions in the Inner and Outer Rims, such as the future campuses being built on behalf of Casino in Vitry sur Seine (24,600 m² of office space to be completed by end-2014) and Thales in Vélizy Villacoublay for about 49,000 m² (scheduled for June 2014). Conversely, the traditional office districts, such as Paris Central Business District and La Défense saw steep declines over one year (-26% and -32% respectively). This is largely due to the fact that rental values are being kept high in the capital, while La Défense is facing stiff competition from campuses.

- Meanwhile, availability of offices within a year in Ile-de-France has been stabilising since Q2 2012, at around 4.5 million m². The low level of building starts over the past few quarters has not helped to swell availability. As such, the share of new and refurbished buildings only accounts for 25% of availability within a year vs. 32% three years previously. This sharp slowdown in construction is contributing to the ageing of the available office space. However, even though second-hand availability is still plentiful, it has been stabilising since the beginning of the year. In this context, there should be little change in the vacancy rate by the end of the year (7.1% at end Q3 2012).

- All told, the slowdown in French economic growth (+0.1% expected in 2012 vs. +1.7 in 2011) and weak employment are likely to dent the office market in Ile-de-France. In these conditions, office take-up is expected at between 2 million and 2.2 million m² over the full year 2012. Against a difficult economic backdrop, breaking through the 2 million m² threshold would be respectable. In the meantime, given the moderate level of building starts, availability within a year is likely to stabilise.

Office cycle

- Take-up over 12 months
- Availability within a year

*Take-up over 12 months
- Take-up over 12 months
- Availability within a year

Source: BNP Paribas Real Estate
## OFFICE MARKET IN ILE-DE-FRANCE

<table>
<thead>
<tr>
<th></th>
<th>2011 - 9 months</th>
<th>2012 - 9 months</th>
<th>Immediate supply variation</th>
<th>Take-up</th>
<th>Immediate supply variation</th>
<th>Take-up</th>
<th>Immediate supply variation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Immediate supply*</td>
<td>Vacancy Rate*</td>
<td>Take-up</td>
<td>Immediate supply*</td>
<td>Vacancy Rate*</td>
<td>Take-up</td>
<td>Immediate supply variation</td>
</tr>
<tr>
<td>Paris CBD</td>
<td>307,000</td>
<td>4.7</td>
<td>312,000</td>
<td>339,000</td>
<td>5.1</td>
<td>313,000</td>
<td>+10 %</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>466,000</td>
<td>4.8</td>
<td>416,000</td>
<td>383,000</td>
<td>4.0</td>
<td>301,000</td>
<td>-18 %</td>
</tr>
<tr>
<td>La Défense</td>
<td>191,000</td>
<td>5.7</td>
<td>89,000</td>
<td>207,000</td>
<td>6.2</td>
<td>61,000</td>
<td>+8 %</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>313,000</td>
<td>17.4</td>
<td>122,000</td>
<td>297,000</td>
<td>16.5</td>
<td>160,000</td>
<td>-5 %</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>86,000</td>
<td>6.2</td>
<td>74,000</td>
<td>159,000</td>
<td>11.4</td>
<td>62,000</td>
<td>+85 %</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>248,000</td>
<td>15.9</td>
<td>169,000</td>
<td>250,000</td>
<td>16.0</td>
<td>51,000</td>
<td>+1 %</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>226,000</td>
<td>10.1</td>
<td>110,000</td>
<td>214,000</td>
<td>9.6</td>
<td>141,000</td>
<td>-5%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>227,000</td>
<td>11.2</td>
<td>160,000</td>
<td>262,000</td>
<td>13.0</td>
<td>101,000</td>
<td>+15%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>158,000</td>
<td>8.9</td>
<td>61,000</td>
<td>182,000</td>
<td>10.2</td>
<td>67,000</td>
<td>+15 %</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>122,000</td>
<td>8.6</td>
<td>35,000</td>
<td>119,000</td>
<td>8.4</td>
<td>36,000</td>
<td>-2 %</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,229,000</td>
<td>6.6</td>
<td>381,000</td>
<td>1,144,000</td>
<td>6.2</td>
<td>353,000</td>
<td>-7 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,573,000</strong></td>
<td><strong>7.1</strong></td>
<td><strong>1,929,000</strong></td>
<td><strong>3,556,000</strong></td>
<td><strong>7.1</strong></td>
<td><strong>1,564,000</strong></td>
<td>+0 %</td>
</tr>
</tbody>
</table>

* end of period  
Source: Immopost, BNP Paribas Real Estate

### Availability within a year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>478,000</td>
<td>500,000</td>
<td>+5%</td>
<td>80,000</td>
<td>46,000</td>
<td>-43%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>679,000</td>
<td>524,000</td>
<td>-23%</td>
<td>85,000</td>
<td>98,000</td>
<td>+15%</td>
</tr>
<tr>
<td>La Défense</td>
<td>240,000</td>
<td>362,000</td>
<td>+51%</td>
<td>179,000</td>
<td>233,000</td>
<td>+30%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>435,000</td>
<td>402,000</td>
<td>-8%</td>
<td>52,000</td>
<td>43,000</td>
<td>-17%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>195,000</td>
<td>208,000</td>
<td>+7%</td>
<td>48,000</td>
<td>58,000</td>
<td>+21%</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>277,000</td>
<td>286,000</td>
<td>+3%</td>
<td>94,000</td>
<td>72,000</td>
<td>-23%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>303,000</td>
<td>343,000</td>
<td>+13%</td>
<td>18,000</td>
<td>99,000</td>
<td>+450%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>287,000</td>
<td>288,000</td>
<td>+0%</td>
<td>22,000</td>
<td>36,000</td>
<td>+46%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>170,000</td>
<td>238,000</td>
<td>+40%</td>
<td>59,000</td>
<td>63,000</td>
<td>+7%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>142,000</td>
<td>134,000</td>
<td>-6%</td>
<td>12,000</td>
<td>17,000</td>
<td>+42%</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,307,000</td>
<td>1,199,000</td>
<td>-8%</td>
<td>8,000</td>
<td>68,000</td>
<td>+725%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,513,000</strong></td>
<td><strong>4,484,000</strong></td>
<td><strong>-1%</strong></td>
<td><strong>658,000</strong></td>
<td><strong>829,000</strong></td>
<td><strong>+26%</strong></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 (ORE) 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.

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