At a glance

PARIS OFFICE MARKET
Q4 2013

AFTER A DECLINE IN 2013, 2014 LOOKS PROMISING

- With take-up of 1,844,000 m² in 2013, the office market in Ile-de-France fell by 25% compared to 2012. A fairly strong Q4 (take-up of 512,000 m²) helped to partly redress the situation, after a marked slowdown at the beginning of the year.

- It was mainly large deals (over 5,000 m²) that were lacking in 2013; these slumped by 45% in volume terms. Nevertheless, there were some positive signs in this market towards the end of the year with transactions like Conseil Général des Hauts-de-Seine in Arena 92 in Nanterre for 31,000 m² or Coca-Cola in the Noda building at Issy-les-Moulineaux with 13,000 m². Meanwhile, units of less than 5,000 m² once again proved to be a solid foundation for the market, with a decline limited to just 6% over the year.

- The lack of deals for large units hit some markets particularly hard, such as Paris outside CBD, the Northern and Southern Inner Rims and La Défense, even though the latter was helped by healthy growth in small and medium-sized units. The Western Crescent generally benefited from a robust year in terms of take-up in 2013, notably in Neuilly/Levallois and the Northern River Bend. The CBD meanwhile showed a certain resilience over 2013 (-6%), despite a soft start to the year in terms of lettings.

- After rising gradually each quarter, availability within a year has risen by 6% since December 2012 and is now nudging 5 million m². Although second-hand supply has increased most, new supply now represents about a quarter of the total. As such, the vacancy rate stood at 7.5% at the end of 2013, compared to 8.9% a year earlier.

- While buildings under construction are fairly stable, schemes with planning permission granted have reached a peak of 1,835,000 m². However, only 19% of these schemes are likely to be launched speculatively, which represents a low point. Some districts may therefore feel tension by 2016, namely Paris Inner City.

- The office market in Ile-de-France is looking more promising in 2014 than it did in 2013. Economic growth should slowly recover in France (+0.7%) and the Ile-de-France continues to create jobs (+5,000 expected). In this context, long-postponed real estate projects should get back on track and we could thereby see a return of large transactions. We forecast take-up of over 2 million m² for 2014.

Office cycle

![Office cycle chart](chart.png)

*Take-up over 12 months
Source: Imostat, BNP Paribas Real Estate
OFFICE MARKET IN ILE-DE-FRANCE

Take-up

Availability within a year (31st December)

Future supply

Source: BNP Paribas Real Estate

Source: Immostat
### AT A GLANCE - PARIS OFFICE MARKET - JANUARY 2014

### OFFICE MARKET IN ILE-DE-FRANCE

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</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>Take-up variation</th>
<th>Take-up variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>340,000</td>
<td>378,000</td>
<td>+10%</td>
<td>13%</td>
<td>345,000</td>
<td>378,000</td>
<td>13%</td>
<td>333,000</td>
<td>+11%</td>
<td>-6%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>397,000</td>
<td>425,000</td>
<td>+22%</td>
<td>17%</td>
<td>504,000</td>
<td>425,000</td>
<td>17%</td>
<td>413,000</td>
<td>+21%</td>
<td>-12%</td>
</tr>
<tr>
<td>La Défense</td>
<td>209,000</td>
<td>401,000</td>
<td>+92%</td>
<td>23%</td>
<td>161,000</td>
<td>401,000</td>
<td>23%</td>
<td>338,000</td>
<td>+135%</td>
<td>-47%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>312,000</td>
<td>385,000</td>
<td>+11%</td>
<td>15%</td>
<td>188,000</td>
<td>385,000</td>
<td>15%</td>
<td>310,000</td>
<td>+13%</td>
<td>-12%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>172,000</td>
<td>150,000</td>
<td>-13%</td>
<td>10%</td>
<td>77,000</td>
<td>150,000</td>
<td>10%</td>
<td>137,000</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>267,000</td>
<td>272,000</td>
<td>+2%</td>
<td>14%</td>
<td>64,000</td>
<td>272,000</td>
<td>14%</td>
<td>258,000</td>
<td>+19%</td>
<td>-26%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>227,000</td>
<td>287,000</td>
<td>+26%</td>
<td>11%</td>
<td>177,000</td>
<td>287,000</td>
<td>11%</td>
<td>220,000</td>
<td>+15%</td>
<td>-37%</td>
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<tr>
<td>Southern Inner Rim</td>
<td>244,000</td>
<td>225,000</td>
<td>-8%</td>
<td>9.7</td>
<td>211,000</td>
<td>225,000</td>
<td>9.7</td>
<td>183,000</td>
<td>+5%</td>
<td>-48%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>171,000</td>
<td>213,000</td>
<td>+25%</td>
<td>10.5</td>
<td>256,000</td>
<td>213,000</td>
<td>10.5</td>
<td>228,000</td>
<td>+15%</td>
<td>-7%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>123,000</td>
<td>104,000</td>
<td>-15%</td>
<td>7.5</td>
<td>45,000</td>
<td>104,000</td>
<td>7.5</td>
<td>89,000</td>
<td>+18%</td>
<td>-14%</td>
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<tr>
<td>Outer Rim</td>
<td>1,123,000</td>
<td>1,085,000</td>
<td>-3%</td>
<td>5.8</td>
<td>435,000</td>
<td>1,085,000</td>
<td>5.8</td>
<td>1,056,000</td>
<td>+4%</td>
<td>-2%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3,585,000</strong></td>
<td><strong>3,925,000</strong></td>
<td><strong>+7%</strong></td>
<td><strong>5.6</strong></td>
<td><strong>2,463,000</strong></td>
<td><strong>3,925,000</strong></td>
<td><strong>5.6</strong></td>
<td><strong>1,845,000</strong></td>
<td><strong>+9%</strong></td>
<td><strong>-25%</strong></td>
</tr>
</tbody>
</table>

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

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### Availability within a year

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>538,000</td>
<td>590,000</td>
<td>+10%</td>
<td>28,000</td>
<td>102,000</td>
<td>+264%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>583,000</td>
<td>648,000</td>
<td>+11%</td>
<td>100,000</td>
<td>165,000</td>
<td>+65%</td>
</tr>
<tr>
<td>La Défense</td>
<td>409,000</td>
<td>597,000</td>
<td>+46%</td>
<td>254,000</td>
<td>109,000</td>
<td>-57%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>405,000</td>
<td>444,000</td>
<td>+10%</td>
<td>41,000</td>
<td>38,000</td>
<td>-7%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>205,000</td>
<td>233,000</td>
<td>+14%</td>
<td>54,000</td>
<td>88,000</td>
<td>+63%</td>
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<tr>
<td>Northern River Bend</td>
<td>321,000</td>
<td>302,000</td>
<td>-6%</td>
<td>58,000</td>
<td>48,000</td>
<td>-17%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>369,000</td>
<td>374,000</td>
<td>+1%</td>
<td>104,000</td>
<td>112,000</td>
<td>+8%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>286,000</td>
<td>222,000</td>
<td>-22%</td>
<td>16,000</td>
<td>26,000</td>
<td>+63%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>254,000</td>
<td>254,000</td>
<td>0%</td>
<td>62,000</td>
<td>53,000</td>
<td>-15%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>130,000</td>
<td>115,000</td>
<td>-12%</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,198,000</td>
<td>1,207,000</td>
<td>+1%</td>
<td>67,000</td>
<td>117,000</td>
<td>+75%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,698,000</strong></td>
<td><strong>4,986,000</strong></td>
<td>+6%</td>
<td><strong>784,000</strong></td>
<td><strong>858,000</strong></td>
<td>+9%</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate
Our locations
Our alliances

INTERNATIONAL COVERAGE FOR LOCAL SOLUTIONS

Hong Kong
Singapore
Canary Islands
USA

Our alliances
Our locations

INTERNATIONAL COVERAGE FOR LOCAL SOLUTIONS

Hong Kong
Singapore
Canary Islands
USA

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