MAJOR DEALS MAKE A COMEBACK IN ÎLE-DE-FRANCE IN EARLY 2014

- With take-up of 507,000 m² in Q1 2014, office transactions in Île-de-France surged by 19% compared to the same period of 2013. The rebound was mainly driven by large units (over 5,000 m²), these accounted for 47% of take-up in Q1 2014, vs. just 38% over the whole of 2013. This return of major deals is notably due to the culmination of real estate plans begun some time earlier, such as the relocation by Veolia Environnement to Aubervilliers with 45,000 m². Meanwhile, units of under 5,000 m² have proved to be relatively stable (-4%), although this would be to ignore two distinct trends: a fall in medium-sized units and an increase in very small units (+14% for offices of less than 500 m²).

- The robust health of deals for large units boosted the markets of Paris CBD, Péri-Défense and the Northern Inner Rim, with for example the lease by Cova of 22,200 m² in the Opéra district and the Ministry for the Environment to Aubervilliers with 45,000 m². Conversely, business has been much slower in other districts so far this year, such as Paris CBD or La Défense. Lastly, some markets have remained particularly stable such as the Southern River Bend and the Southern Inner Rim.

- Availability within a year stood at 4.955 million m² as of April 1, 2014. While the figure may be flat over three months, it represents a 5% increase vs. April 1, 2013. It is mainly new supply that has risen, in relation to the forthcoming completion of several speculatively-launched buildings. Yet second-hand supply has remained relatively even, with its gradual absorption being offset by space releases in the context of relocations. The vacancy rate in Île-de-France stood at 7.5% in Q1 2014, vs. 6.9% a year earlier.

- Whereas supply for space under construction has been fairly stable since 2012 at around 820,000 m², the volume of schemes with planning permission has reached a new peak of 2.2 million m². As such, developers are expecting a market recovery but prefer building starts to be guaranteed, with only 24% of space earmarked for a speculative operation. Some districts may therefore experience tension out to 2016, particularly in Paris inner city.

- The healthy start to 2014 heralds a year of recovery for the Île-de-France office market. This improvement is driven by economic growth that should slowly look up in France (+0.8% in 2014) and the vitality of employment in Île-de-France which should generate at least 5,000 jobs in 2014. In this way, take-up is expected to reach about 2.2 million m² over the whole of 2014, after 1.9 million m² in 2013.

Office cycle

<table>
<thead>
<tr>
<th>thousand m²</th>
<th>Take-up*</th>
<th>Availability within a year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* take-up over 12 months
source: Immotal, BNP Paribas Real Estate
OFFICE MARKET IN ILE-DE-FRANCE

Take-up (Q1)

- Source: Immostat

Availability within a year (1st April)

- Source: BNP Paribas Real Estate

Future supply

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

#### Q1 2013 | Q1 2014 | Immediate supply* | Vacancy rate* | Take-up | Immediate supply* | Vacancy rate* | Take-up | Immediate supply variation | Take-up variation
---|---|---|---|---|---|---|---|---|---
Paris CBD | 352,000 | 5.4 | 63,000 | 363,000 | 5.6 | 118,000 | +3% | +87%
Paris outside CBD | 393,000 | 4.3 | 92,000 | 434,000 | 4.7 | 75,000 | +10% | -18%
La Défense | 186,000 | 5.3 | 28,000 | 438,000 | 12.2 | 7,000 | +135% | -75%
Péri Défense | 329,000 | 17.0 | 22,000 | 374,000 | 19.8 | 40,000 | +14% | +82%
Neuilly/Levallois | 173,000 | 12.5 | 31,000 | 150,000 | 10.8 | 23,000 | -13% | -26%
Northern River Bend | 267,000 | 14.5 | 47,000 | 274,000 | 14.8 | 25,000 | +3% | -47%
Southern River Bend | 218,000 | 9.1 | 38,000 | 265,000 | 11.0 | 35,000 | +22% | -8%
Northern Inner Rim | 238,000 | 10.2 | 18,000 | 216,000 | 9.3 | 56,000 | -9% | +211%
Southern Inner Rim | 180,000 | 8.9 | 18,000 | 225,000 | 11.1 | 15,000 | +25% | -17%
Eastern Inner Rim | 125,000 | 7.6 | 8,000 | 112,000 | 6.9 | 21,000 | -10% | +163%
Outer Rim | 1,120,000 | 5.8 | 64,000 | 1,060,000 | 5.5 | 92,000 | -5% | +44%
Total | 3,581,000 | 6.9 | 429,000 | 3,911,000 | 7.5 | 507,000 | +9% | +19%

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

#### Availability within a year

<table>
<thead>
<tr>
<th>Paris CBD</th>
<th>Paris outside CBD</th>
<th>La Défense</th>
<th>Péri Défense</th>
<th>Neuilly/Levallois</th>
<th>Northern River Bend</th>
<th>Southern River Bend</th>
<th>Northern Inner Rim</th>
<th>Southern Inner Rim</th>
<th>Eastern Inner Rim</th>
<th>Outer Rim</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2013</td>
<td>551,000</td>
<td>584,000</td>
<td>437,000</td>
<td>388,000</td>
<td>218,000</td>
<td>324,000</td>
<td>329,000</td>
<td>279,000</td>
<td>249,000</td>
<td>1,237,000</td>
<td>4,726,000</td>
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<tr>
<td>Q1 2014</td>
<td>544,000</td>
<td>631,000</td>
<td>659,000</td>
<td>396,000</td>
<td>243,000</td>
<td>317,000</td>
<td>353,000</td>
<td>232,000</td>
<td>250,000</td>
<td>1,211,000</td>
<td>4,955,000</td>
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<tr>
<td>Variation Q1 2014/ Q1 2013</td>
<td>-1%</td>
<td>+8%</td>
<td>+51%</td>
<td>+2%</td>
<td>+11%</td>
<td>-2%</td>
<td>+7%</td>
<td>-17%</td>
<td>+0%</td>
<td>-8%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

#### Space under construction

<table>
<thead>
<tr>
<th>Paris CBD</th>
<th>Paris outside CBD</th>
<th>La Défense</th>
<th>Péri Défense</th>
<th>Neuilly/Levallois</th>
<th>Northern River Bend</th>
<th>Southern River Bend</th>
<th>Northern Inner Rim</th>
<th>Southern Inner Rim</th>
<th>Eastern Inner Rim</th>
<th>Outer Rim</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2013</td>
<td>49,000</td>
<td>130,000</td>
<td>234,000</td>
<td>45,000</td>
<td>90,000</td>
<td>58,000</td>
<td>96,000</td>
<td>38,000</td>
<td>76,000</td>
<td>67,000</td>
<td>883,000</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>110,000</td>
<td>147,000</td>
<td>113,000</td>
<td>21,000</td>
<td>89,000</td>
<td>28,000</td>
<td>114,000</td>
<td>25,000</td>
<td>54,000</td>
<td>121,000</td>
<td>822,000</td>
</tr>
<tr>
<td>Variation Q1 2014/ Q1 2013</td>
<td>+124%</td>
<td>+13%</td>
<td>-52%</td>
<td>-53%</td>
<td>-1%</td>
<td>-52%</td>
<td>+19%</td>
<td>-34%</td>
<td>-29%</td>
<td>+0%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate
**INTERNATIONAL COVERAGE FOR LOCAL SOLUTIONS**

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Non contractual document - Research department - April 2014

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