After a particularly disappointing first half of the year, the office market in Île-de-France showed signs of recovery in Q3. However, this upturn will not be enough to make up for the shortfall experienced in H1 2015. Take-up of 1,500,000 m² over the first nine months in Île-de-France represents a 6% slide compared to the same period of 2014. Similarly, this is well below the ten-year average for the nine-month figure, which stands at 1,713,000 m².

Despite several sizeable deals in Q3, such as the lease by Accor of 43,000 m² in the Sequana tower in Issy-les-Moulineaux, or the acquisition of about 23,000 m² by the Paris local authority in the Passio and Opalia buildings in Paris 13th, large units (over 5,000 m²) still saw a 30% decline in volume and 23% in number compared to the first three quarters of 2014. Conversely, small and medium-sized units enjoyed an increase (+11%), whether for the segment of 0 – 500 m² (+14%), that of 500 – 2,000 m² (+10%) or that of 2,000 – 5,000 m² (+7%).

Out of all the districts of Île-de-France, it was Paris Inner City that remained the principal driver of the office market. Indeed, Paris still accounted for 47% of take-up over nine months and a 12% increase in transactions compared to last year, with growth in both the CBD (+8%) and the non-CBD districts (+15%). The Southern River Bend also boasted a robust performance with a 55% increase; the trend was particularly apparent for large units (+143%), but also small and medium-sized premises (+5%). Conversely, other districts have struggled. La Défense saw a 30% slump compared to the year-earlier period, notably due to the lower number of deals for large units, as there have been only four deals for premises over 5,000 m² so far in 2015, compared to six at this point in 2014. The strong performance of the Eastern Inner Rim should also be seen in perspective, as despite a 10% rise compared to last year it is still a long way short of the 10-year average for take-up.

Availability within a year stood at 4.75 million m² on October 1, 2015, i.e. a fall of 2% in a year. The share of new premises has risen to 980,000 m², i.e. 21% of total supply. The vacancy rate in Île-de-France came to 7.4% as of October 1, the same level as a year ago but a 20bp decline since the second quarter. The highest vacancy rates are still in the Western Crescent, with notably 17.3% in Péri-Défense and 15.4% on the Northern River Bend. Conversely, the vacancy rate in Paris Inner City is just 4.8%. Supply for space under construction has increased by 34% over a year to 782,000 m², which should help to restore balance to the market.

Although slow, the growth recovery seems to be taking hold in France. As such, French GDP should grow by 1.1% in 2015, then 1.4% in 2016, notably thanks to low oil prices and favourable monetary conditions. In Île-de-France, the employment market is still showing some resilience, with 12,500 jobs expected to be created in 2015, then 15,000 in 2016. This healthy economic trend should help to create fertile conditions for the office market in Île-de-France, which should end the year with take-up of around 2 million m².
OFFICE MARKET IN ÎLE-DE-FRANCE

Take-up (9 months)

- **Take-up (9 months)**
  - Source: Immostat
  - **thousand m²**
  - **Take-up (9 months)**
    - >10,000 m²
    - 5,000 - 10,000 m²
    - 2,000 - 5,000 m²
    - <500 m²
    - 500 - 2,000 m²
    - >10,000 m²

Availability within a year (as of 1st October)

- **Availability within a year (as of 1st October)**
  - Source: BNP Paribas Real Estate
  - **thousand m²**

Future supply

- **Future supply**
  - Source: BNP Paribas Real Estate
  - **thousand m²**
# 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>
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</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>347,000</td>
<td>5.3</td>
<td>289,000</td>
<td>319,000</td>
<td>4.9</td>
<td>311,000</td>
<td>-8%</td>
<td>+8%</td>
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<tr>
<td>Paris outside CBD</td>
<td>464,000</td>
<td>4.7</td>
<td>342,000</td>
<td>427,000</td>
<td>4.4</td>
<td>394,000</td>
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<td>+15%</td>
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<tr>
<td>La Défense</td>
<td>426,000</td>
<td>12.1</td>
<td>126,000</td>
<td>397,000</td>
<td>11.1</td>
<td>89,000</td>
<td>-7%</td>
<td>-29%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>326,000</td>
<td>15.2</td>
<td>116,000</td>
<td>377,000</td>
<td>17.3</td>
<td>88,000</td>
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</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>163,000</td>
<td>11.5</td>
<td>119,000</td>
<td>145,000</td>
<td>10.3</td>
<td>49,000</td>
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<td>-59%</td>
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<tr>
<td>Northern River Bend</td>
<td>271,000</td>
<td>13.8</td>
<td>59,000</td>
<td>267,000</td>
<td>14.4</td>
<td>39,000</td>
<td>-1%</td>
<td>-34%</td>
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<tr>
<td>Southern River Bend</td>
<td>249,000</td>
<td>9.9</td>
<td>122,000</td>
<td>234,000</td>
<td>9.6</td>
<td>190,000</td>
<td>-6%</td>
<td>+58%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>227,000</td>
<td>9.3</td>
<td>87,000</td>
<td>218,000</td>
<td>9.0</td>
<td>67,000</td>
<td>-4%</td>
<td>-23%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>207,000</td>
<td>9.8</td>
<td>47,000</td>
<td>236,000</td>
<td>11.4</td>
<td>39,000</td>
<td>+14%</td>
<td>-17%</td>
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<tr>
<td>Eastern Inner Rim</td>
<td>117,000</td>
<td>7.1</td>
<td>32,000</td>
<td>100,000</td>
<td>6.2</td>
<td>36,000</td>
<td>-15%</td>
<td>+13%</td>
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<tr>
<td>Outer Rim</td>
<td>1,109,000</td>
<td>6.0</td>
<td>247,000</td>
<td>1,195,000</td>
<td>6.4</td>
<td>198,000</td>
<td>+8%</td>
<td>-20%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3,906,000</strong></td>
<td><strong>7.4</strong></td>
<td><strong>1,587,000</strong></td>
<td><strong>3,915,000</strong></td>
<td><strong>7.4</strong></td>
<td><strong>1,500,000</strong></td>
<td><strong>0%</strong></td>
<td><strong>-6%</strong></td>
</tr>
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</table>

* end of period

Source: Immostat, BNP Paribas Real Estate

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>564,000</td>
<td>456,000</td>
<td>-19%</td>
<td>85,000</td>
<td>75,000</td>
<td>-12%</td>
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<tr>
<td>Paris outside CBD</td>
<td>620,000</td>
<td>616,000</td>
<td>-1%</td>
<td>123,000</td>
<td>297,000</td>
<td>+141%</td>
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<tr>
<td>La Défense</td>
<td>545,000</td>
<td>436,000</td>
<td>-20%</td>
<td>50,000</td>
<td>94,000</td>
<td>+88%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>388,000</td>
<td>509,000</td>
<td>+31%</td>
<td>22,000</td>
<td>62,000</td>
<td>+182%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>195,000</td>
<td>188,000</td>
<td>-4%</td>
<td>20,000</td>
<td>42,000</td>
<td>+110%</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>299,000</td>
<td>289,000</td>
<td>-3%</td>
<td>32,000</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>373,000</td>
<td>373,000</td>
<td>0%</td>
<td>70,000</td>
<td>68,000</td>
<td>-3%</td>
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<tr>
<td>Northern Inner Rim</td>
<td>232,000</td>
<td>228,000</td>
<td>-2%</td>
<td>33,000</td>
<td>45,000</td>
<td>+36%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>249,000</td>
<td>319,000</td>
<td>+28%</td>
<td>56,000</td>
<td>51,000</td>
<td>-9%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>127,000</td>
<td>113,000</td>
<td>-11%</td>
<td>0</td>
<td>0</td>
<td>0%</td>
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<tr>
<td>Outer Rim</td>
<td>1,262,000</td>
<td>1,220,000</td>
<td>-3%</td>
<td>92,000</td>
<td>48,000</td>
<td>-48%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,856,000</strong></td>
<td><strong>4,746,000</strong></td>
<td><strong>-2%</strong></td>
<td><strong>584,000</strong></td>
<td><strong>782,000</strong></td>
<td><strong>+34%</strong></td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate

### Availability within a year

### Space under construction
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