**AT A GLANCE**

**PARIS OFFICE MARKET**

**H1 2016**

**ROBUST PERFORMANCE FOR OFFICES IN ILE-DE-FRANCE**

- Take-up in Île-de-France came to about 1,140,000 m² over the first six months of the year, i.e. a 20% rise on the same period in 2015. This healthy figure meant that the office market in Île-de-France climbed back to slightly above its 10-year average (1,100,000 m²). Thanks to large-scale deals, such as the lease by Saint Gobain of 49,000 m² in the future Tour M2 at La Défense, or the letting by Natixis of 14,800 m² of offices in the Elements building (Paris 13th), the segment of large units over 5,000 m² enjoyed growth of 43% compared to last year. Take-up of small and medium-sized units also increased (+12%), whether for 0 – 500 m² (+6%), 500 – 2,000 m² (+ 10%) or 2,000 – 5,000 m² (+23%).

- Paris Inner City continues to attract a large proportion of occupiers: 49% of transactions signed since January have been in Paris. The CBD and non-CBD still demonstrate particular appeal with respective increases of +21% and +26% compared to the first six months of 2015. Take-up is well above the 10-year average. La Défense performed handsomely over the period thanks to numerous deals for large units. Indeed, take-up there over the first six months of 2016 was twice that of last year. The Neuilly/Levallois district was also particularly active (+143% over one year). Conversely, Péri-Défense, the Southern River Bend and the Northern Inner Rim were in decline, due to the low level, or even absence of large deals.

- Availability within a year as of July 1, 2016 stands at 4.7 million m², down 4% over the last 12 months. The proportion of new offices is just 20% of the total, i.e. 953,000 m², but is stabilising compared to the end of 2015. Supply under construction has been rising continually since the end of 2014, and now stands at 915,000 m² (+23% over one year). However, we shall have to wait for 2017 for the completions of large operations. The vacancy rate in Île-de-France has fallen slightly to 7.1%, vs. 7.6% a year earlier. Péri-Défense still has the highest office vacancy rate in the region with over 16% of premises unoccupied, followed by the Northern River Bend at about 14%. Conversely, the vacancy rate in Paris Inner City is the lowest at 5%. Although the vacancy rate at La Défense is still higher than the regional average, recent large transactions and the lack of completions in recent months have seen it decline continually since 2014, down to 8.3% as of July 1, 2016.

- Low interest rates, low commodity costs and the advantageous European monetary policy should see French GDP growth pick up further in 2016 (+1.4%). Nevertheless, the UK’s decision to leave the European Union is likely to affect economic activity in 2017. As such, the initial forecast for 2017 of +1.3% has been lowered to +1.0%. After having fallen since 2014, availability within a year should stabilise by the end of 2016, at between 4.6 and 4.8 million m², bearing in mind the higher number of completions scheduled for 2017. With respect to take-up, large requests for offices in Île-de-France have recovered sharply and results for small and medium-sized units are still solid. Consequently, office take-up in Île-de-France can be expected to come in at between 2.3 and 2.5 million m² for the full year 2016.
OFFICE MARKET IN ÎLE-DE-FRANCE

Take-up (6 months)

Take-up (6 months)

Availability within a year (as of July 1, 2016)

Future supply

Source: BNP Paribas Real Estate

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## Office Market in Île-de-France

### Immediate Supply and Take-up Variation

<table>
<thead>
<tr>
<th>Location</th>
<th>Immediate Supply* (Q2 2015)</th>
<th>Immediate Supply* (Q2 2016)</th>
<th>Immediate Supply Variation</th>
<th>Take-up (Q2 2015)</th>
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</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>353,000</td>
<td>263,000</td>
<td>-25%</td>
<td>194,000</td>
<td>234,000</td>
<td>+21%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>463,000</td>
<td>374,000</td>
<td>-19%</td>
<td>252,000</td>
<td>321,000</td>
<td>+27%</td>
</tr>
<tr>
<td>La Défense</td>
<td>397,000</td>
<td>298,000</td>
<td>-25%</td>
<td>55,000</td>
<td>174,000</td>
<td>+216%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>376,000</td>
<td>353,000</td>
<td>-6%</td>
<td>61,000</td>
<td>48,000</td>
<td>-21%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>157,000</td>
<td>161,000</td>
<td>+3%</td>
<td>25,000</td>
<td>61,000</td>
<td>+144%</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>276,000</td>
<td>258,000</td>
<td>-7%</td>
<td>25,000</td>
<td>40,000</td>
<td>+60%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>266,000</td>
<td>233,000</td>
<td>-12%</td>
<td>103,000</td>
<td>67,000</td>
<td>-35%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>205,000</td>
<td>256,000</td>
<td>+25%</td>
<td>34,000</td>
<td>13,000</td>
<td>-62%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>225,000</td>
<td>247,000</td>
<td>+10%</td>
<td>35,000</td>
<td>42,000</td>
<td>+20%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>107,000</td>
<td>80,000</td>
<td>-16%</td>
<td>14,000</td>
<td>16,000</td>
<td>-25%</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,187,000</td>
<td>1,200,000</td>
<td>+1%</td>
<td>149,000</td>
<td>121,000</td>
<td>-19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,010,000</strong></td>
<td><strong>3,723,000</strong></td>
<td>-7%</td>
<td><strong>947,000</strong></td>
<td><strong>1,139,000</strong></td>
<td><strong>+20%</strong></td>
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* end of period

Source: Immostat, BNP Paribas Real Estate

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<td>-19%</td>
</tr>
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<td>-7%</td>
<td><strong>947,000</strong></td>
<td><strong>1,139,000</strong></td>
<td><strong>+20%</strong></td>
</tr>
</tbody>
</table>

* end of period

Source: Immostat, BNP Paribas Real Estate

### Availability within a Year

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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>353,000</td>
<td>395,000</td>
<td>-1%</td>
<td>88,000</td>
<td>148,000</td>
<td>+68%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>663,000</td>
<td>599,000</td>
<td>-10%</td>
<td>259,000</td>
<td>299,000</td>
<td>+15%</td>
</tr>
<tr>
<td>La Défense</td>
<td>497,000</td>
<td>374,000</td>
<td>-25%</td>
<td>65,000</td>
<td>94,000</td>
<td>+45%</td>
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<tr>
<td>Péri Défense</td>
<td>498,000</td>
<td>458,000</td>
<td>-8%</td>
<td>31,000</td>
<td>43,000</td>
<td>+39%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>186,000</td>
<td>249,000</td>
<td>+34%</td>
<td>43,000</td>
<td>66,000</td>
<td>+53%</td>
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<td>315,000</td>
<td>302,000</td>
<td>-4%</td>
<td>7,000</td>
<td>16,000</td>
<td>+129%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>373,000</td>
<td>364,000</td>
<td>-2%</td>
<td>63,000</td>
<td>85,000</td>
<td>+35%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>238,000</td>
<td>269,000</td>
<td>+13%</td>
<td>46,000</td>
<td>35,000</td>
<td>-24%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>323,000</td>
<td>374,000</td>
<td>+16%</td>
<td>51,000</td>
<td>42,000</td>
<td>-18%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>122,000</td>
<td>100,000</td>
<td>-18%</td>
<td>0</td>
<td>22,000</td>
<td></td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,157,000</td>
<td>1,197,000</td>
<td>+3%</td>
<td>0</td>
<td>28,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,880,000</td>
<td>4,882,000</td>
<td>-1%</td>
<td>743,000</td>
<td>879,000</td>
<td>+18%</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate
Main locations

HEADQUARTERS
167, Quai de la Bataille de Stalingrad
92867 Issy les Moleux Cedex
Tel.: +33 (0)1 55 65 20 04

GREATER PARIS
Bagnolet
Immeuble Les Mercuriales
40 rue Jean-Jaurés
93170 Bagnolet
Tel.: +33 (0)1 49 93 70 00

Issy les Moleux
167, Quai de la Bataille de Stalingrad
92867 Issy les Moleux Cedex
Tel.: +33 (0)1 55 65 20 04

Ergny
Immeuble Tennessee
8 allée Rosa Luxembourg
BP 30272 Ergny
95615 Cergy Pontoise Cedex
Tel.: +33 (0)1 34 30 86 46

REGIONS

Annecy
PAE Des Glaisins
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74940 Annecy-le-Vieux
Tel.: +33 (0)4 50 64 12 12

Bordeaux
Les Bureaux de la Cité
23, Parvis des Chartrons
33074 Bordeaux Cedex
Tel.: +33 (0)5 56 44 09 12

Clermont-Ferrand
Immeuble Le Képler
3, rue Képler
63100 Clermont-Ferrand
Tel.: +33 (0)4 73 90 89 88

Dijon
Immeuble Le Richelieu
10, boulevard Carnot
21000 Dijon
Tel.: +33 (0)3 80 67 35 72

Grenoble
Immeuble Le Grenat
3, avenue du Doyen Louis Wels
38000 Grenoble
Tel.: +33 (0)4 76 85 43 43

Lille
100, Tour de Lille
Boulevard de Turin
59777 Euralille
Tel.: +33 (0)3 20 66 99 00

Lyon
Tour Part-Dieu
129, rue Servient
69326 Lyon Cedex 3
Tel.: +33 (0)4 78 62 62 61

Marseille
44, boulevard de Dunkerque
13007 Marseille Cedex 2
Tel.: +33 (0)4 91 56 03 03

Metz
WTC Technopôle de Metz
2, rue Augustin Fresnel
57082 Metz Cedex 3
Tel.: +33 (0)3 87 37 20 10

Montpellier
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26, allée Jules Machau
34265 Montpellier Cedex 02
Tel.: +33 (0)4 67 43 43 60

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21, place des Halles
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Tel.: +33 (0)3 88 22 19 44

Nancy
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54000 Nancy
Tel.: +33 (0)3 83 95 88 88

Nantes
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BP 6181
44006 Nantes Cedex 01
Tel.: +33 (0)2 40 20 20 20

Nice
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455, promenade des Anglais
06200 Nice
Tel.: +33 (0)4 93 18 08 88

Orléans
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45000 Orléans
Tel.: +33 (0)2 38 62 09 91

Rennes
Centre d’Affaires Athéas
11, rue Louis Kerautret-Bornel
35000 Rennes
Tel.: +33 (0)2 99 22 85 55

Rouen
Immeuble Europa
101 boulevard de l’Europe
76100 Rouen
Tel.: +33 (0)2 35 72 15 50

Strasbourg
Immeuble France
20, place des Halles
67000 Strasbourg
Tel.: +33 (0)3 88 22 19 44

Toulouse
Immeuble le Sully
1, place Octavie BP 80726
31007 Toulouse Cedex 6
Tel.: +33 (0)5 61 23 56 56

Tours
29, rue de la Miliétrie
37300 Tours
Tel.: +33 (0)2 47 44 70 58

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In Europe

A 360° vision

www.realestate.bnpparibas.fr

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