GROWTH FOR THE ILE-DE-FRANCE OFFICE MARKET

• Take-up on the Île-de-France office market came in at just over 2,410,000 m² in 2016, finishing the year 7% up on 2015. The past year has seen resurgence in the market, as it has once again comfortably beaten its 10-year average (2,283,000 m²). Confirming the healthy trend from the second part of 2015, it was mainly transactions of units over 5,000 m² that drove the market, up 23% in volume terms vs. last year.

Deals for over 20,000 m² particularly stood out in 2016 (+37%), including EDF with 39,000 m² in Smart Side (Clichy) and BNP Paribas with 23,300 m² in the Millénaire 1 (Paris 19th), as well as acquisitions by Française des Jeux of 25,000 m² in the Delta (Boulogne-Billancourt) and 20,000 m² in Qu4drans by Altice Media (Paris 15th) in Q4. Despite a very slight downward trend (-1%), small and medium-sized units remain stable at a high level.

The smallest transactions (0 – 500 m²) performed robustly (+4%) while 500 – 2,000 m² (-5%) and 2,000 – 5,000 m² (-2%) had more mixed results.

• 2016 marked the return of La Défense to the forefront of Île-de-France markets. There was dramatic growth in transactions, while the volume of take-up almost doubled (+93%), driven by a slew of major deals. Paris Inner City continued to outperform, notably the non-CBD arrondissements (+28%), while those in the remained stable (-1%). The results are more mixed in other districts. Some exceeded their 10-year average, such as Neuilly-Levallois (+26%) and the Inner Eastern Rim (+94%). Others saw significant growth but still fell short of their 10-year averages, such as the Northern River Bend (+26%) and the Southern Inner Rim (+47%), while yet other districts are in decline.

• Availability within a year as of January 1, 2017 stood at 4.37 million m², down 10% over the last 12 months. The share of new and refurbished premises remains low and only represents 19% of total supply, i.e. 800,000 m². Offices under construction continue to grow, with 1,135 000 m² currently being built. Many completions are expected in 2017 and 2018, including in the traditional business districts such as Paris CBD.

• Up to this point, the vacancy rate has been on a downward trend, and now stands at 6.7% for Île-de-France as a whole. As such, it may level off or even rise again in certain districts. With 15.9% of premises unoccupied, Péri-Défense has the highest vacancy rate in the region, followed by the Northern River Bend, with 12.7%. Conversely, the vacancy rate in Paris Inner City is the lowest, at 3.5%. The figure for La Défense is 9%, mainly due to second-hand supply, whereas new empty offices are rare.
OFFICE MARKET IN ÎLE-DE-FRANCE

Take-up

- > 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 January)

- Second hand
- New

Future supply

- Space under construction
- Planning permission granted

Source: BNP Paribas Real Estate - Research - January 2017
## OFFICE MARKET IN ÎLE-DE-FRANCE

### Space under construction

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>448,000</td>
<td>442,000</td>
<td>-1%</td>
<td>83,000</td>
<td>181,000</td>
<td>+118%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>702,000</td>
<td>527,000</td>
<td>-25%</td>
<td>282,000</td>
<td>294,000</td>
<td>+4%</td>
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<tr>
<td>La Défense</td>
<td>456,000</td>
<td>381,000</td>
<td>-16%</td>
<td>94,000</td>
<td>159,000</td>
<td>+69%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>487,000</td>
<td>366,000</td>
<td>-25%</td>
<td>59,000</td>
<td>63,000</td>
<td>+7%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>192,000</td>
<td>208,000</td>
<td>+8%</td>
<td>42,000</td>
<td>58,000</td>
<td>+38%</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>304,000</td>
<td>298,000</td>
<td>-2%</td>
<td>42,000</td>
<td>58,000</td>
<td>+38%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>391,000</td>
<td>389,000</td>
<td>-6%</td>
<td>80,000</td>
<td>169,000</td>
<td>+111%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>234,000</td>
<td>254,000</td>
<td>+9%</td>
<td>48,000</td>
<td>64,000</td>
<td>+33%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>315,000</td>
<td>292,000</td>
<td>-7%</td>
<td>56,000</td>
<td>39,000</td>
<td>-30%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>113,000</td>
<td>79,000</td>
<td>-30%</td>
<td>26,000</td>
<td>38,000</td>
<td>+46%</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,197,000</td>
<td>1,153,000</td>
<td>-4%</td>
<td>51,000</td>
<td>70,000</td>
<td>+37%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,839,000</td>
<td>4,370,000</td>
<td>-10%</td>
<td>820,000</td>
<td>1,135,000</td>
<td>+38%</td>
</tr>
</tbody>
</table>

*Source: BNP Paribas Real Estate*
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