The Ile-de-France office market confirmed its rude health with take-up of around 2,633,000 m² for the whole of 2017 (+8% in a year). The volume of take-up is much higher than the 10-year average (2,273,000 m²). Q4 was particularly brisk, with 854,000 m² transacted (+21% vs. the same period in 2016). This healthy overall performance was largely due to the improvement of the economic climate in France. As such, GDP growth is expected to come in at +1.8% over the full year 2017.

Large units were the busiest segment with 1,139,000 m² taken up over the whole of 2017. As such, there was a 27% increase in deals over 5,000 m² in one year. Of note were the lease by Parfums Christian Dior of 23,900 m² in Kosmo in Neuilly-sur-Seine, or Groupama's rental of several sites in Péri-Défense for a total of 59,200 m². All told, there were 88 transactions over 5,000 m². Despite a slight dip (-3% vs. 2016), the segment of small and medium-sized units remained solid, with 1,493,000 m² transacted.

The Western Crescent and the Inner Rim thrived over the year. The Northern Inner Rim saw 143% growth in take-up over the year while the Southern River Bend saw 53% and Neuilly/Levallois 55%, i.e. rising substantially above their 10-year averages. The Central Business District (CBD) of Paris rose 7% vs. the year-earlier period, well above its long-term average. This buoyancy has been driven by the Etoile district, up 23% over the year. After a very robust year in 2016, La Défense performed in line with its 10-year average.

Availability within a year has stabilised to end the year at 4.36 million m² as of January 1, 2018. The share of new and refurbished premises remains low and only represents 22% of total supply, a proportion that has been relatively stable for several years. The vacancy rate was meanwhile in decline by the end of the fourth quarter (6.5%, vs. 7.4% two years earlier). The highest rates are in Péri-Défense (16.1%) and the Northern River Bend (15.6%). Conversely, Paris Inner City has a particularly low vacancy rate (3.0%). This general fall in the rate has led overall rents in Ile-de-France to rise (+3% over one year).

Office cycle

<table>
<thead>
<tr>
<th>Office cycle</th>
<th>thousand m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take-up*</td>
<td>4,358</td>
</tr>
<tr>
<td>Availability within a year</td>
<td>2,833</td>
</tr>
</tbody>
</table>

* Take-up over 12 months
Source: Immostat, BNP Paribas Real Estate

A PARTICULARLY ROBUST PERFORMANCE IN 2017

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OFFICE MARKET IN ÎLE-DE-FRANCE

Take-up (12 months)

Availability within a year (as of January, 1)

Future supply
### OFFICE MARKET IN ÎLE-DE-FRANCE

#### Availability within a year

<table>
<thead>
<tr>
<th>Area</th>
<th>2016 Q4</th>
<th>2017 Q4</th>
<th>Variation 2016 Q4 / 2017 Q4</th>
<th>Immediate supply variation</th>
<th>Take-up variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>437,000</td>
<td>308,000</td>
<td>-30%</td>
<td>181,000</td>
<td>147,000</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>526,000</td>
<td>523,000</td>
<td>-1%</td>
<td>294,000</td>
<td>237,000</td>
</tr>
<tr>
<td>La Défense</td>
<td>381,000</td>
<td>319,000</td>
<td>-16%</td>
<td>159,000</td>
<td>223,000</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>481,000</td>
<td>512,000</td>
<td>+6%</td>
<td>62,000</td>
<td>218,000</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>208,000</td>
<td>169,000</td>
<td>-19%</td>
<td>58,000</td>
<td>38,000</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>126,000</td>
<td>132,000</td>
<td>+5%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>369,000</td>
<td>368,000</td>
<td>-</td>
<td>168,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>332,000</td>
<td>391,000</td>
<td>+18%</td>
<td>64,000</td>
<td>111,000</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>298,000</td>
<td>317,000</td>
<td>+6%</td>
<td>39,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>114,000</td>
<td>156,000</td>
<td>+37%</td>
<td>38,000</td>
<td>52,000</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>1,112,000</td>
<td>1,163,000</td>
<td>+5%</td>
<td>70,000</td>
<td>79,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,385,000</td>
<td>4,358,000</td>
<td>-1%</td>
<td>1,133,000</td>
<td>1,200,000</td>
</tr>
</tbody>
</table>

* end of period

Source: BNP Paribas Real Estate

### Space under construction

<table>
<thead>
<tr>
<th>Area</th>
<th>2016 Q4</th>
<th>2017 Q4</th>
<th>Variation 2016 Q4 / 2017 Q4</th>
<th>Immediate supply variation</th>
<th>Take-up variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris CBD</td>
<td>321,000</td>
<td>279,000</td>
<td>-16%</td>
<td>180,000</td>
<td>-19%</td>
</tr>
<tr>
<td>Paris outside CBD</td>
<td>323,000</td>
<td>260,000</td>
<td>-19%</td>
<td>614,000</td>
<td>-35%</td>
</tr>
<tr>
<td>La Défense</td>
<td>668,000</td>
<td>416,000</td>
<td>+16%</td>
<td>199,000</td>
<td>+3%</td>
</tr>
<tr>
<td>Péri Défense</td>
<td>157,000</td>
<td>16.1</td>
<td>-19%</td>
<td>169,000</td>
<td>+55%</td>
</tr>
<tr>
<td>Neuilly/Levallois</td>
<td>109,000</td>
<td>113,000</td>
<td>-19%</td>
<td>62,000</td>
<td>+24%</td>
</tr>
<tr>
<td>Northern River Bend</td>
<td>28,000</td>
<td>12.6</td>
<td>+5%</td>
<td>270,000</td>
<td>-9%</td>
</tr>
<tr>
<td>Southern River Bend</td>
<td>176,000</td>
<td>8.7</td>
<td>-8%</td>
<td>212,000</td>
<td>+5%</td>
</tr>
<tr>
<td>Northern Inner Rim</td>
<td>87,000</td>
<td>10.7</td>
<td>+3%</td>
<td>129,000</td>
<td>+40%</td>
</tr>
<tr>
<td>Southern Inner Rim</td>
<td>92,000</td>
<td>10.5</td>
<td>-19%</td>
<td>72,000</td>
<td>-2%</td>
</tr>
<tr>
<td>Eastern Inner Rim</td>
<td>93,000</td>
<td>4.3</td>
<td>-3%</td>
<td>284,000</td>
<td>-2%</td>
</tr>
<tr>
<td>Outer Rim</td>
<td>295,000</td>
<td>6.4</td>
<td>-4%</td>
<td>1,102,000</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,385,000</td>
<td>2,435,000</td>
<td>+6%</td>
<td>2,633,000</td>
<td>+8%</td>
</tr>
</tbody>
</table>

Source: BNP Paribas Real Estate
BIOUSINESS LINES
in Europe
A 360° vision

Contacts

Business Lines
COMMERCIAL PROPERTY DEVELOPMENT
Bruno PINARD
Head of the Business Line
Tel. : +33 (0) 1 55 65 25 70
bruno.pinard@bnpparibas.com

REAL ESTATE OCCUPIER SOLUTIONS
Sylvain HASSE
Global Head of REOS
Tel. : +33 (0) 1 55 65 22 24
sylvain.hasse@bnpparibas.com

VALUATION
Jean-Claude DUBOIS
Chairman
Tel. : +33 (0) 1 55 65 17 80
jean-claude.dubois@bnpparibas.com

PROPERTY MANAGEMENT
Jean-Claude Tanguy
CEO
Tel. : +33 (0) 1 55 65 28 11
jean-claude.tanguy@bnpparibas.com

INVESTMENT MANAGEMENT
Sigrid Duhamel
CEO
Tel. : +33 (0) 1 55 65 22 44
sigrid.duhamel@bnpparibas.com

TRANSACTION
Laurent BOUCHER
Chairman Managing Director
Advisory France
Tel. : +33 (0) 1 55 65 23 35
laurent.boucher@bnpparibas.com

Eric SIESSE
Head of Lettings Paris Region
167, Quai de la Bataille de Stalingrad
92867 Issy les Moulineaux Cedex
Tel. : +33 (0) 1 55 65 23 70
eric.siesse@bnpparibas.com

Transaction
Offices in Ile-de-France
Eric BERAY
Senior Director - Partner
Head of large operations office
Paris IDF
167, Quai de la Bataille de Stalingrad
92867 Issy les Moulineaux Cedex
Tel. : +33 (0) 1 55 65 21 50
eric.beray@bnpparibas.com

Nicolas BARBEY
Executive Partner
Paris Office Lettings Team
167, Quai de la Bataille de Stalingrad
92867 Issy les Moulineaux Cedex
Tel. : +33 (0) 1 55 20 29
nicolas.barbey@bnpparibas.com

Frédéric BLIES
Head of West suburbs of Paris team
167, Quai de la Bataille de Stalingrad
92867 Issy les Moulineaux Cedex
Tel. : +33 (0) 1 55 20 92
frederic.blies@bnpparibas.com

Frédéric GODARD
Director - Partner
Left Bank Southern Inner Rim
167, Quai de la Bataille de Stalingrad
92867 Issy les Moulineaux Cedex
Tel. : +33 (0) 1 55 22 96
frederic.godard@bnpparibas.com

Frédéric DOS SANTOS
Director - Partner
Office Lettings & sales
Paris North East Department
40 rue Victor Hugo / Bât 264 / 4ème étage
93300 Aubervilliers
Tel. : +33 (0) 1 49 93 70 73
frederic.dossantos@bnpparibas.com

Occupier sales
Guillaume NOULIN
Director - Partner
Offices Sales & Acquisitions
Greater Paris
167, Quai de la Bataille de Stalingrad
92867 Issy les Moulineaux Cedex
Tel. : +33 (0) 1 55 65 20 04
guillaume.noulin@bnpparibas.com

Guillaume JOLY
Director
Département Research France
guillaume.joly@bnpparibas.com

Annabelle VAVASSEUR
Research Analyst – Paris offices
annabelle.vavasseur@bnpparibas.com

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

@BNPPRE
www.realestate.bnpparibas.fr

BPN Paribas Real Estate: Simplified joint stock company with capital of € 383.071.696 - 692 012 180 RCS Nanterre - Code NAF 7010 Z - CE identification number FR 666 920 121 80
Headquarters: 167, Quai de la Bataille de Stalingrad - 92867 Issy Les Moulineaux Cedex
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