The office market in Île-de-France began 2018 with take-up of some 742,000 m² in Q1. As such, take-up increased by 13% compared to the same period in 2017. This was the best first quarter in ten years. The healthy trend should remain buoyed by the expected creation of over 80,000 jobs in Île-de-France and more generally the improvement of the economic climate in France throughout 2018 (+2.4% GDP growth expected in France).

Take-up of large units increased by 9% over the first three months of the year, to 352,200 m². In particular we note the signing of the future head office of Vinci with 62,650 m² as well as the lease by Technip France in the Origine building with 48,460 m² in Nanterre. All told, there were 23 transactions for more than 5,000 m². Small and medium-sized units were meanwhile the most buoyant segment with a significant increase (+18% vs. 2017) and accounting for about 389,600 m² take-up, i.e. 53% of take-up in Q1.

By district, the Southern Inner Rim (+159% over one year) and Eastern Inner Rim (+100%) together with Péri-Défense (+42%) have flourished early this year and were well above their 10-year averages. Paris Central Business District (CBD) came in well above its long-term average and represented 17% of take-up over the quarter. After a very busy year in 2017, La Défense is still being held back by the low level of deals on the large unit segment.

Availability within a year is stabilising (+3% in a year) and stood at 4.53 million m² as of 1 April 2018. The share of new and refurbished premises is still low at just 24% of total supply, a proportion that has been relatively stable over the past 10 years. The supply of offices under construction has also held up as of end Q1 2018 at 1.26 million m² for the whole Paris region.

After slightly stabilising in 2017, the vacancy rate for offices in Île-de-France resumed its downward trend over the first quarter of 2018 (to 5.8%). The vacancy rate is historically low (2.6%) in the capital city and also fell at La Défense (6.0%). This downward trend has caused an overall increase in rents in Île-de-France (+3% vs. 2017).
OFFICE MARKET IN ÎLE-DE-FRANCE

Take-up (3 months)

Availability within a year (as of April, 1)

Future supply

Source: Immostat, BNP Paribas Real Estate

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BNP Paribas Real Estate - Research - April 2018
OFFICE MARKET IN ÎLE-DE-FRANCE

<table>
<thead>
<tr>
<th>Area</th>
<th>2017 Q1</th>
<th>2018 Q1</th>
<th>Variation 2018 Q1 / 2017 Q1</th>
<th>Immediate supply*</th>
<th>Take-up</th>
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<th>Take-up</th>
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<td>230,000</td>
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<td>161,000</td>
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<td>333,000</td>
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<td>Péri Défense</td>
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Source: Immostat, BNP Paribas Real Estate

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in Europe
A 360° vision

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