AT A GLANCE
PARIS OFFICE MARKET
Q3 2019

Office take-up in Île-de-France expected to come in at 2.3 million m² for 2019

With over 1,655,000 m² taken up over the first nine months of 2019, Île-de-France office transactions fell 11% over one year, but were still in line with the 10-year average.

This fall was mainly due to the large unit segment (over 5,000 m²) which is still experiencing a significant slowdown (~29%) with take-up totalling 529,200 m² across just 50 transactions (vs 59 a year previously). Notable examples include the lease by SNCF on SFR Campus (30,000 m²) or Groupe CAT which is soon to move to Suresnes in the Seine Etoile development (5,570 m²). Deals for medium-sized units (1,000 – 5,000 m²) were meanwhile particularly solid and stable (+3% over one year with take-up of 571,400 m²). Lastly, transaction levels for small units (under 1,000 m²) remained high at 554,600 m² (a fall of just 3% over one year).

The decline seen in Île-de-France generally affected most districts. Nevertheless, there were some impressive increases, such as the Northern and Eastern Inner Rims (respectively +91% and +38% over one year), and the Northern River Bend (+24%). These districts largely benefited from Parisian occupiers starting to shift to the periphery. Paris Central Business District (CBD) proved very resilient (~3% over one year) and represents 19% of take-up by volume since the beginning of 2019. We would note the poor performances of Péri-Défense and La Défense, mainly due to the slow trade in large units since the beginning of the year.

As of October 1, 2019, availability within a year has stabilised at a high level at 4.1 million m² (+2% over one year). The share of new and refurbished premises remains stable, but only accounts for just over a quarter of total supply. This is largely due to the particularly high level of pre-lets in Île-de-France. Thanks to the keen interest in new or refurbished buildings in Île-de-France, many schemes are therefore being launched speculatively. As such, the supply of offices under construction has shown a marked recovery over the past few quarters and stood at 1.5 million m² as of October 1 2019. The ranking for the top three districts remains unchanged, with the Inner Rims accounting for 31% of offices under construction (over 5,000 m²), followed by La Défense (27%) and Paris Inner-City (20%).

Meanwhile, the immediate vacancy rate is at a 10-year low with an average for Île-de-France of 5.1% as at Q3 2019 (vs 5.5% at the same period in 2018). The capital still has a historically low vacancy rate (2.2%), while just 4.5% of buildings are vacant in La Défense. Nevertheless, this trend should be seen in perspective, as forthcoming completions will automatically increase the vacancy rate in certain districts of Île-de-France.

All told, we expect full-year take-up for 2019 to come in at around 2.3 million m², i.e. in line with the 10-year average.
Office market in Île-de-France

AT A GLANCE - PARIS OFFICE MARKET | Q3 2019

Take-up — 9 months

Availability within a year (as of October, 1)

Future supply
## Office market in Île-de-France

### AT A GLANCE - PARIS OFFICE MARKET | Q3 2019

<table>
<thead>
<tr>
<th>Area</th>
<th>Immediate supply (Q3 2018)</th>
<th>Take-up (Q3 2018)</th>
<th>Immediate supply (Q3 2019)</th>
<th>Take-up (Q3 2019)</th>
<th>Immediate supply variation</th>
<th>Take-up variation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paris CBD</strong></td>
<td>102 000</td>
<td>325 000</td>
<td>91 000</td>
<td>314 000</td>
<td>-11%</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Paris outside CBD</strong></td>
<td>273 000</td>
<td>453 000</td>
<td>285 000</td>
<td>399 000</td>
<td>4%</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>La Défense</strong></td>
<td>160 000</td>
<td>121 000</td>
<td>164 000</td>
<td>96 000</td>
<td>2%</td>
<td>-21%</td>
</tr>
<tr>
<td><strong>Péri-Défense</strong></td>
<td>386 000</td>
<td>248 000</td>
<td>452 000</td>
<td>121 000</td>
<td>17%</td>
<td>-51%</td>
</tr>
<tr>
<td><strong>Neuilly/Levallois</strong></td>
<td>92 000</td>
<td>74 000</td>
<td>52 000</td>
<td>73 000</td>
<td>-43%</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Northern River Bend</strong></td>
<td>108 000</td>
<td>15 000</td>
<td>99 000</td>
<td>19 000</td>
<td>-8%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Southern River Bend</strong></td>
<td>239 000</td>
<td>132 000</td>
<td>172 000</td>
<td>124 000</td>
<td>-28%</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Northern Inner Rim</strong></td>
<td>335 000</td>
<td>63 000</td>
<td>319 000</td>
<td>120 000</td>
<td>-5%</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Southern Inner Rim</strong></td>
<td>189 000</td>
<td>136 000</td>
<td>121 000</td>
<td>134 000</td>
<td>-36%</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Eastern Inner Rim</strong></td>
<td>80 000</td>
<td>63 000</td>
<td>58 000</td>
<td>87 000</td>
<td>-28%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Outer Rim</strong></td>
<td>994 000</td>
<td>239 000</td>
<td>977 000</td>
<td>168 000</td>
<td>-2%</td>
<td>-30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2 958 000</td>
<td>1 869 000</td>
<td>2 790 000</td>
<td>1 655 000</td>
<td>-6%</td>
<td>-11%</td>
</tr>
</tbody>
</table>

* end of period

### Availability within a year

<table>
<thead>
<tr>
<th>Area</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>Variation Q3 2019 / Q3 2018</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>Variation Q3 2019 / Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paris CBD</strong></td>
<td>225 000</td>
<td>209 000</td>
<td>-7%</td>
<td>133 000</td>
<td>184 000</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Paris outside CBD</strong></td>
<td>467 000</td>
<td>554 000</td>
<td>19%</td>
<td>196 000</td>
<td>150 000</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>La Défense</strong></td>
<td>317 000</td>
<td>514 000</td>
<td>62%</td>
<td>266 000</td>
<td>375 000</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Péri-Défense</strong></td>
<td>580 000</td>
<td>586 000</td>
<td>1%</td>
<td>182 000</td>
<td>102 000</td>
<td>-44%</td>
</tr>
<tr>
<td><strong>Neuilly/Levallois</strong></td>
<td>137 000</td>
<td>107 000</td>
<td>-22%</td>
<td>44 000</td>
<td>72 000</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Northern River Bend</strong></td>
<td>119 000</td>
<td>106 000</td>
<td>-11%</td>
<td>0</td>
<td>5 000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Southern River Bend</strong></td>
<td>351 000</td>
<td>227 000</td>
<td>-35%</td>
<td>12 000</td>
<td>43 000</td>
<td>258%</td>
</tr>
<tr>
<td><strong>Northern Inner Rim</strong></td>
<td>408 000</td>
<td>454 000</td>
<td>11%</td>
<td>148 000</td>
<td>256 000</td>
<td>73%</td>
</tr>
<tr>
<td><strong>Southern Inner Rim</strong></td>
<td>192 000</td>
<td>189 000</td>
<td>-2%</td>
<td>70 000</td>
<td>151 000</td>
<td>116%</td>
</tr>
<tr>
<td><strong>Eastern Inner Rim</strong></td>
<td>123 000</td>
<td>98 000</td>
<td>-20%</td>
<td>60 000</td>
<td>37 000</td>
<td>-38%</td>
</tr>
<tr>
<td><strong>Outer Rim</strong></td>
<td>1 087 000</td>
<td>1 041 000</td>
<td>-4%</td>
<td>121 000</td>
<td>88 000</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4 008 000</td>
<td>4 085 000</td>
<td>2%</td>
<td>1 232 000</td>
<td>1 465 000</td>
<td>19%</td>
</tr>
</tbody>
</table>
6 BUSINESS LINES in Europe

A 360° vision

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