The office market
Lettings and Investment

The office market

Paris / Greater Paris Region | 1st quarter 2021

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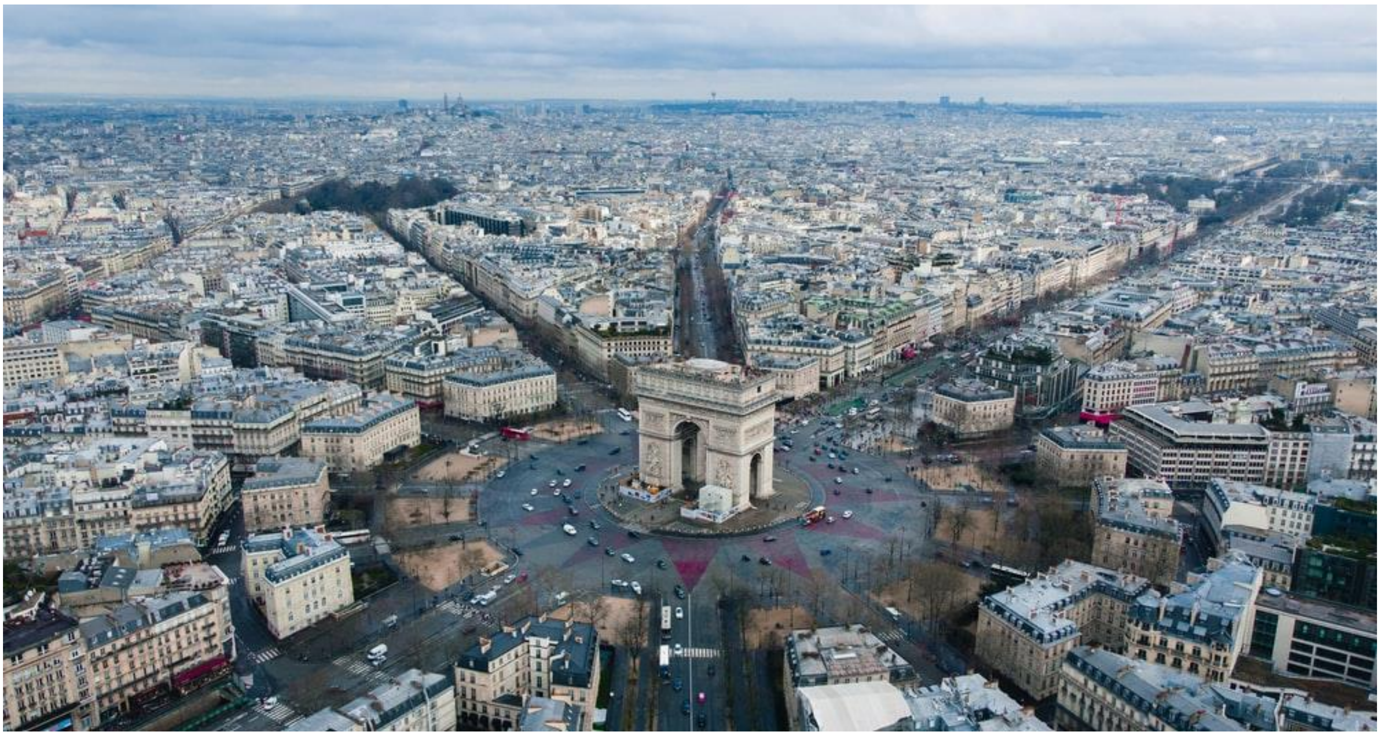
POSITIVE SIGNS FOR THE OFFICE MARKET

Despite the continued lack of visibility regarding the economic and health situation, the 1st quarter of 2021 showed some signs of improvement.

Although take-up remained well below its long-term average, the upturn in activity seen in the large transactions category, as well as transactions currently being finalised show that offices continue to occupy a central place in the organisation of companies. Their importance even appears to have been enhanced in the minds of both decision-makers and employees, as the particularly trying alternate periods of loosening and tightening restrictions have shown the limits of too much remote working and the need for offices that encourage human contact.

In the investment market, the results for the beginning of the year are even more positive. The 1st quarter of 2021 was the second best quarter ever seen after the all-time record set at the same time last year, showing that offices are still favoured by investors. They are more selective, however, targeting the most established geographical sectors and properties offering stable and secure income.



ECONOMIC CONTEXT

SIGNS OF HOPE

A year ago, France locked down its population to contain the spread of the Coronavirus. Today, the health and economic situation is still uncertain in France, as well as in the rest of Europe. However, some countries are gradually relaxing the restrictions and the recovery seems closer than ever since the outbreak of the pandemic due to the vaccination campaigns. The increasing pace of injections thus gives hope for a sustainable slowdown in infections from the end of the 1st half of 2021, which will ease the pressure on health systems and allow the economy to reopen more widely in the 2nd half of the year. In this context, and after a sharp contraction of 6.8% in 2020, the OECD anticipates a jump of almost 4% in GDP in the euro zone in 2021 (compared with +6.5% for the United States and +6 to 8% for China).

With an announced target of 30 million people vaccinated by mid-June, France could also benefit from a rapid improvement in the health situation, which would allow a resumption of household consumption from the 3rd quarter and support the economic recovery.

After the 8.2% decrease recorded in 2020, GDP is expected to grow by 5.5% in 2021 according to the Banque de France. Since the forecasts are contingent on the uncertainties of the pandemic, this figure could be revised downwards in the event of a further tightening of restrictive measures, or upwards if the vaccination is successful more quickly than expected.

CAUTION IS STILL WARRANTED

Although the Banque de France predicted the loss of 552,000 jobs in 2020 in a report published last June, it recently indicated that 310,000 jobs were ultimately lost last year in France. The job market has thus generally remained resilient due to the efforts made by the State, and in particular to the extension of the partial employment scheme. As a result, the DARES still counted 2.1 million employees in partial employment in February 2021, almost 30% of whom were concentrated in the Greater Paris Region, and a large proportion of whom were in the accommodation and catering (33%) and trade (14%) sectors. This figure is admittedly far from the peak of the first lockdown (8.4 million), but still quite significantly higher than the level observed between July and October 2020 (between 1.2 and 1.8 million).

Change in the number of employees in partial employment
In millions, in France

Source: DARES

Unemployment figures contrast quite markedly depending on the source. According to INSEE, more than 2.4 million people were unemployed at the end of the 4th quarter of 2020, i.e. an unemployment rate of 8% which has remained virtually stable year-on-year, while data from Pôle Emploi showed a 7.5% increase in the number of job seekers (category A) over the same period.

The most recent forecasts all agree on an increase in the unemployment rate in 2021, which could reach between 9 and 10% by the end of the year. This is due to the delayed adjustment of job losses from the second lockdown and unrecorded insolvencies in 2020, as well as the gradual lifting of support measures put in place since the start of the pandemic (state-guaranteed loans, partial employment scheme, deferral or exemption from rent, social security charges and taxes, rescheduling of bank debts, additional specific aid depending on the activity sector).

French economic indicators

	2019	2020	2021 (forecasts)
GDP	1.5 %	~~-10.3 %~~ - 8.2 %	5.5 %
Household consumption	1.5 %	~~- 9.3 %~~ - 7.3 %	4.9 %
Inflation	1.3 %	~~0.4 %~~ 0.5 %	1.1 %
Change in paid employment ('000)	+ 326	~~- 552~~ - 310	0
Unemployment rate	8.4 %	~~10.1 %~~ 8.0 %	8.9 %

Sources: Banque de France (comparison between ~~June~~ 2020 and March 2021 figures), Insee, Xerfi Previsis

THE LETTINGS MARKET

NO RECOVERY, BUT A SLIGHT IMPROVEMENT

After 2020, that was characterised by a historic decrease in take-up, letting activity remained well below its long-term average in the 1st quarter of 2021. As a result, 373,800 sq m of office space was let or sold to occupiers in the Greater Paris Region, a 31% drop compared to the average for a 1st quarter over the last ten years. This result is far from surprising, in a context of rising Covid-19 infections and the gradual tightening of restrictive measures.

This situation is not unique to the Greater Paris Region. Letting activity remains limited in most of the world's largest cities, including in countries where vaccination campaigns are already having an effect or where the virus has virtually disappeared. Indeed, the continuation of very strict social distancing rules continues to slow down the return of employees to the office, even though the first positive signs have been seen.

The beginning of 2021 also saw a slight improvement in the Paris region, even if the conditions for recovery have not yet been met. Office take-up in the region is 95% higher than in Q2 2020 and 44% higher than in Q3. Furthermore, the result for the 1st quarter of 2021 is only 13% lower than in the 4th quarter of 2020, which was boosted by the completion of the letting to ENGIE of their new 94,200 sq m campus in La Garenne-Colombes. Finally, although the decrease in take-up is 30% compared to the 1st quarter of 2020, it should be remembered that an exceptional lease, the letting by TOTAL of 125,000 sq m of "The Link" in La Défense, inflated the take-up volume.

Change in take-up
In the Greater Paris Region

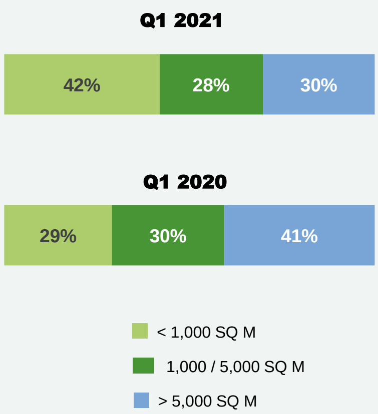
Source: Knight Frank

TREND REVERSAL IN THE LARGE AREAS MARKET

There has been a clear upturn in activity in large transactions. Consequently, 13 transactions of more than 5,000 sq m were recorded in the 1st quarter of 2021, which is more than in the same period last year (12) and more than the total for the last three quarters (10)! This contrasts with the downturn in the medium size category (1,000 - 5,000 sq m), where the number of transactions and take-up volume fell by almost 40% compared with Q1 2020. Finally, the category for areas of less than 1,000 sq m has performed better than expected, with the number of leases signed increasing by 13% and the take-up volume equivalent to that of the same period last year.

A crisis does not therefore necessarily mean a lack of real estate movements. Of course, the first lockdown was followed by a period of stagnation which drastically reduced the number of transactions due to health constraints and the priority given by companies to preserving their business. However, property decision-making has recently accelerated as some occupiers take advantage of more favourable market conditions to reduce costs and improve their workspaces. These streamlining transactions accounted for a significant proportion of the movements in Q1 2021 and will clearly be one of the key drivers of activity this year.

Breakdown of take-up by area category
In the Greater Paris Region



Source: Knight Frank

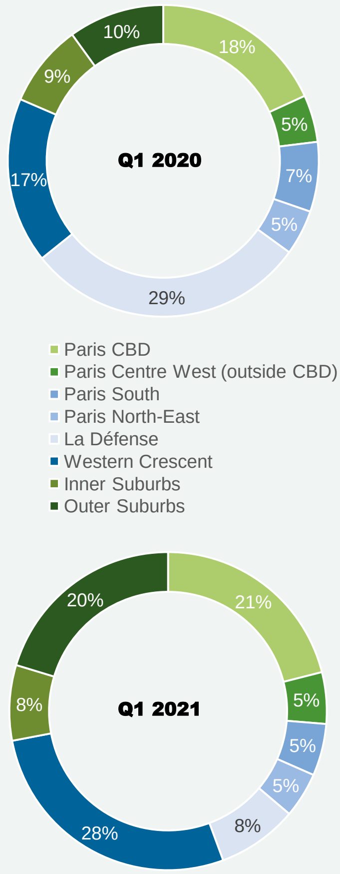
MAIN GEOGRAPHICAL HIERARCHY MAINTAINED

Although it is still too early to fully measure the impact of the Covid-19 pandemic on the office market, it is likely that the health crisis will not upset the hierarchy of the Greater Paris Region office hubs due to the existing equilibrium that has been in place for decades, and the importance of history in companies' location decisions. An analysis of the major transactions of the 1st quarter of 2021 shows a majority of endogenous movements, as well as the concentration of letting activity in Paris and the western markets.

In the first three months of 2021, the Western Crescent and La Défense accounted for 7 of the 13 transactions over 5,000 sq m and 15% of take-up in the Greater Paris Region, all area categories combined. This share is down from 27% in Q1 2020 as a result of TOTAL leasing "The Link" in La Défense last year. Outside of La Défense, most of the Western hubs have seen their volume increase (Boucle Nord, Neuilly-Levallois) or hold up well (Boucle Sud) owing to a greater number of large transactions than last year (CAPGEMIN/ALTRAN and VALLOUREC in "M Campus" in Meudon, SMILE in "Key View" in Asnières-sur-Seine, etc.). A few large transactions also boosted volumes in western markets further from the centre of Paris, such as the extension of the DASSAULT SYSTEMES campus to 27,600 sq m in Meudon-la-Forêt.

With take-up of 135,000 sq m (down 28% year-on-year), Paris accounted for 36% of take-up compared with 35% at the same time last year. While there were many leases of less than 1,000 sq m, with a volume of take-up almost equivalent to that of last year, the volume of medium sized offices fell by 37%. In this market category, the decrease in take-up may have been amplified by the absorption of part of the demand by flex-office providers, as was the case in 2020. Finally, only two transactions of more than 5,000 sq m have been recorded since January: the installation of BPE (LA BANQUE POSTALE) and VOODOO on a total area of approximately 15,000 sq m in the "Poste du Louvre" (Paris 1st).

Geographic breakdown of take-up
In the Greater Paris Region



Source: Knight Frank

These movements, as well as leases currently being finalised, nevertheless show that companies in growing sectors of activity, or those more resistant to the health crisis (finance, consulting, luxury, new technologies, etc.), are still fuelling demand for quality offices with excellent access.

The Inner Suburbs markets continued to underperform. After the 60% year-on-year decrease seen over the whole of 2020, the volume of leases in these areas fell by 38% in the 1st quarter of 2021 and only two major transactions were recorded: BPI's lease of 5,400 sq m in "Move" in Fontenay-sous-Bois and SNCF FRET's lease of 6,690 sq m in "Evidence" in Saint-Ouen.

AVAILABLE SUPPLY: PEAK NOT YET REACHED

Immediately available supply has been on the rise since the end of 2019 and has continued to increase in the Greater Paris Region, reaching 3.73 million sq m at the end of the 1st quarter of 2021. The increase is relatively modest over a quarter (+4%), but quite considerable over a year (+30%). The current level of take-up, new lettings and the arrival on the market of a significant number of new/redeveloped projects indicate that the increase will continue through to the end of 2021 and that supply is likely to be close to the previous high point of 2014 (4.03 million sq m). The grey market, driven by sub-lettings, will also contribute to this upturn, as well as increasing competition between available supply due to the excellent value for money and flexibility of leases offered on this type of space.

As a result of this increase in supply, the vacancy rate is now close to 7% in the Greater Paris Region, compared to 5.3% a year earlier. In Paris, it has more than doubled, increasing from 2.1% in the 1st quarter of 2020 to 4.6% at the end of March 2021, thus bringing greater fluidity to the market. The situation is similar in the Paris CBD where the vacancy rate has reached 4.5%, i.e. an increase of 2.9 points year-on-year, but still well below the 2009 peak (6.1%).

Change in available supply
In millions of sq m, in the Greater Paris Region

Source: Knight Frank

Examples of significant letting transactions in Q1 2021
In the Greater Paris Region

Assets / Address	Tenant	Area (sq m)
Dassault Campus, 10 rue Marcel Dassault / Vélizy (78)	DASSAULT	27,600
Carré Michelet, 10-12 cours Michelet / Puteaux (92)	CGI	11,500
M Campus, 2-14 rue de la Verrerie / Meudon (92)	CAPGEMINI / ALTRAN	9,500
Online, 1 place Regnault / Rueil-Malmaison (92)	MITSUBISHI	8,200
La Poste du Louvre, 52 rue du Louvre / Paris 1er	BPE	6,840
Evidence, 35 rue des Bateliers / Saint-Ouen (93)	SNCF FRET	6,690
La Poste du Louvre, 52 rue du Louvre / Paris 1er	VOODOO	5,830
Keyview, 163 quai du Docteur Dervaux / Asnières (92)	SMILE	5,600
Move, 38 rue Roger Salengro / Fontenay-sous-Bois (94)	BPI	5,400

With the exception of the Outer Suburbs, all other sectors have seen their vacancy rates rise, with particularly marked increases in the Inner Northern Suburbs (14.1% now compared to 10.6% at the end of 2019) and in La Défense (11.7% now compared to 4.9% at the end of 2019). This situation was expected in La Défense, where more than 191,000 sq m of new/redeveloped offices have been delivered since the start of the health crisis, 95% of which are still available.

FUTURE SUPPLY REMAINS ABUNDANT

The outbreak of the health crisis and the first lockdown led to the postponement of the delivery of a number of projects. Consequently, 736,300 sq m of new/refurbished office space of over 5,000 sq m was delivered in 2020 in the Greater Paris Region, compared with over one million sq m that was initially planned. These delayed projects will partly inflate the volume of space to be delivered in 2021, which could total more than 1.3 million sq m for the year as a whole. This level has not been reached since 2015. Deliveries are expected to be lower in 2022 and 2023, but will still be considerable, and significantly higher than the ten-year average (855,000 sq m delivered on average each year between 2011 and 2020).

More than 2.3 million sq m of office space is currently under construction in Paris and its region, 71% of which was still available at the end of Q1 2021. While almost half of the projects to be delivered in 2021 have already found takers, the level of pre-lettings of supply expected in 2022 (18%) and 2023 (13%) raises the question of the market's absorption capacity in view of the current state of demand from occupiers. Motivated in particular by the willingness of certain owners to adjust their projects and adapt them to the expectations arising from the Covid-19 pandemic (quality of spaces, well-being and health of employees, etc.), new postponements could nevertheless make it possible to limit the pressure in the geographical sectors with the most supply.

La Défense accounts for a significant proportion of future supply in the Greater Paris Region. Six projects > 10,000 sq m are currently under construction for delivery by the end of 2023, for a total of 180,000 sq m available. Nevertheless, La Défense appears to be well placed to take advantage of the situation: negotiation conditions are more favourable to tenants, immediate and future supply is varied and of high quality, and its accessibility, already excellent, will soon be further improved by the extension of RER E (Eole). All of these benefits are likely to retain the loyalty of companies already established in the business district (such as the recent lease signed by CGI of 11,500 sq m in "Carré Michelet"), and to attract those from less established sectors who wish to have a more "upmarket" address.

Between 2000 and 2020, nearly 40% of the movements of more than 5,000 sq m recorded in La Défense were made by occupiers from other geographical sectors, testifying to the district's considerable ability to attract occupiers, which will be further strengthened by the health crisis and the need for large occupiers to reduce their costs without reducing the quality of their real estate.

Developments are also numerous in the Péri-Défense sector, where the pre-letting rate is only 26%, as well as in the Inner Suburbs. It is in this latter sector, mainly to the north and south, that the delivery of large-scale projects will be the most significant, with 36 projects underway for a total of 786,700 sq m, of which 87% is still available. The geographical distribution of this volume underlines the interest of the Grand Paris Express stations, such as Saint-Ouen and Bagneux.

Although Paris accounts for nearly a quarter of the new/redeveloped space under construction in the Greater Paris Region, the situation is more balanced there. As such, almost half of the sq m of office space currently under construction has already been let (47% in the CBD, 52% outside the CBD), suggesting a moderate increase in vacancy in the capital. Other established sectors also have a fairly limited number of short-term opportunities, such as the Southern Loop and Neuilly-Levallois, whose stock was also partially absorbed in the 1st quarter of 2021 ("185 avenue Charles de Gaulle" in Neuilly). In the longer term, however, several large-scale projects are planned (developments on Ile Seguin and in the Trapèze in Boulogne, etc.).

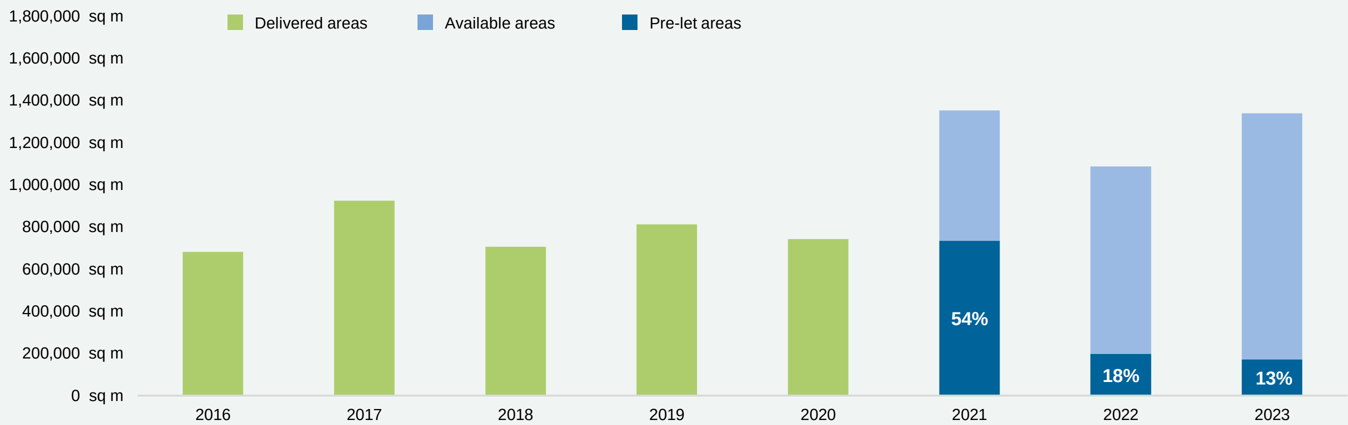
RENTS STABLE OVER THE QUARTER

The expected rebalancing of relations between landlords and tenants, even before the outbreak of the Covid-19 pandemic, has accelerated, as illustrated by the granting of more generous rental incentives in the market sectors with the highest supply. On the other hand, the change in the balance of power has not led to a significant correction in headline rents. Consequently, the average rent stands at €415 /sq m/year and remains stable over the quarter and compared to the same period last year.

With regard to the prime rent, it now stands at €935/sq m/year, a very slight drop of 1% over a quarter, but an increase of 7% compared to a year ago. The next few quarters are unlikely to change this, not only because occupiers in high value-added business sectors remain willing to pay to secure the best assets in the CBD, but also because the health crisis is putting more emphasis than ever on the quality of workspace. Offices continue to occupy a central place in companies' organisation. Their importance has even been reinforced, in the minds of both decision-makers and employees. The particularly trying cycle of loosening and tightening restrictions has shown the limits of large-scale remote working, and the need for offices which encourage human contact and express the values of the company.

Change in new/refurbished future supply volume (> 5,000 sq m)

In the Greater Paris Region



Source: Knight Frank

THE INVESTMENT MARKET

THE SECOND BEST Q1 EVER SEEN

Since the end of the first lockdown, investment volumes in the Greater Paris Region office market had been rising steadily, from €2.2 billion in Q2 2020 to €3.5 billion in Q3, and then to €5.6 billion in Q4. The beginning of 2021 has put an end to this increase in activity, with €3.2 billion invested in Paris and its region in the 1st quarter of 2021. This significant drop was expected. On the one hand, because the 1st quarter of 2020 had been exceptional (€4.1 billion invested) and, on the other hand, because the lack of visibility and repricing that was deemed too high had, in recent months, led some sellers to withdraw their properties from the market or to postpone marketing, mechanically limiting the stock of transactions waiting to be completed.

Up 45% compared to the ten year average, and well above levels seen during the 2008-2009 financial crisis (270 million invested in Q1 2009), the volumes invested over the last three months are nevertheless substantial. It is even the second best performance ever seen for a 1st quarter, after the record reached at the beginning of 2020. Despite the lack of visibility with regard to the health and economic situation, and a rental market shaken by the restrictive measures, offices are still favoured by investors. The appetite for larger assets remains particularly strong. Partly driven by sales by real estate companies and insurers (UNIBAIL-RODAMCO-WESTFIELD, ALLIANZ, AG2R LA MONDIALE, SFL, COVIVIO, ETC.), investment activity benefited from the completion of a large number of large transactions, with 12 deals in excess of 100 million euros signed since January. This is slightly less than in the 1st quarter of 2020 (14), but much more than the average of the last ten years (7).

Office investment volumes
In the Greater Paris Region, in billion €

Source: Knight Frank

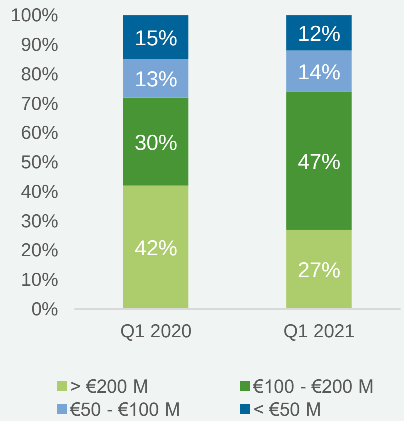
On the other hand, medium sized transactions (between 50 and 100 million euros) remained quite low in number despite a very slight increase in their share.

PROVEN SUCCESS FOR THE SOUTHERN LOOP

Initiated many months ago, the most significant transaction at the beginning of 2021 was the sale by URW to PRIMONIAL, LA FRANÇAISE and EDF INVEST of "Shift", the NESTLE headquarters in Issy-les-Moulineaux, for 620 million euros. This sale boosted investment volumes in the Southern Loop, where LA FRANÇAISE also acquired "Edo" from COVIVIO. Following an excellent year in 2020, when the Southern Loop had already stood out with a high number of large transactions, this sector has therefore started 2021 on a very strong footing. This success should continue in the coming months given the discussions underway on a number of large assets, the high hopes for a rebound in occupier demand and a relatively high pre-letting rate (43% of projects to be completed by the end of 2023 compared with an average of 24% in Ile-de-France). The other markets in western Paris have been relatively quiet. In La Défense, URW has nevertheless sold several buildings in the "Villages de l'Arche" to PERIAL and LA FRANÇAISE. After a sluggish year in 2020, this transaction could herald a slight upturn in activity in 2021, especially as the lettings market also seems to be improving.

The lettings market in the Inner Suburbs was heavily impacted by the health crisis and is also being closely watched. Despite an abundant supply of quality properties and a positioning that allows users to streamline their operations, there has not yet been a recovery in lettings. Investors are therefore remaining cautious and favouring quality assets secured by long leases for their acquisitions. In the east, a few major transactions have been signed in Montreuil and Pantin, where TISHMAN SPEYER, for example, has acquired the "Magasins Généraux".

Breakdown of office investment volumes by amount category
In the Greater Paris Region



Source: Knight Frank

PARIS, A SAFE INVESTMENT

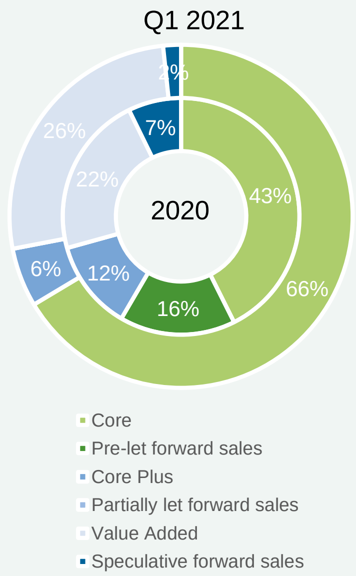
Inner Paris remains the largest market, even though its share has decreased year-on-year (40% of the volume invested in offices in the Greater Paris Region in Q1 2021 compared to 51% at the same time in 2020). This drop is due to the limited number of large transactions and property for sale, and not to a decrease in demand from investors. In light of the current lack of visibility, Paris still has undeniable advantages: occupier profiles are very varied and some are more resistant to the health crisis, and pre-letting rates are high (46% for projects to be delivered by the end of 2023).

The capital's finest assets are also fully benefiting from their status as a safe haven, with investors increasingly selective in targeting the most established geographical sectors and properties offering stable and secure income. Since the outbreak of the pandemic, this context has maintained downward pressure on prime yields and explains the high level of market values, which have reached €18,000/sq m on average in Paris since the end of the 1st quarter of 2020, compared with €14,000/sq m in 2019.

Although core properties accounted for two-thirds of office investment volumes in the 1st quarter of 2021 (compared with 59% in 2020), the price correction in other types of property, the strong fundamentals of the Greater Paris Region market and the search for yields are encouraging several players to take more risks. Despite the tightening of financing conditions, which may prevent or delay the completion of value-added transactions, several value-creating transactions have been recorded, aimed in particular at adapting offices to new occupier expectations (well-being, hybrid working methods, etc.) and to new environmental efficiency standards.

A few assets have also been sold with a view to converting them into housing. Although such operations remain fairly rare, they are nevertheless more frequent, particularly in Paris and the west of the region where there is a large dated and sometimes obsolete stock. Although certain obstacles may still hinder conversions, they should nevertheless continue to increase due to the growing enthusiasm of investors for residential property and a more favourable regulatory and market context.

Breakdown of office investment volume by risk type
In the Greater Paris Region, individual transactions > €20 million



Source: Knight Frank

Examples of significant investment transactions in Q1 2021 in the Greater Paris Region

Asset / Address	Seller	Buyer	Area (sq m)
Shift / Issy-les-Moulineaux (92)	URW	PRIMONIAL / LA FRANÇAISE / EDF INVEST	47,000
Tour Altaïs / Montreuil (93)	MAPLE KNOLL / ARPENT CAPITAL / OAKTREE	ETOILE PROPERTIES	37,500
Magasins Généraux / Pantin (93)	AG2R LA MONDIALE	TISHMAN SPEYER	19,300
Mozaïk / Rueil (92)	DTZ INVESTORS	LIBERTY MANAGEMENT	18,000
Villages de l'Arche 4 & 6 / La Défense (92)	URW	PERIAL	15,000
Edo / Issy-les-Moulineaux (92)	COVIVIO	LA FRANÇAISE REM	10,900
16 avenue George V / Paris 8th	ALLIANZ	MACSF	6,500
141 rue de Javel / Paris 15th	AMUNDI	IMMOVALOR GESTION	6,250
9 avenue Percier / Paris 8th	SFL	DEKA	6,200
112-114 avenue de Wagram / Paris 17th	SFL	AVIVA INVESTORS	5,500

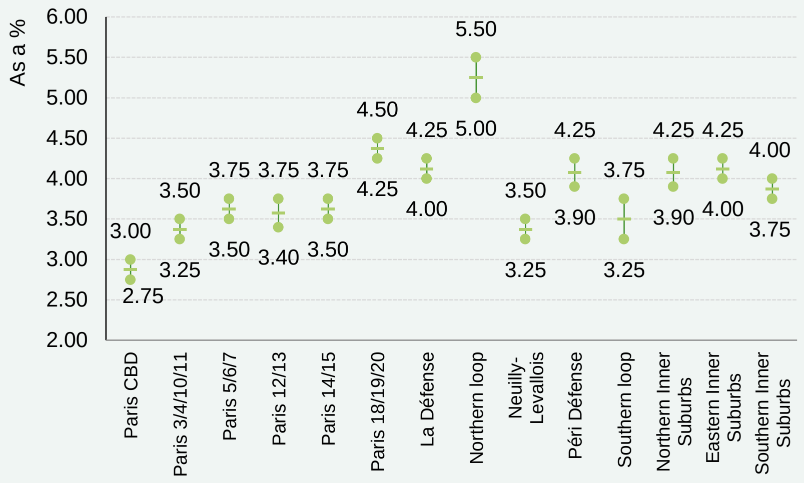
Source: Knight Frank

WHAT IS THE OUTLOOK FOR THE COMING MONTHS?

The government's decision to tighten restrictions to contain the surge in infections, announced on the 31st March, is again putting the French economy to the test and could delay the recovery of the investment market. However, there are several reasons for optimism, starting with the increase in vaccination campaigns, which are beginning to bear fruit in some countries and which, in France, should lead to a lasting improvement in the health situation from the summer onwards. The results of the investment market in the 1st quarter of 2021 also give cause for hope. Contrary to the downbeat rhetoric, the last few months have demonstrated the appeal of the Greater Paris Region and the central role of offices, even if secondary properties and markets are obviously penalised by the lack of visibility on the solvency of companies and the sustainability of rental income. In the coming months, caution will therefore be the order of the day, but office property will continue to feature prominently in investors' allocation strategies given the still very advantageous spread (280 bips spread with the 10-year OAT rate, compared with 260 at the beginning of 2020) and abundant liquidity. In addition, life insurance inflows are better oriented at the beginning of the year (+ 2 billion euros in January), reinforcing the positive momentum seen at the end of 2020. The 4th quarter of 2020 also saw a rebound in SCPI inflows (+54% over a quarter). It will therefore be interesting to see whether this trend continues, and whether it is reversed for OPCIs, whose inflows had, conversely, slowed significantly.

Range of prime office yields

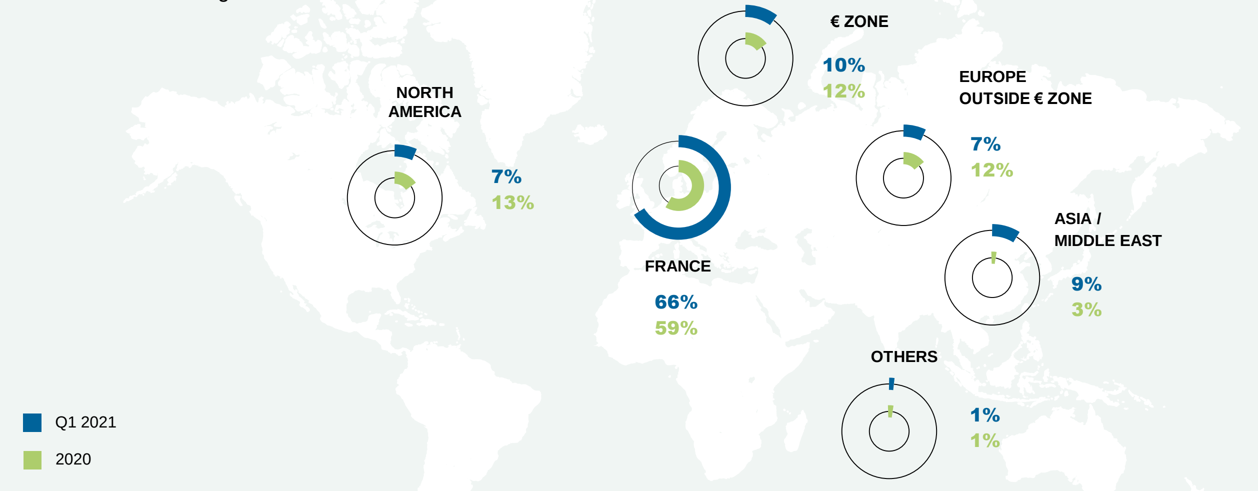
In the Greater Paris Region at the of the 1st quarter 2021



Source: Knight Frank

Breakdown of office investment volumes by nationality

In the Greater Paris Region



Source: Knight Frank

SUMMARY

Macroeconomic and office market indicators
In the Greater Paris Region

MACROECONOMIC INDICATORS	Q1 2009	Q1 2013	Q1 2020	Q1 2021
GDP (France)	- 1.4%	- 0.2%	- 5.9%	-
Unemployment rate (France)	8.6%	10.3%	7.8%	8.0%
Business climate (France)	70.3	86.2	94.6	96.6

LETTINGS MARKET

LETTINGS MARKET	Q1 2009	Q1 2013	Q1 2020	Q1 2021
Take-up (rolling 12 months)	**2,210,120 sq m**	**2,282,870 sq m**	**2,398,500 sq m**	**1,255,330 sq m**
Immediate supply	2,961,000 sq m	3,581,000 sq m	2,864,100 sq m	3,728,400 sq m
Vacancy rate	5.9%	6.7%	5.3%	6.8%
Average rent	€320 /sq m	€350 /sq m	€415 /sq m	€415 /sq m
Prime rent	€718 /sq m	€750 /sq m	€875 /sq m	€935 /sq m
Areas > 5,000 sq m under construction	750,000 sq m	860,000 sq m	1,520,000 sq m	1,640,200 sq m
Pre-letting rate (2 years)	28%	59%	30%	34%

INVESTMENT MARKET

INVESTMENT MARKET	Q1 2009	Q1 2013	Q1 2020	Q1 2021
Investment volumes (rolling 12 months)	**€5.3 B**	**€9.2 B**	**€24.3 B**	**€14.5 B**
Prime yield	5.75%	4.50%	2.75%	2.75%
Prime yield / bond rate spread	202	165	276	280

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Focus on the public sector
Occupier study
November 2020

Focus on coworking
Occupier study
November 2020

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The data used to produce this study comes from sources known to be reliable, such as INSEE, ORIE and the Knight Frank tools for monitoring real estate markets.