

ECONOMIC INDICATORS

	Change N-1	Outlook
+0.9 GDP 2025	▼	▲
+1.0% Inflation 2025	▼	▲
98.7 Business climate (Dec. 2025)	▼	
94.5 Employment climate (Dec. 2025)	▼	
7.6 Unemployment in France (BIT 2025)	▲	▲

Source: INSEE

BETTER-THAN-EXPECTED GROWTH, BUT STILL LIMITED

INSEE and the Banque de France have jointly revised their growth forecasts for 2025 upwards to 0.9% (compared with 0.7% announced at the beginning of the year). 2025 is therefore ending on an optimistic note, tempered nevertheless by downward revisions for the coming years and a performance below that of the Eurozone (1.4%). **Economic activity was mainly driven by domestic demand, particularly public consumption, while household consumption remained virtually flat (+0.3%).** Inflation has slowed significantly since 2024 and stands at around +1% on average for the year, stabilising purchasing power (+0.5%). Part of the income resources therefore continues to feed into savings, which remain high (18.3% in 2025), despite a slight decline at the end of the year.

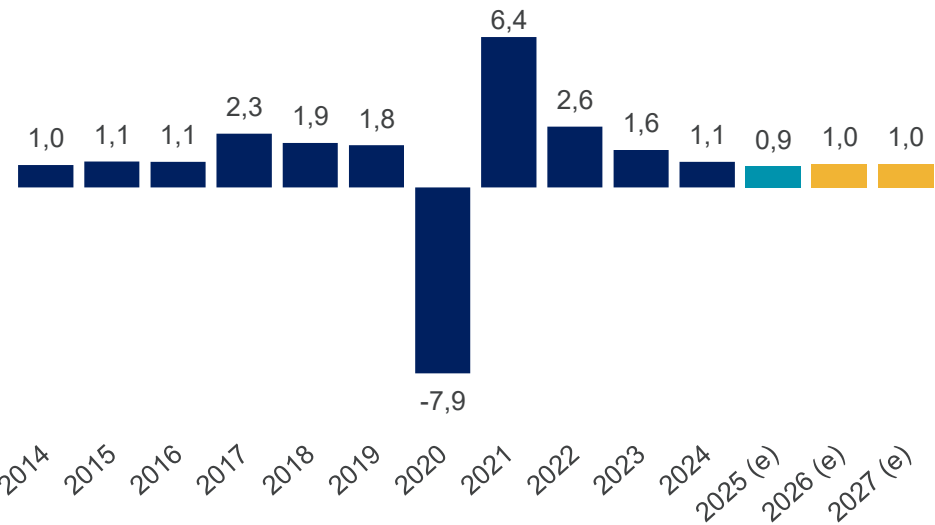
SLIGHT IMPROVEMENT IN THE BUSINESS CLIMATE AT THE END OF 2025

According to INSEE business surveys, the situation has improved slightly for businesses. In December, **the business climate indicator stood at 98.7, above its summer level but more than 3 points below its ten-year average** (102.3), with a decline since July 2024 following the dissolution of the National Assembly. This timid resurgence of optimism among business leaders at the end of the year contrasts with household morale (index of 90 in December), which has been low since the end of 2024 (nearly 5 points below its 10-year average).

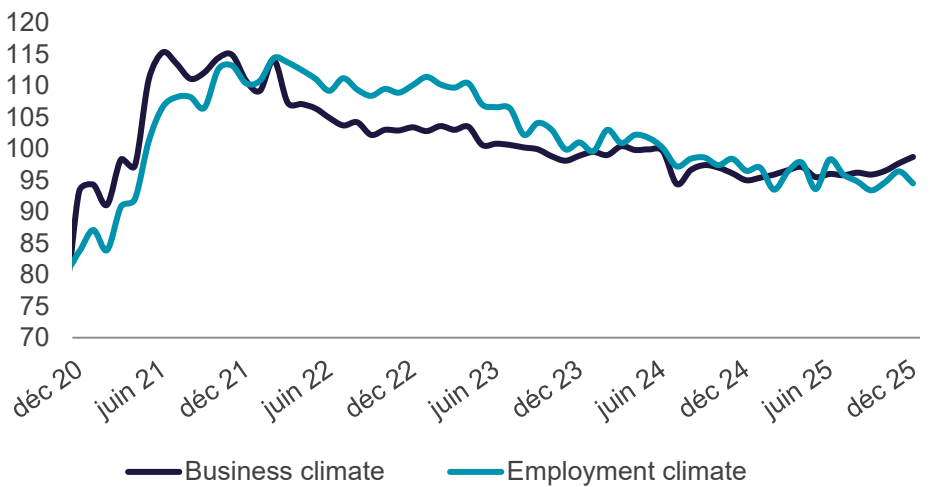
THE JOB MARKET IS DIMMING

In 2025, **the labour market momentum is slowing down after several years of declining unemployment**, resulting in a sharp slowdown in job creation, an increase in bankruptcies and a 0.2 point rise in the unemployment rate. By the end of 2025, it is expected to stand at 7.6%, its highest level since the third quarter of 2021 (7.9%). This year-on-year increase is the result of a sluggish job market, particularly in the private sector, while the working population continues to grow with the 2023 pension reform still in force. The unemployment rate is expected to evolve at the same pace in 2026, pending the effects of the suspension of the reform on the labour force.

ANNUAL GDP GROWTH France (%)

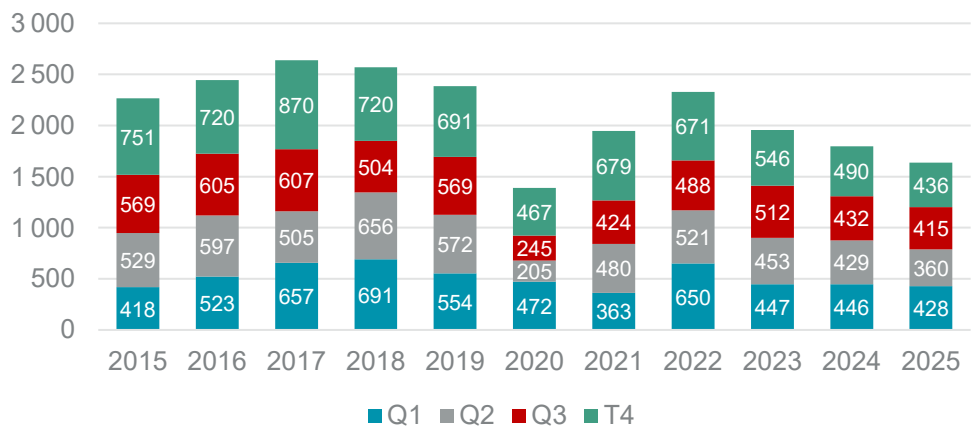


BUSINESS AND EMPLOYMENT CLIMATE INDICES

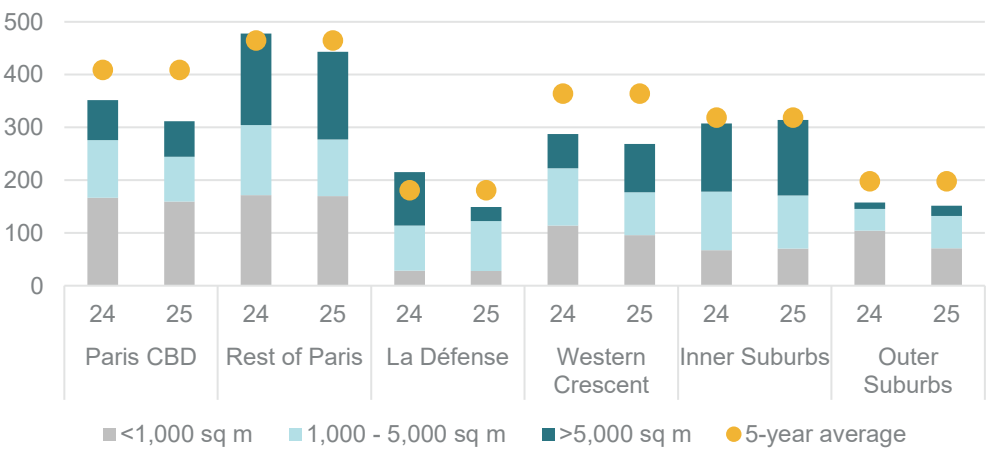


Source: INSEE

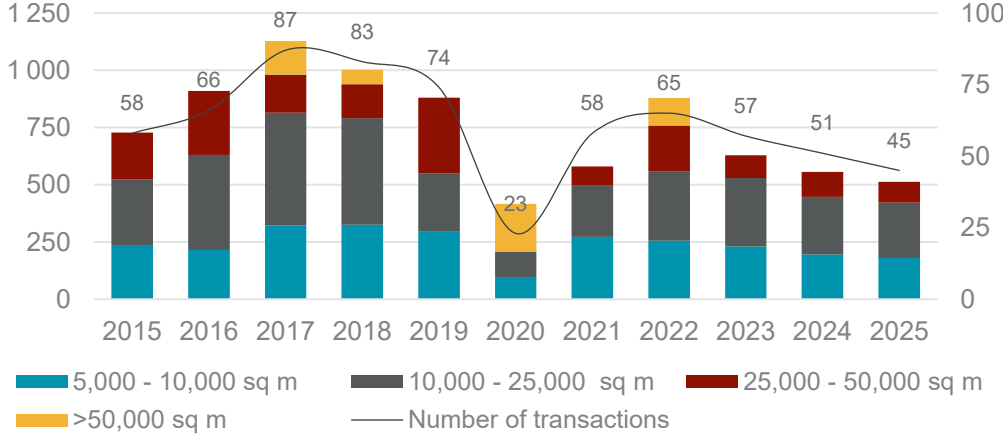
TAKE-UP (thousands of sq m)



TAKE-UP BY GEOGRAPHICAL SECTOR (thousands of sqm)



TAKE-UP > 5,000 sq m (thousands of sq m)



A LOW POINT REACHED IN 2025

With 1.64 million sq m of take-up, 2025 marks a low point, recording a 9% decline compared to 2024 and **-15% compared to the 5-year average** (post-COVID). This is the **lowest level since 2002**, excluding the health crisis of 2020. The fourth quarter shows a slight improvement with +5% compared to the third quarter, but remains below the level recorded in the last quarter of 2024. Since the pandemic, remote working has permanently reduced the need for space, and although some management teams want a gradual return to the office, attendance rates are not returning to pre-crisis levels. After peaking in 2022, linked to the post-COVID recovery, **take-up in the Paris region is set to remain below the 2 million sq m threshold for the foreseeable future.**

AN ALMOST UNIVERSAL DECLINE IN VOLUMES

Paris remains the leading market in terms of take-up (46% of the overall volume), but its volume **is down 9%**. Within the capital, the Central Business District (CBD) still accounts for the largest share of demand, even though it is down 11% year-on-year. Sectors such as Paris 14/15 and Paris 18/19/20 recorded an increase in take-up due to the signing of large transactions (three signings >5,000 sq m in each of these two markets).

In the suburbs, the situation varies from one sector to another. La Défense, for example, saw a 31% drop in take-up. This was mainly due to the fall in large transactions (3 in 2025 vs 8 in 2024), while the business district confirmed its position in the mid-market, where volumes increased by 11%. In the rest of the Western Crescent, the Northern Loop collapsed with a 70% decline, the Southern Loop fell by 9%, while Neuilly-Levallois and Péri-Défense remained stable. Finally, in the rest of the Inner Suburbs, only the Southern sector grew, thanks to large transactions (5 transactions), while the North and East declined.

IMPROVEMENT IN THE >5,000 SQ M SEGMENT AT THE END OF THE YEAR

All surface area segments saw a decline in transaction volumes: -9% for small surface areas, -10% for medium surface areas and -8% for large surface areas. The sharp decline in the >5,000 sq m segment during the first three quarters therefore slowed at the end of the year, thanks to the signing of 14 transactions in the fourth quarter^e. In total, **45 large transactions were completed in 2025, compared with 51 in 2024**, although this number remains well below the long-term average.

KEY DATA

TAKE-UP (2025)

• **IDF: 1.64 million sq m: -9% vs 2024**

• **Share of surface area segments**

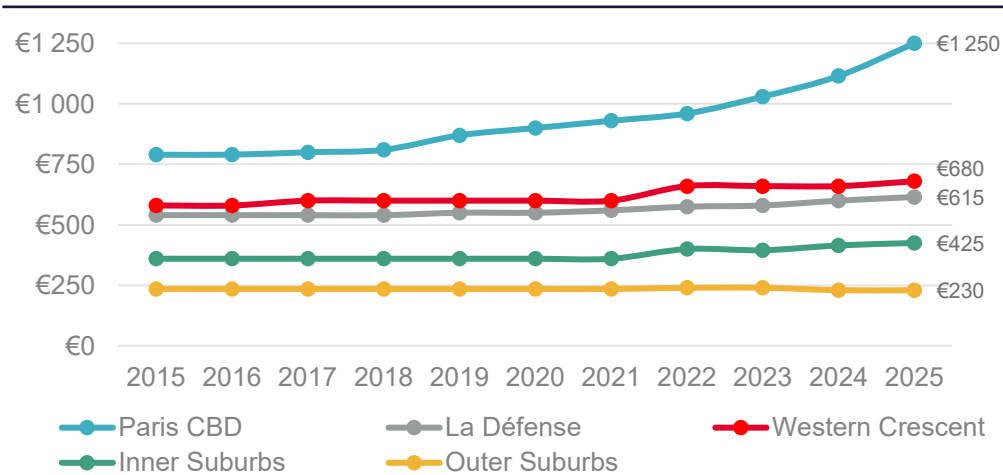
< 1,000 sq m	36
1,000 - 5,000 sq m	32%
> 5,000 sq m	31

• **Change by geographical area**

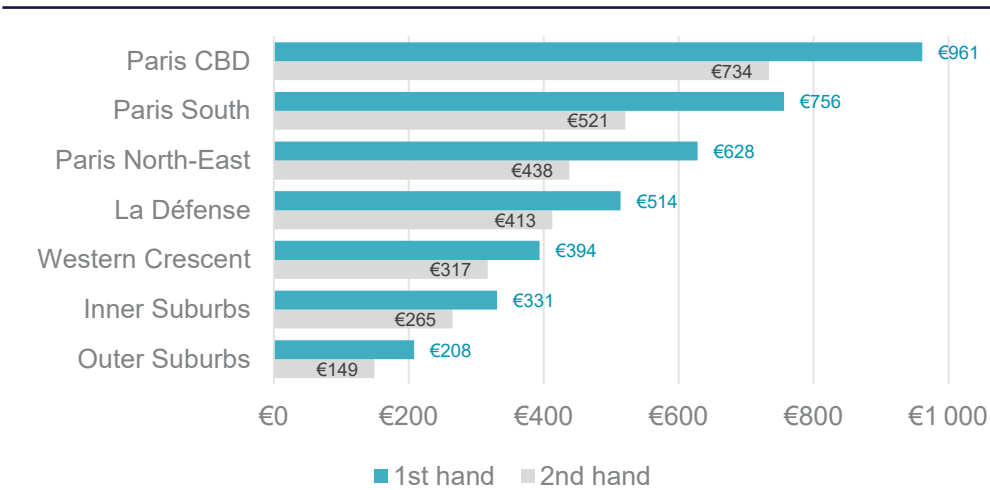
	YoY change
Paris CBD	-11%
Paris Centre West	-2%
Paris South	-26%
Paris North-East	23%
PARIS	-9%
LA DEFENSE	-31%
Neuilly-Levallois	6%
Southern Loop	-9%
Péri-Défense	2%
Northern Loop	-70%
WESTER CRESCENT	-7%
Inner Northern Suburbs	-28%
Inner Eastern Suburbs	-20%
Inner Southern Suburbs	96%
INNER SUBURBS	2%
OUTER SUBURBS	-4%

• **Transactions >5,000 sq m (no.): 45**

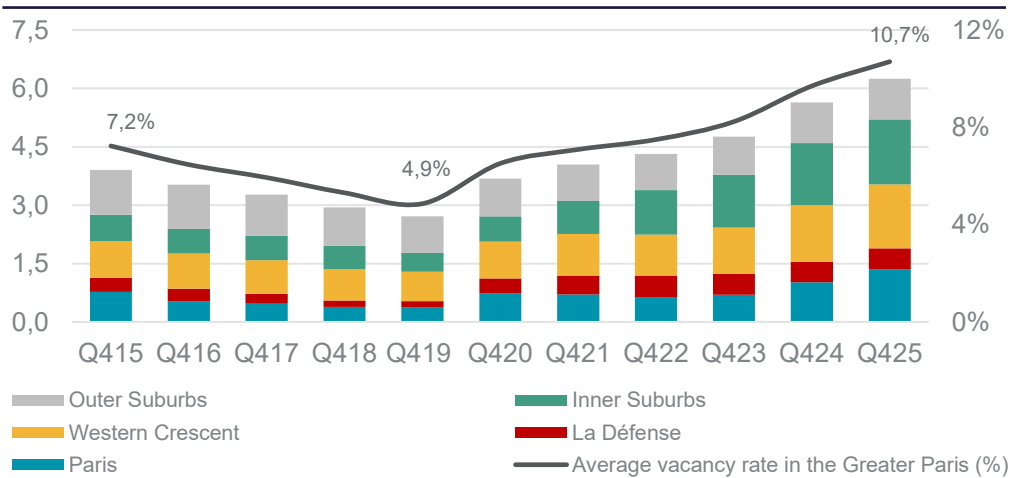
CHANGE IN PRIME RENTS (€ excl. VAT & service charges/sq m/year)



AVERAGE RENTS (€ excl. VAT & service charges/sq m/year)



IMMEDIATE SUPPLY (millions of sq m)



RENTS: STABLE IN NEW PROPERTIES, DOWN IN SECOND-HAND PROPERTIES

The steady rise in prime rents in Paris over the past several years accelerated in 2025, with growth of 12% to reach a historic high of €1,250 in the CBD at the end of the year. In other sectors, prime rents remained stable overall, although some sub-markets saw declines.

Average rents for first-hand properties remained stable overall, although some markets saw slight increases or decreases.

On the other hand, second-hand rents are trending downwards in most geographical areas, with the sharpest declines in certain Parisian markets, such as Paris 5-6-7 and Paris 18-19-20.

2025 marks an acceleration in the increase of incentive packages granted by landlords, which has helped to maintain headline rents, particularly for 1st hand market properties.

RENTS UNDER PRESSURE?

In Paris, the increase in supply should slow down the upward trend in rental values, with the exception of ultra-prime buildings in central districts, where rents could continue to rise. There is likely to be greater segmentation of rental values depending on location. Some buildings that are more difficult to market could therefore see downward adjustments in their rents and/or an increase in accompanying measures.

In the suburbs, pressure on rents in areas with high supply remains strong and further declines could still be seen. The gap headline rents and effective rents will persist, sometimes at levels above 40% in the areas with the highest supply, highlighting the difficulty of maintaining stable rents for the least attractive properties.

IMMEDIATE SUPPLY DOUBLED IN SIX YEARS

The continuous growth in immediate office supply observed since 2020 continues unabated, breaking records quarter after quarter that were never seen even at the peak of the property crisis in the 1990s. By the end of 2025, it will reach 6.247 million square metres, up 11% year-on-year, but more importantly, more than twice the pre-Covid low (end of 2019). The vacancy rate in the Paris region now stands at 10.7%, illustrating a regional market that is generally oversupplied in a context of a general increase in vacant space, even if significant geographical disparities remain.

KEY DATA

RENTS

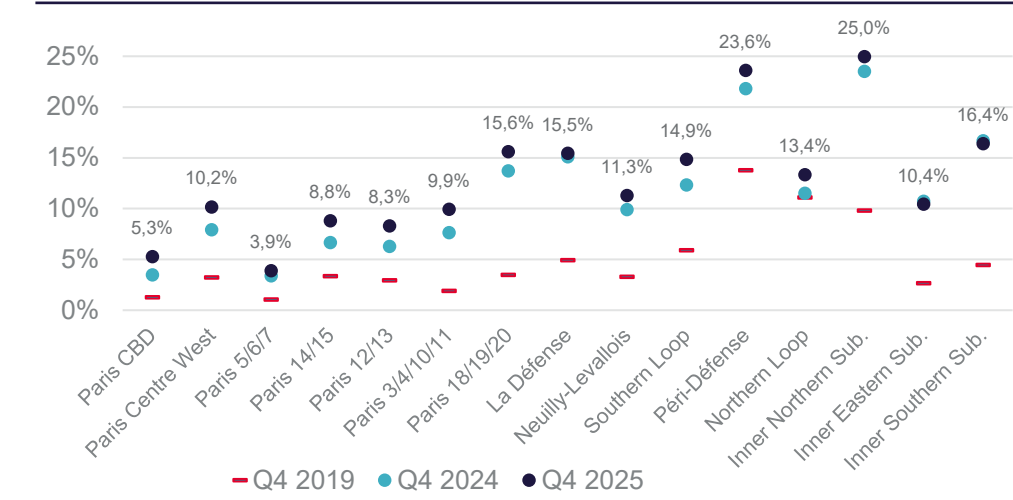
• Change in average rents

	YoY change	
	1st hand	2nd hand
Paris CBD	-2%	-3%
Paris Sud	6%	-10%
Paris North-East	1%	-12%
La Défense	-1%	-7%
Western Crescen	-5%	-5%
Inner Suburbs	3%	-2%
Outer Suburbs	1%	-0,4%

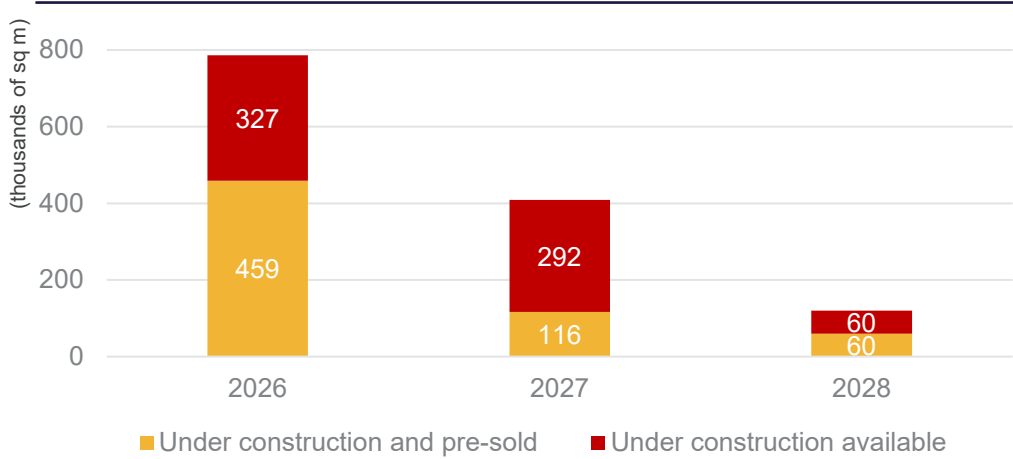
• Incentives

Paris CBD	16.8%
South Paris	19.2%
Paris North-East	25.9%
Southern Loop	36.4%
La Défense	38.2%
Péri-Défense	39.5%
Northern Inner Sub.	42.3%
Greater Paris average	30.3%

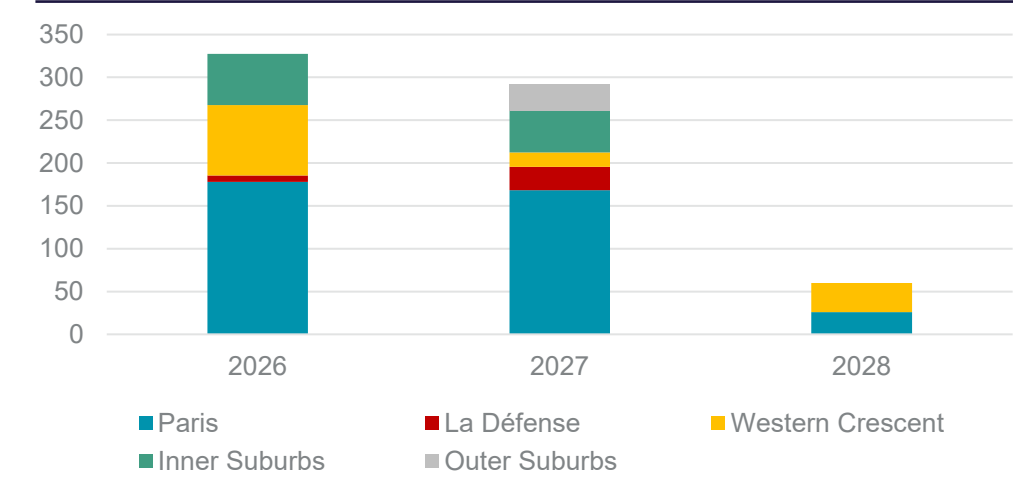
VACANCY RATES BY GEOGRAPHICAL AREA



PROJECTS UNDER CONSTRUCTION >5,000 sq m



AVAILABLE SUPPLY UNDER CONSTRUCTION >5,000 sq m (thousands of sq m)



GENERAL UPWARD TREND IN SUPPLY

The increase in supply affects almost all geographical sectors. Over one year, **the supply available in Paris has increased the most (+32%)** to reach 1.4 million sq m and a vacancy rate of 7.8%, compared with 5.9% a year ago. **The Central Business District saw its availability increase by 52%**, allowing this market to rebalance with a vacancy rate of 5.3%, after a period marked by a shortage of available office space. **The north-east sector of Paris has the highest supply**, concentrated in the 18th^e, 19th^e and 20th^e arrondissements, where the vacancy rate exceeds 15% due to the availability of large spaces (more than 120,000 sq m in the > 5,000 sq m segment).

In the suburbs, supply remains high overall, with vacancy rates above 10% and exceeding 20% for the Péri-Défense and Première Couronne Nord sectors, which each account for 15% of supply in the Paris region. **The abundance of supply on the suburbs mainly concerns large spaces**, since two-thirds of the available space is in the >5,000 sq m segment, compared with just over a quarter in Paris.

1.3 MILLION SQ M OF MAJOR PROJECTS UNDER CONSTRUCTION

780,000 sq m of office space was delivered in the > 5,000 sq m segment in 2025, down 15% compared to 2024.

The total volume of projects currently under construction and due for delivery by 2028 is equivalent to 1.3 million sq m, of which nearly 790,000 sq m is due for delivery in 2026. **49% of the space currently under construction has been pre-let, leaving a volume of 680,000 sq m still available.**

RENEWAL OF THE SUPPLY IN PARIS

Nearly half of the major projects under construction are located in Paris, illustrating the renewal of large spaces in the capital through a majority of restructuring projects, almost exclusively located in western and southern Paris. **Nearly 60% of these spaces under construction have already been pre-let**, illustrating the appetite of large users for the latest generation of programmes in Paris.

With just over 370,000 sq m still available, the capital leads the way in terms of future supply of large programmes not yet marketed. The remaining available volumes are located in the Western Crescent (130,000 sq m) and the Inner Suburbs (110,000 sq m), adding to the large spaces already available in these areas.

KEY DATA

IMMEDIATE SUPPLY (end of 2025)

- **Greater Paris: 6.24 million sq m, +11% / Q4 2024**
- **New supply: 31%**, including 81% in the >5,000 sq m segment

• **Share of surface area segments:**

< 1,000 sq m	31
1,000 - 5,000 sq m	12
> 5,000 sq m	57

VACANCY RATE (end of 2025)

- **Greater Paris: 10.7%, +100 bp / Q4 2024**

FUTURE SUPPLY >5,000 sq m

- **1.3 million sq m deliverable** between 2026 and 2028
- **49%** of space pre-let
- **680,000 sq m** available
- **55%** of future supply available in Paris

MARKET DATA

SUBMARKET	TAKE UP (sq m)	WEIGHT TAKE UP	IMMEDIATE SUPPLY (sq m)	WEIGHT IN IMMEDIATE SUPPLY	VACANCY RATE	PROJECTS UNDER CONSTRUCTION > 5,000 sq m	AVAILABLE SUPPLY UNDER CONSTRUCTION > 5,000 sq m	PRE-LET RATE OF PROJECTS UNDER CONSTRUCTION	PRIME RENTS	AVERAGE 1ST- HAND RENTS	AVERAGE 2ND HAND RENTS
Paris CBD	311,681	19.0%	372,000	6.0%	5.3%	237,049	153,319	35%	€1,250	€961	€734
Paris Centre West (excluding QCA)	108,231	6.6%	168,000	2.7%	10.2%	68,245	51,169	25%	€875	€864	€596
South Paris	174,210	10.6%	428,000	6.9%	7.5%	318,754	-	100%	€1,000	€756	€521
North-East Paris	160,491	9.8%	386,000	6.2%	12.6%	11,000	-	100%	€825	€628	€438
TOTAL PARIS	754,613	46.1%	1,354,000	21.7%	7.8%	635,048	372,514	41%	€1,250	€764	€538
LA DEFENSE	149,220	9.1%	536,000	8.6%	15.5%	195,550	34,550	82%	€615	€514	€413
Neuilly-Levallois	67,140	4.1%	180,000	2.9%	11.3%	76,356	48,203	37%	€680	€482	€483
Southern Loop	101,206	6.2%	424,000	6.8%	14.9%	167,317	66,841	60%	€540	€512	€355
Péri-Défense	94,002	5.7%	933,000	14.9%	23.6%	17,816	17,816	0%	€395	€339	€245
Northern Loop	6,354	0.4%	109,000	1.7%	13.4%	-	-	-	€230	€245	€187
TOTAL WESTERN CRESCENT	268,702	16.4%	1,646,000	26.3%	17.9%	261,489	132,860	49%	€680	€394	€317
Northern Inner Suburbs	118,204	7.2%	917,000	14.7%	25.0%	167,267	90,183	46%	€390	€312	€253
Eastern Inner Suburbs	59,393	3.6%	262,000	4.2%	10.4%	8,903	8,903	0%	€340	€308	€261
Southern Inner Suburbs	136,582	8.3%	488,000	7.8%	16.4%	9,444	9,444	0%	€425	€372	€280
TOTAL Inner Suburbs	314,179	19.2%	1,667,000	26.7%	18.2%	185,614	108,530	42%	€425	€331	€265
Outer Southern Suburbs	48,523	3.0%	370,000	5.9%	9.4%	18,200	-	100%	€230	€220	€180
Saint-Quentin-en-Y hub	22,853	1.4%	188,000	3.0%	12.6%	24,114	24,114	0%	€190	€220	€163
Nouvelle Marne-la-Vallée hub	17,639	1.1%	120,000	1.9%	7.9%	-	-	-	€220	€226	€160
Cergy hub	10,387	0.6%	27,000	0.4%	2.8%	7,000	7,000	0%	€150	€159	€113
Roissy hub	10,573	0.6%	106,000	1.7%	8.7%	-	-	-	€150	€183	€141
Rest of the Outer Suburbs	41,430	2.5%	233,000	3.7%	2.3%	-	-	-	-	€242	€138
TOTAL OUTER SUBURBS	151,405	9.2%	1,044,000	16.7%	5.4%	49,314	31,114	37%	€230	€208	€149
TOTAL GREATER PARIS	1,638,119	100.0%	6,247,000	100.0%	10.7%	1,327,015	679,568	49%	-	€450	€429

MAIN TRANSACTIONS

TENANT	BUILDING	ADDRESS	TOWN	AREA	TYPE OF CONTRACT
MINISTRY OF NATIONAL EDUCATION	Six Degrés	9 rue du Président Salvador	Gentilly	37,400	Lease
SEINE-SAINT-DENIS DEPARTMENTAL COUNCIL	Pulse	Place du Front Populaire	Saint-Denis	28,900	Lease
MISTRAL AI	Marcadet Belvédère	94-108 Rue des Poissonniers	Paris 18	25,600	Lease
ACCENTURE	Bergère	14 rue Bergère	Paris 09	24,600	Lease
BNP		20 Georges Pompidou	Levallois-Perret	22,200	Sale
MICROSOFT	Goodlife	1 Place du Spectacle	Issy-les-Moulineaux	20,700	Lease
DATADOG	Les Cimes de La Madeleine	17-23 Boulevard de la Madeleine	Paris 1	20,600	Lease
OECD	The Circle	7-11 Quai André Citroën	Paris	19,600	Lease
AMUNDI	Rythme	90 Boulevard Pasteur	Paris	16,000	Lease
JP MORGAN	MSH	37 Place du Marché Saint-Honoré	Paris 1	15,800	Lease

LAURENCE BOUARD

Head of Research France

Tel: +33 6 26 43 32 65

laurence.bouard@cushwake.com

AGNES TALENE

Senior Research Analyst

Tel: +33 1 53 76 95 56

agnes.talene@cushwake.com

BARBARA KORENIOUGUINE

CEO France

Tel: +1 53 76 80 29

barbara.koreniousguine@cushwake.com

OLIVIER TAUPIN

Head of Agency Office & Industrial

Tel: +1 6 35 88 46 47

olivier.taupin@cushwake.com

CUSHMAN & WAKEFIELD RESEARCH

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