

MARKETBEAT

OFFICES | GREATER PARIS

Q1-Q3 2025

Better never settles

ECONOMIC OVERVIEW

Q3 2025



+0.3%
GDP
Q3 2025 (f)



+1.1%
Inflation
Average Q3 2025 (f)



96.0
Business climate
Average Q3 2025 (f)



+0.3%
Household
consumption
Household
Q3 2025 (f)



7.5%
Unemployment in
France
(excl. Mayotte)
Q3 2025 (f)



18.6
Savings rate
Q3 2025 (f)

Sources: INSEE, Banque de France
(f) forecasts



Quarterly change

ECONOMIC OVERVIEW

Q3 2025

A climate of uncertainty that makes short-term projections difficult

Despite a gloomy climate, growth remains resilient

After a sluggish start to the year, growth has picked up better than expected, with two consecutive quarters at +0.3%, thanks to an acceleration in industrial and tourism activity.

Taking into account the US/EU agreement on customs duties, French growth is expected to remain weak but positive in 2025 (+0.8% according to INSEE and +0.7% according to the Banque de France). Nevertheless, due to a national context of exponential instability and less favourable international conditions (strong euro, rising oil prices, falling external demand), the Banque de France has revised its growth forecasts for the next two years downwards (+0.9% and +1.1%).

After falling sharply at the beginning of the year, inflation picked up again in September (+1.3%) and is expected to average around 1.0% at the end of 2025. It is expected to rise slightly from 2026 onwards, while remaining one of the lowest in the eurozone (<2%). Core inflation is falling more slowly and is expected to average +1.3% at the end of the year.

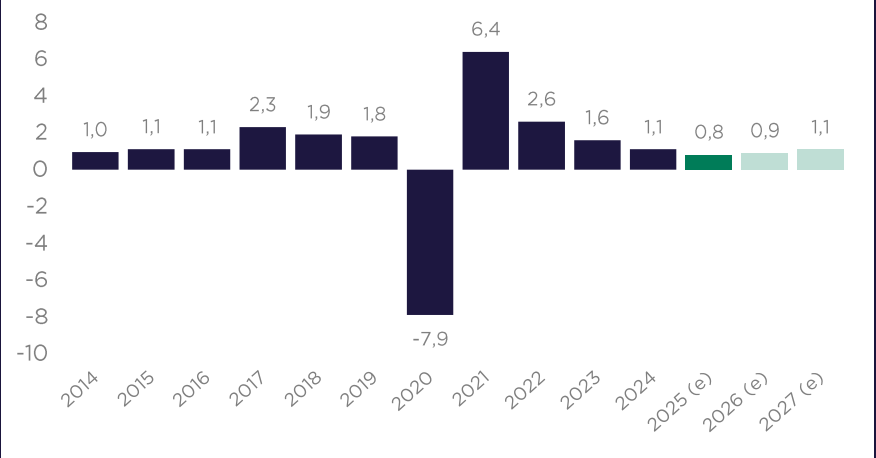
Fuelled in 2024 by wage increases and falling inflation, purchasing power is expected to increase more moderately (+0.8% vs +2.5% in 2024) and gradually support the recovery in household consumption from 2026 onwards.

Until then, consumption remains moderate in the third quarter (+0.3%) against a backdrop of a crisis of confidence among households, with the index at the end of September at its lowest level in two years (87). As a result, the savings rate peaked at 18.6% in the third quarter, driven by economic uncertainty and increasingly restricted access to credit. Business leaders are also waiting for signs of recovery, as evidenced by the business climate index, which has been stagnating around 96 for a year.

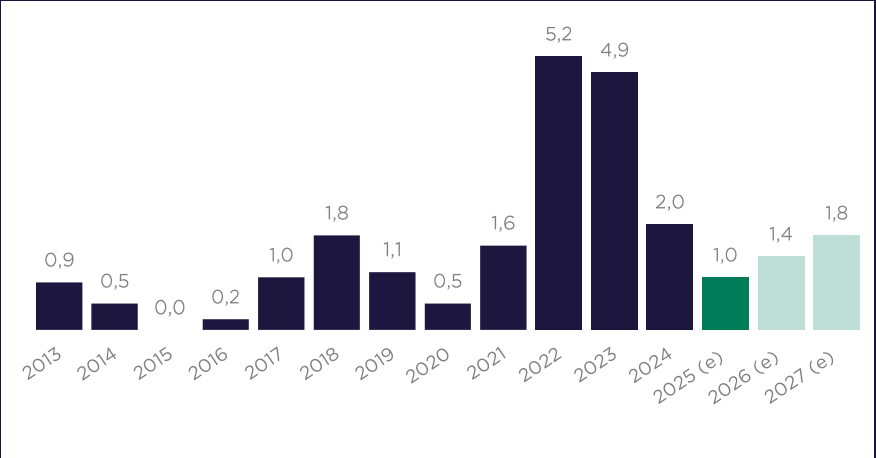
The issues of the deficit (estimated at 5.4% of GDP for 2025) and debt (over 116% of GDP) remain unresolved, while the 2026 budget is still far from being approved. Adding to this uncertainty and lack of political visibility is Fitch's downgrade of France's credit rating to A+, a further signal that could contribute to slowing consumption and investment and create a domino effect among other rating agencies.

Unemployment is once again becoming a concern for the population, even though the labour market seems to be weathering the storm, despite a still high volume of business failures. With pension reform and an increase in the number of people in work, the unemployment rate is expected to remain close to its current level of 7.6% at the end of 2025.

Annual GDP growth in France, in %



Inflation rate in France, in %



Sources: INSEE, Banque de France
(p) forecasts

ECONOMIC OVERVIEW

Q3 2025

Faced with international tensions, a European *status quo* under scrutiny

A turbulent French market

While the European economy is showing signs of resilience, the ECB has decided to keep its key interest rates unchanged at 2.15% for refinancing in the third quarter of 2025, following a series of eight cuts since 2023.

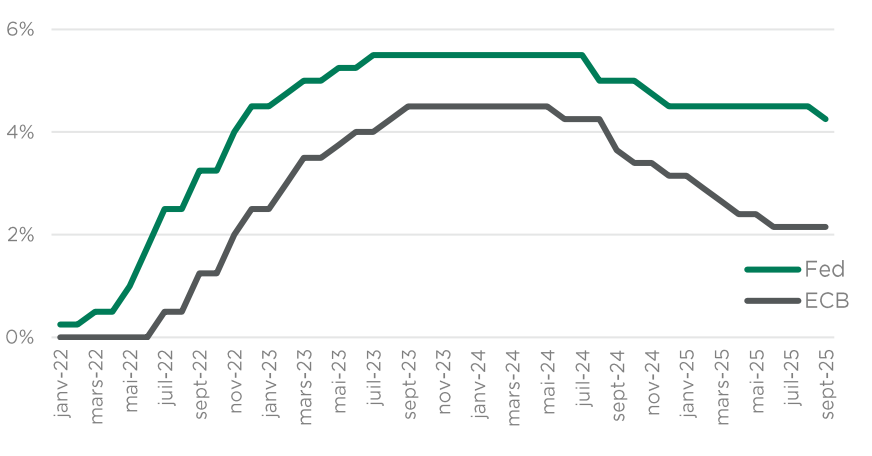
Although unbalanced, the trade agreement concluded with the United States has helped to dispel some of the uncertainty surrounding customs duties. In addition, inflation in the eurozone slightly exceeded expectations, reaching 2.1% in August compared with 2.0% in July, and growth forecasts for 2025 were revised upwards from 0.8% to 1.2%. This stronger-than-expected economic momentum argues for maintaining a strict monetary policy in the immediate term.

However, uncertainty remains as to when the cycle of interest rate cuts initiated by the European institution will actually end. A further reduction cannot be ruled out from summer 2026 onwards, barring any unexpected shocks between now and then. The impact of tariffs on the economy remains uncertain and could gradually emerge in the coming months, prompting the ECB to restart its cycle of monetary easing sooner than expected.

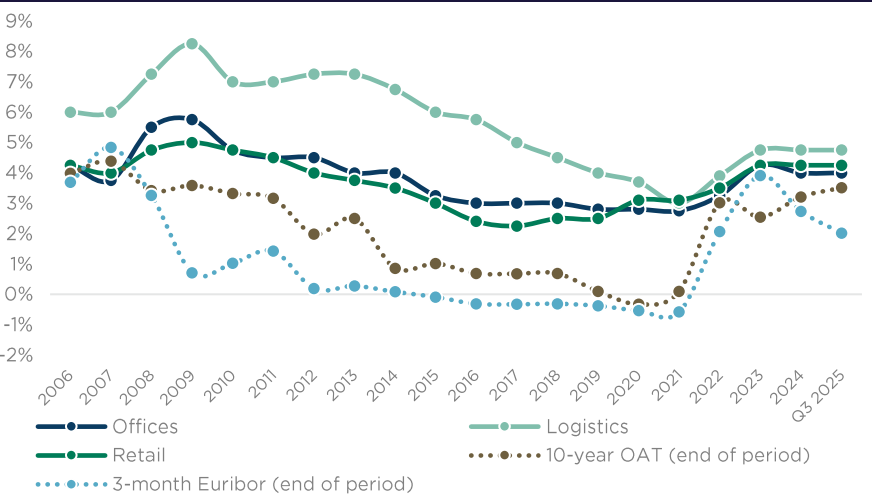
For the first time since 2024, the US Federal Reserve lowered its key interest rate by 0.25 percentage points in September to 4.25%. This decision was expected by the markets and aims to boost slowing employment, with the unemployment rate reaching its highest level since autumn 2021. The Fed is hinting at the possibility of further cuts between now and the end of the year under continued pressure from the government and the president. The unpredictability of US measures could also force the ECB to adjust its monetary policy accordingly, at the risk of penalising the competitiveness of European exports and weighing on growth.

Fitch's downgrade of France's credit rating had been anticipated by the markets and did not significantly affect French government bond yields. Up nearly 350 basis points since 2022, French OATs are nevertheless close to Italian rates, a trend that could become worrying if it proves to be lasting, especially as the spread with Germany has been fluctuating at the upper end of its range (65/85 points) for over a year.

Monthly change in key interest rates (refinancing)



Financial environment and prime property yields



Sources: Banque de France, Cushman & Wakefield

OFFICE OCCUPIER MARKET KEY FIGURES Q3 2025



1.2 million sqm
(-8%)

Take-up for Q1-Q3 2025



6.1 million sqm
(+17%)

Immediate supply



€1,200/sqm/year
(+8%)

Prime rent



10.5% (+150 bp)

Vacancy rate

Year-on-year change

Sources: Immostat – Cushman & Wakefield

MARKETBEAT GREATER PARIS OFFICES Q3 2025

Take-up

Mixed results

Take-up down by 8% year-on-year

Since the beginning of 2025, the Greater Paris office market has been experiencing a persistent slowdown. Take-up reached 1,193,000 sq m at the end of September 2025, down 8% year-on-year and 16% below the average for the last four years (post-COVID period).

The third quarter recorded 408,200 sq m, up 16% compared to the previous quarter. However, this improvement was not sufficient to reverse the downward trend, confirming occupiers' cautious approach amid France's ongoing political instability and an uncertain economic outlook.

Paris still leads the market

Paris remains at the top of the rankings, with nearly 520,000 sq m of take-up since the beginning of the year. However, this volume is down 18% year-on-year. Only the Paris 3/4/10/11 and Paris 18/19/20 submarkets are up, while the Central Business District remains stable. This slowdown in Parisian activity stems mainly from the sharp drop in large transactions, with volumes down 47% and only 13 deals above 5,000 sq m, compared with 19 over the same period last year.

The Inner Suburbs confirm their recovery

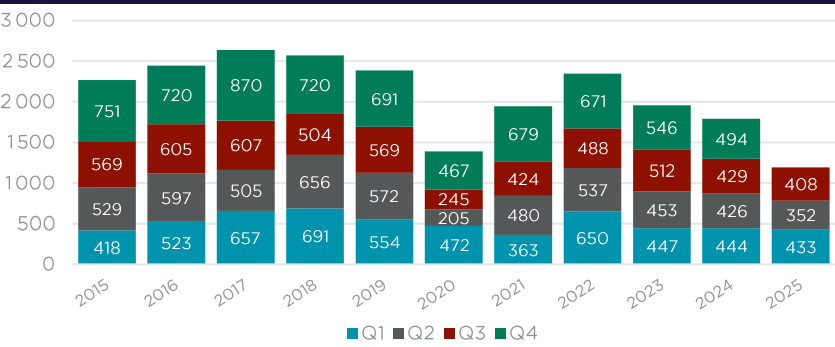
The recovery in the Inner Suburbs strengthened in Q3 2025, although not all sub-markets benefited from this upturn. In the Western Crescent, the Neuilly/Levallois and Southern Loop sectors grew, while Péri-Défense and, above all, the Northern Loop continued to decline. Take-up in the rest of the Inner Suburbs increase by 28% year-on-year, driven by the strong performance of the Southern Inner Suburbs, where activity was boosted by four deals above 5,000 sq m (compared with two for the whole of 2024), alongside solid momentum in mid-sized surfaces (1,000–5,000 sq m).

Quarter after quarter, La Défense confirms its position in the small and mid-market, which accounted for 93% of take-up in the business district during the first nine months of 2025 and continued to grow year-on-year.

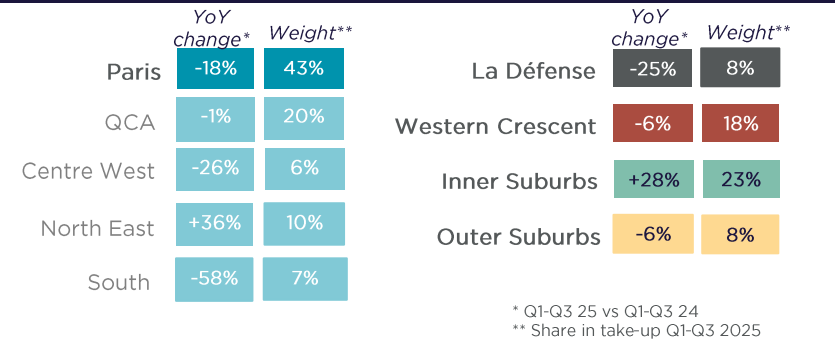
The decline in large deals continue to weigh on total volumes

All size segments recorded a decline, but the large surface segment (above 5,000 sq m) was particularly affected, down 16% compared with the first three quarters of 2024, with 346,560 sq m transacted. The drop was similar in terms of the number of deals, with 32 transactions versus 38 over the same period last year.

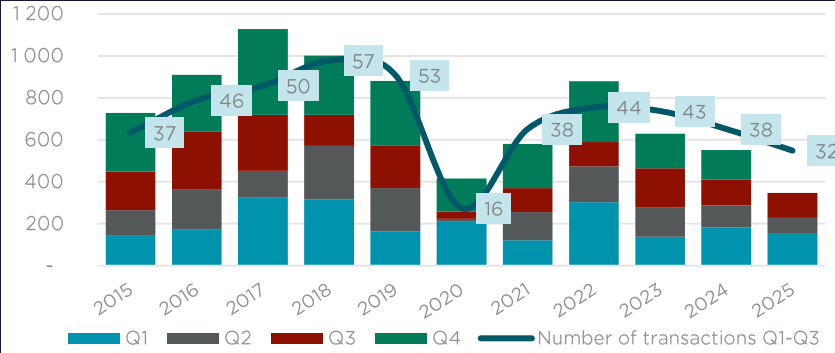
Take-up by quarter, in thousands of sq m



Take-Up Trends and Geographic Breakdown



Take-up over 5,000 sq m, in thousands of sq m



MARKETBEAT GREATER PARIS OFFICES Q3 2025

Rental values

Contrasting trends

Record prime rent in Paris CBD

Over the past year, prime rents have been on an upward trend in most major geographical areas. This increase has tended to stabilise since the middle of the year. The symbolic €1,000 has been exceeded in Paris CBD, which has reached a record level of €1,200/sq m/year (excl. VAT and service charges).

First-hand rents on the rise

Average rents for new and refurbished buildings have also tended to rise over the past year. Within Paris, all submarkets have recorded increases, whereas in the Suburbs, the picture is more mixed. La Défense and the Northern and Southern Inner Suburbs have seen rents rise, while other sectors have experienced declines in first-hand values.

Second-hand rents down

Average rents for second-hand office buildings have generally trended downward year-on-year. Only Paris has recorded an increase of 5%, driven by growth in the Central Business District (CBD) and the Paris Centre West submarket.

What is the outlook?

The evolution of rental values will depend heavily on vacancy levels. In Paris, the increase in available supply is expected to slow the upward trend in rents, except in certain areas or market segments where upward pressure may persist.

In the suburbs, rents will remain under pressure, with gaps between headline and effective rents continuing, sometimes exceeding 40% in the most supply-heavy sectors, highlighting the difficulty of maintaining stable rents for the least attractive buildings.

Prime office rent*, in €/sq m/year excluding VAT, YoY change



Average rents for first-hand properties, in €/sq m/year excluding VAT

	Q1-Q3 2024	Q1-Q3 2025	YoY change
Paris CBD	€920	€962	+3%
Paris	€711	€739	+4%
La Défense	€422	€469	+11%
Western Crescent	€415	€409	-1%
Inner Suburbs	€321	€338	+5%
Outer Suburbs	€209	€207	-1%

Average rents for second-hand properties, in €/sq m/year excluding VAT

	Q3 2024	Q3 2025	YoY change
Paris CBD	€762	€801	+5%
Paris	€578	€576	=
La Défense	€402	€396	-2%
Western Crescent	€333	€317	-5%
Inner Suburbs	€276	€271	-2%
Outer Suburbs	€157	€159	+1%

Sources: Immostat, Cushman & Wakefield

* Prime = average of the three highest rents for top-quality new assets over the past 12 months. Excluding service charges.

MARKETBEAT GREATER PARIS OFFICES Q3 2025

Immediate supply & vacancy rate

A broad-bases increase in supply

6.1 million sq m of immediate supply

Immediate supply has now exceeded the symbolic 6 million sq m threshold, **up 17% year-on-year, bringing the regional vacancy rate to 10.5%**, though strong disparities persist between submarkets.

In Q3 2025, Paris recorded the sharpest increase in available space (+7%), particularly in Paris Centre West. Over the year, **available supply in Paris CBD increased by 80%**, with the vacancy rate rising from 2.8% to 5.1%. This increase is a positive sign and will help to ease the pressure on a market that is struggling to meet demand.

Peripheral markets remain the most supply-heavy areas. However, quarterly trends vary from one sector to another, with a welcome stabilisation in La Défense and the Northern, Southern and Eastern Inner Suburbs. On the other hand, supply continued to grow significantly in Suburbs of La Défense (+8% in Q3), the sector with the most supply, which remains the most supply-heavy submarket, with nearly 1 million sq m of available space.

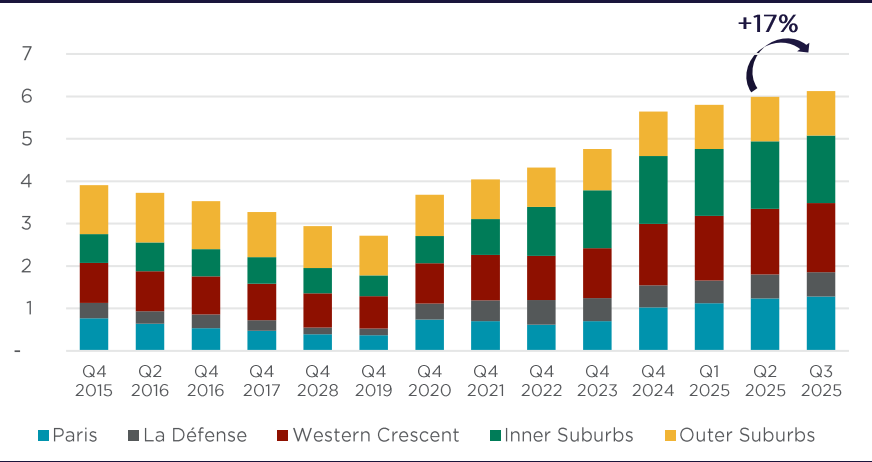
A less tense Parisian market

Vacancy rates in Paris have risen, illustrating the transition from a highly tense market to a more fluid situation. Some submarkets now show relatively elevated vacancy levels, such as Paris 18/19/20 (16.6%) or Paris Centre West outside the CBD (9.5%).

Peripheral markets still offering supply

In the Inner Suburbs, with the exception of the Eastern Inner Suburbs, vacancy rates are above 10%, with **some markets exceeding 20%, such as the Suburbs of La Défense and the Northern Inner Suburbs**. Absorbing this excess supply will take time, with theoretical absorption times measured in several years.

Geographical breakdown of immediate supply, in million sq m



Vacancy rate Q3 2025, in %

Market	Vacancy rate	Change /Q3 2024
Paris	7.4%	+220 pts
Paris CBD	5.1%	+230 pts
Paris 18/19/20	16.6%	+380 pts
La Défense	16.5%	+180 points
Western Crescent	16.7%	+340 pts
Suburbs of La Défense	23.6%	+320 pts
Inner suburbs	17.4%	+20 pts
Northern Inner Suburbs	23.8%	+30 points
Southern Inner Suburbs	16.1%	+130 pts
Eastern Inner Suburbs	9.8%	-140 pts
GREATER PARIS AVERAGE	10.5%	+140 pts

Sources: Immostat, Cushman & Wakefield, change in vacancy rates in basis points (pts)

MARKETBEAT GREATER PARIS OFFICES Q3 2025

Future supply of major projects >5,000 sq m

After a peak in 2026, will decline in projects scheduled for 2027-2028

1.5 million sq m under construction

Just over 600,000 sq m of office space was delivered in the first nine months of 2025. By year-end, total deliveries are expected to reach around 945,000 sq m, slightly above the level recorded in 2024.

The total volume of projects currently under construction and scheduled for delivery by 2028 amounts to 1.5 million sq m, including 700,000 sq m due in 2026. **49% of the space currently under construction is pre-let**, leaving a volume of 740,000 sq m still available.

Paris leads in deliveries

50% of available space under construction, about 370,000 sq m, is located in Paris, with two-thirds deliverable in 2026. This illustrates the **renewal of Paris’s office stock, driven largely by refurbishment and redevelopment projects.**

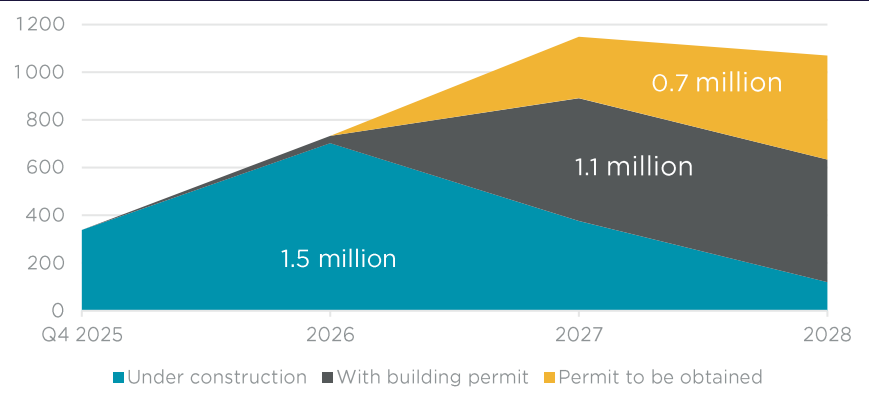
The rest of the available space under construction is located in the Inner Suburbs (180,000 sq m) and the western suburbs (130,000 sq m).

1.8 million sq m in potential projects

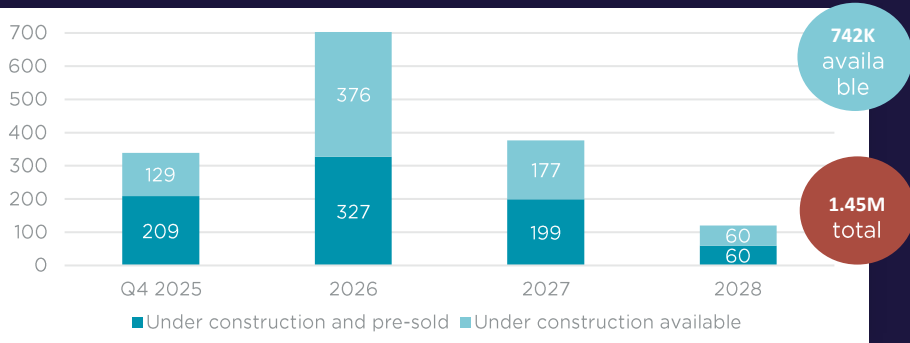
An additional 1.1 million sq m are accounted for with building permits obtained, to which can be added 700,000 sq m of projects without permits.

Given the record level of immediate supply, not all of these projects are expected to move forward. Some will be postponed, others cancelled or converted to alternative uses.

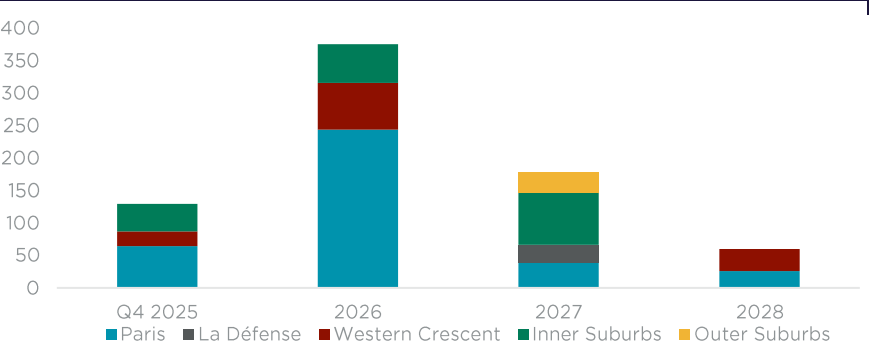
Office pipeline by status, in thousands of sq m



Area of projects under construction, in thousands of sq m



Geographical breakdown of future available supply under construction, in thousands of sq m



TRANSACTIONS > 10,000 SQ M

Q1-Q3 2025

Tenant	Building	Address	Municipality	Area (sqm)	Type of contract
MINISTRY OF NATIONAL EDUCATION	SIX DEGREES	9 RUE DU PRESIDENT SALVATORE ALLENDE	Gentilly	37,400	LEASE
SEINE SAINT DENIS DEPARTMENTAL COUNCIL	PULSE	PLACE DU FRONT POPULAIRE	Saint-Denis	28,900	LEASE
BNP		20 Georges Pompidou	Levallois-Perret	22,200	USER SALE
MICROSOFT	GOODLIFE	1 PLACE DU SPECTACLE	Issy-les-Moulineaux	20,700	LEASE
DATADOG	M	17-23 BOULEVARD DE LA MADELEINE	Paris 1	20,600	LEASE
JP MORGAN	MSH (MARCHE SAINT HONORE)	37 PLACE DU MARCHE SAINT-HONORE	Paris 1st	16,000	LEASE
BPCE SOLUTIONS IMMOBILIERES	RIVES DE BERCY	4 QUA DE BERCY	Charenton-le-Pont	£15,500	LEASE
HERMES	OSCAR	102 RUE DE CHARONNE	Paris 11th	13,700	LEASE
DECATHLON	27 CANAL	28 AVENUE DE FLANDRE	Paris 19th	11,500	LEASE
ASTRAZENECA	ARBORETUM	1 PLACE DES PAPETERIES	Nanterre	11,200	LEASE



MARKETBEAT GREATER PARIS OFFICES

DEFINITIONS

TAKED-UP: All rental and sales transactions, for rent or sale, by end users, including pre-marketing, turnkey transactions and own-account transactions, subject to the lifting of suspensive conditions.

IMMEDIATE AVAILABILITY: All vacant surface areas offered for sale at a given time. This excludes searches for successors and lease terminations until the tenant has effective departure of the tenant.

AVERAGE FIRST HAND RENT: Expressed in euro excl. VAT per sqm per year. The average rent corresponds to the average of the rents, weighted by the total surface area of first-hand transactions (new or refurbished premises).

AVERAGE SECOND HAND RENT: Expressed in euros excl. VAT per sqm per year. The average rent corresponds to the average of rents, weighted by the total surface area of second-hand transactions (excluding new or refurbished areas).

PRIME RENT: The prime rent corresponds to the average of the 3 highest transaction values observed over one year, on new or refurbished properties of over 500 sqm, in very good locations and let with a long firm commitment period.

NEW AND REFURBISHED OFFICE PROPERTIES: All properties to be **built/refurbished and under construction**, with or without planning permission (construction permit and approvals) and not yet delivered.

CERTAIN FUTURE AVAILABILITY OF OFFICE SPACE: All new/refurbished office space / refurbished space under construction at a given time T and not yet marketed.

PROBABLE FUTURE AVAILABILITY OF OFFICE SPACE: All available space in construction/refurbishment projects not yet under construction at a given moment and which have obtained and/or planning permission.

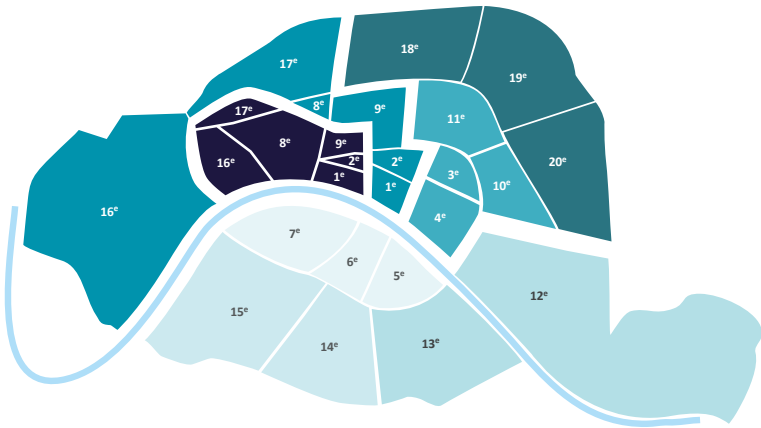
VACANCY RATE: The proportion of Immediately available supply in the existing office stock at a given time.

MARKETBEAT GREATER PARIS OFFICES

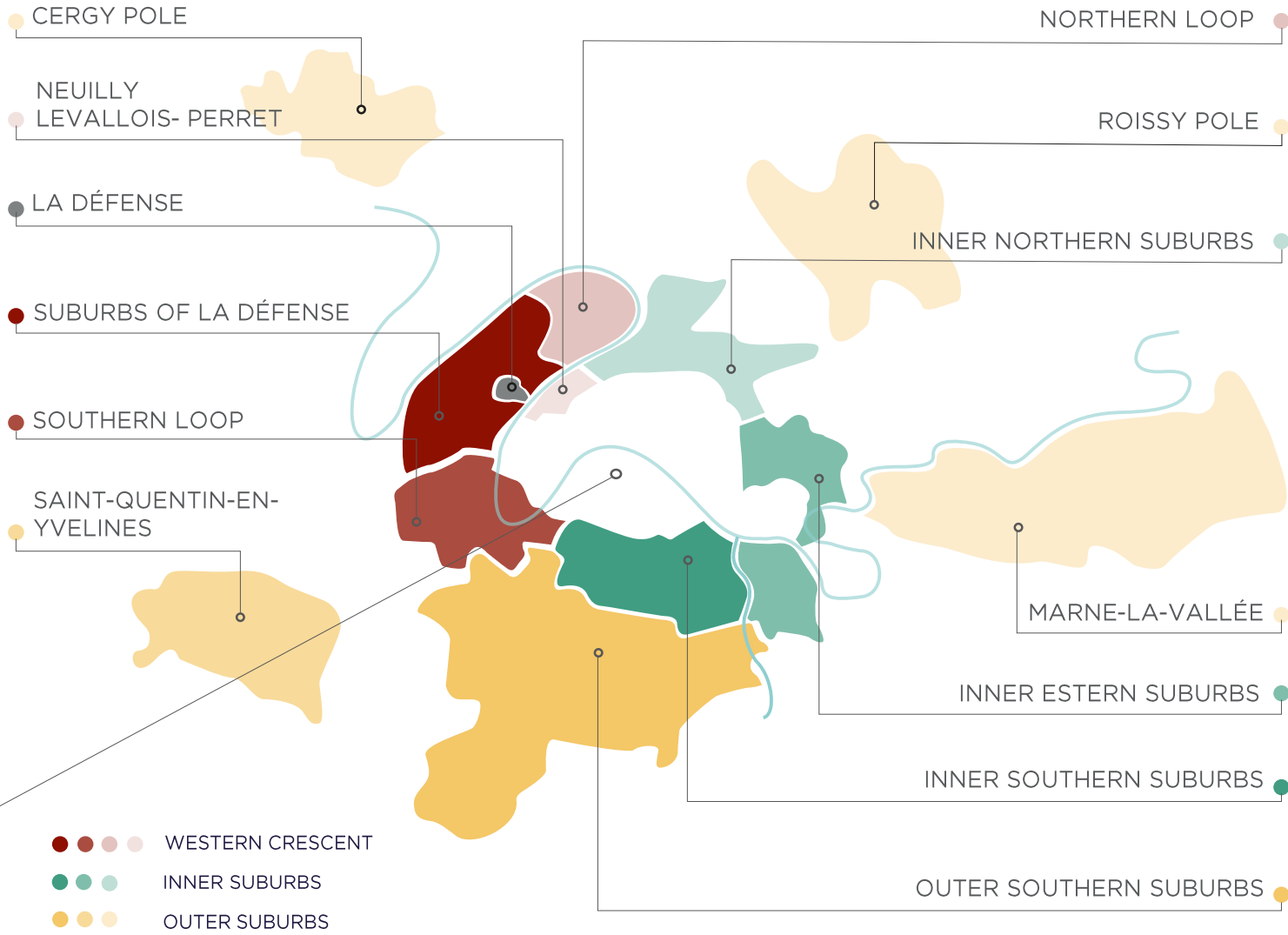
Immostat geographical sectorization

PARIS

- PARIS CBD
 - PARIS CENTRE-WEST EXCLUDING PARIS CBD
 - PARIS 3/4/10/11
 - PARIS 18/19/20
 - PARIS 5/6/7
 - PARIS 12/13
 - PARIS 14/15
- PARIS NORTH-EAST
- PARIS SOUTH



Source : Cushman & Wakefield



ABOUT CUSHMAN & WAKEFIELD

Our services

A global player in commercial property services, Cushman & Wakefield (NYSE: CWK) advises investors, owners and occupiers throughout their property value chain, from strategic thinking to space planning. The group supports its French and international client users and investors in maximising the value of their property assets by combining a global perspective and high value-added local expertise with a comprehensive platform of property solutions.

With 52,000 employees, 400 offices and 60 countries worldwide, Cushman & Wakefield generated revenue of \$9.4 billion in 2024 through its main business lines: Agency and Transaction Advisory Services, Capital Markets, Valuation & Advisory, Asset Services, Facilities Management, Project Management and Design+Build. Driven by the belief that excellence is a constant goal, expressed through its brand positioning "Better never settles", the group is regularly recognised for its corporate culture.

For more information, visit www.cushmanwakefield.com

- Agency Leasing
- Asset Services
- Capital Markets
- Facility Services
- Global Occupier Services

- Investment & Asset Management
- Project and Development Services
- Tenant Representation
- Valuation & Advisory

Worldwide

400	60
offices	countries
52,000	\$9.4 billion
employees	USD in turnover in 2024

In France

12	+500
offices	employees



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