

MARKETBEAT

OFFICE SPACE IN THE GREATER PARIS REGION

FIRST HALF OF 2026



ECONOMIC INDICATORS

	Trend	Outlook
+0.3% GDP Q2 2026	▲	▼
+1.8% Inflation, June 2026	▼	▲
94 Business Climate (June 2026)	▼	▼
+0% Household Consumption (Q2 2026)	▼	▬
8.2% Unemployment in France (ILO Q2 2026, France excluding Mayotte)	▲	▲
17.3% Savings Rate Q2 2026	▼	▼

Source: INSEE

THE CHALLENGE OF 2026: ANTICIPATING THE UNPREDICTABLE

The latest macroeconomic projections anticipate a continuation of the conflict in the Middle East despite the signing of an agreement between the United States and Iran on June 14. Growth, previously estimated at +0.9% for 2026, has thus been revised downward (+0.7% according to INSEE and +0.5% according to the Banque de France) to account for the deterioration of the international environment in recent months and rising energy prices, which have led to a significant decline in economic activity. First-quarter growth has in fact slipped into negative territory (-0.1%), and estimates for Q2 point to a modest increase of +0.3% against a backdrop of sluggish consumption, which would keep the country’s performance below last year’s levels. After a slight improvement in 2025, the public deficit is expected to widen again in 2026 to 5.2% of GDP, pushing public debt to a historic high of around 120% of GDP.

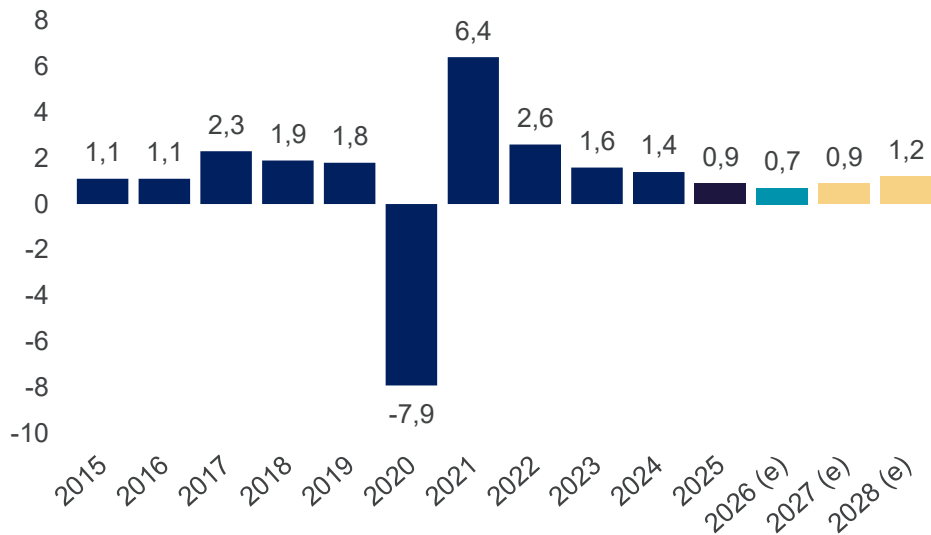
INFLATION IS PLATEAUING AS MARKETS AWAIT STABILIZATION

After surpassing the 2% threshold in April due to soaring energy prices, inflation appears to be plateauing despite a gradual return to normalcy in the oil markets. Core inflation (+1.3% in June) is expected to persist as the delayed impact of energy costs is absorbed across all goods and services. Purchasing power, which has been declining for several months, leaves little room to boost sluggish consumption in the second quarter. Household confidence fell by 4 points in the first half of the year, reaching its lowest level in May (82) since the start of the war in Ukraine. Although to a lesser extent, business sentiment is also being tested by economic conditions, and the business climate index has returned to the levels recorded at the end of the pandemic (93.3 in May 2026).

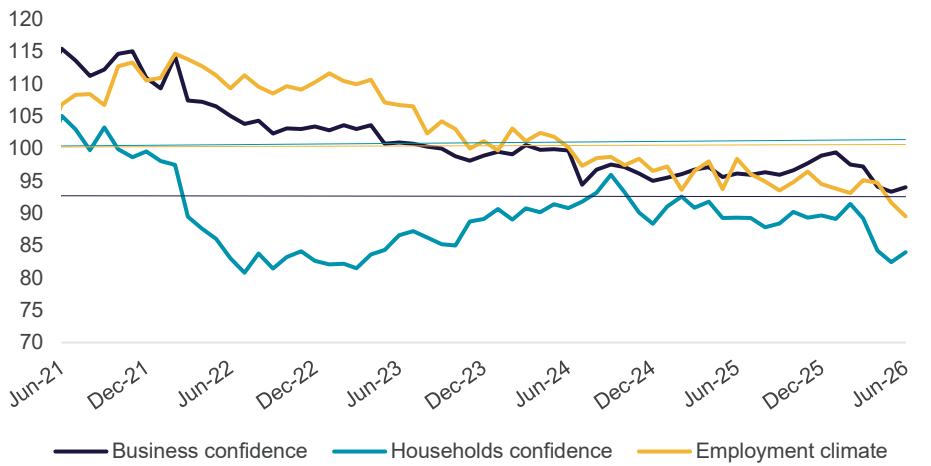
THE TURNAROUND IN THE LABOR MARKET IS CONFIRMED

The employment climate is following the same downward trend, with the index falling below 90 in June—its lowest level in five years. The unemployment rate continues to rise and is expected to reach 8.4% by year-end in France (vs. 7.9% in 2025), with increases across all age groups, though the rise is more pronounced among those under 25. This rise in unemployment is driven by stagnant employment growth, while the labor force continues to grow steadily.

ANNUAL GDP GROWTH, France (%)

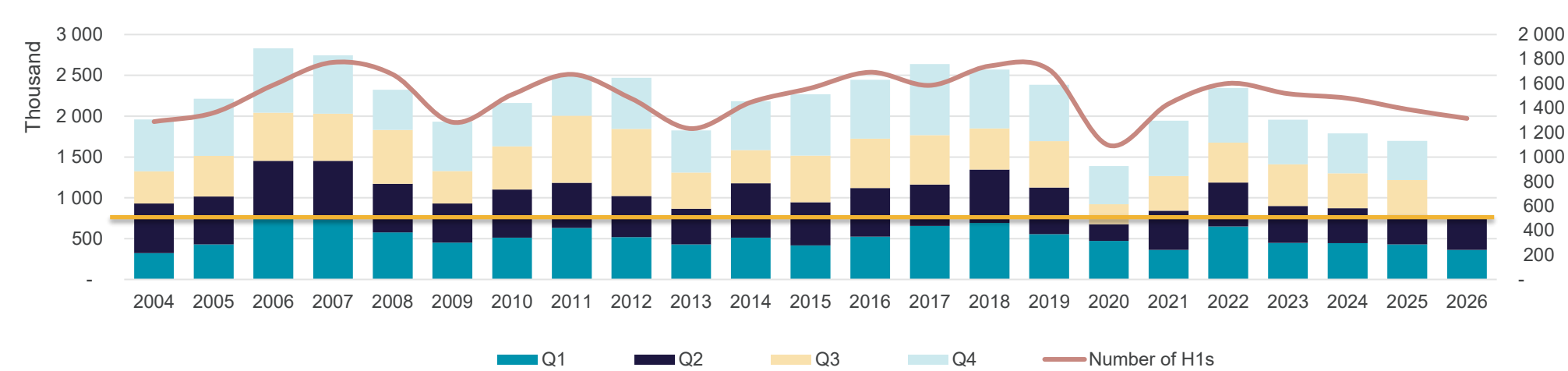


BUSINESS CLIMATE AND EMPLOYMENT INDICES



Source: INSEE, Banque de France (2027 and 2028 estimates)

Take-up (thousands of sqm)



15 DEALS EXCEEDING 5,000 sqm: THE FIGURE THAT SUMMARIZES THE ENTIRE FIRST HALF IN THE PARIS REGION

The Paris market is gradually recovering, but the recovery remains uneven and vulnerable. After a first quarter that hit an all-time low (359,900 sqm), Q2 2026 posted an 8% increase compared to both the previous quarter and Q2 2025, reaching 389,300 sqm taken. This recovery, however, does not offset the weak start to the year: over the entire half-year, 749,951 sqm were leased, down 5% year-over-year.

Large transactions—those that drive the overall trend—remain lower than the historical average: a 13% year-over-year decline in volume, with only 15 deals exceeding 5,000 sqm recorded over the entire half-year. Conversely, the number of mid-market transactions is increasing (+6% year-over-year, despite a decline in volume in this segment), and small-market activity has stabilized. The Greater Paris Region market remains resilient, though its dynamics have shifted: smaller occupiers are sustaining activity, while larger tenants continue to postpone commitments amid ongoing uncertainty.

PARIS IS SPLITTING, THE SUBURBS ARE REINVENTING THEMSELVES

Within the city limits, the trend is clear: central markets are slowing down, including the Central Business District (CBD) (-9% year-over-year). Rental rates are now increasingly driving a selection process among companies as a growing proportion of them are shifting toward more affordable locations, while those with the strongest budgets continue to secure the most prestigious addresses. The barrier to entry in the capital's city center continues to rise, creating a lasting divide among companies with more substantial budget constraints.

In contrast, Paris South and Northern Paris appear to have seen a rebound (+205% and +9% year-over-year), driven in reality by a few moves by large corporations rather than by underlying market dynamics—a useful reminder that a submarket's reported performance can mask a narrow demand base.

La Défense stands out as the most well-rounded sector in the first half-year: double-digit growth, a diverse range of floor-area segments, and the return of large transactions. The business district in western Paris thus confirms its momentum (+52% year-over-year), driven by small and medium-sized enterprises (SMEs) as well as three transactions exceeding 5,000 sqm during the half-year. The Outer Suburbs also rebounded, led by Saint-Quentin-en-Yvelines (+306%) and the Outer Southern Suburbs (+170%). In contrast, the Western Crescent (-12%) and Inner Suburbs (-60%) recorded a sharp decline due to a lack of major corporate relocations: only 4 deals were signed in these sectors during the first half of the year, compared to 12 a year earlier.

KEY DATA

Take-up

H1 2026

GREATER PARIS REGION: 749,951 sqm: -5% vs. H1 2025

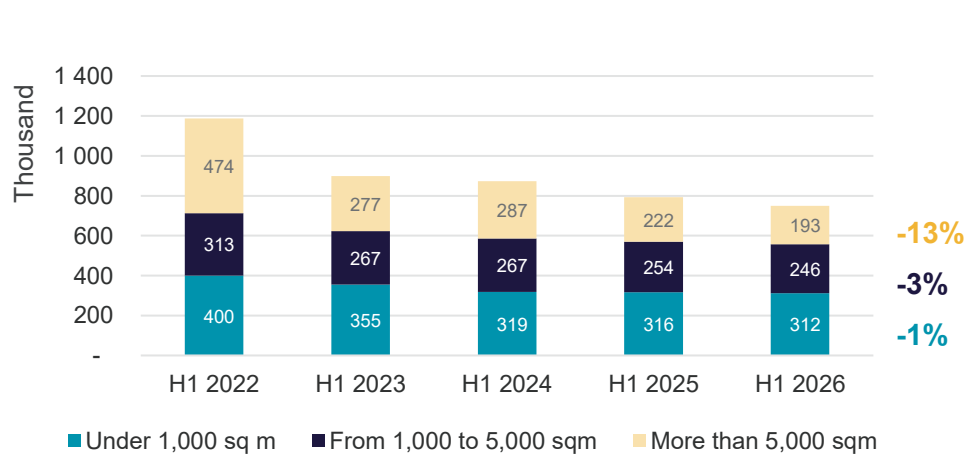
1,315 Transactions (number)

	H1 2025	H1 2026	Y-O-Y
PARIS	334 293	333 639	0%
PARIS SOUTH	63 248	85 423	35%
PARIS NORTH EAST	55 927	54 635	-2%
LA DEFENSE	62 622	94 923	52%
WESTERN CRESCENT	145 020	127 337	-12%
INNER SUBURBS	179 242	72 102	-60%
OUTER SUBURBS	69 175	121 950	76%

Breakdown for PARIS:

	H1 2025	H1 2026	Y-O-Y
Paris CBD	163 321	148 240	-9%
Paris Centre West (excl. CBD)	51 797	45 341	-12%
Paris 5/6/7	19 564	8 435	-57%
Paris 14/15	23 859	16 531	-31%
Paris 12/13	19 825	60 457	205%
Paris 3/4/10/11	39 627	36 809	-7%
Paris 18/19/20	16 300	17 826	9%

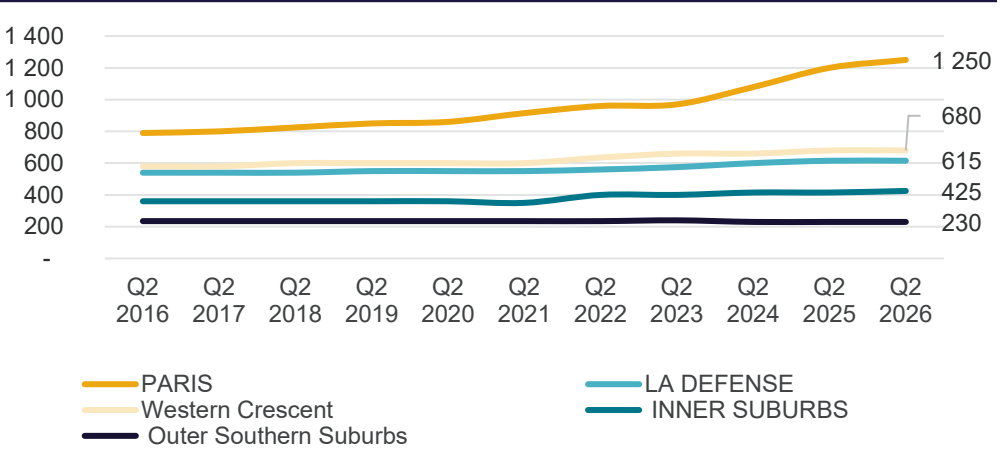
LEASED AREA BY SIZE BRACKET (thousands of sqm)



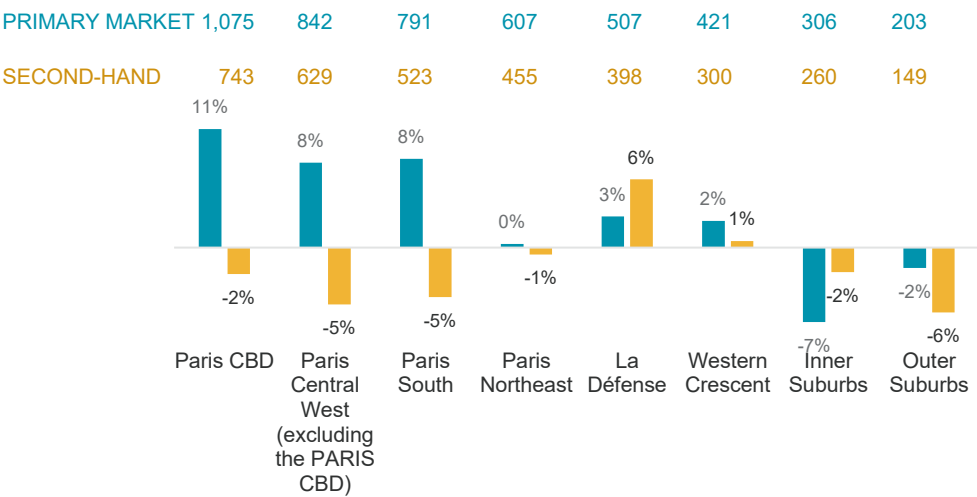
Sources: Cushman & Wakefield, Immostat

H1 2026 / Q2 2026

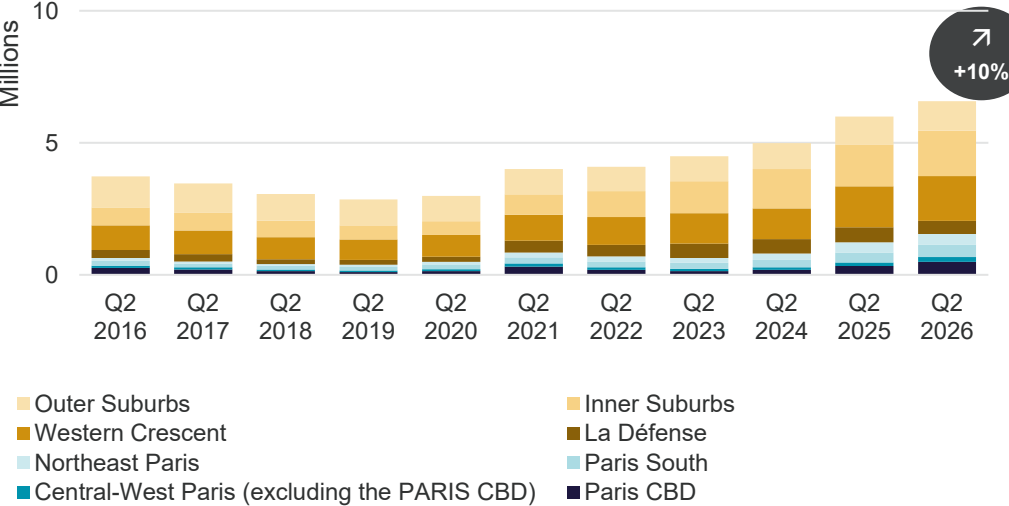
TRENDS IN PRIME RENTS (€ excl. tax and utilities/sqm/year)



AVERAGE RENTS & CHANGES OVER 1 YEAR (€ excl. tax and service charges/sqm/year)



IMMEDIATLY AVAILABLE SUPPLY (millions of sqm)



FROM €1,250 TO €260: THE RENT MAP OF THE GREATER PARIS REGION IS BEING REDRAWN

Prime rents in Paris, driven upward for several years by the Central Business District (CBD), are entering a phase of deliberate slowdown. They are stabilizing at **€1,250/sqm/year** and are not expected to exceed €1,300/sqm/year by the end of the year. In the suburbs, the trend is different but just as telling. Prime rents are stagnating while incentives are increasing—a clear signal that the markets most vulnerable to vacancies are heading toward a downward repositioning.

THE PREMIUM FOR NEW PROPERTIES IS INCREASING

The increase in supply in the Greater Paris Region combined with environmental requirements and the race for talent is intensifying competition among properties. As a result, new and renovated spaces—already in high demand before the health crisis—continue to gain market share, while unrenovated spaces are losing it.

This trend is particularly pronounced in the central and Paris South districts of Paris, where average rents for new properties rose **8% to 11%** over the year, while average rents for **pre-owned properties are declining between 2% and 5%**. Additionally, even within the new-construction market, the value of prime+ and ultra-prime properties is increasingly outpacing the rest of the new supply. In the north of the capital, the slower absorption of properties located on the outskirts is keeping values stagnant.

In La Défense, rents are being driven upward by the neighborhood’s strong commercial performance, but are still accompanied by some of the highest incentives in the Greater Paris Region. In the Western Crescent, Neuilly-Levallois, and the Southern Loop, values are still holding up against repricing, unlike in Péri-Défense, which is more exposed.

THE INNER SUBURBS AND THE OUTER SUBURBS CAN NO LONGER MAINTAIN THEIR VALUES

In sectors with a surplus of supply, rental values are no longer holding steady, regardless of the condition of the premises. The Inner Suburbs and Outer Southern Suburbs are the clearest examples, with contrasting situations depending on the submarket. In the Inner Southern Suburbs, driven by a sharp rise in supplies, repricing has been accelerating significantly for several quarters. Rental rates there now stand **at €260/sqm/year** in the first half of 2026.

IMMEDIATELY AVAILABLE SUPPLY IS BOOMING, DRIVEN BY PARIS CBD

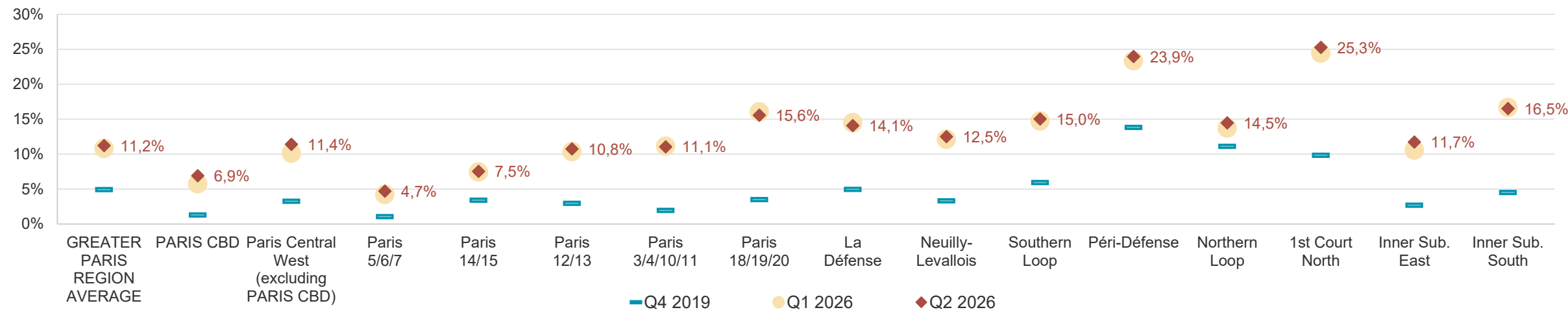
The Greater Paris Region record continues to be broken. A new all-time high of **6.5 million sqm** were available at the end of June. Deliveries of renovated buildings in the central arrondissements are directly fueling this increase, driven by Paris CBD (**+46%** year-over-year, 486,000 sqm), the West Central area (**+39%**, 188,000 sqm), and the East Central area (**+55%**, 178,000 sqm). Markets outside the city center also showed growth, albeit to a more limited extent.

A few markets, however, stand out as exceptions with a decline in availability: Paris North (-6% year-over-year), Paris 14/15 (-4%), La Défense (-12%), and Saint-Quentin-en-Yvelines (-9%)—areas that represent notable exceptions in a market still largely characterized by increases in available space.

Sources: Cushman & Wakefield, Immostat

OFFICES IN THE GREATER PARIS REGION

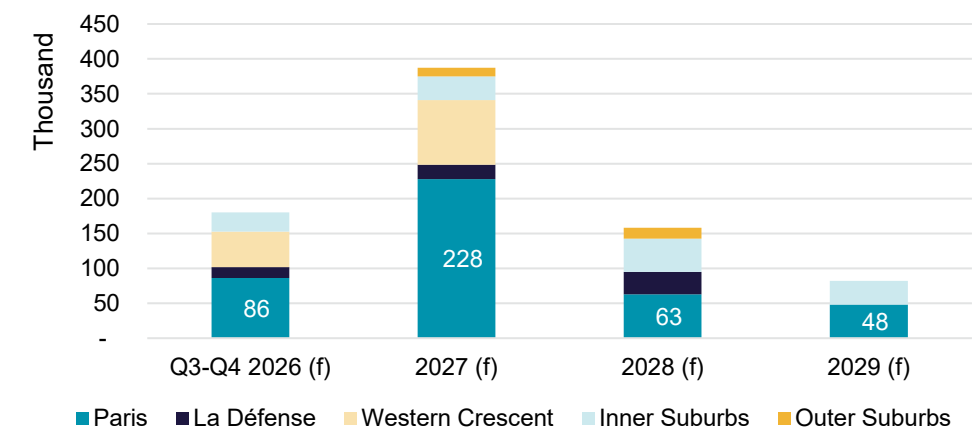
VACANCY RATES BY GEOGRAPHIC SECTOR



PROJECTS UNDER CONSTRUCTION > 5,000 sqm THROUGH 2029 (sqm)

Geographic Sectors	Total area	Share (%)	Available area	Share (%)
PARIS	581,600	56%	424,900	53%
LA DEFENSE	110,900	11%	68,150	8%
WESTERN CRESCENT	167,300	16%	143,700	18%
INNER SUBURBS	133,400	13%	142,850	18%
OUTER SUBURBS	49,500	5%	28,050	3%

AVAILABLE SUPPLY UNDER CONSTRUCTION > 5,000 sqm PER YEAR THROUGH 2029 (sqm)



PARIS CBD AND CENTRAL-WEST AREAS ARE DRIVING UP THE VACANCY RATE

Changes in vacancy rates between Q1 and Q2 2026 remain generally modest, with one notable exception: Paris CBD and the Central West, where recent completions and vacancies have caused rates to rise significantly over three months to **6.9% and 11.4%**, respectively.

In the suburbs, vacancy rates exceeding 10% are now the norm rather than the exception, with peaks of **24–25% in Péri-Défense and the Inner Northern Suburbs**—two markets that each account for 15% of the Greater Paris Region supply, which consists overwhelmingly of large-format retail spaces. La Défense is an exception this quarter, with a decline in vacancy rates, driven by a better-managed pipeline of future supply and record momentum in the small and mid-market segments.

“PARIS” AS THE FOCUS OF RESTRUCTURING

Driven by environmental regulations and the bioclimatic local urban planning (PLU) guidelines, the restructuring of Paris’s real estate portfolio is intensifying and, unsurprisingly, is concentrated in the capital, which accounts for **56%** of project volume and **53%** of available space in the Greater Paris Region. The most recent completions included iconic buildings in the city center: “Bergère” (9th arrondissement), “54-56 Boétie” (8th), “Étoile du Nord” (10th), as well as three projects in the 13th arrondissement and two each in the 15th and 17th.

The pipeline remains substantial: 424,900 sqm will become available in Paris between Q3 2026 and Q4 2029. Deliveries within the city limits will continue over the coming quarters, peaking in 2027 (314,000 sqm to be delivered, of which 228,000 sqm are still available for sale).

The shortage of new-construction properties that once characterized Paris is no longer an issue—a paradigm shift for investors focused on developing prime assets.

This shift is transformative: the shortage of new-construction properties, long a hallmark of the Parisian market, is de facto a thing of the past. At the same time, the supply of high-quality properties continues to grow in the outlying markets, led by the Western Crescent and the Inner Suburbs. However, faced with high vacancy rates, operators are adopting a more selective approach in the suburbs: the volume of new completions is gradually declining there, and projects are now concentrated in the municipalities with the lowest rental risk, the best transportation links, and the most central locations within their catchment areas.

KEY DATA

FUTURE SUPPLY UNDER CONSTRUCTION

1.042 million sqm under construction
798,300 sqm available

PROJECT CANCELLATIONS

Already nearly 70 projects—either abandoned, suspended, or repurposed—that were originally scheduled for completion between 2026 and 2030.

Sources: Cushman & Wakefield, Immostat

MARKET DATA

H1 2026 / Q2 2026

SUBMARKET	Take-up (sqm)	SHARE OF TAKE-UP	IMMEDIATLY AVAILABLE SUPPLY (sqm)	SHARE OF IMMEDIAT SUPPLY	VACANCY VACANCY	PROJECTS UNDER CONSTRUCTION > 5,000 sqm	AVAILABLE SUPPLY UNDER CONSTRUCTION > 5,000 sqm	PRE-SALES RATE FOR PROJECTS UNDER CONSTRUCTION	PRIME RENTS	AVERAGE RENTS (NEW SPACE)	AVERAGE RENTS Second-hand
						Q3 and Q4 units 2026	Q3-Q4 2026				
Paris CBD	148,240	20%	486,000	7%	6.9%	104,805	61,549	41%	1,250	1,075	743
Paris West Central (excluding the PARIS CBD)	45,341	6%	188,000	3%	11.4%	17,000	1,018	94%	900	842	629
Paris South	85,423	11%	465,000	7%	8.2%	23,444	23,444	0%		791	523
Paris Northeast	54,635	7%	403,000	6%	13.2%	11,000		100%		607	455
TOTAL PARIS	333,639	44%	1,542,000	23%	8.9%	156,249	86,011	45%	1,250	786	550
LA DEFENSE	94,923	13%	505,000	8%	14.1%	15,768	15,768	0%	615	507	398
Neuilly-Levallois	19,975	3%	199,000	3%	12.5%	20,135	20,135	0%	550	575	400
Southern Loop	49,600	7%	435,000	7%	15.0%	16,400	12,846	22%	230	529	385
Péri-Défense	57,188	8%	946,000	14%	23.9%	17,816	17,816	0%	680	332	231
Northern Loop	574	0%	118,000	2%	14.5%				400	247	184
TOTAL Western Crescent	127,337	17%	1,698,000	26%	18.3%	54,351	50,797		680	421	300
Inner Northern Suburbs	38,748	5%	932,000	14%	25.3%	9,300	9,300	0%	340	315	272
Inner Eastern Suburbs	8,458	1%	294,000	4%	11.7%	8,903	8,903	0%	390	310	248
Inner Southern Suburbs	24,896	3%	492,000	7%	16.5%				425	293	262
TOTAL IN THE INNER SUBURBS	72,102	10%	1,718,000	26%	18.7%	18,203	18,203		425	306	260
Remaining Outer Suburbs	19,286	3%	249,000	4%	2.5%					244	153
Outer Southern Suburbs	41,829	6%	394,000	6%	10.1%	18,200		100%	230	220	163
SQY	48,828	7%	182,000	3%	12.2%				220	221	173
Marne-la-Vallée	6,851	1%	135,000	2%	8.9%				190	190	157
Roissy Hub	3,763	1%	118,000	2%	9.7%				150	183	139
Cergy Campus	1,393	0%	30,000	0%	3.1%				150	158	111
TOTAL FOR THE OUTER SUBURBS	121,950	16%	1,108,000	17%	5.8%	18,200	-		230	203	149
TOTAL Greater Paris region	749,951	100%	6,571,000	100%	11.2%	262,771	170,779	35%	1,250	461	429

MAJOR TRANSACTIONS

TENANT	BUILDING	ADDRESS	CITY	SQUARE FOOTAGE	CONTRAC T TYPE
AIRBUS DEFENCE AND SPACE SAS	GREATER PARIS CAMPUS	3 Avenue Ampère	Montigny-le- Bretonneux	36,804	BUILT TO SUIT ACCOUNT
CASINO GUICHARD PERRACHON	WHITE TOWER	34 Place des Place des Corolles	Courbevoie	25,670	RENTAL
DASSAULT SYSTEMS	CONNECT	9 Avenue Morane-Saulnier	Vélizy-Villacoublay	23,418	RENTAL
AXENS	THE HIVE	35–46 Joseph Monier Street	Rueil-Malmaison	21,719	RENTAL
HARMONIE MUTUELLE	SEQUANA	87 Quai Panhard et Levassor	Paris 13th	12,538	RENTAL
MACSF		COURBEVOIE LA DEFENSE	Courbevoie	10,216	RENTAL
CITY OF PARIS		PARIS 13	Paris 13th	9,812	RENTAL
ADIM PARIS Greater Paris region	SILVER SEINE	13–15 Quai Alphonse Le Gallo	Boulogne-Billancourt	7,845	RENTAL
PALI PALI	LE BALZAC	140–142 Boulevard MacDonald	Paris 19th	7,704	RENTAL
IN GROUP (NATIONAL PRINTING OFFICE)	CAMPUS (FORMERLY ESPACE LUMIERE)	50 Quai du Point du Jour	Boulogne-Billancourt	7,393	RENTAL

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