

# The Southern Loop Office Market

Q1 2025

Rental and owner-occupier sale

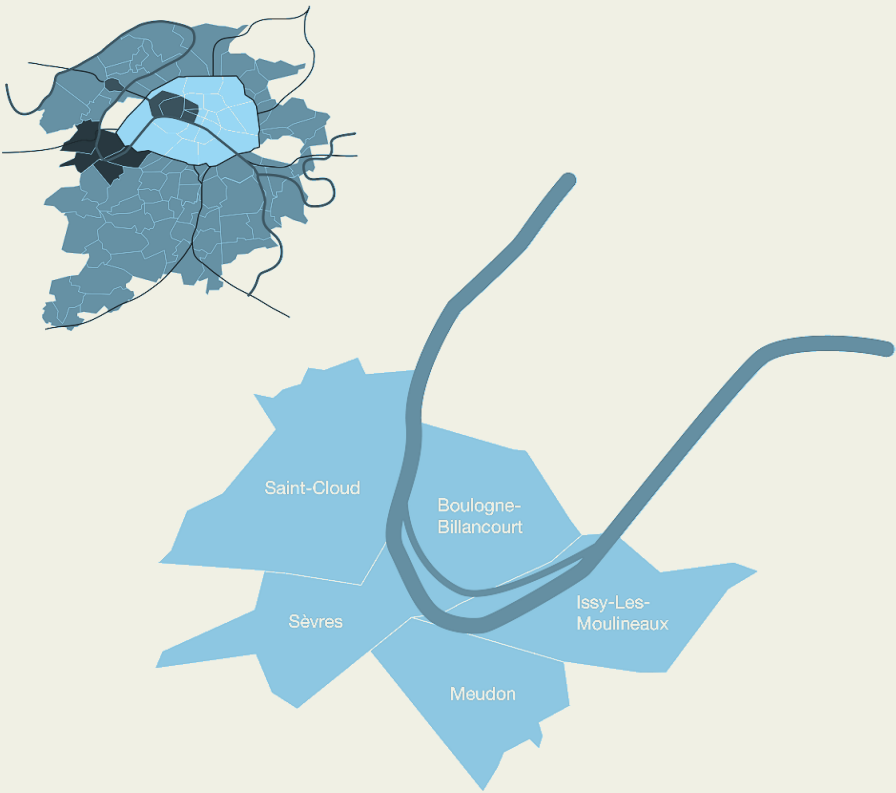
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# Mapping and key figures

	Q1 2024	Q1 2025	Annual change
Immediate supply	277,000 m <sup>2</sup>	370,000 m <sup>2</sup>	+ 34%
Vacancy rate	10.9%	14.6%	3.7 pt
Take-up	29,100 m <sup>2</sup>	31,500 m <sup>2</sup>	+ 8%
Take-up ≥ 5 000 m <sup>2</sup>	15,100 m <sup>2</sup>	17,100 m <sup>2</sup>	+ 13%
1st hand average rent	€530	€510	- 4%
2 <sup>nd</sup> hand average rent	€390	€390	-
Prime rent	€545	€545	-
Office park	2,540,629 m <sup>2</sup>		

Prime rent: the weighted average of the top 5 transactions >500 m<sup>2</sup> in the last 12 months (all grades)  
Rents are expressed as in €/m<sup>2</sup> per year and exclusive of charges and taxes

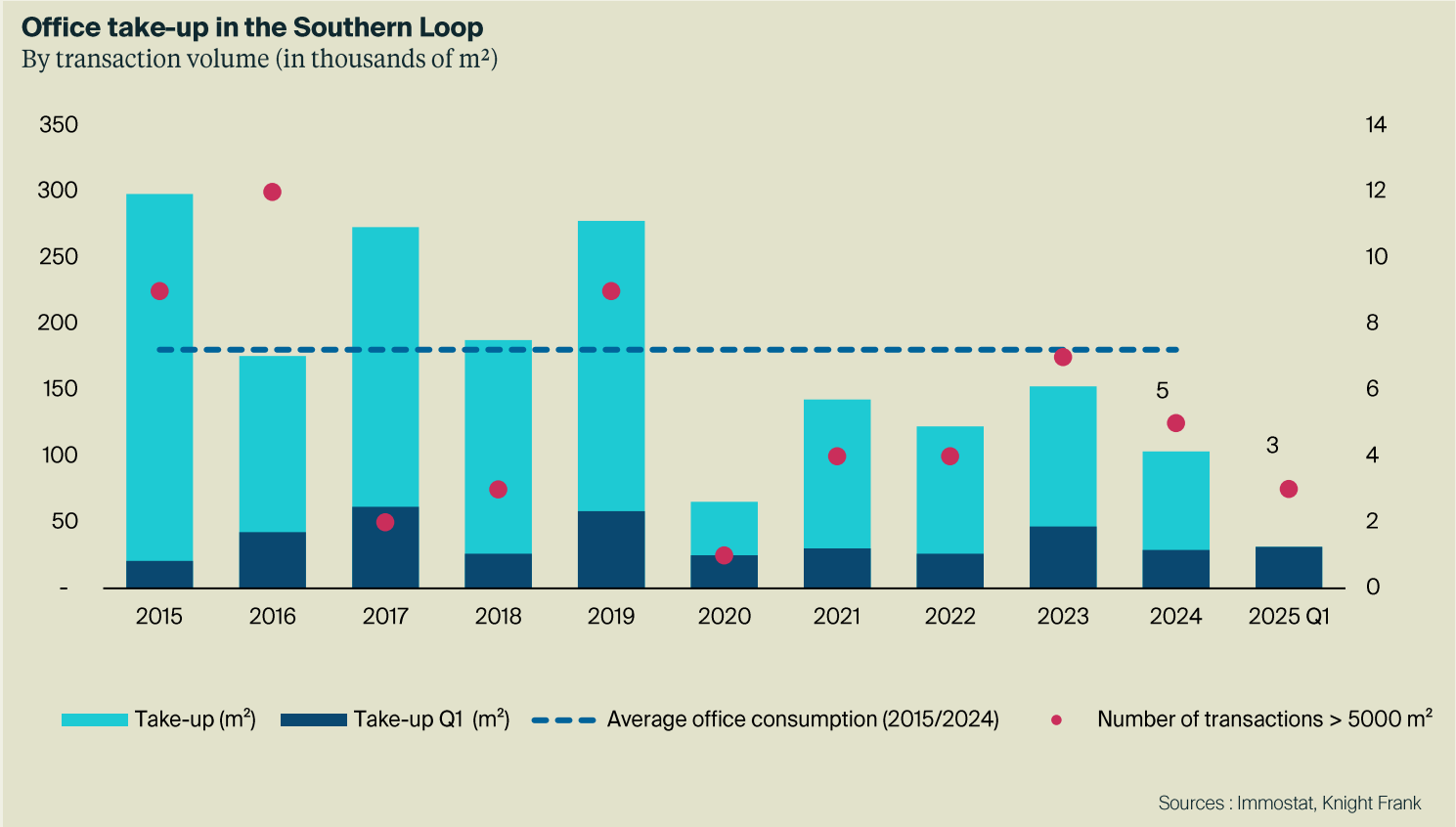


# 01. Take-up



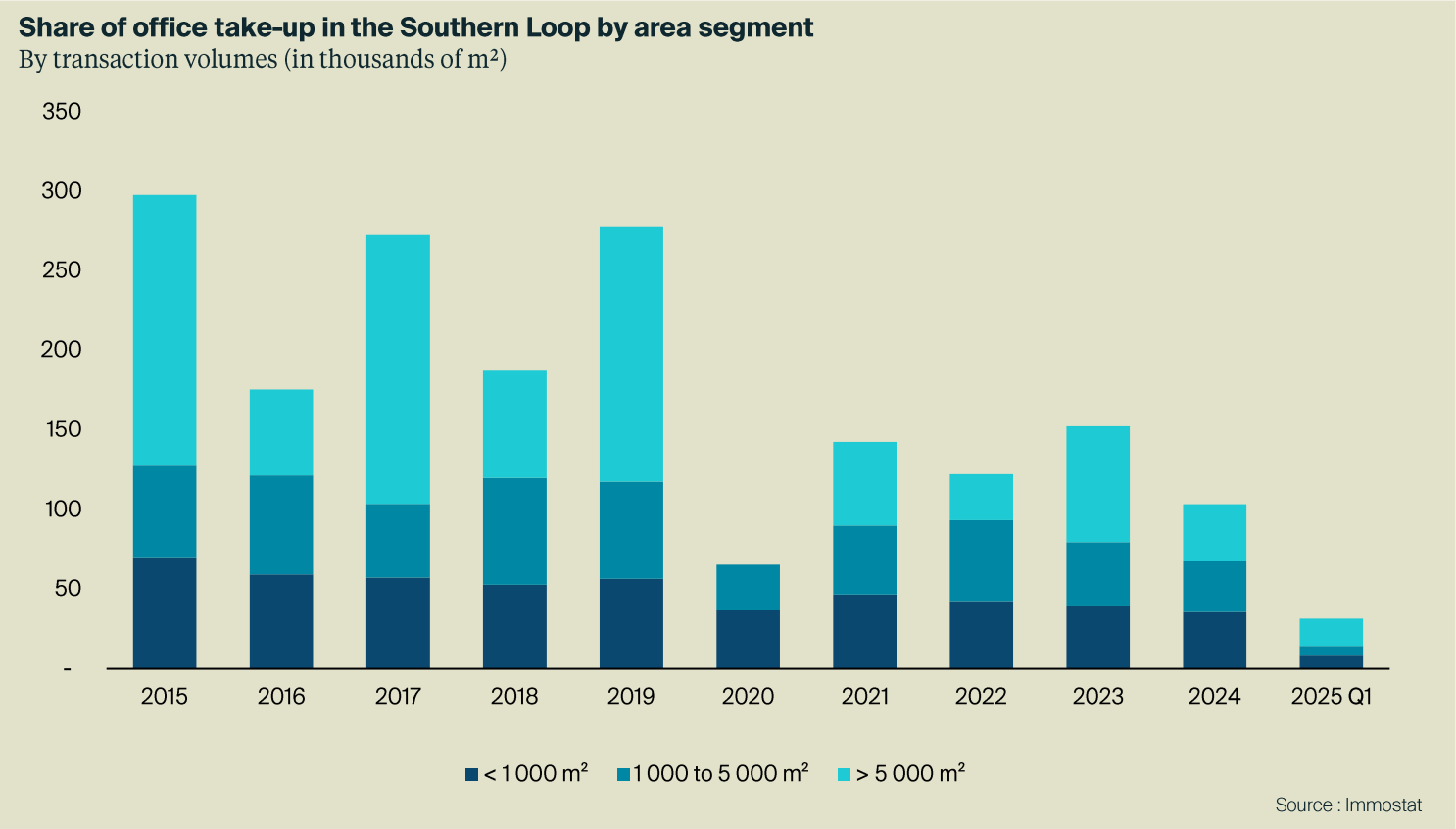
# A slight pick-up in activity

- The Southern Loop’s office market has recorded 31,500 m<sup>2</sup> taken-up in Q1 2025. This figure marks a rise of 8% in comparison with Q1 2024, but a decline of 14% compared to the 10-year average. Nevertheless, there is available office stock in this area (14.6% vacancy rate at the start of 2025) and it offers a wide range of quality real estate solutions at attractive prices compared to those in the neighbouring Paris districts.
- Location wise, Boulogne-Billancourt (58% of take-up volume) has a clear advantage over Issy-les-Moulineaux (31% of take-up volume). These two towns account for transactions greater than 5,000m<sup>2</sup> (3 signings this quarter), two of which being recorded in Boulogne-Billancourt and one in Issy-les-Moulineaux.



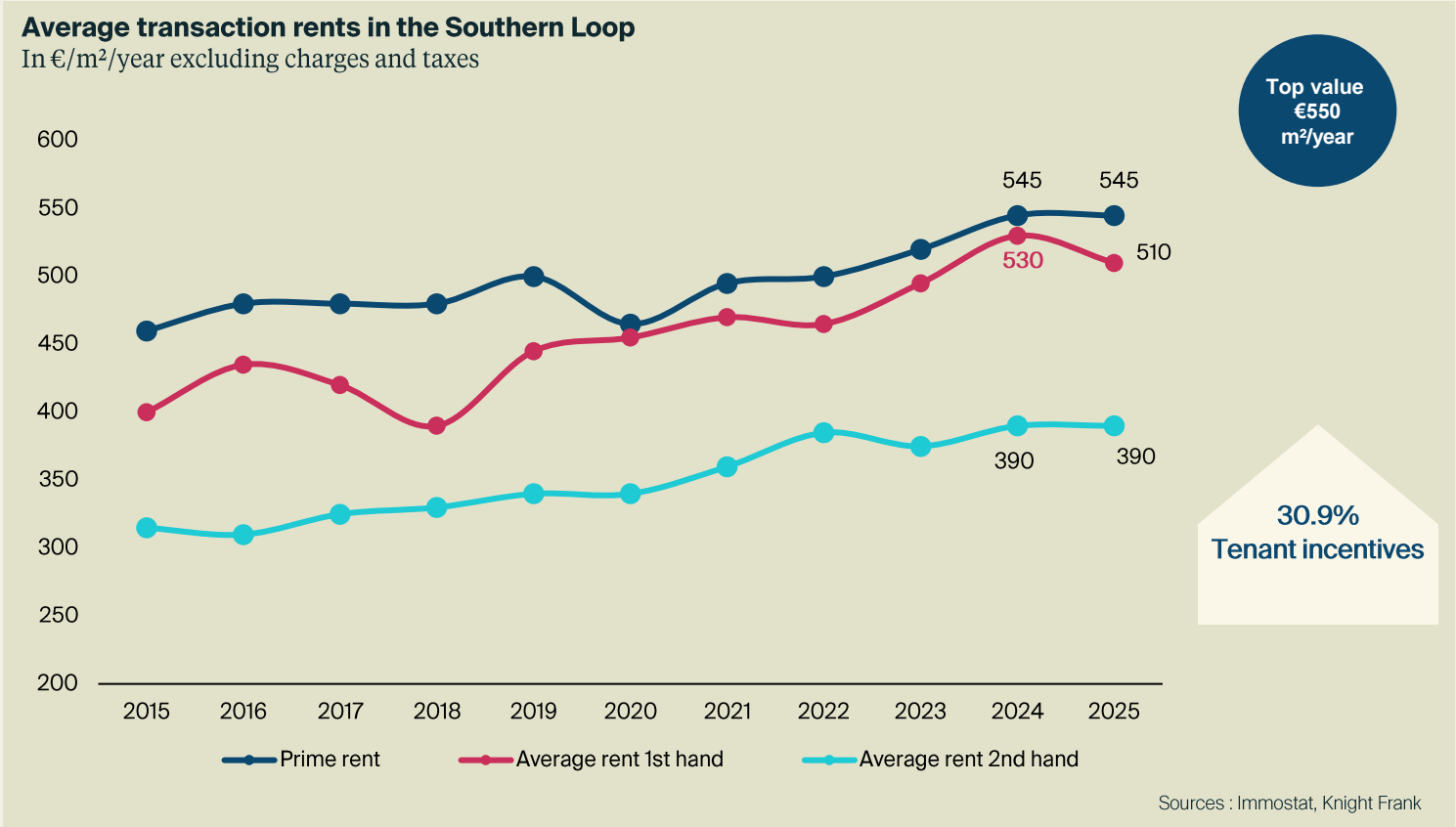
# 3 transactions larger than 5,000m<sup>2</sup> recorded in Q1 2025

- Three signings on office areas greater than 5,000m<sup>2</sup> boosted the Southern Loop market in Q1 2025, against 5 in the whole of 2024. Thus, TBWA stays committed to its implantation in Boulogne-Billancourt and has positioned itself on 5,115 m<sup>2</sup> in ‘Just B’, MONDELEZ has also remained in the same commune for 5,480m<sup>2</sup> in ‘Sources’ and finally PICARD SURGELES stands at 6,500m<sup>2</sup> in ‘Odissy’ in Issy-les-Moulineaux.
- The mid-sized area segment has recorded 5,600m<sup>2</sup> taken-up, an improving result compared to the same period last year where the segment hadn’t been particularly active (2,786m<sup>2</sup>). This segment has recorded a decrease of 54% of volumes taken-up compared with its 10-year average.
- The marketing volume of small surface segment has risen to 8,790m<sup>2</sup> in Q1 2025, down by 22% in one year.



# First-hand hand value adjustment, slight rise for second-hand

- Signings greater than 5,000m<sup>2</sup> in the Southern Loop, on newly delivered or restructured offices in 2024, caused the average transaction rent to soar to €525 /m<sup>2</sup> per year, a value close to prime (€545/m<sup>2</sup> per year). In Q1 2025, the average rent adjusted slightly to €510/m<sup>2</sup> per year. This placement therefore offers interesting alternatives for businesses in search of competitive real estate solutions at controlled costs.
- Second-hand transaction rents have stayed stable with an average for signings in Q1 2025 at €390/m<sup>2</sup> per year.
- Tenant incentives are still high in the Southern Loop, in the range of 31%.



# A somewhat downward trend

- Average transaction rental values seen in the Southern Loop display different trends depending on the area segment, but these, for the most part, are downward trends due to the lack of signings on rents higher than €500/m<sup>2</sup> per year.
- It should also be noted that top rental values seem to have plateaued in 2024: they adjusted quite significantly in Q1 2025, sitting at €480/m<sup>2</sup>/year, in line with the rental values signed for the ‘Sources’ building in Boulogne-Billancourt.

Average transaction rental values by area segment			
In €/m <sup>2</sup> /year excluding charges and taxes			
	2024	Q1 2025	Annual change
< 1,000 m <sup>2</sup>	325	315	▼
1,000 / 3,000 m <sup>2</sup>	410	435	▲
3,000 / 5,000 m <sup>2</sup>	435	-	-
≥ 5,000 m <sup>2</sup>	520	440	▼
Top transaction rental values by area segment			
In €/m <sup>2</sup> /year excluding charges and taxes			
	2024	Q1 2025	Annual change
< 1,000 m <sup>2</sup>	520	450	▼
1,000 / 3,000 m <sup>2</sup>	550	480	▼
3,000 / 5,000 m <sup>2</sup>	530	-	-
≥ 5,000 m <sup>2</sup>	550	480	▼
<small>Top rent: Highest value recorded over the last 12 months (all areas and qualities included)  Average rent: Weighted average of all transactions recorded over the last 12 months (all areas and qualities included)</small>			
Source : Knight Frank			



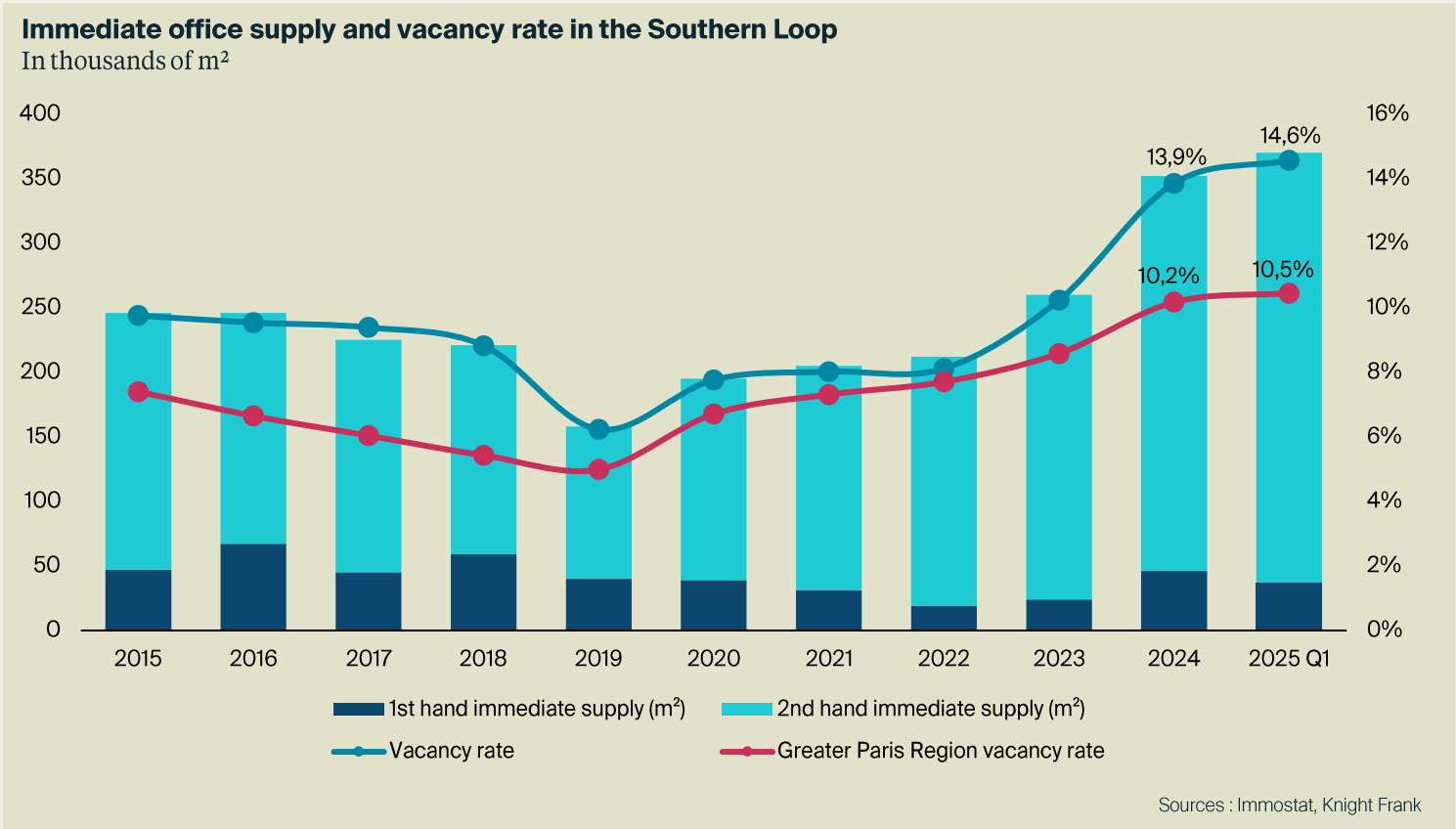
## 02. Available & future supply





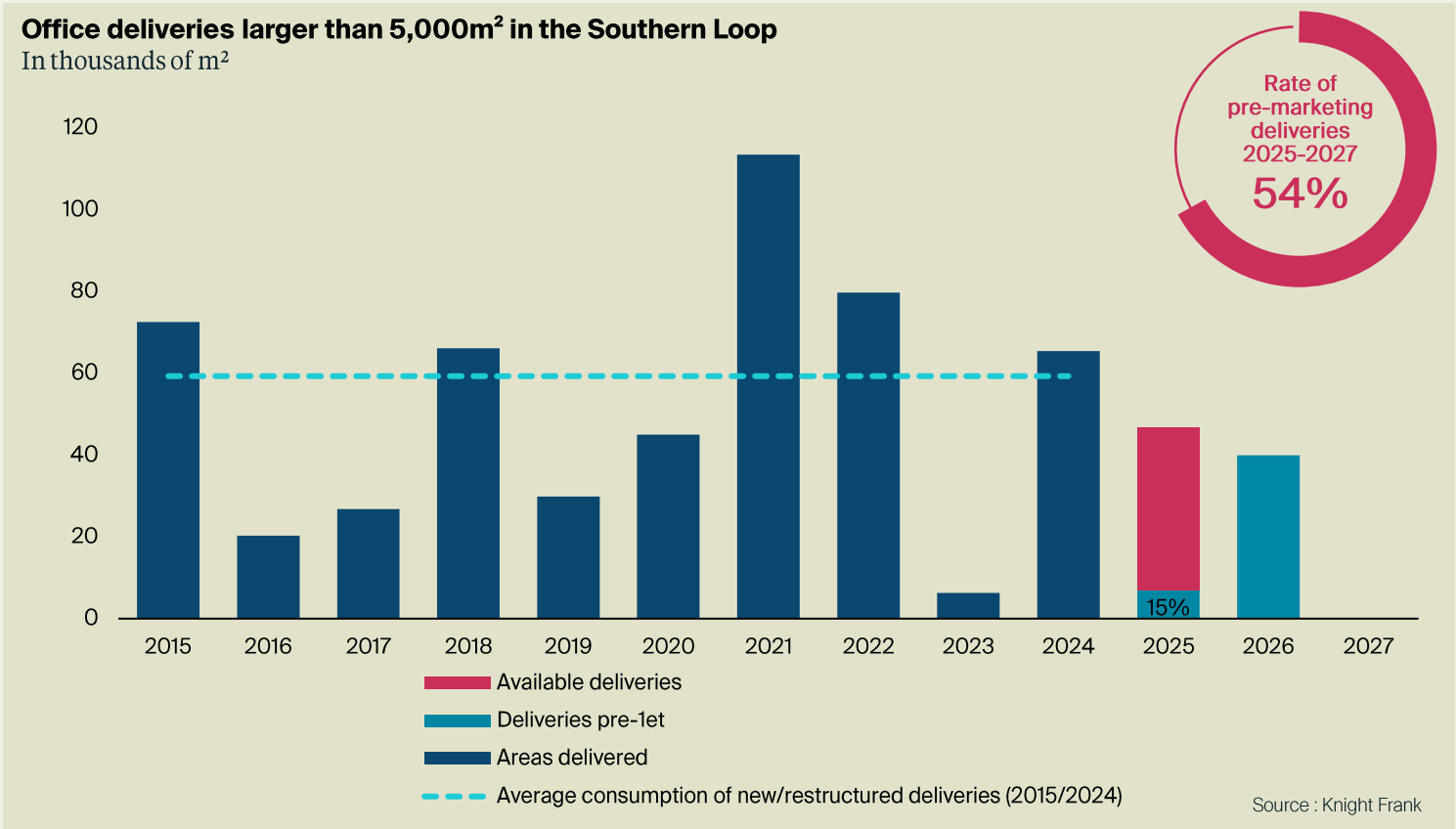
# Immediate availability continues to increase

- After a significant increase in vacant stock between 2023 and 2024, this has carried through into Q1 2025, amounting to 370,000m<sup>2</sup>, a rise of 34% compared to the same period the previous year and 5% compared to the previous quarter. This represents a vacancy rate of 14.6%, compared with the 19.7% for the Western Crescent and 10.5% on average for the whole of the Greater Paris Region.
- The immediate first-hand availabilities (new or restructured offices) reached 19,000m<sup>2</sup> at the start of 2024, and they have grown throughout the year to come out at 46,000m<sup>2</sup> available at the end of the year. Today, they remain contained with only 37,000m<sup>2</sup> of vacant space recorded. The second-hand stock, meanwhile, has risen by 75,000m<sup>2</sup> over the past 12 months exceeding the threshold of 330,000m<sup>2</sup>.
- More than half of total vacant stock is in Boulogne-Billancourt, whilst Issy-les-Moulineaux makes up for a third of immediate available supply



# Pause in deliveries after 2025

- A little over 65,000m<sup>2</sup> of new or restructured areas were delivered in 2024 in the Southern Loop, 50% of which underwent a pre-marketing ('Keiko' in Issy-les-Moulineaux by AEMA REIM, and 5,000m<sup>2</sup> in 'Campus' in Boulogne-Billancourt).
- In 2025, deliveries are expected to slow down in the area, with around 47,000m<sup>2</sup>, of which 39,000m<sup>2</sup> is still in search of a future occupant. Examples include "Goodlife" (28,000m<sup>2</sup>) in Issy-les-Moulineaux, 6,000m<sup>2</sup> in "Alba" and 6,200m<sup>2</sup> in Fresh, two developments currently under construction in Boulogne-Billancourt. The 2026 production is already being pre-marketed: it includes two office buildings ("X Work" and "New R") developed on lot D5 in Ile Seguin which will welcome RENAULT's headquarters and its banking affiliate RCI BANQUE SA. Other large projects have also been announced in Boulogne-Billancourt, such as the "Vivaldi" project developed by BOUYGUES IMMOBILIER (100,000m<sup>2</sup> in two phases), for which the delivery timeline is still to be finalised.



# 03. Definitions



# Definitions

- TAKE-UP :**  
 All transactions, whether for leasing or sale, carried out by users, including pre-lettings, turnkey projects and owner-occupied deals, subject to the fulfilment of suspensive conditions.
- IMMEDIATE SUPPLY :**  
 All vacant spaces offered for marketing at a given point in time. Successor searches and lease terminations are excluded until the tenant's actual departure.
- VACANCY RATE :**  
 The ratio between the immediately available supply and the existing stock
- PRÉ-LETTING :**  
 The leasing agreement produced before the completion of a building.
- CONDITION OF THE PREMISES/ FIRST-HAND AND SECOND-HAND :**  
 A transaction is considered first-hand if it has taken place less than 5 years after the construction/renovation of a building and the condition of the premises is newly built or renovated itself. A lease renewal in a building completed less than 5 years ago is therefore classified as 'second-hand'.
- AVERAGE RENT FOR FIRST-HAND AND SECOND-HAND :**  
 A weighted average calculated from a simple average calculated by range and quality of spaces based on the demand structure specific to each sector. This method of calculation helps to prevent the rent indicator from fluctuating due to occasional changes in the activity patterns of different markets.
- PRIME RENT :**  
 A weighted average of 5 transactions > 500m<sup>2</sup> at the highest rents of the last 12 months across all qualities (shown as €/excl.tax/excl.charges/m<sup>2</sup>/year)
- TOP RENT :**  
 The highest rent for transactions (> 500m<sup>2</sup>) observed in the last 12 months (shown as €/excl.tax/excl.charges/m<sup>2</sup>/year)
- TENANT INCENTIVES :**  
 All of the financial concessions made during a transaction: rent-free periods, works, progressive rents.

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