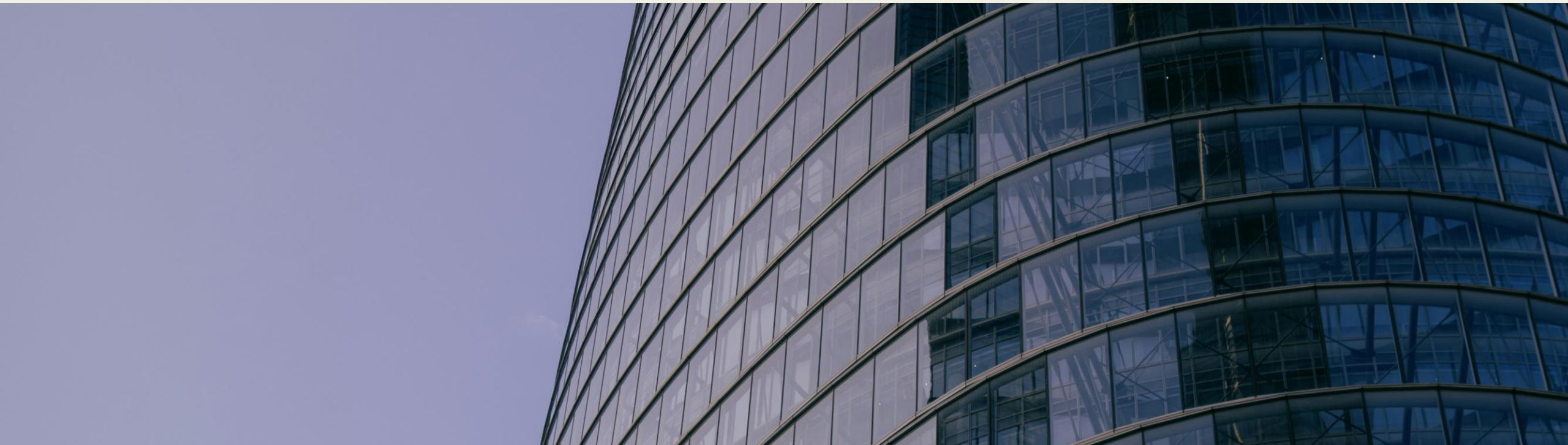


The Office Market Paris CBD

Q1 2025

Rental and owner-occupier sales

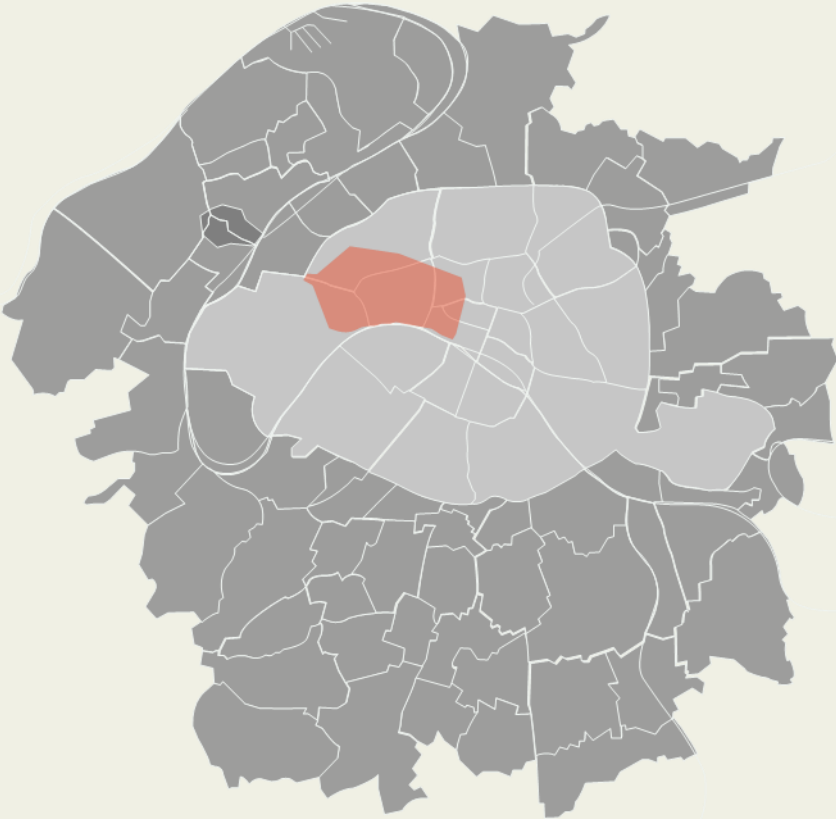
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Mapping and key figures

	Q1 2024	Q1 2025	Change year-on-year
Immediate supply	162,000 m ²	291,000 m ²	+80%
Vacancy rate	2.4%	4.3%	1.9 pt
Take-up	82,900 m ²	93,800 m ²	+13%
Take-up ≥ 5,000 m ²	16,100 m ²	30,300 m ²	+88%
Average rent first-hand	960 €	940 €	-2%
Average rent second-hand	760 €	780 €	+3%
Prime rent	1,140 €	1,170 €	+3%
Office park		6,842,152 m ²	

Prime rent: weighted average of 5 transactions >500 m² at the highest rents over the past 12 months (regardless of quality)
 Rents expressed as €/m²/year, excluding costs and taxes

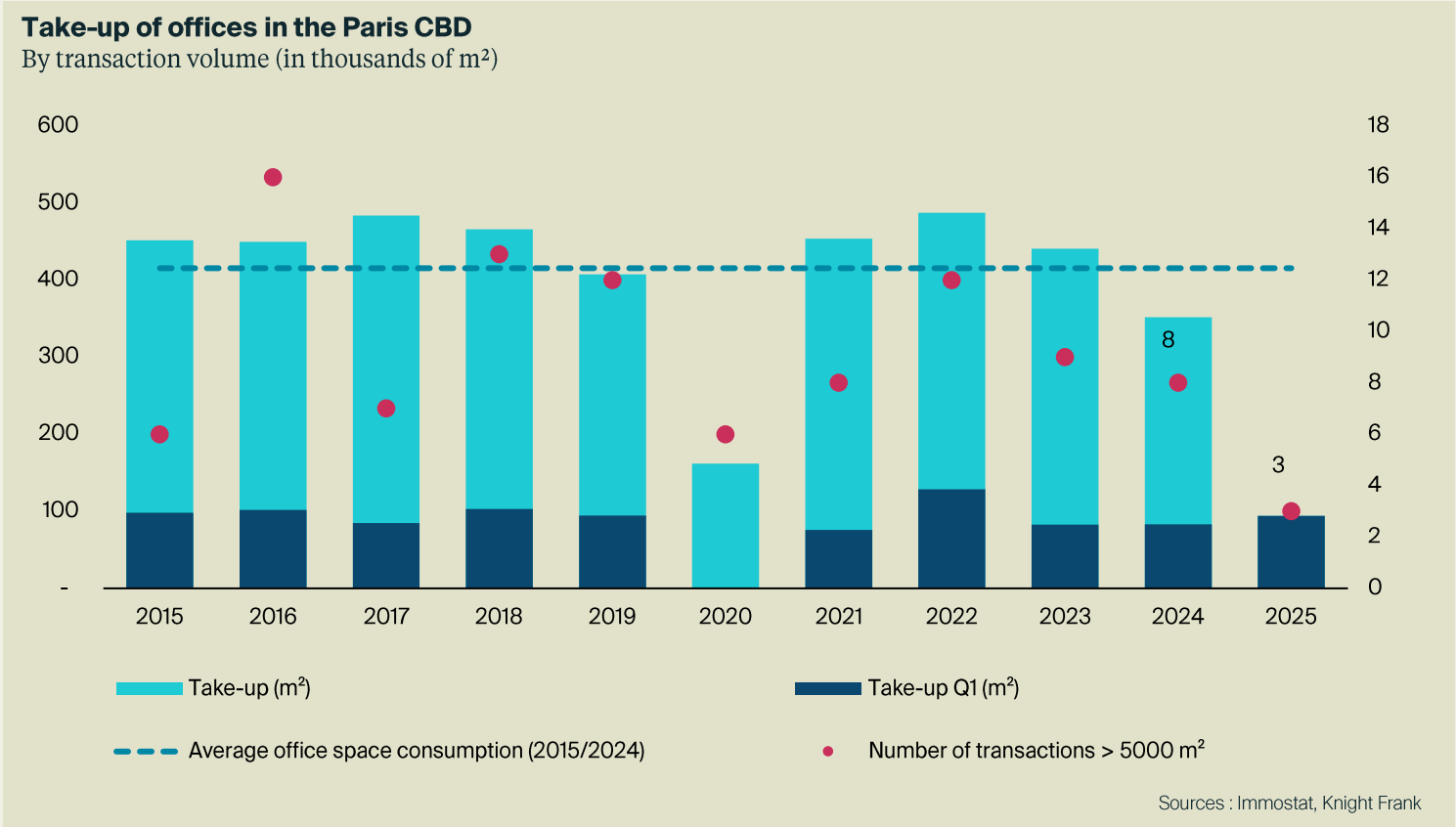


01. Take-up



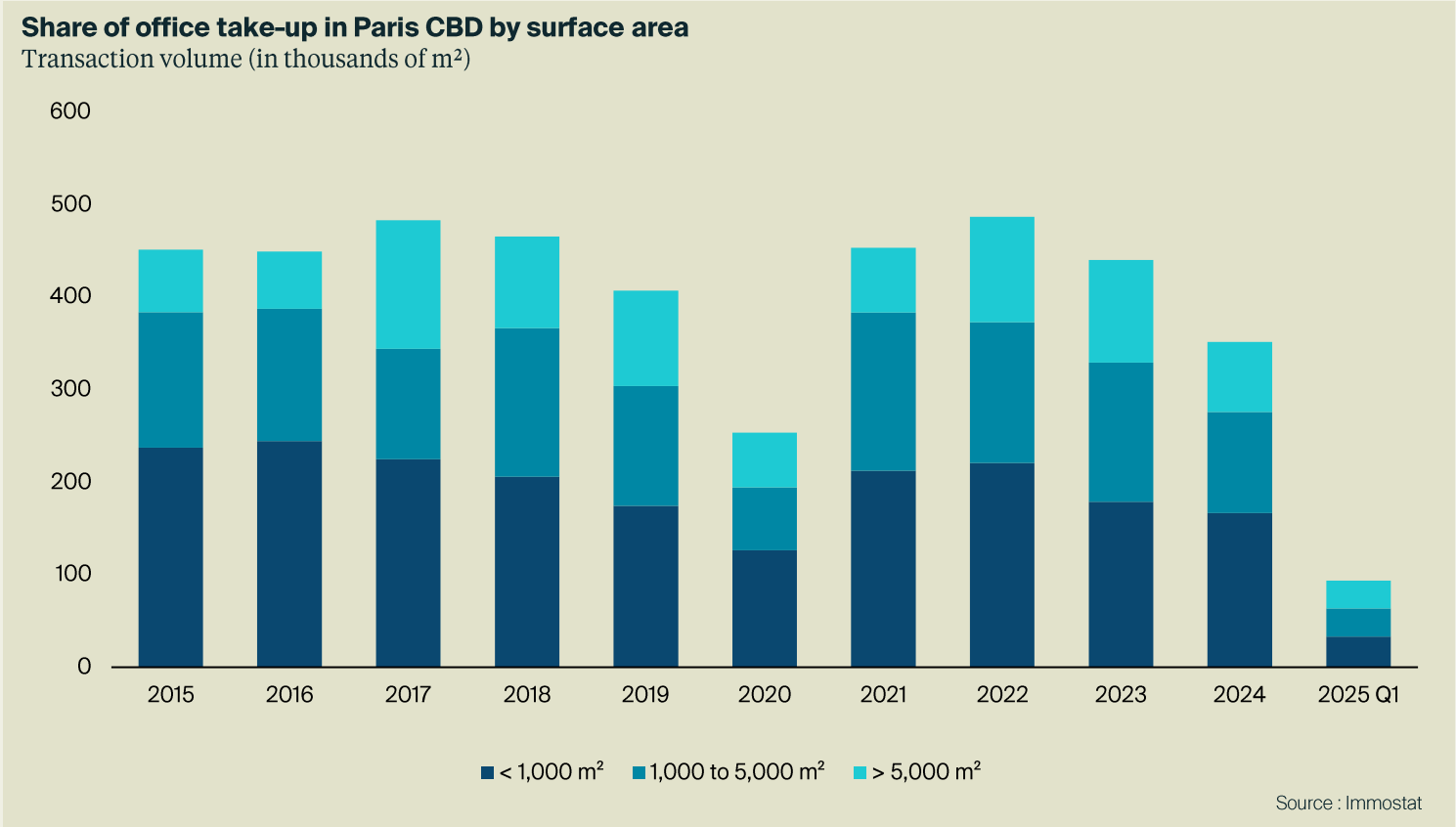
A promising first quarter

- In line with an active 4th quarter of 2025, the Paris CBD office market has kicked off the year with a transaction volume of 94,000 m² in the first three months. This promising 1st quarter (with a 13% year-on-year increase) highlights the uniqueness of the business district, which stands out due to the strength of its take-up compared with other areas in Paris, which saw less activity at the start of the year.
- The CBD has always accounted for the majority of transactions in the capital (94,000 m² out of 166,000 m² recorded in inner-Paris), despite a constant rise in rental values. This speaks to the strong appeal of the area for a variety of businesses: from financial institutions (JP Morgan, RSM, SWISS LIFE,...) to law firms (WINSTON & STRAWN LLP, LEXCASE, etc...), as well as actors in digital and artificial intelligence.



Dynamism Among Average and Large Areas

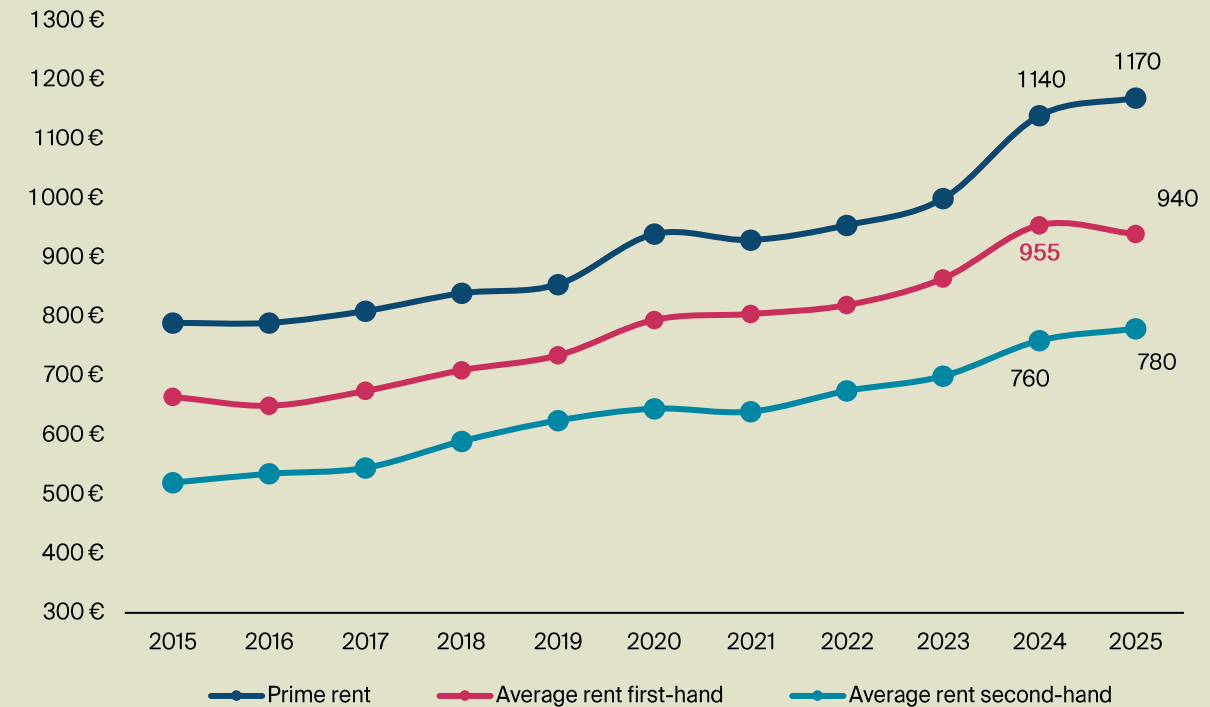
- The transactional activity seen over the course of 2025's 1st quarter has spread itself almost equally across the different size segments. Regarding spaces larger than 5,000 m², three leases were signed in the first three months of the year, totalling 30,300 m²: JP Morgan at Place du Marché Saint-Honoré (nearly 16,000 m²), RSM with 7,500 m² on Rue des Italiens, and finally VAN CLEEF & ARPELS at the Hôtel du Timbre. The renewal of Grade A stock in the Paris Central Business District allows these companies to reposition themselves under the best possible real estate conditions.
- The current climate is also ideal for the leasing of medium-sized areas (from 1,000 to 5,000 m²), which have accounted for more than 30,000m² transacted, a result which is in line with that seen in 2024 (27,000 m² let per quarter)
- Smaller offices up to 1,000m² continue to outperform medium-sized and large areas, displaying a quarterly take-up volume of 34,000m². This figure, however, obscures the decline of around 20% compared to its usual ratios



A pause in new stock – second-hand units still on the rise

- As had been expected at the end of 2024, prime office rents in the Paris CBD have maintained their upward trend, going from €1,140/m²/year to €1,170/m²/year at the end of 2024 for lettings in the first quarter of 2025. Rental bidding wars amongst prospective clients, given limited premium real estate options in this consistently sought-after district, drive up rental values in a market movement which could last for a few quarters.
- At the same time, the average value of first-hand transactions (new and renovated areas) demonstrates a shift, settling at €940/m²/year (-2% in 3 months) – a new development in the market. The growth of this indicator will need to be watched over the course of the coming quarters to determine the reversal of the upward cycle. The shortage of Grade A stock does not support this scenario.
- The growth of rental values is still ongoing when it comes to second-hand stock, marketed on the average value of €780/m²/year (+2% in one quarter and +20% in 5 years)

Average transaction rents in Paris CBD
In €/m²/year excluding taxes/charges



Sources : Immostat, Knight Frank

Contrasting trends

- Average transaction rental values display different trends depending on the area segment: small and large areas are being rented out at growing rates (€720/m²/year for areas smaller than 1,000 m², and €1,140/m²/year for those larger than 5,000 m²). The medium-sized segment (undoubtedly more predisposed to the economic circumstances) follows a different trend with a reasonably strong downturn: -2% for lettings from 1,000 to 3,000 m², but -17% for those between 3,000 and 5,000 m².
- Growth is equally contrasting among the top rents seen in 2025's first quarter: ranging from €750 to €1,200/m²/year, nonetheless holding historically high rates.

Average transaction rental values by area size

In €/m²/year excluding taxes and charges

	2024	Q1 2025	Annual growth
< 1,000 m ²	700	720	▲
1,000 / 3,000 m ²	900	880	▼
3,000 / 5,000 m ²	900	750	▼
≥ 5,000 m ²	1,000	1,140	▲

Top transaction rental values by area size

In €/m²/year excluding taxes and charges

	2024	Q1 2025	Annual growth
< 1,000 m ²	1,290	1,100	▼
1,000 / 3,000 m ²	1,200	1,050	▲
3,000 / 5,000 m ²	1,020	750	▼
≥ 5,000 m ²	1,140	1,200	▲

Top rent: The highest value recorded over the last 12 months (across all area sizes and quality)

Average rent: The weighted average of all transactions recorded over the last 12 months (across all area sizes and quality)

Source : Knight Frank

02. Current and future available supply



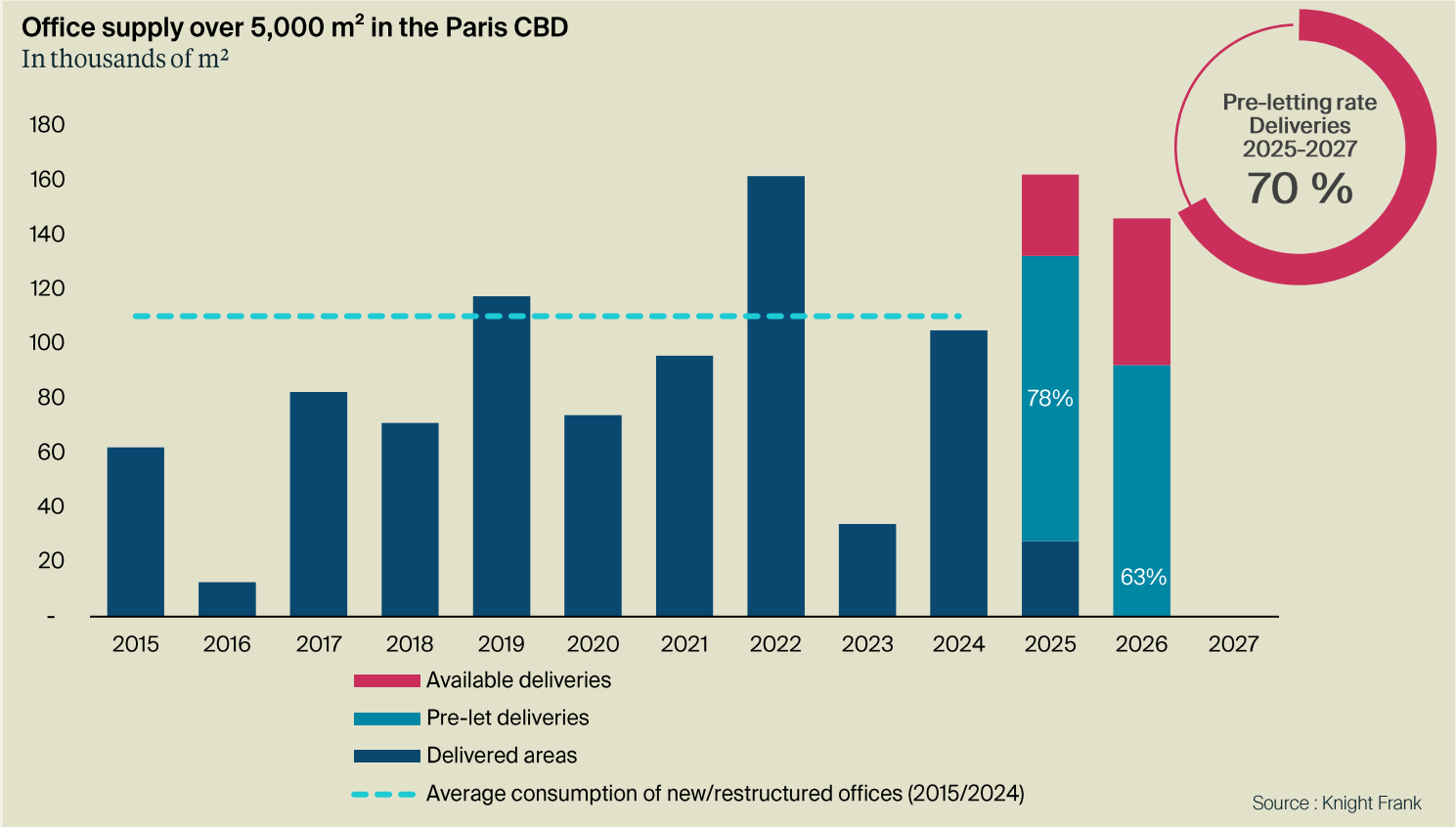
A contained increase of immediate supply

- Immediately available supply in the Paris CBD has shown a strong increase over the course of the 1st quarter in 2025; today it accounts for a total volume of 291,000 m² (+19% in 3 months) for a vacancy rate of 4.3%. This significant increase must be viewed with caution, given the rental pressure seen in this sector (nearly 400,000 m² leased on average per year over the past 5 years).
- The bulk of the growth in the availability of immediate supply is attributable to second-hand areas, with a rise of 42,000 m² in 3 months (252,000 m² recorded in total), whilst new and restructured vacant stock remains very limited, at around 39,000 m².
- The vacancy rate is, therefore, established at 4.3% in the CBD, against 2.4% one year prior and 1.4% before the Covid-19 crisis. This level remains below that of the increased average of the capital (7.4%) and even lower than the regional level (10.5%)



A record number of completions and pre-lettings

- Restructuring projects are unfolding in the Paris CBD, as evidenced by the 310,000 m² that will be delivered in this market between 2025 and 2027. The growing level of pre-letting in these pending projects (78% of deliveries expected in 2025 and 63% of those in 2026) speak volumes about businesses' interest in these prime areas. As a result, there is ultimately a relatively low volume of office space remaining to be marketed: 30,000 m² this year (5 projects) and less than 54,000 m² (5 projects) in 2026. Given the pressure from sector users, it is highly likely that these projects will be subject to pre-letting in fairly short time periods.
- Tenant demand for Grade A areas should therefore remain strong, enabling the absorption of these new availabilities, whilst also maintaining pressure on rental values for the best assets.



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 > 500m² at the highest rents of the last 12 months across all qualities (shown as €/excl.tax/excl.charges/m²/year)
- TOP RENT :**
 The highest rent for transactions (> 500m²) observed in the last 12 months (shown as €/excl.tax/excl.charges/m²/year)
- TENANT INCENTIVES :**
 All of the financial concessions made during a transaction: rent-free periods, works, progressive rents.

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Knight Frank

In short

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