

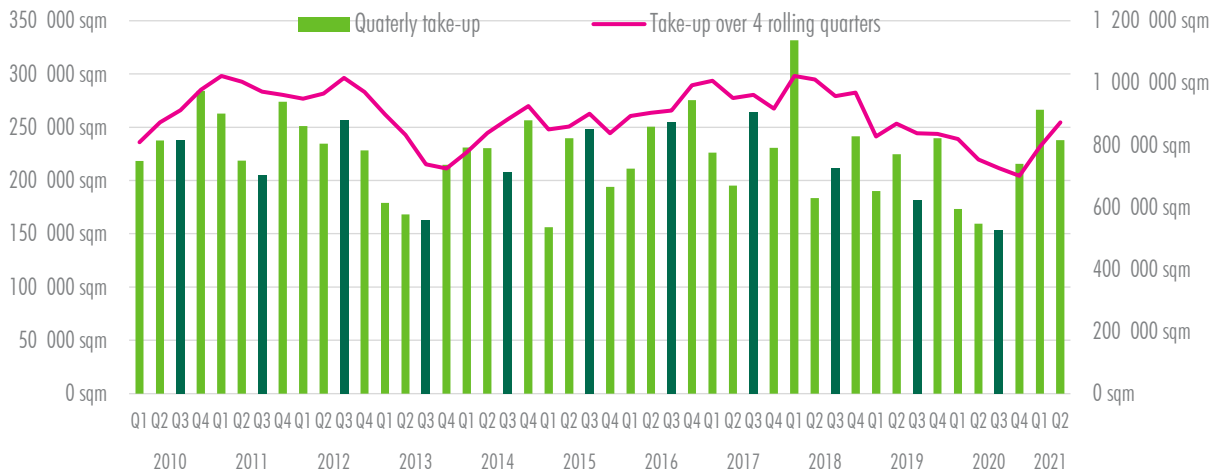
Ile-de-France Light Industrial, Q2 2021

A booming market

▲ Take-up* +52%
▶ Vacant space** 0%
▲ "Ready-to-launch" supply** +10%
▲ Average headline rent within the A86** €140

*yoy evolution ** 6 months evolution

Figure 1: Take-up in the Paris Region



Source: CBRE Research, Q2 2021

KEY POINTS

- 52% take-up increase y-o-y
- The South gathers over one third of the take-up
- The market is driven by intermediate sized-transactions (1,000 - 3,000 sqm)
- Existing buildings must be renovated to support corporate transformations and the need for modernisation
- Stable supply
- Major increase in speculative supply and projects under consideration or in the handling phase
- Market focused on letting rather than acquisitions
- Rents are increasing for specific types of assets, such as industrial parks and hybrid buildings near to Paris and major retail areas

ACTIVE TAKE-UP

Take-up on the light industrial market boomed in H1 2021, reaching 504,200 sq m, i.e. up by 52% compared with H1 2020. This increase has to be compared with H1 2020, which was penalised by the epidemic peak and strict lockdown. Nonetheless, this is a great result and 17% above the ten-year average. 488 transactions were concluded, another net increase compared with H1 2020 (291).

The South of the Paris Region dominated the market with a take-up of 36%. The West end covered 26%, while the North and East sectors generated 19% each.

In H1 2021, and just like the previous year, letting was the preferred option, representing a take-up of 68%, mainly due to inadequate supply, but also due to stricter credit access conditions. H1 2021 take-up was led by medium-sized transactions (1,000 – 3,000 sqm), and new or refurbished operations are still sought after.