



Real estate market study

2022 | Office sector

44
SUR
COMMUNES ET
3 DÉPARTEMENTS

In collaboration with



EpaMarne-EpaFrance head office in Champs-sur-Marne

From Marne-la-Vallée to the development hub in eastern Paris

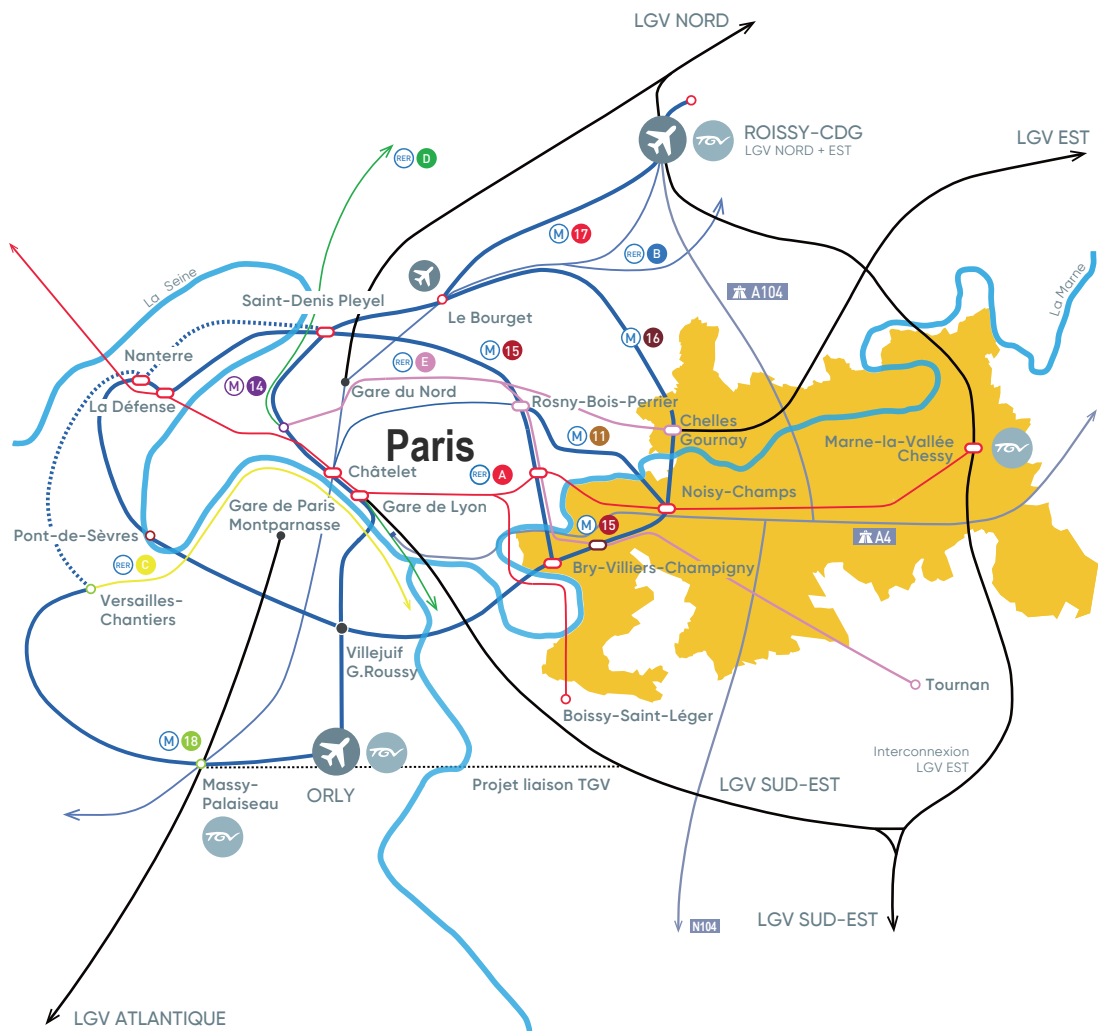
620,000
residents

310,000
working people

220,000
jobs

46,000
companies

2 M m²
sq m of offices



90,000
sq m immediate
supply

4.7%
vacancy rate

€220
rent for new
space

6.50%
prime yield

39,000
sq m take-up

42,000
sq m future
available
supply



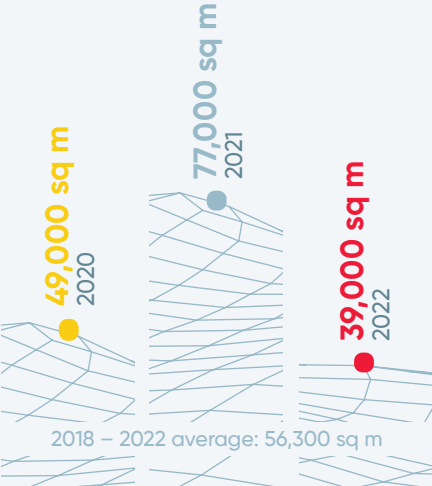
We will be developing a 16,500 sq m mixed-use commercial project comprising offices, light industrial space and a restaurant, scheduled for delivery in mid-2025, in the immediate vicinity of the future Grand Paris Express station in Champs-sur-Marne. The project, comprising 3 buildings, will be notable for its high-quality of use owing to its floorplates with a large number of windows, high ceilings, and numerous outdoor spaces, as well as for its environmental efficiency, with a wooden structure above ground and a cooling system that does not use air conditioning. The project will obtain BREEAM Very Good certification.

Benjamin Turgis – Bart
Managing Director



Draft project : Bart office building at Cité Descartes in Champs-sur-Marne

Office transaction history



A rental dynamic that is returning to normal after several exceptional years

Following strong resilience in the wake of the health crisis and the general downturn in the office market in 2020 and 2021 in the Greater Paris Region, the office market in EpaMarne-EpaFrance's area of intervention slowed down in 2022. This market slowdown needs to be put into perspective with regard to the much more pronounced downturns that some areas outside the Grand Paris metropolitan area have experienced since the health crisis. The five-year average still stands at more than 56,000 sq m, a sign of the inherent strength of the leading market in eastern Paris.

In 2022, 39,000 sq m were bought or leased by companies in the EPA's area of intervention. This figure represents a 49% decrease in transaction volumes year-on-year. However, this fall comes after a record year in 2021 when transaction volumes reached 77,000 sq m (a result boosted by the Ecole de la Gastronomie à la Française's 10,000 sq m in Ferrières en Brie). Compared to the five-year average, the decrease is 30%. This downturn is therefore somewhat relative and reflects the consequences of the health crisis and the general turnaround in the Greater Paris Region office market since 2020.

As in previous years, the local economic fabric, which is very rich in VSEs/SMEs, is driving the market. Acquisitions and leases of less than 500 sq m accounted for 94% of the transactions concluded in 2022 and totalled 63% of the space. Reflecting the durability of this market category, more than 24,500 sq m of leases under 500 sq m were taken in 2022, whereas in 2021 only 20% more were taken i.e. 29,800 sq m. The main reason for the overall decrease in rental activity is therefore large transactions. Between 2021 and 2022, transactions of more than 500 sq m fell from 29 to 13 in number and from 47,000 to 15,000 sq m in area.

The confidence of players in a market with strong fundamentals is once again reflected in the large proportion of companies that buy their premises, with nearly a third of companies opting to acquire their own premises. In terms of volume, these acquisitions account for 53% of all transacted space.

Among the major transactions that drove the market in 2022 was the acquisition of land by T2MC in Croissy-Beaubourg for the construction of its future head office, which will provide more than 5,000 sq m of space, including 4,228 sq m of offices. CIC is moving into Building B of the Carrée Haussmann in Jossigny with the acquisition of 1,245 sq m, and the web consultancy firm Opsone, which was set up locally in 2005, has taken a lease of more than 1,200 sq m in the Le Nobel building in Champs-sur-Marne. This transaction underlines the region's ability to retain and support local companies. Finally, the transaction by Hikvision France from Neuilly-Plaisance (93), which specialises in the sale of electronic and telecommunications components and equipment, in the Copernic 2 building in Noisy-le-Grand, testifies to the market's appeal to all companies in the eastern part of the Paris region.

2022 transactions over 1,000 sq m

Tenant	Building	Town	Area in sq m
T2MC	Clé en mains	Croissy Beaubourg	4,228 sq m
CASSIANI	Jade	Chessy	1,285 sq m
CIC	Carree Haussman	Jossigny	1,245 sq m
Opsone	Le Nobel	Champs-sur-Marne	1,234 sq m
Hikvision France	Le Copernic 2 – Neptune et Pluton	Noisy-Le-Grand	1,221 sq m

2022 rental values



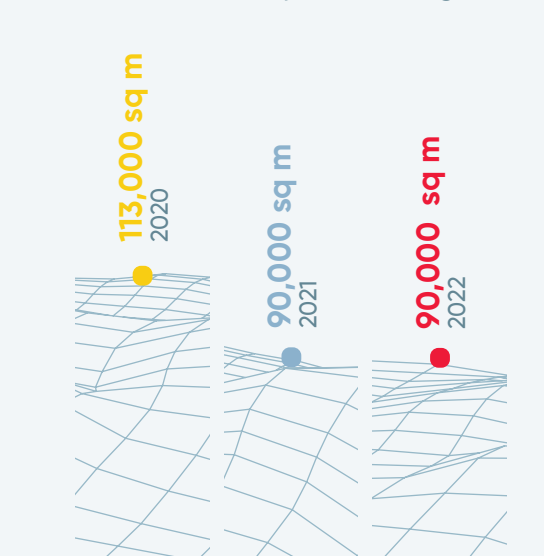
Attractive rental values

holding up well for new properties, and rising for existing properties

In 2022, the highest rents for leases on large areas were signed on average at around €220 excl. taxes & charges / sq m / year. At the end of 2022, the prime rent for current office developments is between €220 and 230 excl. taxes & charges / sq m / year for the most ambitious marketing initiatives. Rental values for new buildings are stable compared to 2021, with headline rents remaining just above €200. Reflecting the overall modernisation of the stock, average second-hand rents continue to rise compared with 2021, to between €155-165 per sq m.

These rent levels allow companies to benefit from office space that meets international standards at competitive prices, in a high-quality living environment and a dynamic economic and employment area. By way of comparison, in the Greater Paris Region, prime rents in the Central Business District of Paris currently stand at €940, €580 in La Défense and between €320 and €430 in the Inner Suburbs.

Immediate supply is stabilising



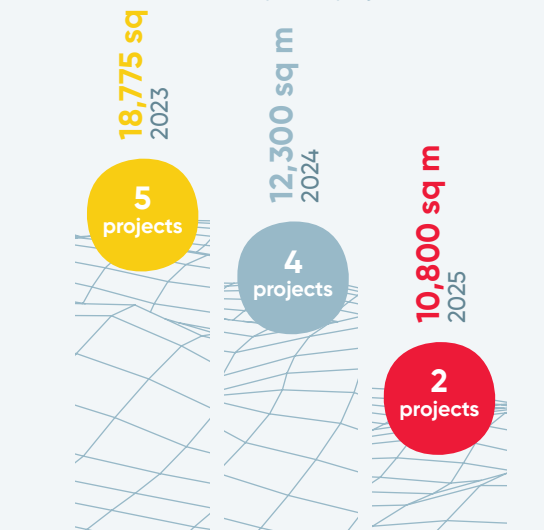
Immediate supply is stabilising

Following the sharp decrease in immediate supply seen between 2020 and 2021, the performance of the market has enabled vacancy to be maintained at its 2021 level. With 90,000 sq m immediately available at the end of 2022, supply is more or less the same as last year and is still below the five-year average (-10%). This trend runs counter to the upward trend in supply in the Greater Paris Region, and particularly in the suburban markets. This "contained" level of supply therefore enables the EPAs' area of intervention to maintain the rent levels necessary for investors, contrary to other areas of the Greater Paris Region where the level of supply is too high.

Indeed, with a vacancy rate still below 5% at the end of 2022, the EpaMarne-EpaFrance's area of intervention has a relatively low level of supply. However, there is still a range of available areas that offer multiple possibilities for companies wishing to establish themselves here. These include the second-hand buildings Le Cassiopé (~ 9,000 sq m available) and the Sirius (~ 3,600 sq m available) in Chessy, and the renovated Capitole building (~ 8,200 sq m available) in Noisy-Champs.

Future supply available within 36 months

41,875 sq m - 11 projects



Many short-term projects to meet the high demand for new assets

The office property stock in the EpaMarne-EpaFrance area will continue to grow in the years to come. Accordingly, developers and investors are focusing on the appeal of the new properties available in the area and have strengthened the support measures for companies seeking to set up in the EpaMarne-EpaFrance's area of intervention. By 2025, nearly 42,000 sq m of office space that is currently available should be delivered through 11 projects under development. The good endogenous real estate dynamic combined with the strong demand for new space should make it possible to let or sell most of the space, even if a slight slowdown in the pace of marketing could occur because of the influx of supply.

The Montévrain Val d'Europe office hub is particularly dynamic in terms of projects. Over the next three years, nearly 21,000 sq m will be delivered in Chessy and Serris. The pre-letting level of these projects is very good, with almost half of the space (~ 9000 sq m) already leased, as illustrated by the successful marketing of Phase 2 of Jazz in Chessy, developed by Les Nouveaux Constructeurs, three quarters of which has already been let.



Work has begun on the group's future headquarters, which will employ nearly 150 people in two buildings in Croissy-Beaubourg in 2024: an office building of just over 4,000 sq m and light industrial space of approximately 1,000 sq m. With this project, we wanted to be fully committed to an environmentally responsible approach while offering our employees an optimal working environment. We are aiming for total self-sufficiency thanks to the use of solar panels, planted roofs, a water recovery system and smart lighting.

Mohamed Tandert – T2MC
President – Managing Director

The arrival of the Grand Paris Express in two years' time will continue to strengthen the appeal of the Noisy-Champs hub in terms of office developments, which will offer an ideal location for companies wishing to take advantage of quality offices at competitive prices whilst benefitting from rapid access to Paris and the rest of the conurbation. Several projects are currently under development in the Descartes hub. At the end of 2023/beginning of 2024, Nexity will carry out a major refurbishment of the East Side building located next to the Noisy-Champs RER A station, and the operator Bart will develop 14,000 sq m from 2024, of which 10,000 sq m will be speculative.



Draft project : "West Park" offices building project in Serris

Office investment volumes



A slowdown in the office investment market

As a result of the rapid rise in interest rates and investors who are still trying to diversify their portfolios, and in line with the slowdown seen at a regional level (-30% compared to the five-year average), the EpaMarne-EpaFrance market has seen a drop in office investments year-on-year, from €55M to €37M.

With 37 million euros invested in office real estate in the area, several large transactions attest to the confidence of investors in this market, who are not afraid to take positions when opportunities arise. It should be noted that all the office investment transactions are concentrated in Noisy-le-Grand alone. For example, Foncière Beauvau acquired approximately 10,500 sq m of space on boulevard du Mont d'Est from Hemisphere for nearly 23 million euros. Pierreval also acquired nearly 3,200 sq m on boulevard du Mont d'Est from BNP REIM for 5.2 million euros.

In a very fluid context of rising interest rates, the EpaMarne-EpaFrance sector has prime yields of approximately 6.5%. This level remains particularly attractive, even though yields are rising compared to other sectors in central business districts: 3.25% in the Paris Central Business District and 4.5% in La Défense.

The two main office hubs

Focus by sector

Noisy-Champs



Transactions: 12,100 sq m
31 % of the total of Epa's area of intervention

Nb of transactions: 58

Share of new / refurbished:
5 % of transactions

Share of sales:
31 % of transactions

Immediate supply: 36,500 sq m
41 % of total available supply in Epa's area of intervention

Future supply available by 2025:
Significant transactions:

32,000 sqm:

- Opsone – Le Descartes Nobel – Champs-sur-Marne – 1,230 sq m – Letting
- Hikvision France – Le Copernic 2 – Noisy-Le-Grand – 1,220 sq m – Letting
- Cerema – Le Kepler – Champs-sur-Marne – 780 sq m – Letting

Montévrain – Val d'Europe



Transactions: 11400 sq m
29 % of the total of Epa's area of intervention

Nb of transactions: 65

Share of new / refurbished:
58 % of transactions

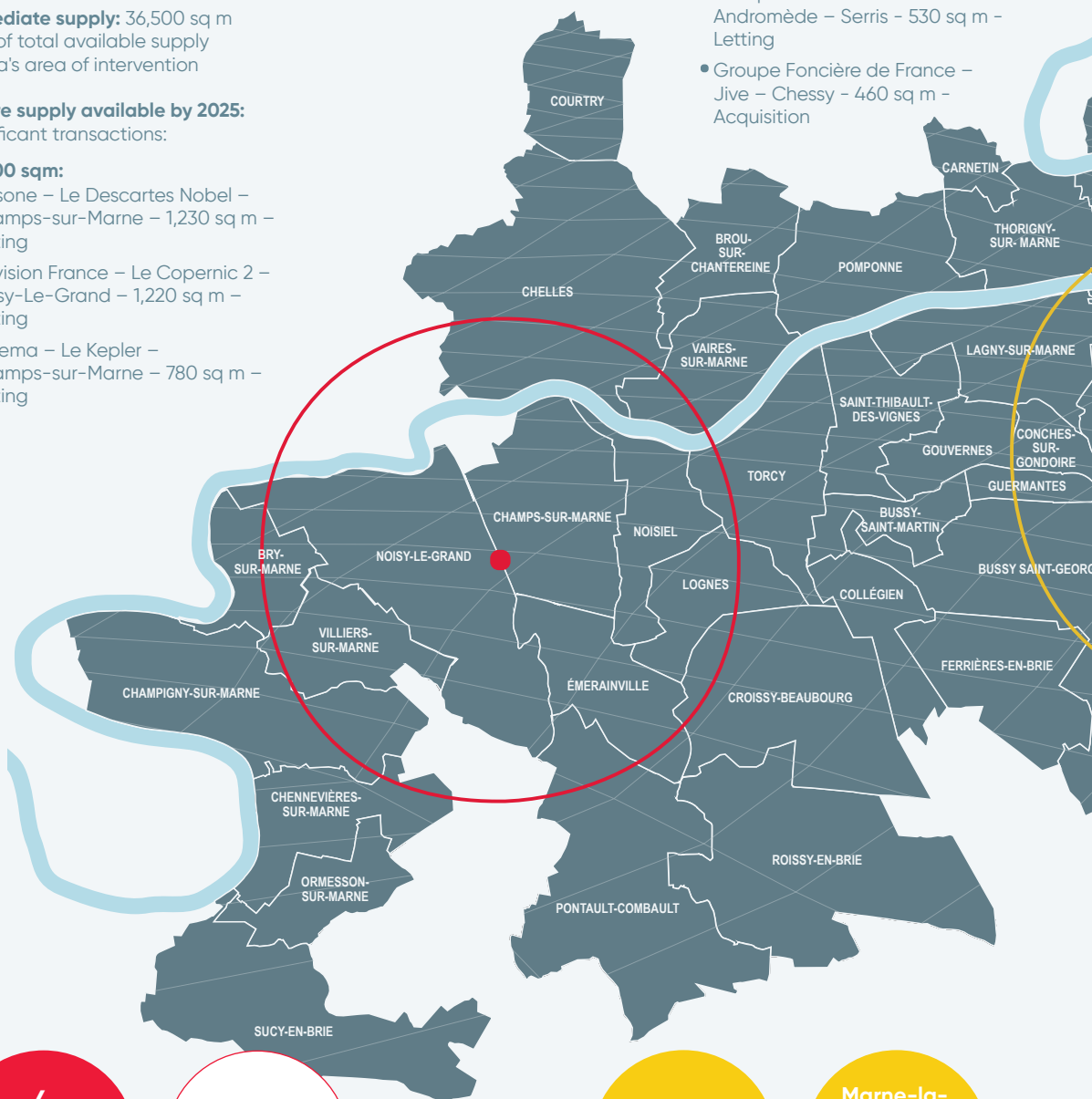
Share of sales:
53 % of transactions

Immediate supply: 31500 sq m
35 % of the total of Epa's area of intervention

Future supply available by 2025:
35000 sq m

Significant transactions:

- Jurisphère – T2 Jazz – Chessy – 770 sq m – Acquisition
- Groupe Alternance – Andromède – Serris – 530 sq m – Letting
- Groupe Foncière de France – Jive – Chessy – 460 sq m – Acquisition



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Grand Paris
Express
stations

Noisy-Champs,
futur most used
station in Eastern
Paris

Vallée Village,
1st luxury outlet
of Europe

Marne-la-
Vallée – Chessy,
1st high speed
line train station
of France



Newton draft project
in Champs-sur-Marne



Jade draft project
in Chessy



Carré Haussmann offices building
at Jossigny Pré au Chêne

80
high speed
train/day

Connection
with **65**
european
stations

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will be done with you**

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