EpaMarne EpaFrance
l'âme dans l'aménagement

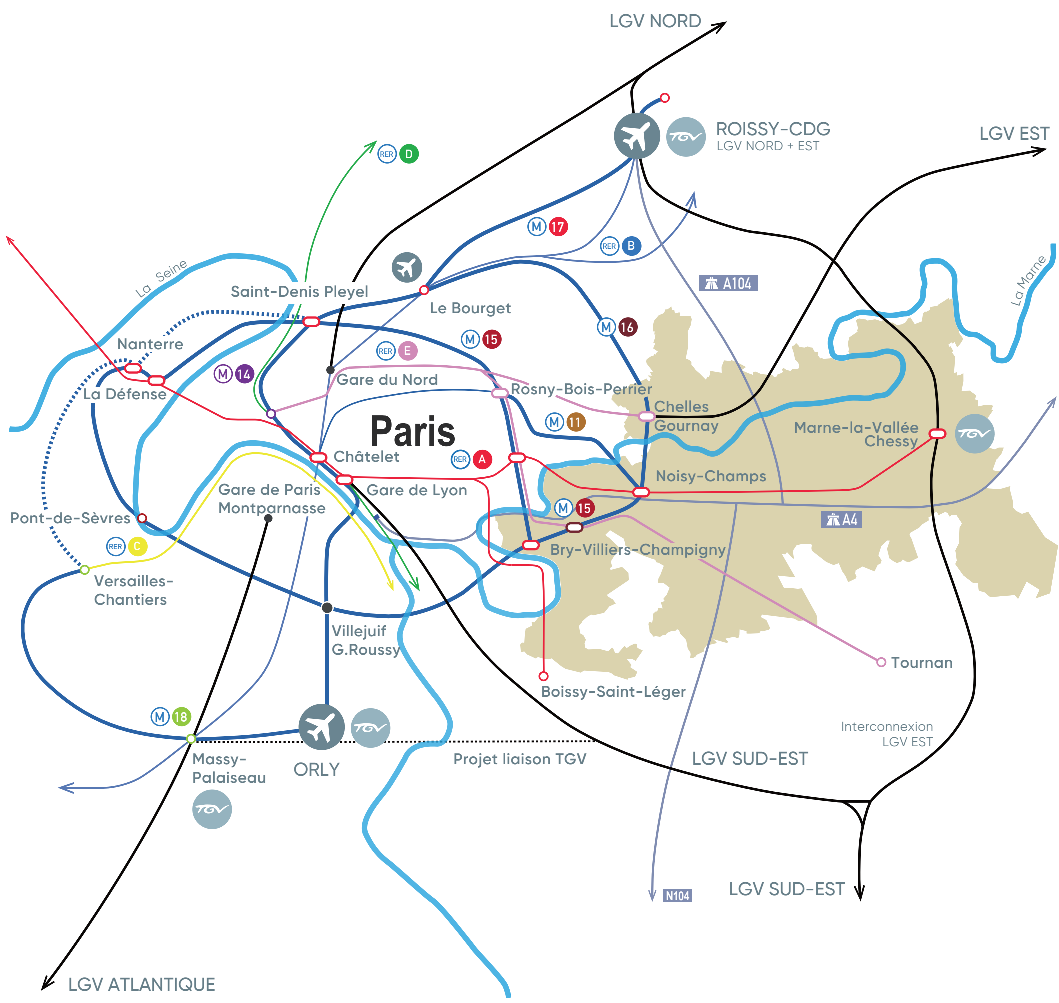
LIGHT INDUSTRIAL & LOGISTICS MARKET – 2023

Market study
Corporate real estate

In partnership with
JLL PROGRESS CONSEIL

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

625,000 inhabitants | **310,000** assets | **220,000** jobs | **46,000** companies | **70 ha** of existing land opportunities



110,000 sq m
of immediately available light industrial space

€90-95
second-hand rent for light industrial

€120-130
prime rent for light industrial

90,000 sq m
of light industrial premises to be delivered by 2026

€70
prime warehouse rent

2023, an exceptional year

for corporate real estate in EpaMarne-EpaFrance's area of intervention

After two record-breaking years, 2023 saw a slight downturn in the light industrial market in EpaMarne- EpaFrance's area of intervention, in line with the trend observed throughout the Greater Paris Region.

A strong indicator of the region's dynamism for many years now, the density and diversity of the small and medium-sized companies/ small and medium-sized industry sector has largely driven the market, with a large proportion of transactions taking place in the small and medium-sized area category (less than 1,500 sq m).

Transactions on new space have resisted the market slowdown, with users increasingly targeting new premises that meet the latest environmental standards and corporate CSR goals. This momentum for new space is largely driven by the high-quality light industrial parks developed by EpaMarne-EpaFrance. In 2023, these public bodies achieved results that went against the grain of the overall corporate real estate market, with 48 hectares committed, their third best performance for fifty years.

Although the gap in values with the Inner Suburbs of Paris has narrowed in recent years, rents remain attractive for companies looking for quality premises with fast, easy access to the capital, with the average prime rent rising from €115/sq m per annum to €125 between 2022 and 2023.

Given the attractiveness of the sector for light industrial space, developers and investors are planning and developing large-scale, high-quality projects that meet market standards and companies' needs.

A market that remains robust despite a year-on-year decrease

After two record years in which 185,000 sq m were let or sold, the light industrial market in EpaMarne-EpaFrance's area of intervention stalled in 2023, with 141,400 sq m of premises let or sold, equating to an annual decrease of 23%. However, there was also a significant transaction by data centre operator PENTA INFRA, which acquired a 16,000 sq m facility in Lognes, bringing the total industrial volume to 157,400 sq m across the whole of the EPA's area of intervention.

The market slowed in 2023 due to the difficult economic climate. This decrease is in line with the trend observed throughout the Greater Paris Region, where the volume of light industrial transactions dropped by 20% year-on-year. For the Epa market, however, this performance remains robust; compared with the five-year average, it is down by just 17%.

Characteristic of the density and diversity of the local small and medium-sized companies/industries, small and medium-sized premises (under 1,500 sq m) once again accounted for a large proportion of demand in 2023, with 83% of transactions and 41% of light industrial space. Meanwhile, the category of premises larger than 1,500 sq m saw no fewer than 30 deals signed, totalling almost 84,000 sq m of light industrial space. These included RTE's acquisition of land to develop a 6,800 sq m site in the Lamirault ZAC in Croissy-Beaubourg, and REVIVAL's purchase of a property totalling 4,700 sq m in Sucy-en-Brie. Paris Est Marne & Bois also signed a lease for 5,300 sq m in Bry-sur-Marne.

The light industrial property market remained buoyant, thanks to the availability of quality assets or building rights in the high-quality light industrial parks developed by EpaMarne-EpaFrance. Over 35% of transactions were for new premises or as part of construction projects, compared with 22% for the Greater Paris Region as a whole.

Acquisitions continue to dominate within the EPA's area of intervention, accounting for nearly 61% of areas marketed, compared with 32% in the Greater Paris Region. This over-representation of acquisitions reflects the confidence of companies in the EpaMarne-EpaFrance area, where they are not afraid to make long-term plans.

TRANSACTIONS

2019-2023 average > 171,000 sq m

*of which 16,000 sq m from a data centre transaction

LIST OF THE LARGEST TRANSACTIONS WITHIN EPA'S AREA OF INTERVENTION

TENANT NAME	TOWN	AREA (SQ M)
PENTA INFRA*	Lognes	16,000 sq m
RTE	Croissy-Beaubourg	6,800 sq m
PARIS EST MARNE & BOIS	Bry-sur-Marne	5,300 sq m
REVIVAL	Sucy-en-Brie	4,700 sq m
HPB	Serris	4,600 sq m

*Data centre transaction

QUOTE "The Lamirault ZAC in Croissy-Beaubourg has high-quality surroundings and several advantages for accommodating industrial activities. Its geographical location, close to Paris and at the junction of the A4 motorway and the Francilienne (Paris' outer ring road), provides rapid links to the whole of the Greater Paris Region. For JMG Partners, these advantages were decisive in our choice of site. We will be developing an innovative programme that uses land sparingly, limits land artificialisation and produces energy using a solar power plant on all roofs. Our aim is to meet the needs of investors and users, mainly small and medium-sized companies, by supporting their CSR policies through BREEAM Very Excellent certification and by offering them two 34,200 sq m buildings that can be divided into units of between 2,600 and 6,400 sq m."

Frédéric Cavan – JMG Partners
Head of Development

View of the JMG Partners building, Lamirault ZAC, Croissy-Beaubourg

The right price/quality ratio to attract new companies to the region

Given the resilience of the market for transactions involving new premises, market rents in this category have risen over the past year. This is because users are increasingly targeting new premises that meet the latest environmental standards and corporate CSR criteria. The average rent on leases of new light industrial premises is now €120-€130/sq m/year, excluding taxes and charges. Market rents for second-hand premises have remained stable at €90-95.

While the gap in value with the Inner Suburbs of Paris has narrowed in recent years, rents are still attractive for companies throughout the Greater Paris Region, compared with prime values that can exceed €180 in the Inner Suburbs. These attractive rents, combined with strong property fundamentals (accessibility, surroundings, employment pool, etc.), enable EpaMarne-EpaFrance to attract companies from neighbouring areas, particularly the Inner Suburbs.

MARKET RENTS

2022	New €110-115 excl. taxes & charges/sq m/year Second hand €90-95 excl. taxes & charges/sq m/year
2023	New €120-130 excl. taxes & charges/sq m/year Second hand €90-95 excl. taxes & charges/sq m/year

Immediate supply remains under control

As a result of the slowdown in rental demand, the immediate supply of space within the EPA's area of intervention has risen slightly, by 7% compared with last year, whilst remaining 13% below the five-year average. With less than 20% of immediately available space in new premises, and with more than half of demand for this type of asset in 2023, there is a major need for the region to quickly produce new assets to meet companies' expectations while curbing the rise in rents.

At the end of 2023, 110,000 sq m of light industrial space was immediately available within the EPA's area of intervention. Approximately 70% of the available space was in the Paris-Vallée-de-la-Marne and Marne-et-Gondoire urban areas, particularly in Saint-Thibault-des-Vignes, Chelles, Croissy-Beaubourg and Lognes. These areas benefit from favourable locations, combining strong urban amenities with good access to the A4 motorway and the Francilienne outer ring road, which are necessary for business activity.

IMMEDIATE SUPPLY OF LIGHT INDUSTRIAL PREMISES

2019-2023 average > 126,000 sq m

View of the PERJES building in Serris

QUOTE "PERJES manufactures electromagnetic products and is the French leader in lifting technology safety. The construction of our light industrial premises in Serris meets the need of the PERJES group to establish itself in a setting conducive to its visibility and international development. The decision to locate in Val d'Europe is directly linked to the region's dynamism, in particular the presence of extensive transport and communications infrastructure, while still being close to Paris. This location is also beneficial for our employees in the surrounding area, making it easier for them to get around. Our future 2,500 sq m production site will comply with the latest environmental standards, including the installation of high-efficiency solar panels."

Adrien-Jules Duvernois – PERJES
President

A development drive to meet demand for new products

Over the coming years, the supply of new light industrial premises will be boosted by the many projects currently being developed on the region's available land. Given the attractiveness of the area for new light industrial premises, developers and investors are planning and developing large-scale, high-quality projects that meet market standards and the needs of companies.

By 2026, almost 90,000 sq m of light industrial premises should have been delivered in EpaMarne-EpaFrance's area of intervention. These 13 projects will offer companies high-quality, flexible and divisible areas from 200 sq m to meet the needs of as many companies as possible. Geographically, the future available supply is distributed as follows: 40% in the Marne-et-Gondoire urban area, 31% in the Paris-Vallée-de-la-Marne urban area, 18% in the Val d'Europe sector and 11% in the Grand Paris sector.

Among the 13 projects scheduled for completion by 2026 is the ADP Group's project on the Lognes airfield, where 16,000 sq m of light industrial premises will be developed for delivery in 2025. Another major project is ALSEI's development of the Innovespace business park in Chalifert in two phases, the first of 6,000 sq m scheduled for 2024 and the second of 13,700 sq m for 2026. Rents for the various projects in the area range from €105 to €170 excl. taxes and charges/sq m/year in the Inner Suburbs.

Guilbert Express building in Croissy-Beaubourg

Limited supply in the sector

At the end of 2023, the immediate supply of logistics space totalled 40,200 sq m, comprising 5 warehouses. This is an increase on the 15,200 sq m available at the end of 2022 and will help to improve the fluidity of the lettings market. However, it remains limited given the strong demand on the market and is below the average annual take-up (66,000 sq m). The largest available property is the new 11,700 sq m warehouse at 18 rue Condorcet in Chennevières-sur-Marne.

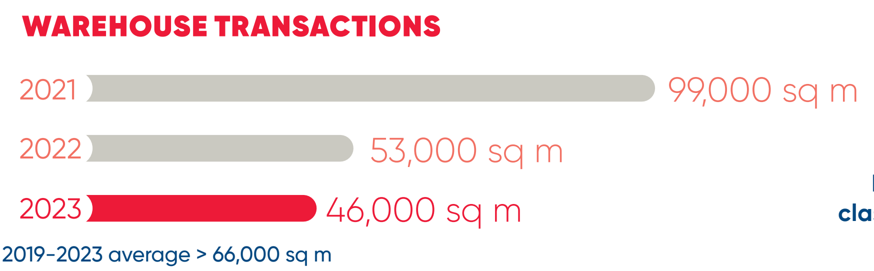
Logistics real estate: a shallow but buoyant market

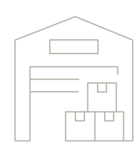
In 2023, 46,000 sq m of logistics warehouses were marketed in EpaMarne-EpaFrance's areas of intervention, down 13% on 2022. It should be remembered that the area is not a logistics destination, and that the depth of the market for this type of asset remains limited. The level of take-up is primarily determined by available supply, which is currently very scarce.

Overall, the Greater Paris Region warehouse market is doing very well and is benefiting from investor interest, particularly in the wake of the health crisis, which has highlighted the need to strengthen and reorganise supply chains to optimise regional distribution.

Only 4 transactions were recorded in 2023 within the Epa's area of intervention. The largest of these were the acquisition of land by WE CONNECT for the construction of 17,000 sq m of warehouses in Serris and the letting by ARCESE of 17,000 sq m of new premises in Lognes.

EpaMarne-EpaFrance's area of intervention, located in the immediate vicinity of the heart of the Grand Paris conurbation, has ideal road access and offers high-quality assets: it is an ideal destination for companies looking for warehouse space.





Immediate supply of class A and B warehouses:
40,200 sq m

Market rents under pressure and in line with Greater Paris Region averages

Rents for logistics warehouses in the Greater Paris Region have risen sharply in recent years, against a backdrop of strong demand and a lack of supply and land constraints. Prime rents were around €68-€75 excluding taxes and charges/sq m/year at the end of 2023. In EpaMarne-EpaFrance's areas of intervention, and due to their proximity to the capital, good quality warehouses are estimated at prime Greater Paris Region values. At a Greater Paris Region level, warehouse values are primarily determined by the intrinsic quality of the property, its accessibility and its immediate urban surroundings. Rents are generally subject to a rent-free period of around 1 month per year of firm lease commitment.

SPOTLIGHT

The sector by market

Grand Paris conurbation

Transactions:

Light industrial	15,600 sq m
Logistics	7,400 sq m

Number of transactions:

Activités	12
Logistics	1

Share of new (% of transactions):

Light industrial	17 %
Logistics	0 %

Share of sales:

Light industrial	17 %
Logistics	100 %

Immediate supply:

Light industrial	29,900 sq m
Logistics	11,700 sq m

Future available supply by 2026:

Light industrial	10,400 sq m

Significant transactions:

• PARIS EST MARNE & BOIS – Bry-sur-Marne – 5,300 sq m – light industrial letting

• REVIVAL – Sucy-en-Brie – 4,700 sq m – light industrial acquisition

Paris - Vallée de la Marne

Transactions:

Light industrial	82,400 sq m*
Logistics	16,300 sq m

Number of transactions:

Light industrial	69
Logistics	1

Share of new (% of transactions):

Light industrial	45 %
Logistics	100 %

Share of sales:

Light industrial	34 %
Logistics	0 %

Immediate supply:

Light industrial	41,200 sq m
Logistics	11,700 sq m

Future available supply by 2026:

Light industrial	28,400 sq m
Logistics	24,000 sq m

Significant transactions:

• ARCESE – Lognes – 16,300 sq m - warehouse letting

• PENTA INFRA – Lognes – 16,000 sq m - date centre acquisition

• RTE – Croissy-Beaubourg – 6,800 sq m - land acquisition for light industria

• SDEN – Croissy-Beaubourg – 3,850 sq m – light industrial letting

• 3C AMENAGEMENT - Croissy-Beaubourg – 3,800 sq m - land acquisition for light industrial

*of which 16,000 sq m attributable to a data centre transaction

Marne et Gondoire

Transactions:

Light industrial	35,300 sq m
Logistics	6,100 sq m

Number of transactions:

Light industrial	47
Logistics	1

Share of new (% of transactions):

Light industrial	24 %
Logistics	0 %

Share of sales:

Light industrial	32 %
Logistics	0 %

Immediate supply:

Light industrial	36,000 sq m
Logistics	11,200 sq m

Future available supply by 2026:

Light industrial	36,200 sq m

Significant transactions:

• OPTIONS ENERGIES – Ferrières-en-Brie – 6,100 sq m - warehouse letting

• COM'LOG – Bussy-Saint-Martin – 2,800 sq m – light industrial sale

• ALBEA MOBILI – Chanteloup-en-Brie – 2,800 sq m – land acquisition for light industrial

• CUISINE ELITE – Chanteloup-en-Brie – 2,700 sq m - land acquisition for light industrial

Val d'Europe

Transactions:

Activités	24,000 sq m
Logistics	16,700 sq m

Number of transactions:

Activités	44
Logistics	1

Share of new (% of transactions):

Activités	38 %
Logistics	100 %

Share of sales:

Activités	12 %
Logistics	100 %

Immediate supply:

Activités	2,800 sq m
Logistics	6,800 sq m

Future available supply by 2026:

Activité	16,500 sq m

Significant transactions:

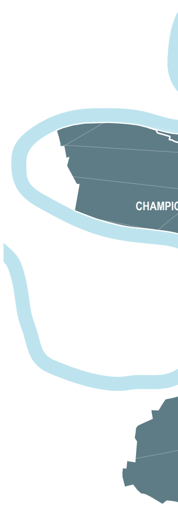
• WE CONNECT – Serris – 16,700 sq m – land acquisition for a warehouse

• HPB – Serris – 4,600 sq m – land acquisition for light industrial

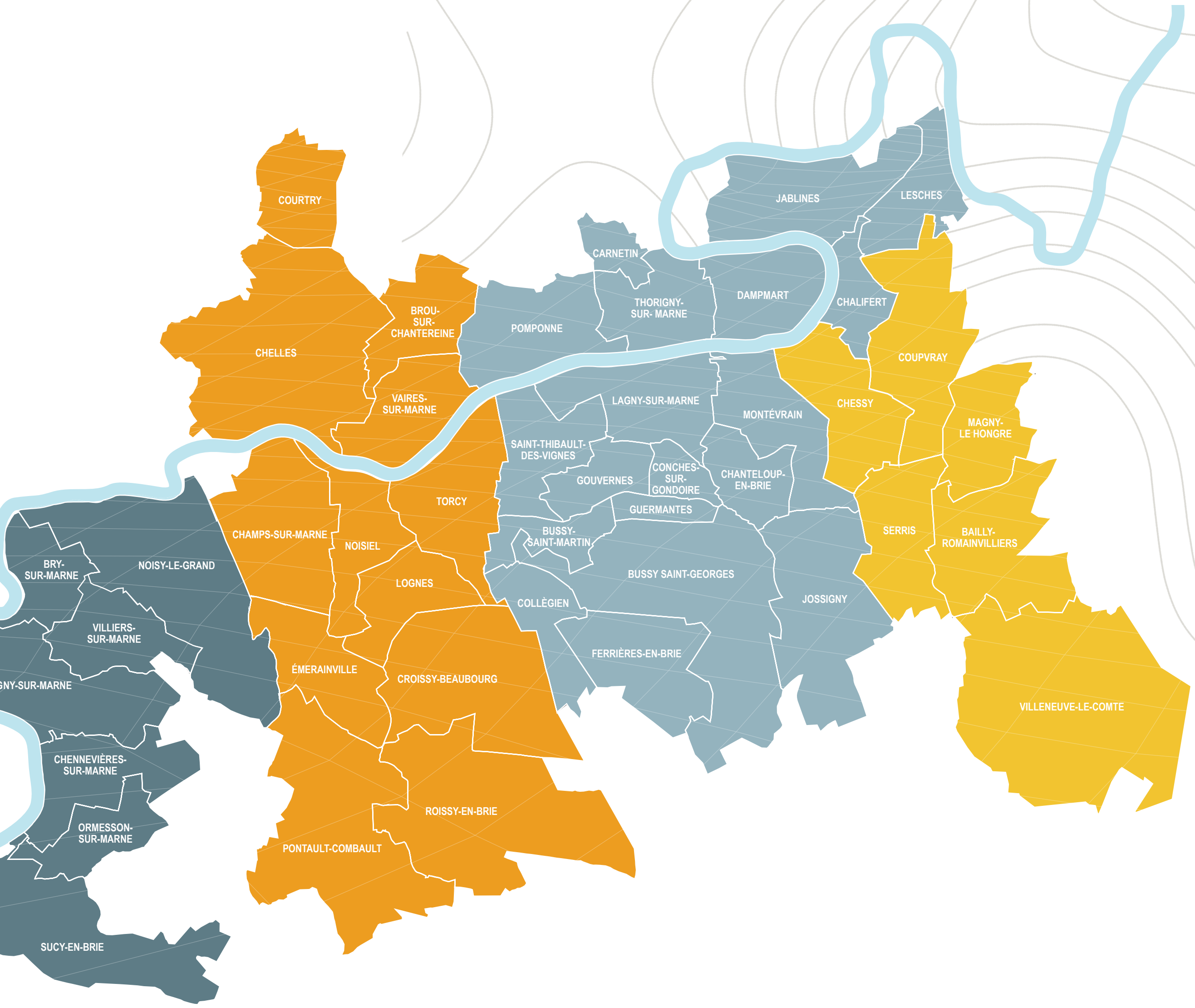
• CORIM FRANCE – Bailly-Romainvilliers – 3,100 sq m – light industrial acquisition

• PERJES – Serris – 2,500 sq m - land acquisition for light industrial

• MUTACELL – 2,000 sq m - land acquisition for light industrial



SPOTLIGHT



Digital Engineering School
in Ferrières-en-Brie (Accelis)

Spirit light industrial park in Serris

about

EpaMarne-EpaFrance

The EpaMarne and EpaFrance public bodies act on their own behalf, on behalf of the State or on behalf of local authorities, to determine the main guidelines for the urban development of 300 square kilometres (44 towns) spread across Seine-Saint-Denis, Val-de-Marne and Seine-et-Marne. The area is characterised by its polycentral nature and the variety of its landscapes. Both developers and pioneers, as well as members of the BBCA association since 2016, the two Epas have adopted an approach that promotes urban development through a proactive environmental policy. They convince developers and investors to build programmes on secure land, using an approach that focuses on residents and their overall well-being, as well as making the area attractive to companies and retailers. The bodies provide equity financing for all the public facilities that complement the urban programmes.

Currently, 40 development projects are active within their area of intervention.

IN 44 TOWNS AND
3 DEPARTEMENTS

Contributors

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Our next project will be with you!

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