

Paris Inner City, a resilient and sustainable office market

Seen as a safe haven by investors in 2020, the Inner Paris office market strongly recovered in 2021 in terms of letting activity. Apart from its strong economic fundamentals and being increasingly eco-friendly, the city office market is also better hedged to “hybrid work” and well positioned to match the Paris Agreement by 2050.

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In 2021, the Inner Paris letting market activity remained robust, pushing prime rents to EUR 930 per m², a new high in the wake of a strong demand (the city accounts for 43% of the total letting transactions in 2021, a historic high since 2000).

Paris city is more flexible in terms of uses and new designs for offices, particularly following the disruption brought on by working from home. The new hybrid model of work, a combination of working in the office and at home, has reinforced

Paris as a focal point to attract workforce, to foster interaction and to increase labour productivity. For companies, the trade-off is simple: a 20% reduction in office space, but actually having offices in the Paris city centre with its Haussmann 2.0 buildings is more attractive to employees.

Paris city appears as an eco-friendly and sustainable spot to minimise the carbon footprint over time in line with the 15-minutes-city concept. Paris was named Europe’s greenest city in 2018¹. The success of greening Paris had to be seen as a long-term process when Paris joined the Reinventing Cities initiative in 2014². The guidelines were to stimulate sustainable development by designing a green urban future within the City of Love. Apart from a pure repositioning programme to make assets more resilient³, initiatives also include converting urban highways into cycle lanes, creating large gardens, as well as repurposing entire neighbourhoods into pedestrian zones, favouring green spaces and biodiversity. Thus, between 2015 and 2020, cycle lanes have increased from 200 km to 1,000 km. Paris has gained a green advantage since Covid-19, as companies and workers have become very carbon footprint aware. Since cycling lanes offer a more flexible and individual mode of transport, Parisians are keener to com-



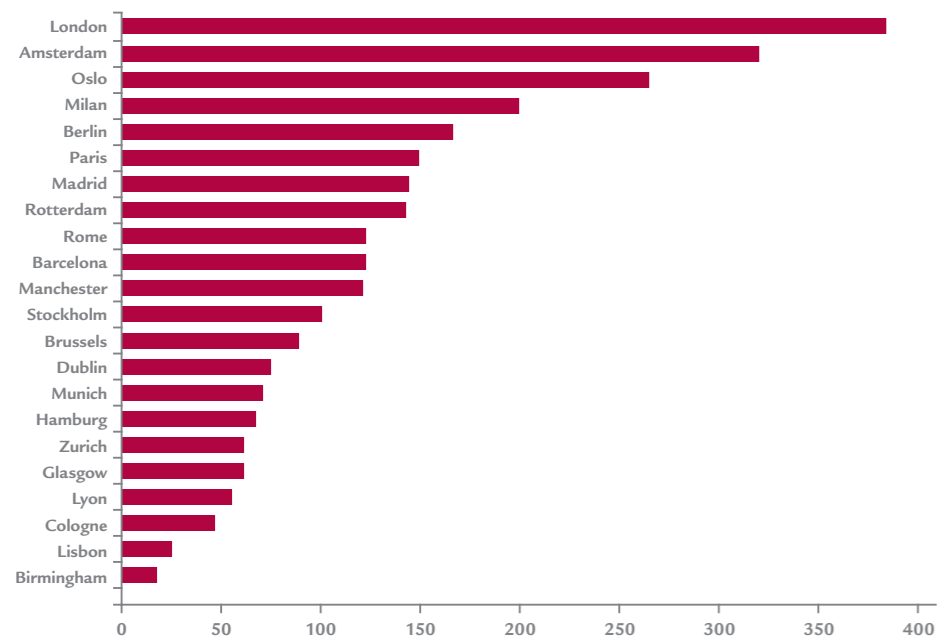
Source: Ecuries Terrasse: Valentinstudio

Life and (hybrid) work: In the eco-friendly 15-minute city, the next green space is never far away.

Bicycle shops take off

Recent evidence suggests that in one year, Paris experienced the highest growth rate of bicycle shops (x149) in Europe despite the 400,000 subscribers to the public bike services.

Bicycle shops per 100,000 inhabitants by main cities



Source: 2thinknow

mute by bike. Looking back, tech companies such as Google, Facebook, and other international tech names were pioneers in locating their headquarters in historic flagship buildings, claiming for large private gardens and bike rooms. Against this backdrop, and in line with the Paris Agree-

ment, Paris 2050 aims to reduce its carbon footprint by 75% by promoting renewable energy in the city and supporting new clean technologies across the built environment. The ongoing resilience of the Parisian office market with strong expectations to secure stable cash flows in a

changing office environment is the key driver of investors’ current appetite for Paris. Finally, the ability of Paris to minimise its carbon footprint (Scope 3⁴) explains the continuous bandwagon effect from investors to see the city as a safe haven over the long term. ■



In the heart of Paris: 104, rue de Richelieu.

¹ Essentialliving.co.uk. These attributes are the number of parks, gardens, playgrounds, and the body of water.
² A global competition aiming to accelerate the decarbonisation and favouring urban regeneration using innovation.
³ For example: SLAM France won a competitive process to reposition specific assets such as a public bath building in 2018 in the 15th district (34 rue de Castagnary) to a co-living space for young workers.
⁴ The Green House Protocol guidance outlines 15 different Scope 3 categories such as employees’ commuting costs.