



CATELLA

La Défense: a tipping point or a transformation? Europe's most prominent business district is facing major challenges to its traditional business model

MARKET SUMMARY

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WITH CONTRIBUTIONS FROM

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INTRODUCTION

An obsolete model or an attractive, constantly evolving business district?

Created virtually “from scratch” in the 1960s through a state-led initiative, La Défense, over the course of its very gradual development, has drawn considerable criticism and scepticism. This has largely been due to what many detractors have seen as an outdated urban planning model, with the commercialisation of office buildings often suffering when deliveries coincide with counter-cyclical periods.

Since 2020, La Défense has seen a sharp rise in available office supply, driven in part by massive deliveries, while vacatable surfaces in the short term could add to the vacancy rate. However, is this directly linked to any decline in the appeal of its business district generally? Our analysis of market trends in La Défense, combined with the perspectives of the private- and public-sector stakeholders we have consulted, suggests that this negative view needs putting into perspective.

- La Défense is far from being a **static area**: over the course of more than 60 years, it has expanded well beyond its original boundaries, becoming more multifaceted while also undergoing repeated phases of redevelopment. Exceeding its primary role as a business district, it already hosts a **diverse mix of urban functions across a very large area** — a mix that has diversified over the years - including offices, retail outlets, and major communal facilities, as well as a growing number of schools and residential buildings.
- Despite the deteriorating overall economic climate in France, take-up has shown quite remarkable resilience, and the business

district has maintained — indeed, even strengthened - its appeal among companies of all sizes.

- The unique nature of La Défense and the challenges facing its business district have mobilized **both private and public stakeholders, who have established a genuine "laboratory" for analysis and strategic thinking**, aimed at developing and implementing workable solutions.

This study will consider the overall major strengths of La Défense and the variety of its territories, in hopes of providing a clearer picture as to **the district's enduring appeal** to businesses.

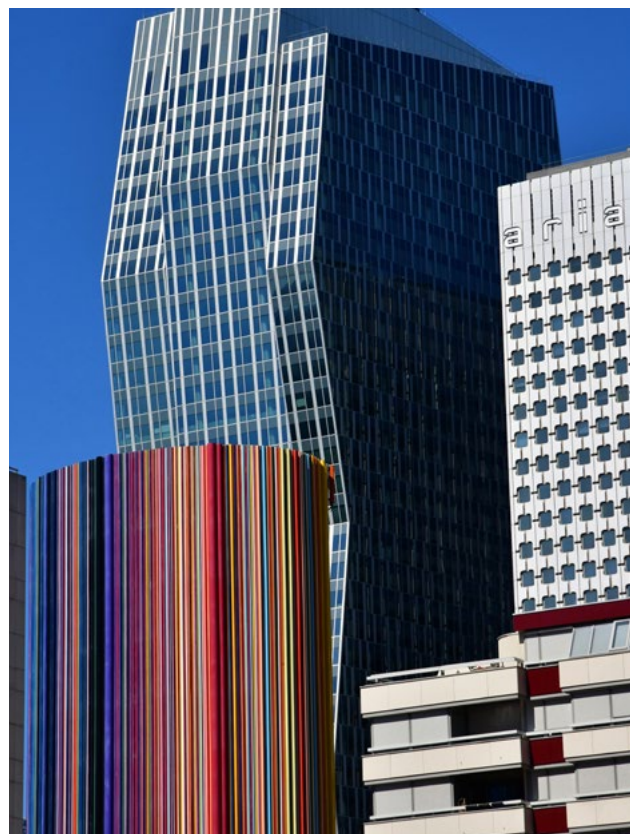
Against a backdrop of shrinking office take-up and investment in the Île-de-France region, the study will also address the issue of **mixed-usage development**. This has so far remained limited within the business district itself, raising many practical questions about the repurposing of obsolete buildings. (However, such mixed-usage is already prevalent in La Défense's surrounding areas of influence.)

La Défense presently faces significant challenges that are mobilizing both public and private sector stakeholders. We have interviewed several of them, and their invaluable insights have helped us to better understand the current situation at La Défense — including the challenges regarding supply in a tight real estate market - as well as its future development prospects.

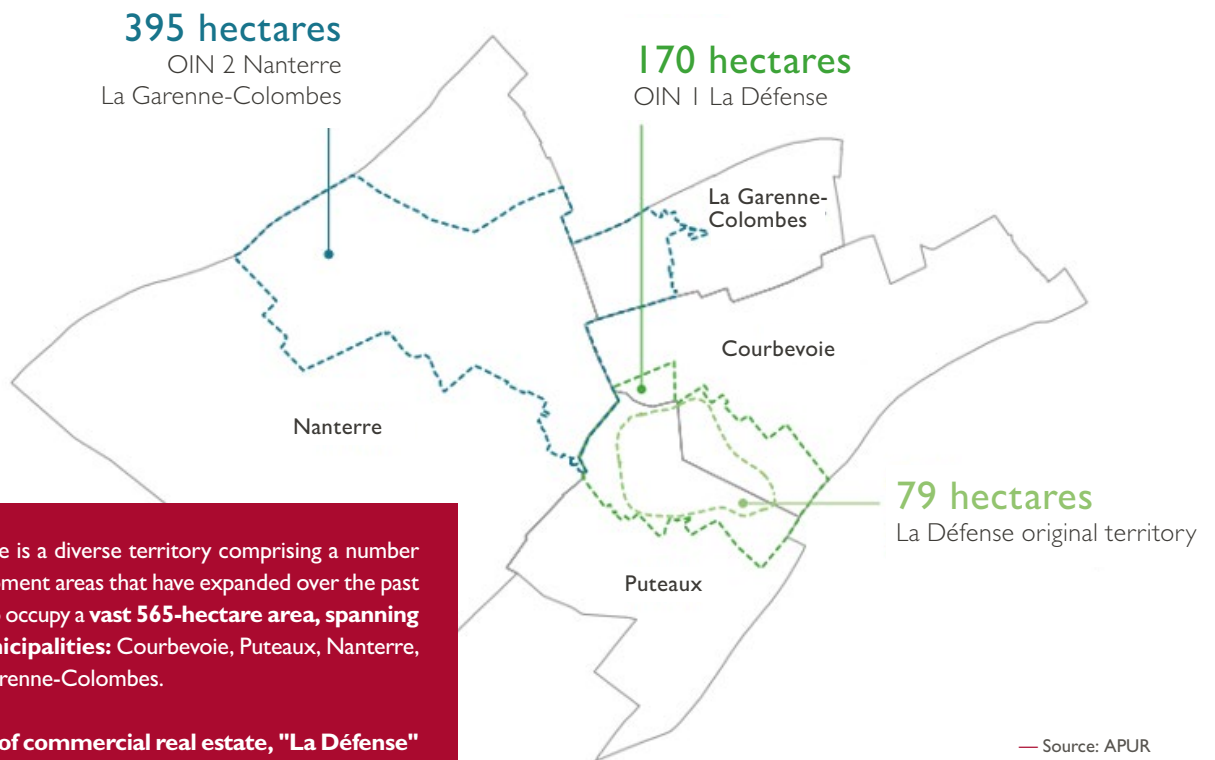


Key figures

- Office stock of nearly **4.4 million sq.m** in La Défense and its zone of influence
- **505,000 sq.m** immediately available at the end of Q1 2026
- **161,000 sq.m** of new space available
- **2.7 million sq.m** leased in units > 5,000 sq.m since 2000
- **760,000 sq.m** leased in La Défense's zone of influence
- **1,164 student housing** units located in the La Défense business district



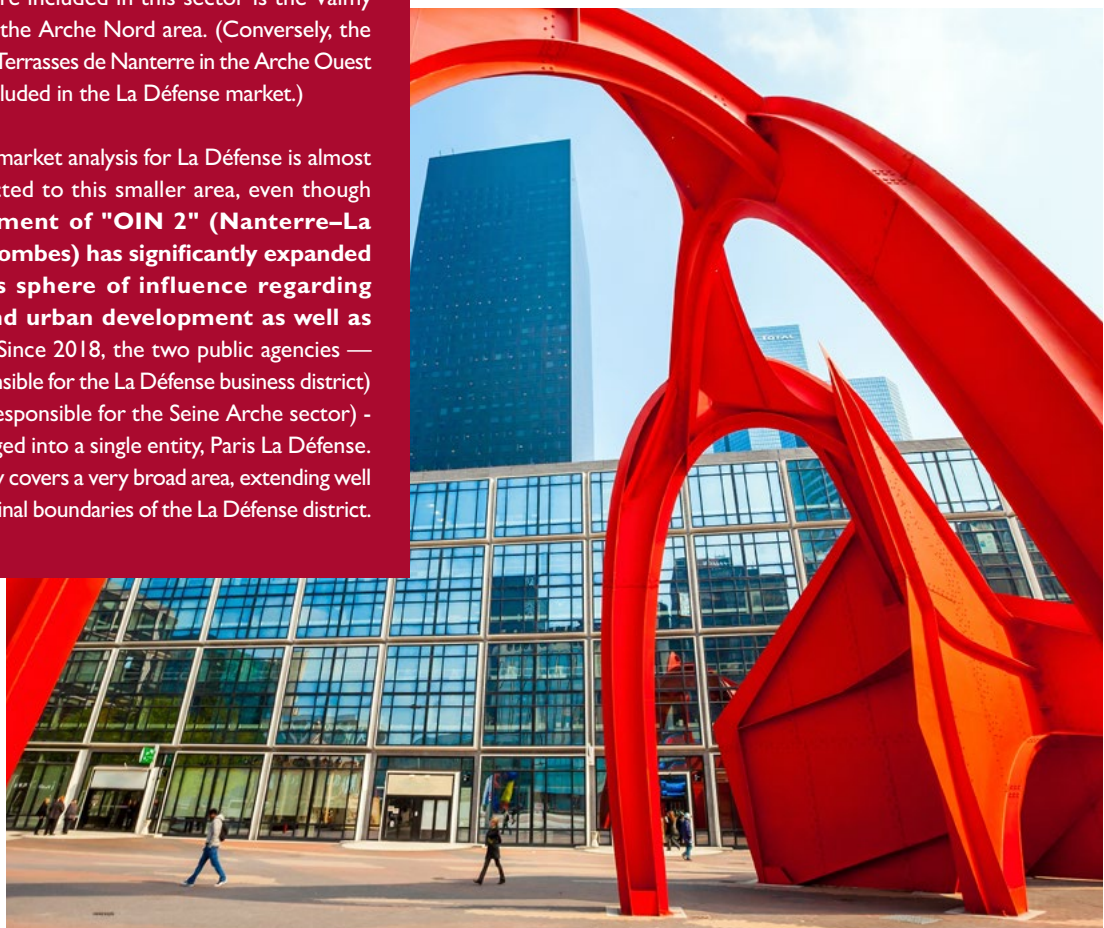
I. LA DÉFENSE IS FAR FROM BEING A STATIC DISTRICT



La Défense is a diverse territory comprising a number of development areas that have expanded over the past decades to occupy a **vast 565-hectare area, spanning four municipalities**: Courbevoie, Puteaux, Nanterre, and La Garenne-Colombes.

In terms of commercial real estate, "La Défense" typically refers to "OIN 1" (Operation of National Interest) on the map above—the historic La Défense district located within and immediately adjacent to the **Périphérique ring road**. The only part of Nanterre included in this sector is the Valmy district, within the Arche Nord area. (Conversely, the buildings at Les Terrasses de Nanterre in the Arche Ouest area are not included in the La Défense market.)

Consequently, market analysis for La Défense is almost entirely restricted to this smaller area, even though the development of "OIN 2" (Nanterre–La Garenne-Colombes) has significantly expanded La Défense's sphere of influence regarding economic and urban development as well as governance. Since 2018, the two public agencies — Defacto (responsible for the La Défense business district) and Epadesa (responsible for the Seine Arche sector) - have been merged into a single entity, Paris La Défense. This new agency covers a very broad area, extending well beyond the original boundaries of the La Défense district.



I-1 : A BUSINESS DISTRICT CREATED "FROM SCRATCH" AND CONSTANTLY UNDERGOING TRANSFORMATION

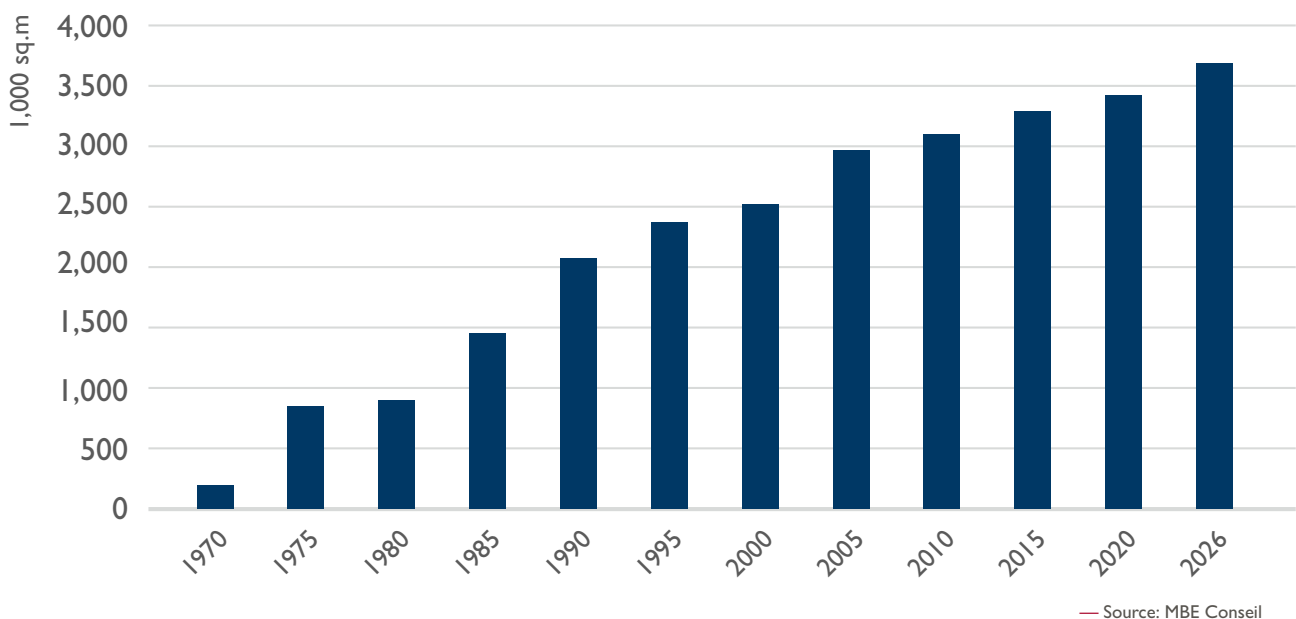
Remarkable density, but slow growth in office stock in the past decade

In early 2026, office stock in La Défense had reached 3.7 million square meters across the 170 hectares comprising the La Défense OIN I zone. While growth has generally been impressive since the business district's inception in the 1970s, it has slowed significantly over the last decade.

La Défense's territory is constrained by a lack of exploitable space. Consequently, recent office-related projects have largely involved demolition-reconstruction-expansion projects, or building refurbishments. It is worth noting that La Défense's office stock grew by 12% between 2015 and 2026, whereas the stock in the inner northern suburbs of Paris increased by 29%.



La Défense office stock: 1970 – H1 2026



Development has evolved in successive cycles

La Défense has evolved in successive waves since the late 1950s, driven by a constant ambition: to provide the western Paris region with a business district capable of accommodating high-rise buildings. The creation of the EPAD in 1958, followed by the inauguration of the CNIT, marked the launch of an unprecedented urban project, fuelled by the desire to concentrate accessibility, architectural visibility, and plentiful office stock within a relatively small area.

Since then, the district has repeatedly experienced alternating phases of expansion, cyclical slowdowns, and public-sector-driven revitalization efforts. The early, rather uniform towers soon gave way to taller, more diverse buildings. However, several waves of building deliveries coincided with periods of market crisis,

highlighting La Défense's high sensitivity to prevailing real estate cycles from an early stage. Nevertheless, during each period of market stress, La Défense has benefited from public-sector support and an ability to adapt that has helped to restore — and even strengthen — its appeal. This has been achieved through measures such as new development regulations, the arrival of institutional players, the construction of the Grande Arche, and the gradual modernization of a building stock that has become both more technologically advanced and more competitive.

The 1990s and early 2000s saw this trend continue: the district densified, expanded toward Valmy and Faubourg de l'Arche, and underwent the renovation or reconstruction of properties that had become obsolete.

Densification, accompanied by renovation and refurbishment projects

The densification of La Défense at the time was quickly accompanied by a wave of renovation and refurbishment of its building stock. Several first-generation towers were modernized, while some obsolete assets were demolished and replaced by more ambitious projects, such as the Tour Esso, which became Cœur Défense. This approach made it possible to intensify the district's development within its tight boundaries.

During the mid-2000s, the issue of obsolescence once again took centre stage. Amidst a thriving market, the La Défense Renewal Plan was launched to manage the upgrading of building stock and to bolster the district's overall appeal. This endeavour was driven by the ambition to create new office space, while also accelerating demolition-reconstruction and refurbishment projects.

Deliveries often out of sync with the market cycle

The La Défense Renewal Plan is a prime example of the recurring disconnect between real estate development and prevailing market cycles in the area. Launched during a boom period to help modernize a building stock that had become partially obsolete, the Plan was quickly hampered by the 2007-2008 financial crisis. Major project deliveries did not occur until 2011–2014, a time when demand was weaker. This pattern confirmed a recurring trend long disadvantaging La Défense; office stock is renewed, but rarely at the optimal point in the market cycle.



Deliveries are drying up

After a period with no deliveries between 2015 and 2019, activity picked up again in 2020, with several new construction or refurbishment projects. However, this upturn did not signal a massive expansion of office stock. Rather, it was driven partly by a regeneration strategy, as the projects primarily concerned redevelopments, extensions, or demolition-and-reconstruction schemes.

In the current economic climate, the number of new construction (or even refurbishment), projects has fallen sharply. In the medium term, the volume of office stock is predicted to stabilize — or may even shrink, should the trend of conversion to other uses intensify. Despite significant financial and technical constraints, La Défense could thus embark on a new regeneration phase, accompanied by a gradual rebalancing of building usage.



Residential buildings in the business district

From its inception, La Défense has incorporated residential development into its planning. Built alongside the office towers, these residential buildings were much lower in height to ensure optimal sunlight exposure. As with the office towers, this practice eventually changed, leading to the emergence of much taller residential towers on the fringes of the business district.

There are currently a total of 4,638 housing units across 20 buildings, the vast majority built between 1969 and 1984. Only one building post-dates this period: the Apollonia, completed in 1999 in the Faubourgs de l'Arche district (220 units). In total, the population of the OIN I area is estimated at 24,000 residents.

Within the business district, there are also three student residences: Lilo, (which replaced the Guillaumet building), and two Yugo residences (formerly YouFirst Campus), totalling 1,164 housing units.

I-2 : THE ZONES OF INFLUENCE OF COURBEVOIE AND PUTEAUX, IN THE EXTENSION OF THE BUSINESS DISTRICT

In the immediate vicinity of La Défense — specifically in the Courbevoie and Puteaux neighbourhoods near the ring road - an office stock has developed that has effectively extended the business district. **These zones of influence consist of approximately 300,000 sq.m of office space**, set within a more diverse urban framework, featuring a combination of office buildings, housing, retail outlets, and a wide range of services.

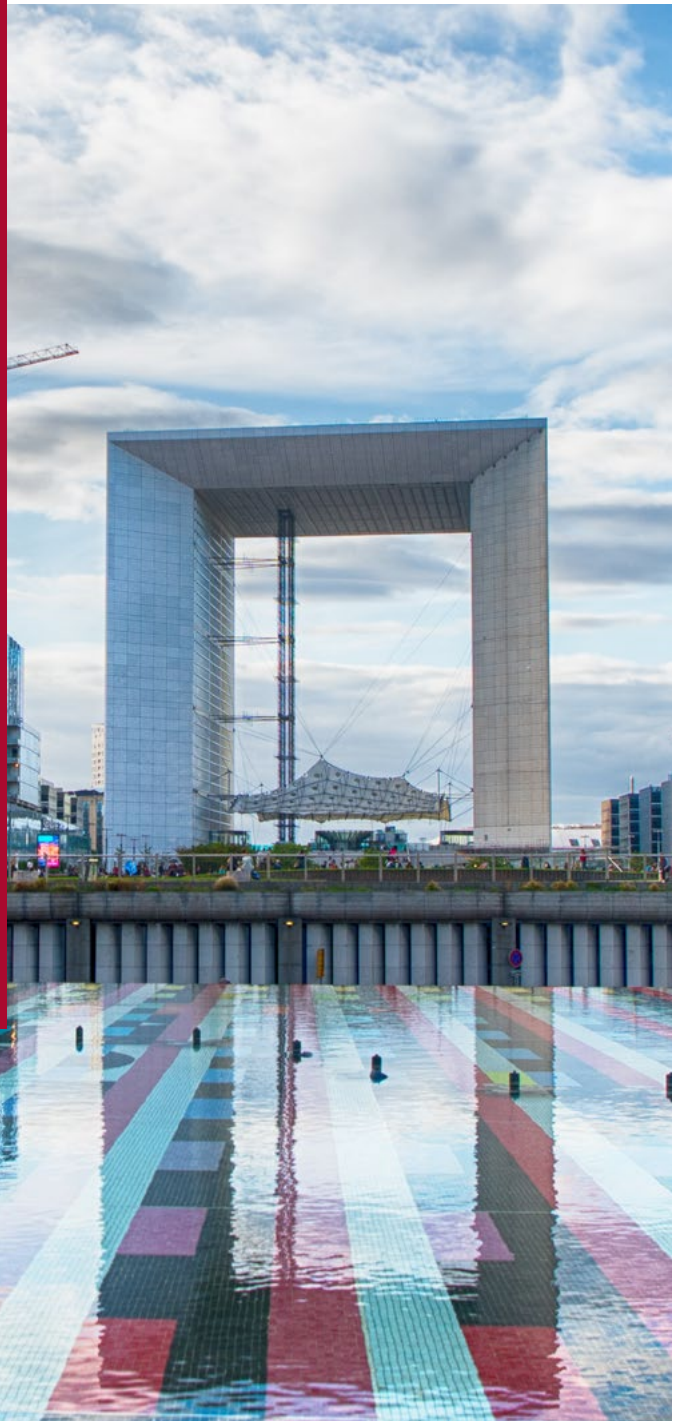
These areas are home to buildings of varying ages and quality, some of which have undergone renovation, refurbishment, or demolition and reconstruction. Notable repurposing projects have already taken place recently — for example, the conversion of the Tour Litwin into a Mama Shelter hotel in Puteaux, and the transformation of the Vision Seine Building into a higher education campus for the IGS Group in Courbevoie.

Major development projects aimed at bridging the gap between the business district and surrounding areas

While office stock volumes may be stabilizing, the business district is still undergoing several development projects. These aim to improve connections between La Défense and parts of Courbevoie and Puteaux, as well as creating a direct link to the Seine. Among these projects, however, plans for office development are presently quite limited.

Five sites are currently included in a bid for innovative, mixed-use, low-carbon projects known as "**Empreintes**." These sites range in size from 2,000 sq.m to 1.6 hectares, with three located in Puteaux and two in Courbevoie. Among them are **Synapses in Courbevoie** — situated along Boulevard Patrick Devedjian and comprising two buildings with retail and residential space - and the **Demi-Lune site in Puteaux**. The latter is a former road interchange, located between Avenue Jean Moulin and the Esplanade de La Défense. It was the intended site for the Tour Signal, an office tower project that was ultimately abandoned. Intended to re-establish a connection between the business district and Puteaux's city centre, the project includes serviced residences, retail outlets, services, and a convertible office building that could also house a school.

Furthermore, the **Rives Défense project aims to redevelop the Saisons district**, potentially opening up its business area to the Seine in the long term. In March 2026, Paris La Défense awarded the urban design contract for this eight-hectare site to a consortium, led by RSHP.





— I-3 : LES TERRASSES AND SEINE ARCHE – A SECOND OIN AND ACCELERATED URBAN DEVELOPMENT IN NANTERRE

The northeastern part of Nanterre—formerly known as the ZAC BI—Quartier du Parc and now designated as the **Les Terrasses district**—is the city's largest business district. **This former land reserve was developed during the 1970s to create both a "residential La Défense" and an administrative complex.** Rue des Trois Fontanot served as the main thoroughfare. Managed initially by EPADESA and subsequently by the Paris La Défense Public Establishment, (starting in 2018), the sector encompasses the entire Nanterre Préfecture district.

The area has matured significantly since the **2001 creation of the Seine Arche development zone (ZAC)**. This has been organized around a pedestrian walkway, stretching from the Nanterre administrative complex to La Défense, and lined with residential and office developments, public facilities, and shops. The area received a major boost from the 2017 inauguration of Arena 92, and most

of the buildings along the terraces—including the older ones - now open onto Boulevard Pesaro, alongside the pedestrian walkway.

To the north of the Seine Arche development zone, where the **Nanterre La Folie RER E** station opened in 2024, very large office complexes have also been built: the new Vinci headquarters (comprising the Archipel and In Défense buildings) is situated above the station, with the Origine and Edenn buildings facing them.

In total, the Seine Arche / Arche Ouest district features nearly **400,000 sq.m of office space** — either newly built or renovated/refurbished between 2010 and 2025. An additional **12 residential buildings** provide over **1,500 standard housing units**, alongside other ongoing projects. The area also hosts serviced residences, particularly for students.

La Garenne-Colombes

Since 2010, the Champs Philippe district in La Garenne-Colombes has fallen within the operational scope of the Paris La Défense public authority. While the area's office stock is relatively limited, it recently came to include the **new Engie campus**, offering nearly **85,000 sq.m of office space**.



Unrivalled public transport access in the Île-de-France region, serving a vast area

La Défense benefits from an exceptionally good public transit network with a wide range of options. 87% of the business district's visitors choose public transport.

The average commute for La Défense office workers is 45 minutes: a figure that factors in the 25% of commuters living in Puteaux and Courbevoie, reflecting a significant geographical spread. 82% of office workers commute via public transport, 12% by car, 2% by bicycle, and 3 to 4% by two-wheeled motorized vehicles. Within the La Défense area, commuters have access to Metro Line 1, RER lines A and E, SNCF Transilien lines L and U, and the T2 tramway. In the Seine Arche area, RER Line A is served by the Nanterre-Préfecture station, while the new La Folie station is served by RER Line E, which will soon be extended to Mantes-la-Jolie.

By 2031, La Défense will also be served by Line 15 Ouest of the Grand Paris Express network, connecting to the Nanterre-La Folie station as well as a new station within the business district itself, located in the Rose de Cherbourg area of Puteaux.

However, the La Défense area is vast. While its transport connectivity is unparalleled anywhere in Île-de-France, not all buildings enjoy the same level of access to these transport hubs

II. TAKE-UP: A MARKET RESILIENCE THAT DEFIES PRECONCEIVED IDEAS

II-1 : STRONGER-THAN-EXPECTED RESILIENCE AMIDST THE TRANSFORMATION OF THE COMMERCIAL PROPERTY MARKET

Against a backdrop of economic fragility — marked by a succession of global economic, financial, and geopolitical shocks - the Greater Paris office market is now undergoing a profound transformation. The rise of remote work, the “rationalization” of office space, ESG requirements, and trends in tenants' budgetary decisions (e.g., favouring lease renewals over relocation), - have all contributed to a steady decline in take-up across the region since 2023, and a sharp drop in the number of large-scale transactions.

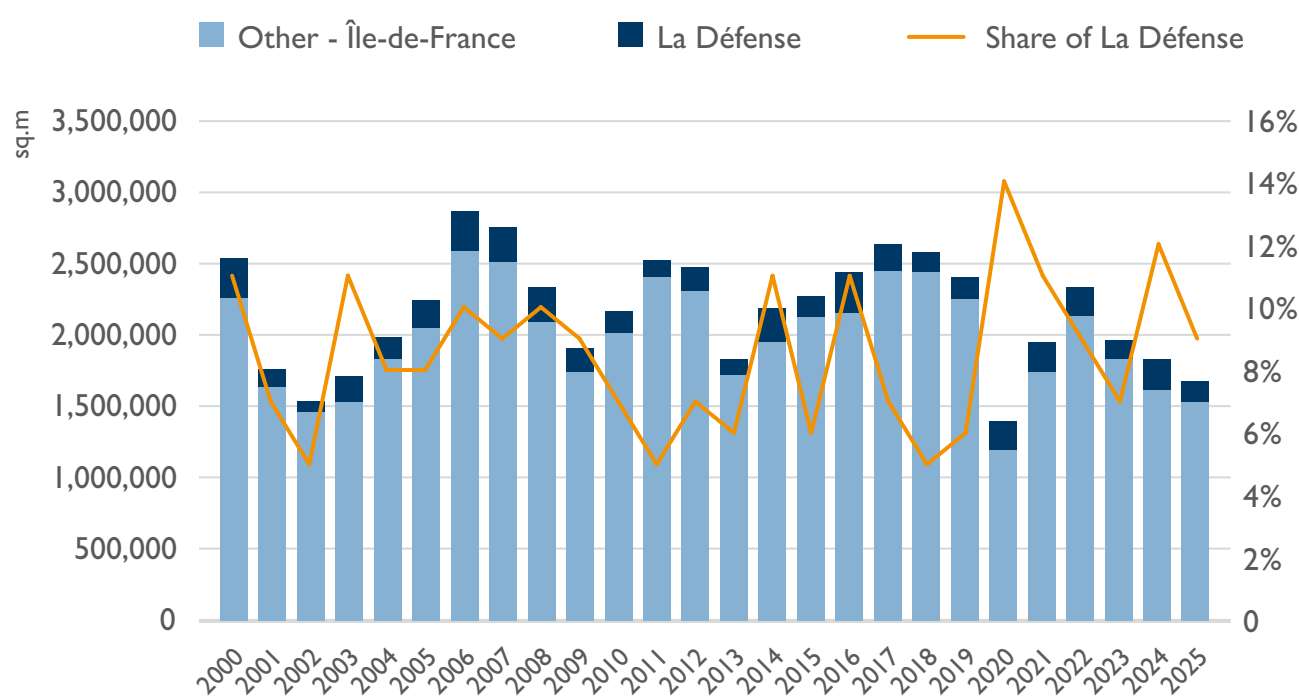
In this context, La Défense is often portrayed as one of the most vulnerable regional markets, owing to its historical focus on large floor-plate offices, as well as to what many consider an outdated urban planning model. However, a detailed analysis of take-up reveals a more nuanced picture.

The district retains exceptional market depth within the Île-de-France region: a resilience driven by several structural and cyclical factors, notably:

- Unrivalled urban accessibility;
- A very diverse size range of office space, capable of accommodating companies of all sizes, including major corporations;
- Competitive rental rates; and
- High responsiveness among stakeholders: on the public side, a dynamic development policy focused on the continuous improvement of urban spaces and services. On the private side, a high degree of flexibility to meet corporate needs, featuring greater space divisibility and adjustments to both headline and effective rents.

While La Défense has repeatedly faced the challenge of refashioning its appeal since its inception, it has consistently managed to reinvent itself and attract corporate clientele: over the past 25 years, **it has accounted for an average of 8% of take-up in the Île-de-France region, ranging from 5% to 14% depending on the year. This average actually rose to 9% of commercialized volume between 2021 and 2025**, even though La Défense's share of total office stock in the region has remained stable at 6% since 2000.

Proportion of La Défense office take-up within Île-de-France



— Source: MBE Conseil / Immostat

II-2 : EXCEPTIONAL MARKET DEPTH

The diversity of La Défense's office stock in terms of location, size, and quality has long been a major asset for the business district. **Indeed, La Défense is unique in France, in that it concentrates distinct market zones within a compact area around a central business district, enabling it to offer a wide range of location options. It also provides a remarkable range of building types** (i.e., high-rise and standard-rise, small and large floor plates, single-tenant and multi-tenant buildings, etc.), all within a wide spectrum of rental values.

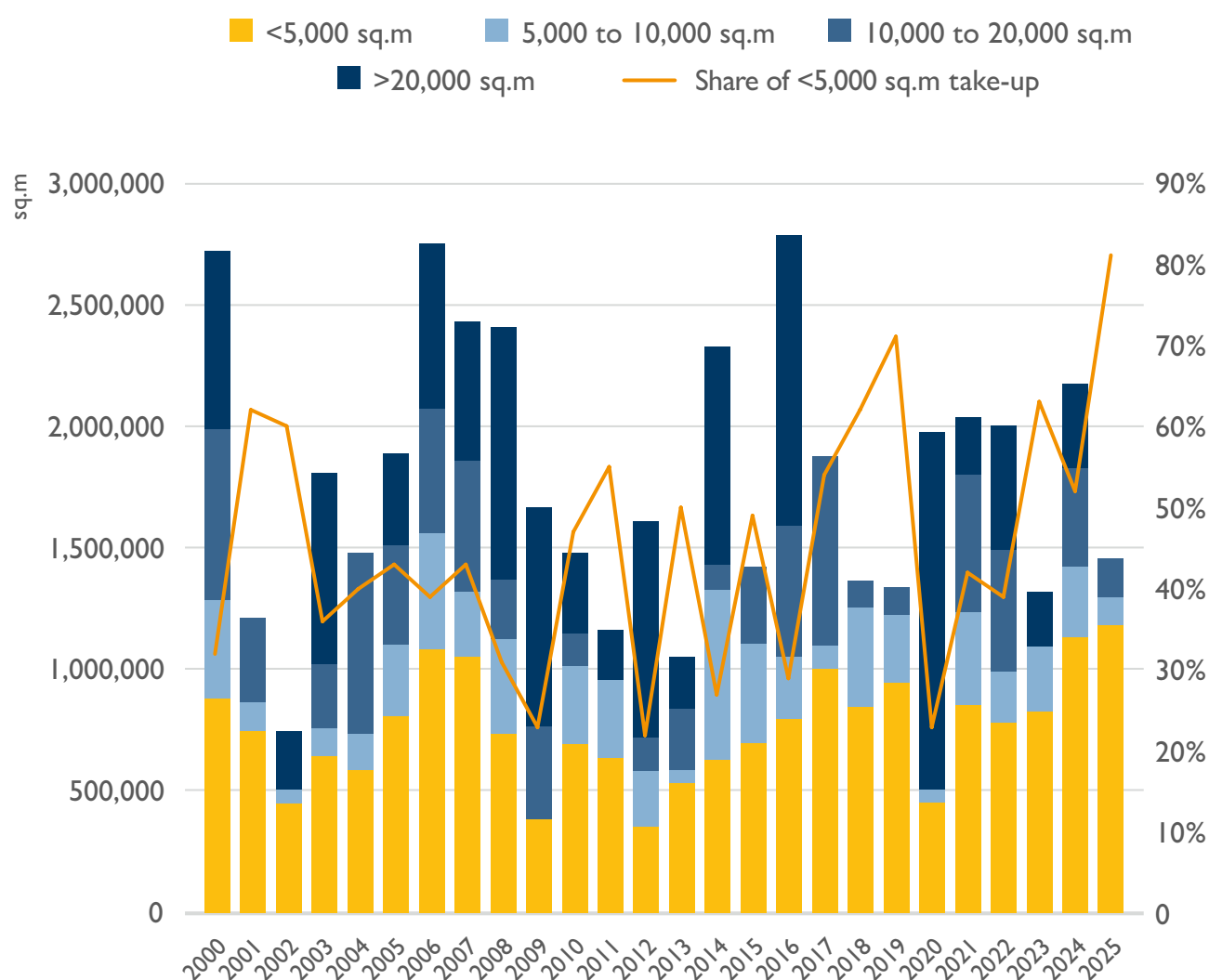
This density and diversity enable La Défense to attract companies of all sizes, as well as from a wide range of industrial sectors.

Since 2000, the annual average take-up for spaces under 5,000 sq.m has stood at 76,000 sq.m. This was significantly exceeded in 2024 and 2025, when take-up for small and medium-sized spaces reached 113,600 sq.m and 118,300 sq.m, respectively. In 2025, these transactions were the primary driver of demand, amid a sharp decline in the number of large-surface deals.

La Défense's office stock has historically consisted of both single-tenant and multi-tenant buildings. However, since 2020 — amid a sluggish economic climate - an influx of available office space, (particularly new and refurbished stock), has prompted a growing number of landlords to increase the **divisibility of their buildings**. This includes those most recently delivered, helping them to attract a significant number of small and medium-sized businesses. **Since 2022, the volume of take-up for spaces under 1,000 sq.m has risen significantly, standing between 26,000 and 28,400 sq.m annually — a new trend for La Défense.**

Moreover, the business district has succeeded in attracting new companies in recent years; in 2025, **73% of transactions involved companies from outside the area**, although these deals mainly concerned spaces of under 5,000 sq.m.

Take-up by size category in La Défense : 2000 - 2025



Source: MBE Conseil / Immostat

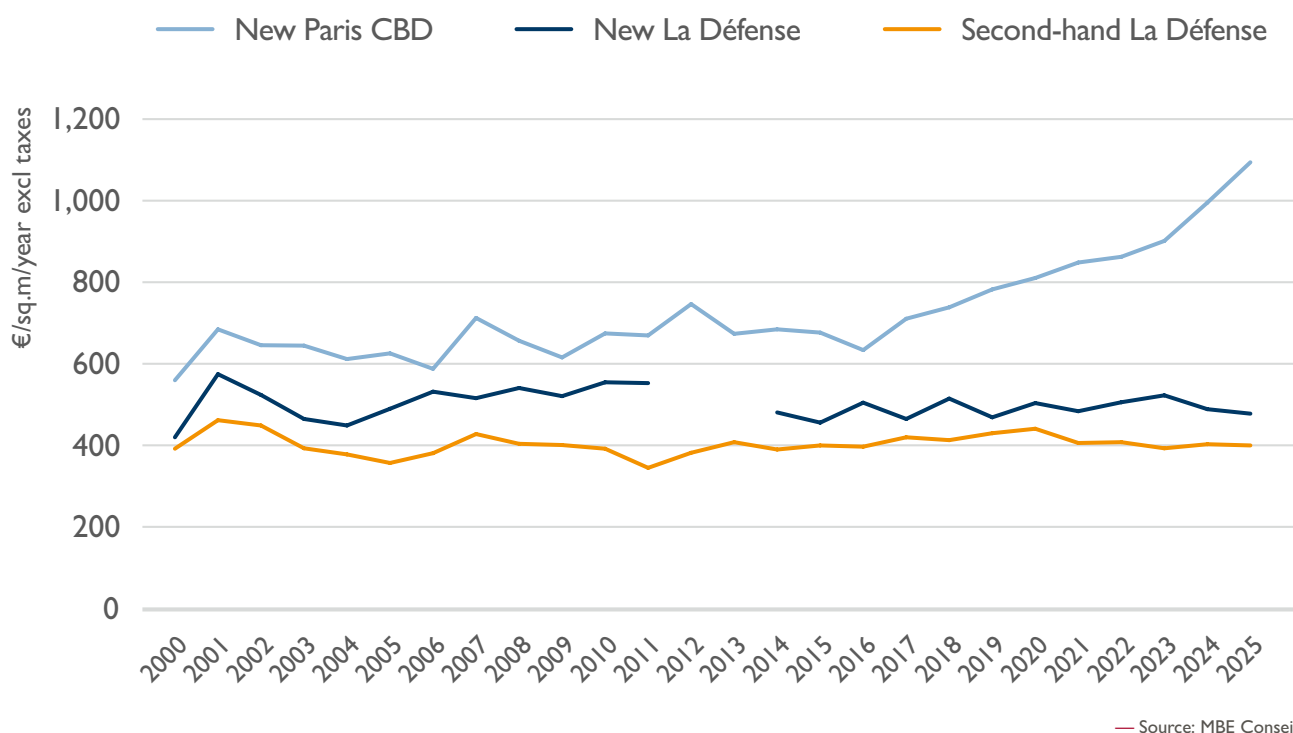
Rental values: both an asset and a hindrance for La Défense

Rental values have been a key factor in La Défense's appeal in recent years, particularly given the sharp rise in rents seen elsewhere — most notably in the Paris Central Business District (CBD).

On the one hand, prime rental values have very rarely exceeded €550/sq.m. On the other, the diversity of available space, as well as a proven ability to adjust with regard to both headline and effective rents, have long ensured the La Défense market's strong appeal for all types of companies.



Weighted average rental value : La Défense vs. Paris CBD, 2000 - 2025



However, the Paris region is currently experiencing a significant surge in office supply, and average rental values are likely to trend lower in the coming months.

This could do much to revitalize the appeal of the abundant large-surface office space available.

Consequently, rental values in La Défense will need to remain competitive, even though certain prime-location buildings — many featuring high-quality construction and amenities, as well as extensive redevelopment - may command unprecedented rents, as seen with the pre-leasing deal by Sanofi in Tour CB3.

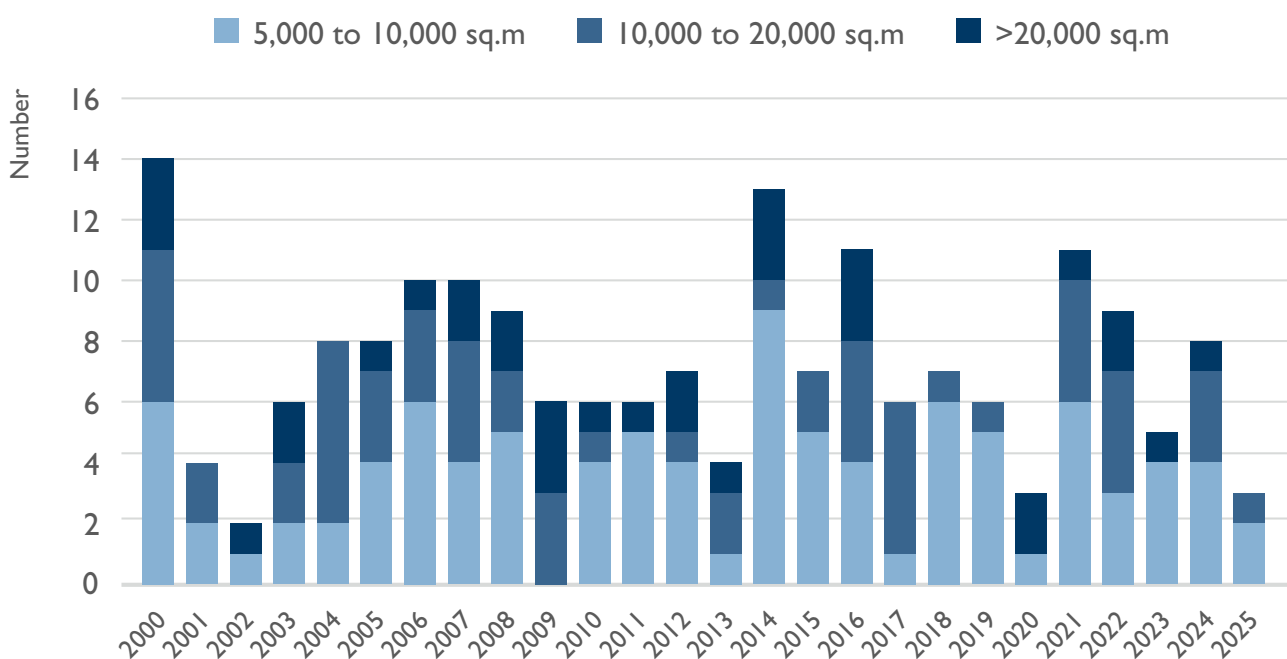


II-3 : LARGE-SCALE TRANSACTIONS REMAIN A DRIVING FORCE IN THE BUSINESS DISTRICT

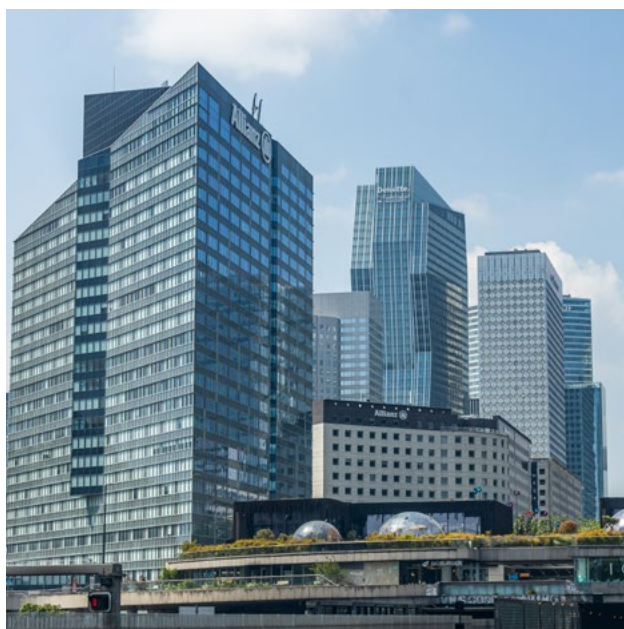
Despite occasional dips in large-scale leasing activity — notably in the early 2000s and in 2025 - **La Défense has remained a highly attractive location for major corporations, including those seeking very large office spaces.** Since 2000, nearly 2.7 million square meters have been commercialized in transactions exceeding 5,000 sq.m. This has occurred through 190 deals, with 33 of these involving spaces larger than 20,000 sq.m, totalling 1.2 million sq.m. Even during the 2020 – 2025 market downturn, total deals in the over 5,000 sq.m range reached 575,000 sq.m through 39 transactions, including seven deals for spaces exceeding 20,000 sq.m.



Large-surface transactions in La Défense: 2000 - 2025



— Source: MBE Conseil / Immostat



Occupiers from five major industries currently dominate large-scale office take-up in La Défense, confirming the district's market depth and its ability to attract major corporate tenants.

The energy sector remains the most active, with nearly 620,000 sq. m commercialised across 33 transactions since 2000. This long-standing presence remains a key structural element, even though consolidations or internal relocations can lead to significant amounts of space becoming available.

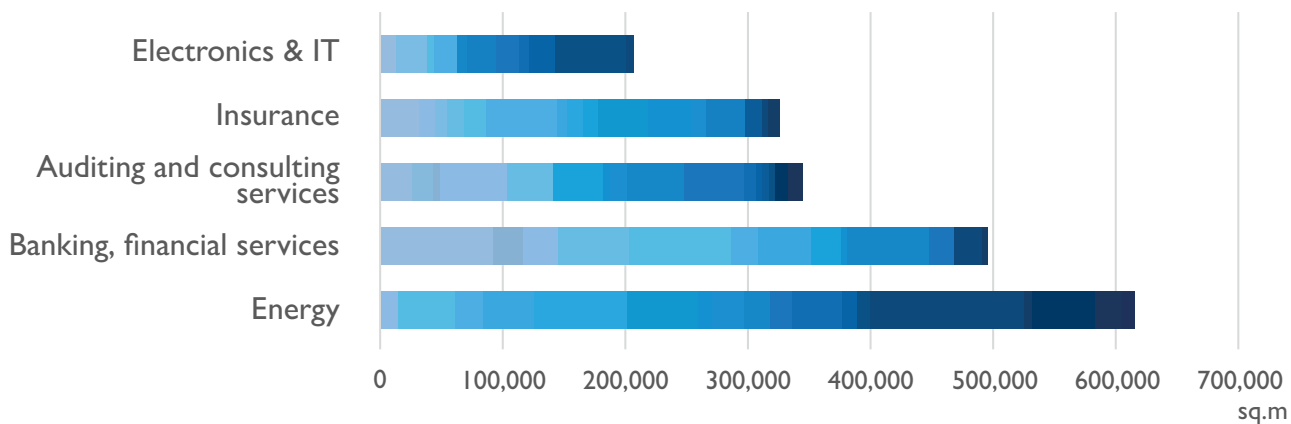
Banking, financial services, auditing and consulting services, and insurance form a second major pillar, characterized by high and steady cumulative volumes that are driven both by large, long-established firms, and by the expansion of auditing and consulting activities since the 2010s.

Finally, the electronics and IT sectors have seen significant growth since the mid-2010s, with 207,000 sq.m leased across 19 transactions, illustrating the recent diversification in the profile of La Défense's major tenants.



Take-up over 5,000 sq.m by five largest industries in La Défense: 2000-2025

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025



— Source: MBE Conseil

The Campus Cyber – a dedicated building offering highly flexible services

Diversifying the business sectors located in La Défense could help sustain its appeal. The public and private stakeholders behind the La Défense 2050 plan are focusing on developing facilities for companies specializing in AI, climate issues, and low-carbon energy.

A successful initial venture in this regard is the Campus Cyber, launched in 2022 in the Tour Eria. Spanning 26,000 sq.m, it brings together 250 public and private stakeholders around a central, innovative theme: cybersecurity. Although the building is leased by a single entity, owned 45% by the State and 55% by major private companies, the premises offer diverse workspaces. They can accommodate large corporations, government agencies, SMEs, private associations, and start-ups, as well as educational facilities for EPITA, (which offers cybersecurity training), and also the Leonard de Vinci cluster. The Tour Eria thus hosts a genuine diversity of tenants, centred around a common theme.

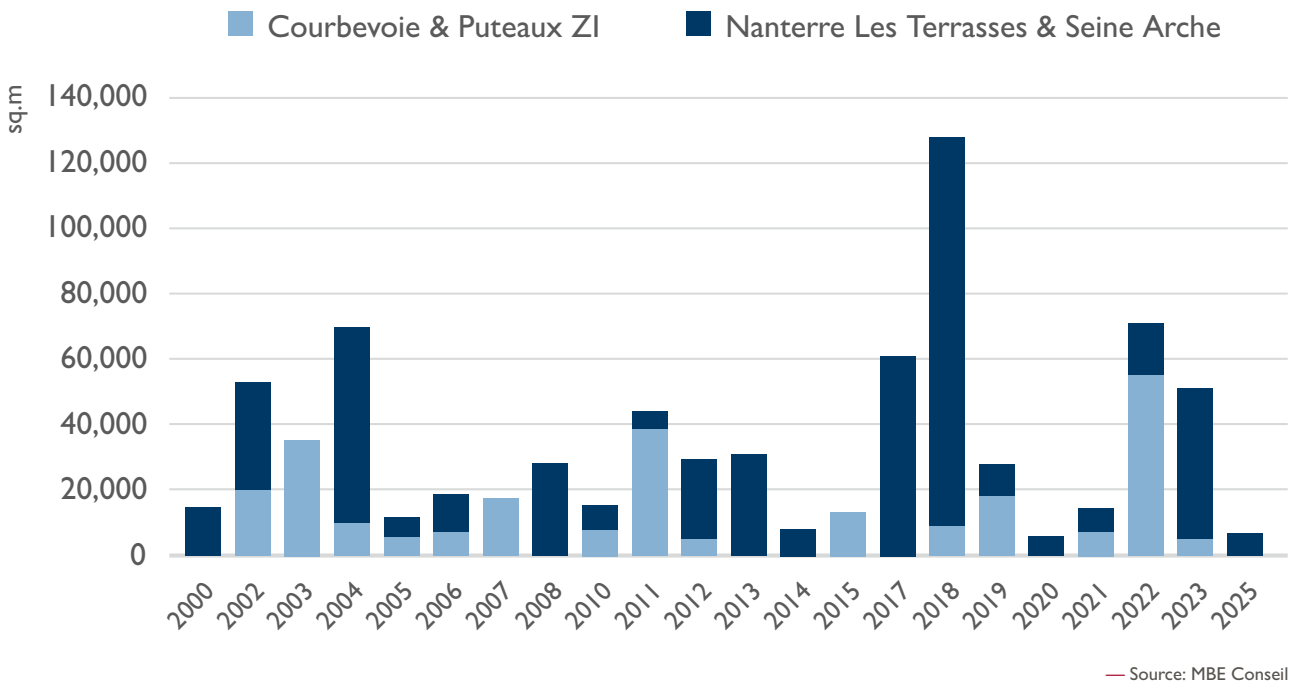


II-4 : LA DÉFENSE'S ZONES OF INFLUENCE – A GOOD DYNAMIC FOR LARGE-SURFACE TRANSACTIONS

The zones of influence surrounding La Défense—specifically Courbevoie, Puteaux, and the Nanterre Les Terrasses–Seine Arche district - have become increasingly built-up over the years. Particularly in Nanterre, where they now form a continuous urban area extending from the business district. This connection has been facilitated by pedestrian walkways on the terraces, and the opening of the La Folie RER station.

Although these areas are not factored into La Défense's take-up statistics, they account for a significant share of large-scale transactions in the area. Since 2000, there have been 56 transactions exceeding 5,000 sq.m in these locations, totalling 760,000 sq.m.

 Large-surface take-up in the La Défense zones of influence: 2000 - 2025



The development of the Les Terrasses district has generated its own appeal for major corporations. **The insurance sector now plays a pivotal role** there, marked by the successive arrivals of Axa and Groupama, while the arrival of Vinci near the Nanterre-La Folie station and Schneider at the Edenn complex confirms the broadening profile of corporate tenants.

In the areas surrounding Courbevoie and Puteaux, recent transactions reflect the same trend: major tenants occupying large surfaces that are

choosing to relocate are remaining within the greater La Défense area, but are prioritizing new or refurbished buildings, such as Allianz Trade in Puteaux and Equans in Courbevoie.

Another example of this trend is found in La Garenne-Colombes with the Engie campus, which **illustrates the capacity of the OIN's expanded area to accommodate tenants needing large surfaces, often relocating from the business district.**



III. THE CHALLENGE OF OFFICE SUPPLY

In 2026, La Défense once again faces a major challenge: the need for a new cycle of building renewal, set against a backdrop of profound upheaval in both the wider economic and real estate landscapes. **Rather than a crisis of take-up — with volumes remaining generally resilient in recent years - we are witnessing a supply crisis, mirroring the trend seen across the rest of Île-de-France.** Immediate supply within La Défense hit a record high of 574,000 sq.m in 2022, driven largely by the massive influx of new volume onto the market starting in 2020. This surplus continues to be fueled, year after year, by the

release of office spaces of all sizes—including by companies that are not necessarily leaving La Défense altogether.

Indeed, a portion of the large-surface space being vacated — both currently and in the near term — is the result of decisions by major companies already located in La Défense to consolidate their operations into new buildings, located elsewhere within the expanded La Défense zone of influence.

III-1 : HISTORICALLY HIGH VOLUME OF IMMEDIATE SUPPLY

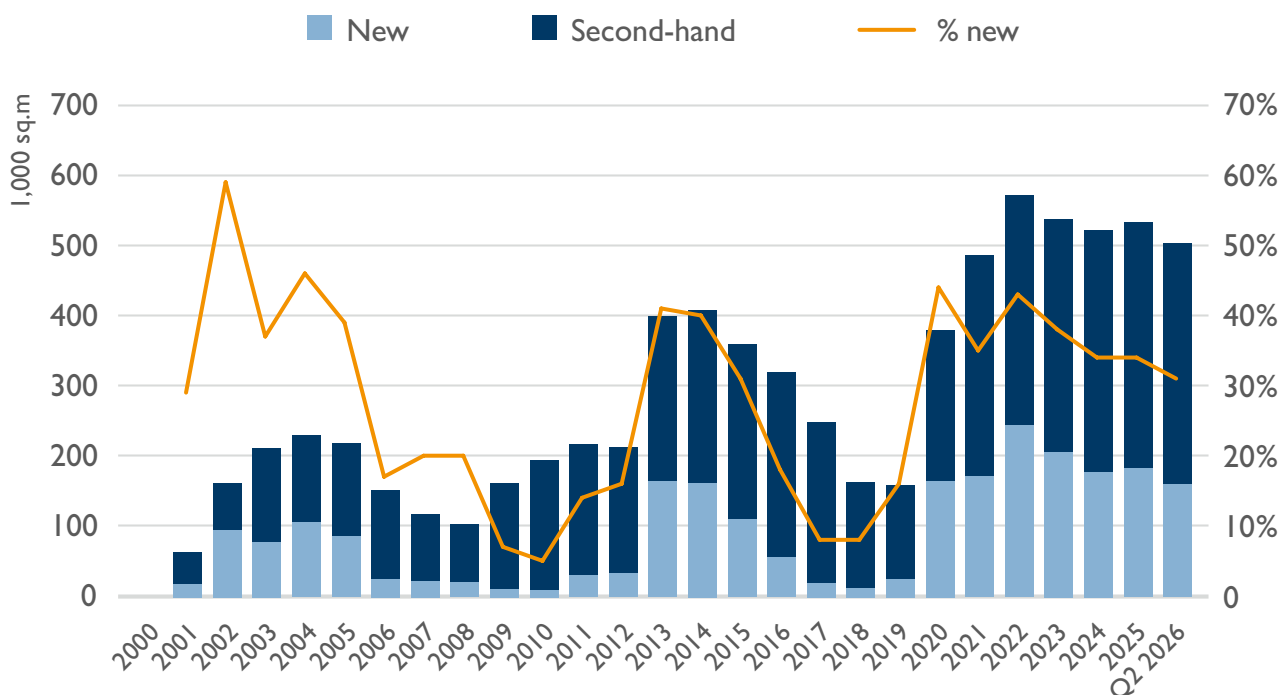
Although the peak was reached in 2022, immediate office space availability in La Défense remains at its highest level in 25 years. However, this available stock varies significantly in terms of building quality, location, and size.

New supply is concentrated in only a few buildings...

At the end of the second quarter of 2026, 505,000 sq.m of space were immediately available in La Défense, with 32% being new or refurbished surfaces. While 161,000 sq.m of new office space are now available, 76% of it is located in just three buildings. Furthermore, no buildings in the business district are currently under construction for delivery in 2026. The next scheduled deliveries—two refurbishment projects totalling 25,700 sq.m — are not expected until 2027.



Immediate supply by building status: 2000 - Q2 2026



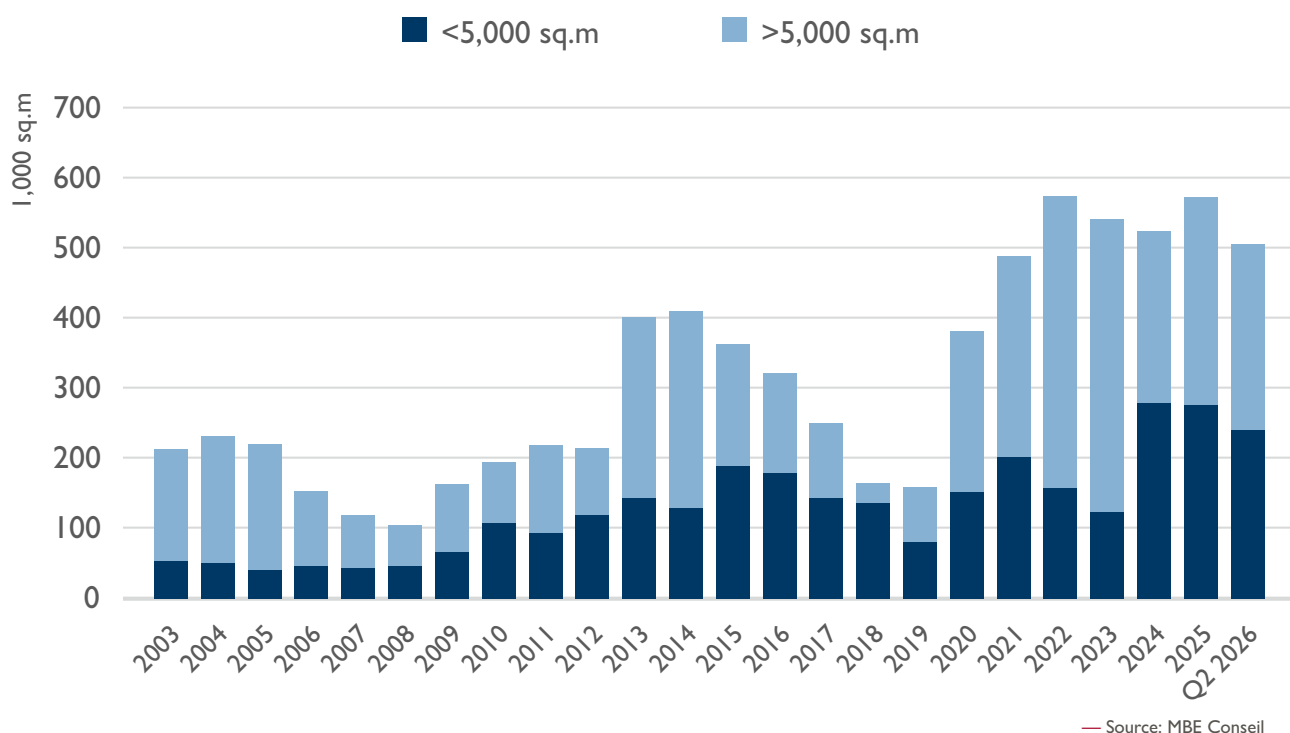
Source: MBE Conseil / Immostat

... and a wide range of available spaces, varying in quality

Second-hand supply — whether being presented in its current condition or having been renovated — now accounts for 68% of total immediate supply, and 52% of large-scale supply. Many surfaces are located in partially occupied buildings. It is worth noting that, to ensure the quality of their properties, some landlords have chosen to undertake renovations while the buildings are fully or partially occupied.



Immediate supply by size range: 2003 – H1 2026



The proportion of large spaces within total supply in La Défense has dropped significantly from its 2022–2023 peak, when units exceeding 5,000 sq.m accounted for nearly 420,000 sq.m. Some of these spaces have since been fully or partially leased, and as of

the end of the first half of 2026, small and medium-sized units made up 48% of immediately available supply. This shift in the supply mix is largely driven by landlords' decisions to increase the divisibility of their assets, especially in the office towers.



III-2 : INCREASED MARKET FRAGILITY IS IMPACTING INVESTMENT

The fragmentation of supply in La Défense is appealing to many prospective occupiers. This is due to the divisibility of space – mainly in the office towers – as well as to the attractiveness of certain second-hand spaces (including large ones) that draw tenants due to their low rents, even in central locations within the business district.

However, such assets often come with certain negative features:

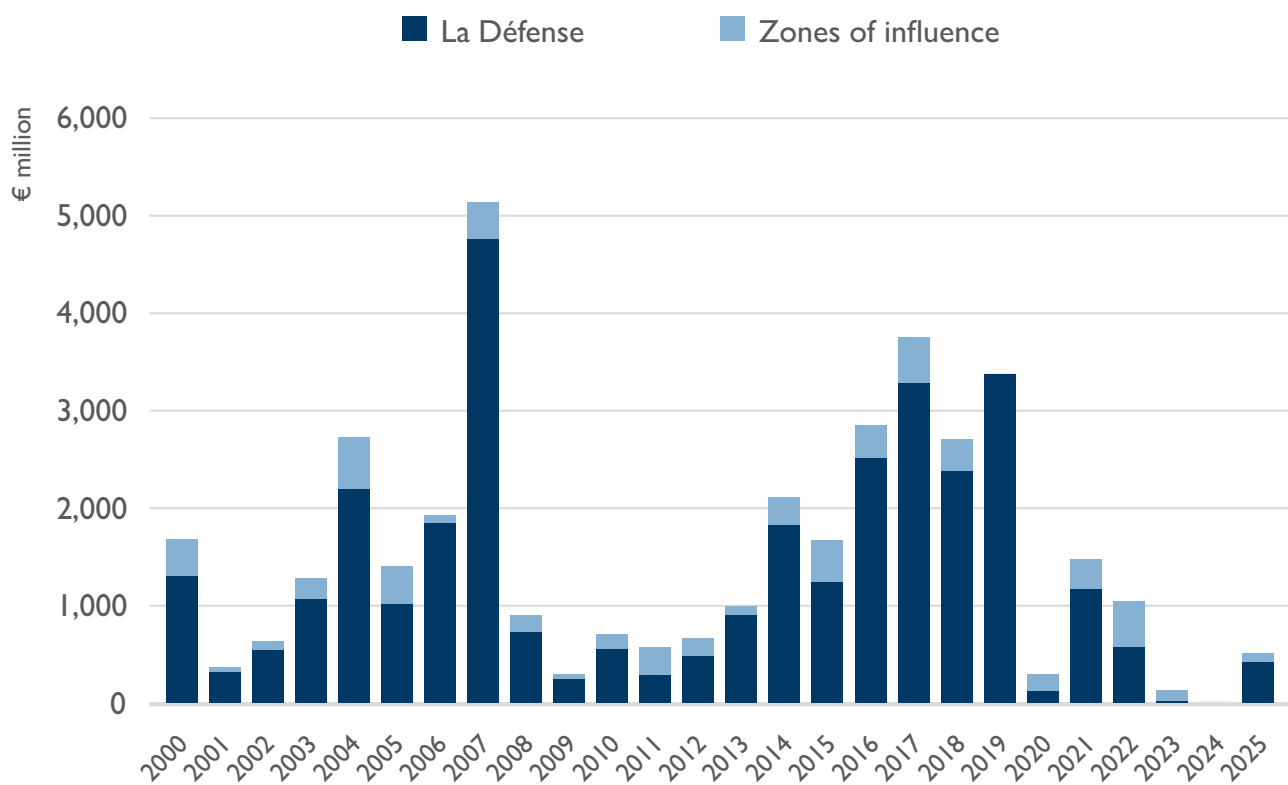
- Low rental values, which may well need to remain low for La Défense to retain its appeal in a competitive market
- The eventual need to consider renovation work on recently leased secondary-market buildings
- The risk of structural vacancy in certain office towers leased in subdivided units, where the frequency of lease renewals or tenant turnover will be higher.

Compounding the problematic issues surrounding buildings that are fully or partially leased is the question of the value and the refurbishment or conversion costs associated with vacant properties.

As a result of this market fragility, investment transactions have been scarce since 2020—a situation that La Défense already experienced following the 2008–2009 financial crisis, waiting until 2014 for transaction activity to regain sustained momentum.



Office investment volume in La Défense and its zones of influence: 2000 - 2025



— Source: MBE Conseil

IV. TURNING SURPLUS SUPPLY INTO AN OPPORTUNITY

While the volume of new and refurbished space now available for short-term delivery is limited, the volume of space expected to become vacant — including that vacated by companies choosing to remain in La Défense or its surrounding areas - could weigh on the market. These surfaces vary widely in quality, ranging from relatively modern towers to much older buildings requiring extensive renovation. These vacant spaces, available immediately or in the short term, may be viewed as a threat to market balance. However, they also represent an opportunity to accelerate La Défense's transformation into a truly 21st-century business district — one that retains its status as a major business hub for the service sector, while also embracing greater functional diversity.

One overall challenge is significant for both property owners and public authorities: how to preserve the business district's status and appeal to companies, while also being able to accommodate new populations. Among the extensive studies regarding the area's future, the **Plan La Défense 2050** — born from a collaboration between five major investors in the district and experts from diverse backgrounds - explores potential avenues for transforming the area.

In the following section, we draw upon several themes presented in this study. We have also met with public and private stakeholders from La Défense, who discussed their positions regarding the future of the business district.

Interview with Céline Crestin – Director of Strategy and Responsible Development, Paris La Défense (PLD)

What is Paris La Défense's vision regarding transformation and increasing mixed-usage development?

With the office market facing significant oversupply and with a clear decline in demand for office space, it was essential to engage all stakeholders, whether public or private, to jointly devise a clear-eyed, pragmatic approach to the issue. The **Atelier des Territoires** (Territory Workshop), launched in 2025, addresses office oversupply with the aim of **turning a problem into an opportunity**. In a densely built-up area like La Défense, transforming obsolete assets is a critical tool for **fostering mixed-use development: an essential component of a modern business district**. It also offers an opportunity to meet local needs, stabilize the office market, and boost property values by rebalancing supply.

How has the situation evolved since 2025?

Completed repurposing projects are still rare, **but since 2026, there has been a noticeable shift toward acknowledging the need to transform assets**. While a number of market players had adopted a "wait-and-see" approach — hoping for a recovery in the office market - the sharp decline in the value of certain buildings is now prompting owners to either sell or explore transformation options themselves. Some projects are beginning to materialize. And while French players remain hesitant, we are also banking on new entrants — namely, international players with prior experience in this field who are particularly interested in high-rise office towers.

Does PLD have any levers to accelerate this process?

PLD supports this transformation and is **gradually equipping itself with regulatory and financial tools — not with the aim of adopting a coercive approach, but rather with a desire to drive projects forward**.

First, the **SCAPULD** (the La Défense Urban Planning and Development Framework), established on November 26, 2025, will define urban planning rules that are intended for incorporation into local urban planning (PLU), and subsequently into inter-municipal urban plans (PLUI). In the interim, other mechanisms — such as a deferred development zone and a project-specific planning perimeter - are being considered.

Furthermore, we are finalizing the creation of a **real estate holding vehicle** to support property owners through the transformation process. Developed with financial partners and co-investors, this tool aims to provide reassurance regarding project feasibility, navigate the critical phase of obtaining administrative permits, potentially bring together landlords and investors, and provide some degree of equity.

— IV-1 : PRESERVING THE STATUS AND APPEAL OF THE BUSINESS DISTRICT — THE COMPLEXITIES IN DELIVERING NEW AND REFURBISHED SPACE

Presently, La Défense's paramount challenge is remaining attractive to businesses in a highly competitive environment. Across the Île-de-France region, two million square meters of new and refurbished space are immediately available. Moreover, there is an abundant supply of such space currently under construction within Paris proper.

Paradoxically, while the immediate supply of office space in La Défense is substantial, it accounts for only 8% of the total immediate supply — and 8% of the immediate supply of new space across Île-de-France. However, high construction costs and stringent technical and energy-related requirements for buildings may currently deter some owners from undertaking major refurbishing projects, leading them to opt for only renovation work instead.

In such a business environment, it is unlikely that all buildings will be able to achieve "core" positioning. Nevertheless, this ensures that La Défense will continue to attract a diverse range of companies.

Nevertheless, some property owners are trying to anticipate the short- and medium-term needs of businesses. Preserving La Défense's status and appeal requires not only renewing available space but also developing new models. These two aspects are perfectly illustrated by Gecina's decision to redevelop the T I and B towers, and by Groupama's decision to pilot the creation of an AI campus in a vacant building.

Interview with Emeric Fagnot – Development Director, Gecina / Treasurer, AUDE (Association of La Défense Users)

You represent both a major property owner in La Défense and the AUDE (Association of La Défense Users). What is your vision for La Défense?

La Défense is a complex area. It is Europe's leading business district and a major commercial hub. But it is also a place where people live — home to residents deeply attached to their neighbourhood - as well as a large student population. The business district market is currently performing well, with the vacancy rate trending downwards. Although the supply of existing space remains substantial, top-quality buildings capable of meeting new usage requirements continue to be appealing. It is an ecosystem that keeps attracting major corporations, as well as mid-sized service-sector companies, and an increasingly diverse range of businesses.

So, do you believe in the future of office space in La Défense?

Yes, provided we offer buildings that truly meet the new expectations of companies and their employees. That is the thinking behind our decision to reposition the T I and B towers, vacated by Engie.

Although these two towers are now around fifteen years old, they can boast of excellent architectural and technical fundamentals. However, we aim to improve aspects such as air

circulation, elevators, and various services. We are targeting completion in 2028 and have already identified a prospective tenant for one of the towers. We remain confident in the appeal of La Défense.

Developable land is scarce — a factor that ensures attractiveness for property owners but also presents a challenge for the area. Transforming the district also requires adjusting its funding model to give Paris La Défense the means to sustainably support public and private investment.

What constraints do you now have to deal with?

They vary. One major constraint — for both property owners and the stakeholders within AUDE - stems from the high degree of variability in workers' in-office presence, largely due to remote work. This is also having a significant impact on shops and services in La Défense, particularly dining options, which see heavy demand between 12:00 p.m. and 2:00 p.m. on certain days, but much less at other times.

We are seeing a trend — albeit a gradual one - towards a reduction in remote work, which could help rebalance foot traffic in the district. However, we cannot rely on this shift alone; the collective challenge lies in strengthening the reasons for coming to La Défense by enhancing the quality of its buildings, public spaces, services, and the district's overall vibrancy.





Diversifying the types of industries now present in La Défense could help sustain its appeal. Indeed, the Plan La Défense 2050 focuses on **developing facilities for companies specializing in AI, climate issues, or energy.**

Much like the Campus Cyber — which houses a variety of workspaces for large corporations, SMEs, and academic or research units within a single building - other properties could evolve to offer a more diverse mix of office spaces. For example, Groupama has chosen to explore this approach with its **Diamant B Building**. This site, recently vacated, is expected to host a temporary AI hub in the coming months, designed to accommodate startups specializing in artificial intelligence.

Another recurring theme among strategies to maintain the business district's appeal focuses on the **development of education and research.** This is a key priority for an area that already hosts 70 schools and higher education institutions within the La Défense OIN (Operation of National Interest) zone, representing over 70,000 students, including the 31,000 at the University of Nanterre. However, this approach also addresses other concerns, such as student housing and the need for La Défense to provide services tailored to its growing student population — students who frequent the district and, in some cases, live there.

As part of the Atelier des Territoires initiative — which is helping to shape the programmatic vision for La Défense through to 2040 - Paris La Défense has identified the "potential" for 46,300 to 70,000 sq.m of new space dedicated to higher education, innovation, and student amenities designed to foster a campus "feel" (ie., affordable dining options, student resource areas/learning centers, sports facilities, etc.).

IV-2 : ENHANCING THE MIXED-USAGE NATURE OF THE BUSINESS DISTRICT IS A MAJOR CHALLENGE FOR LA DÉFENSE

La Défense has long suffered from its monofunctional character, though the situation is improving. The number of housing units — including student residences — is growing in surrounding areas, particularly Nanterre. Moreover, a significant number of schools are bringing in a new demographic, while local shops, amenities (eg., cinemas, Arena 92), and various events are attracting an increasing number of visitors.

In 2022, APUR published a map clearly illustrating the dichotomy between the functions within the business district—which are primarily oriented toward office buildings— and the area's outskirts, where residential use accounts for a significant share. Moreover, the existing housing stock in the business district is aging, and some units will require major renovation work.

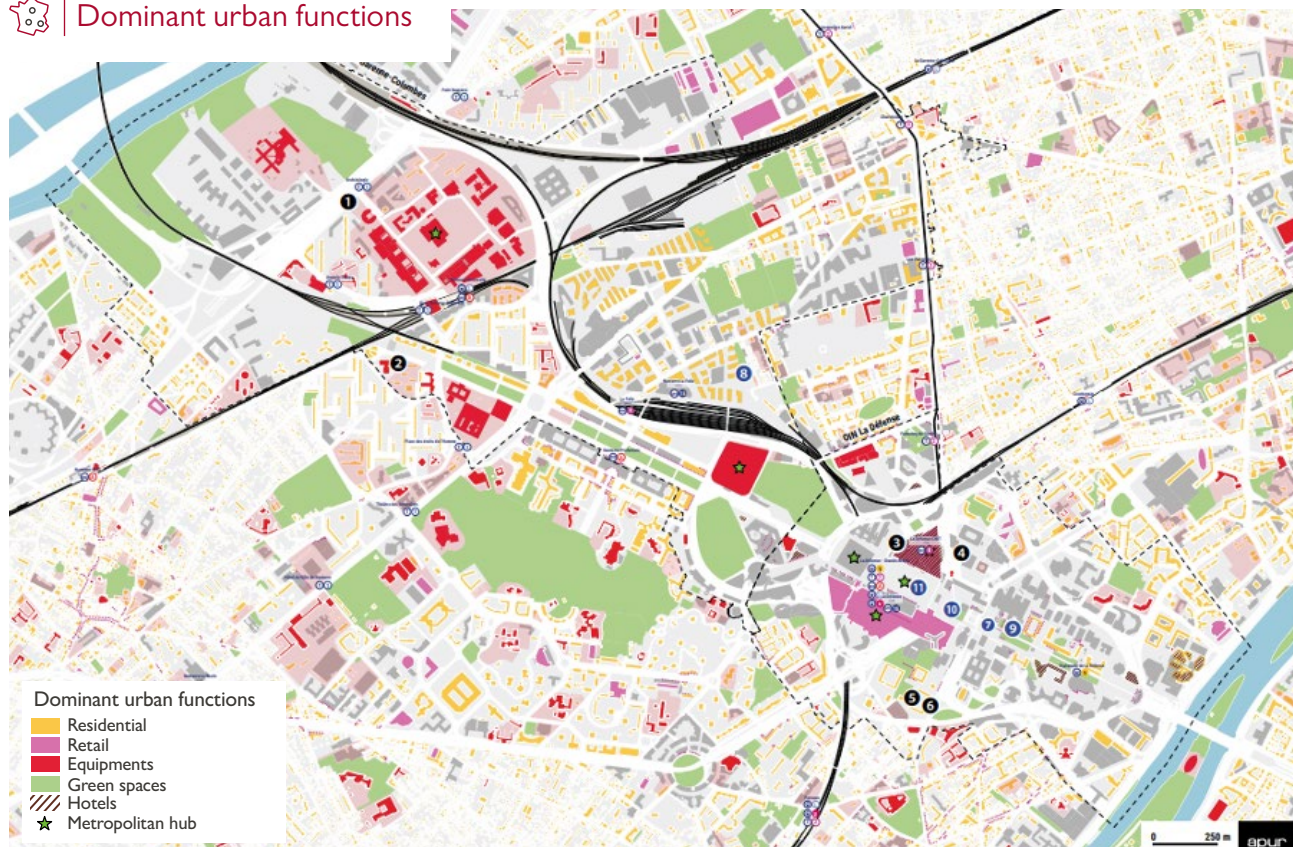
Continuing to develop both housing and hotels would help rebalance these functions, while also generating more consistent foot traffic in the district, including during evenings and weekends.

Paris La Défense aims to create up to 3,000 new student housing units by 2040. (It is worth noting that this is intended for the wider La Défense area, rather than just the business district itself.) Furthermore, these units are not limited to private residences. In addition to student housing, Paris La Défense seeks to attract new residents and intends to create “up to 3,000 diverse housing units, complemented by 5,000 to 10,000 sq.m of public facilities, depending on the specific development, and up to 7,000 sq.m of additional retail space.”

“Housing is a central issue, with significant needs — not only for student housing, (where La Défense's share of student residences stands at 7%, compared to 12–14% for the Île-de-France region), but also across the entire residential spectrum, from social housing to high-end properties. This diversity of needs requires engaging with all stakeholders — both public and private - against a backdrop of declining demographic growth: a trend that may alleviate municipalities' concerns about providing new family housing.”

Céline Crestin, Director of Strategy and Responsible Development (Paris La Défense)

Dominant urban functions



Increasing the supply of student housing in the business district can help to pave the way for the conversion of office buildings. **More broadly, serviced real estate represents an option that appeals to property owners.** The conversion of the Guillaumet Building into the Lilo student residence is a recent example of this.

Beyond student residences, this type of housing can also accommodate young professionals — particularly those working in La Défense - or even executives who work remotely for part of the week and live outside Paris while working in the area.

The fact remains that housing needs must also include social housing options, which can be provided either by private operators, leveraging economies of scale, or by specialized providers. Indeed, many students currently face a commute of nearly an hour and a half to reach La Défense, yet have a monthly rental budget of between €500 and €800.

Furthermore, the increasingly diverse mix of property users at La Défense — particularly the presence of educational institutions - creates new needs that can sometimes be financially burdensome. For instance, there are presently no exam centres, libraries, or university dining facilities in La Défense.

Regarding student dining, since remote work makes the use of corporate dining facilities (RIEs) unpredictable, making relevant agreements with companies might seem like a natural step. However, this is highly complex. Beyond the issue of who covers the costs, pooling facilities — such as tower spaces, dining halls, or even gyms - raises regulatory challenges. More broadly, these regulations can also act as a deterrent for property owners wishing to open spaces like tower rooftops to the general public for bars, restaurants, etc. It is therefore vital for La Défense that mixed-usage development also translates into a "mix of users."

Interview with Xavier Musseau, President of Hines France

Are you making a major push into the student housing market in Île-de-France?

We already have a strong presence in Europe with our "aparto" brand, operating 26 student residences with a total of 10,000 beds. In time for the start of the 2027 academic year, we will open our first French residence just outside Paris in Charenton-le-Pont, and we are already planning the opening of three additional residences in Île-de-France. We believe there is still enormous potential for student housing demand in France, and our European experience allows us to both import and adapt our model.

Are some of your residences in France the result of building conversions?

Our Charenton-le-Pont residence represents the largest conversion of office space into student housing in Île-de-France: nearly 27,000 sq.m have been transformed into a 660-bed facility, featuring a wide range of tailored amenities, like study rooms, shared kitchens, a gym, a rooftop area, and a swimming pool.

In Courbevoie, within the EcoQuartier Village Delage, a former industrial building is set to be converted into a student residence. Naturally, there are a number of financial, technical, and administrative challenges involved. However, we believe the model is entirely viable in attractive, safe, and well-connected areas with large student populations.

Does La Défense have development potential?

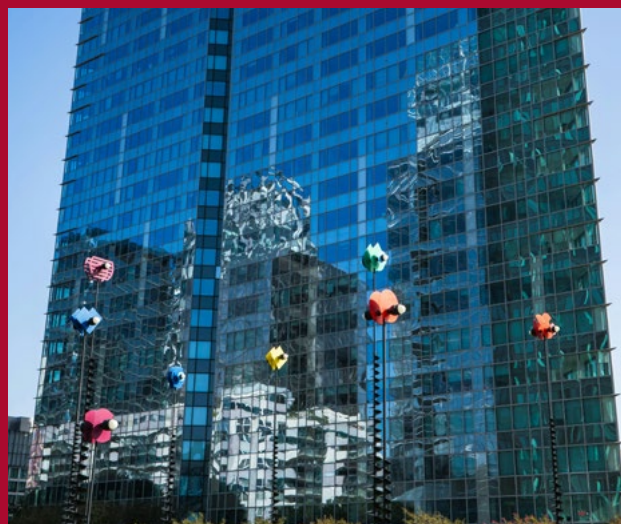
Hines is a long-standing player in La Défense, and for us, it is a priority location for developing or acquiring a large-scale student residence. We believe it is essential to think big, aiming for 800 beds. This scale is a prerequisite for offering efficient services and, if necessary, for incorporating a social

housing component into part of the residence. La Défense is a viable place to live, and there is genuine support from Paris La Défense for such projects.

So, do residential prospects in La Défense extend beyond student housing?

The student housing model is well-established, with rents tailored to the specific location and aligned with private-sector rates. As students transition into young professionals, a commercially viable solution is to develop "built-to-rent" projects. These are residences offering managed services: a model that is still relatively uncommon in France.

Conventional residential development is more complex, particularly in former office towers where there is significant loss of usable space. However, options do exist, such as combining apartments and a hotel with shared services. The crucial issue remains the cost — not only the construction work itself, but also the acquisition of the buildings to be converted.





Tourism provides dynamism

La Défense is also a destination for both leisure and business tourism. The wider area already hosts seven serviced residence complexes and fourteen hotels, ranging from three to five stars. Converting office space either wholly or partially into hotels is another potential option for certain buildings. A case in point is the Mama Shelter, which opened in the Tour Litwin, a former office building.

The hotel industry can also foster mixed-use environments at the building level: for instance, by retaining office space in certain sections of the structure. **The redevelopment project for the Triangle de l'Arche complex illustrates this approach. MACSF decided to keep part of the building as offices — Including space for its own operations - while converting approximately 9,000 sq.m of office space into a hotel.**

By 2040, between 20,000 and 70,000 sq.m of additional hotel space could be developed in La Défense, while 3,200 to 15,000 sq.m could be dedicated to projects linked to culture, events, and leisure.

"There is also real potential for hotel development at a time when La Défense aims to establish itself as a cultural destination, with an increase in public and private events—such as those at the Plenitude Arena and, potentially, new projects incorporating cultural or event-related elements."

Céline Crestin, Director of Strategy
and Responsible Development (Paris La Défense)

CONCLUSION AND OVERVIEW

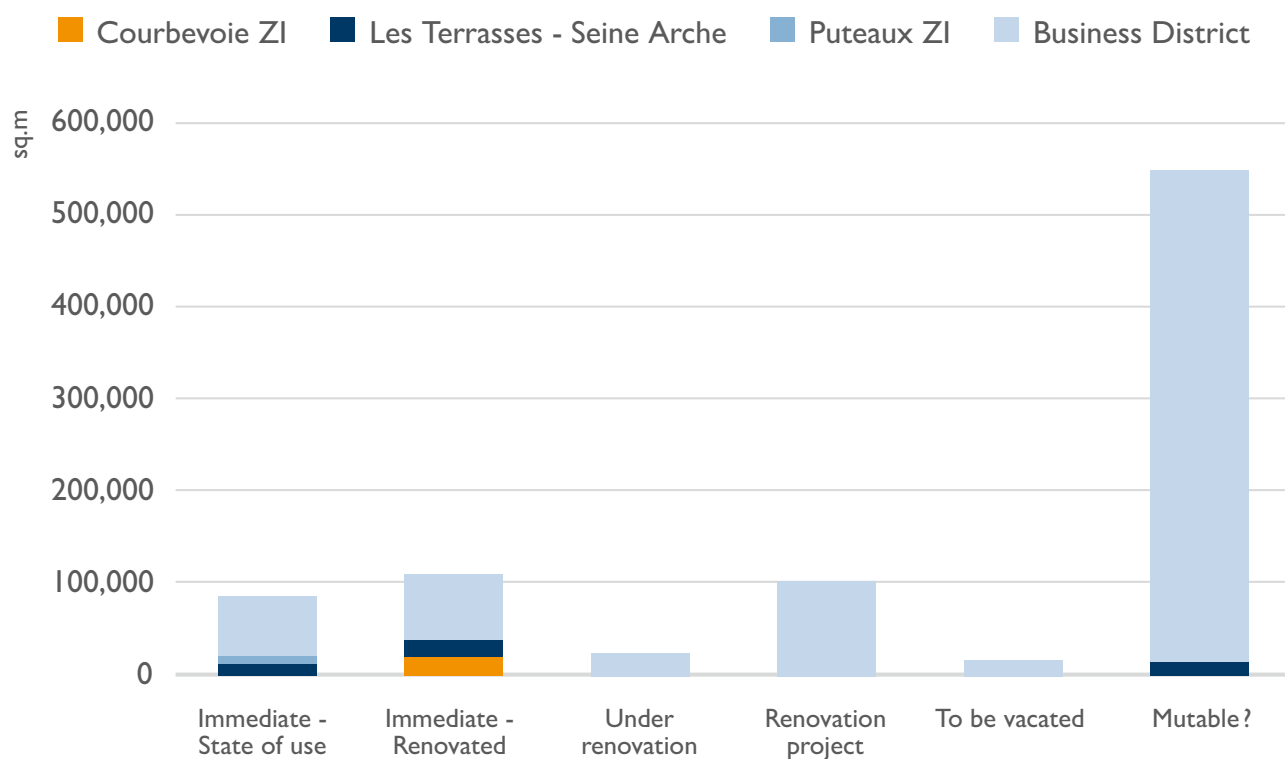
The need to continue transforming La Défense into a more mixed-usage district — particularly opening up the business hub to the surrounding area - seems almost self-evident. There is presently a consensus regarding this among public and private stakeholders. Furthermore, while the area remains highly attractive to businesses, a portion of the obsolete office stock offers an opportunity to carry out ambitious projects. But what exactly is the status of this potentially developable land?

Significant potential for repurposing, although some buildings present challenges

While the overall supply of new and redeveloped space in La Défense is limited, the stock of existing space — some of which has been renovated — is substantial and includes a portion that shows potential for repurposing. Across La Défense, we have identified nearly 900,000 sq.m of large-surface existing space — either being presented in its current state or having been renovated - available immediately or in the short term. Of this total, 816,000 sq.m is located within the business district itself.



Second-hand supply over 5,000 sq.m in La Défense by district



— Source: MBE Conseil





A portion of the second-hand market supply is located in multi-tenant buildings: a situation that often does not rule out a partial change of usage. There is also **an estimated 550,000 sq.m of space in buildings that are entirely vacant (or will be in the near future)** and could accommodate new functions across all or part of the premises. Some of these properties represent "grey supply": space for which no development project is underway, but which remains difficult to lease in its current condition — or even after basic renovation.

The 550,000 sq.m of space that is, or will soon be, totally vacant consists of 14 buildings, 12 of which are located in the business district (totalling 533,000 sq.m). These include eight high-rise buildings (IGH) and four buildings subject to standard labour code regulations. Five of these buildings exceed 50,000 sq.m in size and vary in quality.

Exploitable properties are therefore clearly available, while the risks are evident; should projects fail to progress as planned, prolonged vacancies would certainly be seen in certain buildings. However, the balance between advantages and potential downsides could eventually tip in favour of proceeding with some of these projects, enabling La Défense to accelerate its transformation.

Key obstacles

- As with all refurbishment projects that do not involve a change of use, the question of feasibility — and above all, of cost - remains critical, including the purchase price of any given obsolete building;

- For buildings transitioning to mixed-usage functions — combining, for instance, residential or hotel components with office space - there are issues regarding the complexity of asset **management, as well as the liquidity of the properties;**
- **The individual circumstances of the owners**, some of whom cannot undertake work to change the property's intended function, nor endure significant price discounts upon sale;
- **The economic and financial climate.**

Key strengths

- **Strong mobilization of public-sector stakeholders**, potentially helping — particularly in the short term - to alleviate the financial barriers hindering transformation;
- At the La Défense level, a **dynamic development policy** and local zoning regulations (PLU) that are conducive to transformation;
- **The arrival of investors** with expertise in transformation projects and who are eager to launch new initiatives;
- **Possible improvement in economic and financial conditions.**

The first six months of 2026 have seen a growing number of transformation projects within the La Défense district. This trend is encouraging; it could help alleviate the area's oversupply, restore the competitiveness of rental values, and meet much of the need for housing and other functions. However, these transformations come at a cost, and securing support for them remains crucial — whether through public sector backing, or via guarantees for private stakeholders, who remain vulnerable due to current prevailing economic conditions.



« The idea isn't to pursue decline. We need to find new resources. »

Pierre-Yves Guice
CEO of Paris La Défense



NEUILLY-SUR-SEINE

« We have reached the end of a cycle of metropolization. »

Jean-Christophe Fromantin
Mayor of Neuilly-sur-Seine



« When confidence returns, investors will return. »

Astrid Weill
CEO of Groupama Immobilier



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