

REVIEW

# INVESTMENT MARKET

FRANCE Q1 2026

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RESEARCH & INSIGHTS



**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world



# Q1 2026

## INVESTMENT FRANCE

### KEY FIGURES

**+3.79 %**  
10-YEAR OAT (Q1 2026)

**+1.0 %**  
GDP growth in France in 2026  
(Forecast BNP Paribas – April 2026)



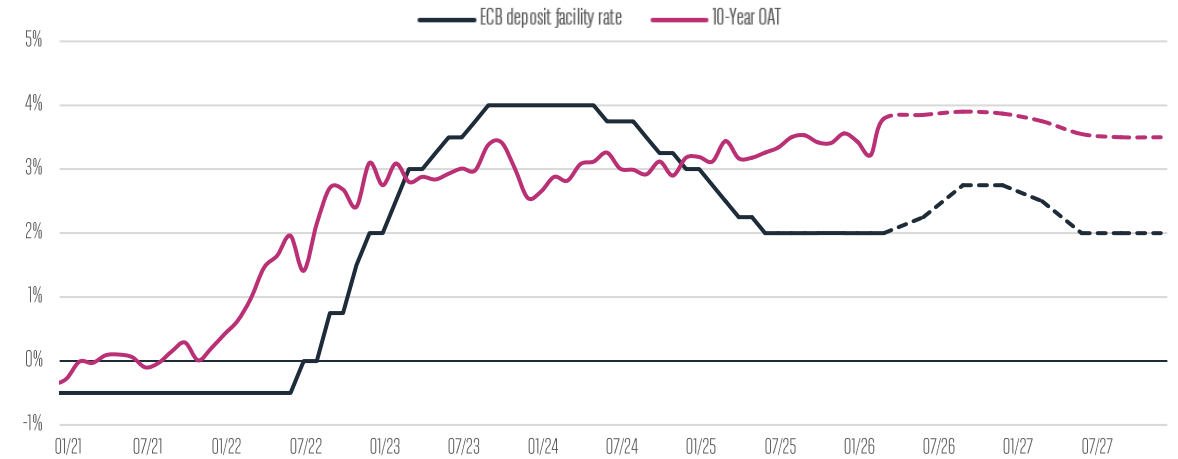
### ECONOMICAL BACKDROP

The conflict in Iran and the consequent surge in oil prices have altered the macroeconomic scenario for this year. Inflation appears to have bottomed out and is now likely to rise again, driven by higher energy prices, to around +2.5% in 2026.

The European Central Bank has indicated that it is monitoring inflation risks in the eurozone more closely. The markets are now pricing in two to three key interest rate hikes in 2026, as reflected by the rise in Euribor rates since February.

Although this monetary tightening is intended to curb inflationary pressures, the ECB also needs to ensure that it does not further weaken the economy, given that eurozone GDP growth has already been revised downwards by 0.3 percentage points to 1.3%.

### ECB deposit facility rate and 10-Year OAT

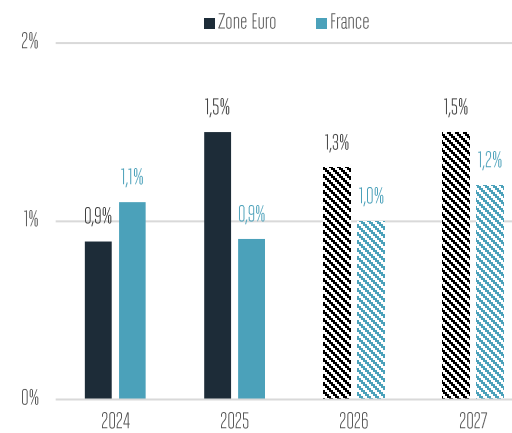


Sources: BNP Paribas, BCE, treatments BNP Paribas Real Estate

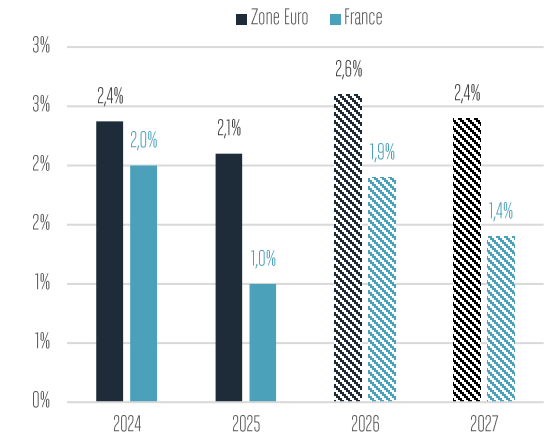


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### GDP growth



### Inflation



Sources: BNP Paribas, BCE, treatments BNP Paribas Real Estate



# Q1 2026

## INVESTMENT FRANCE

### Investment in commercial real estate hit a historical low in early 2026.

#### KEY FIGURES

**€ 2.5 bn**  
INVESTED IN 2026 Q1

**-37%**  
vs 2025 Q1

**127**  
DEALS

**€ 20 M**  
AVERAGE SIZE



#### OVERVIEW

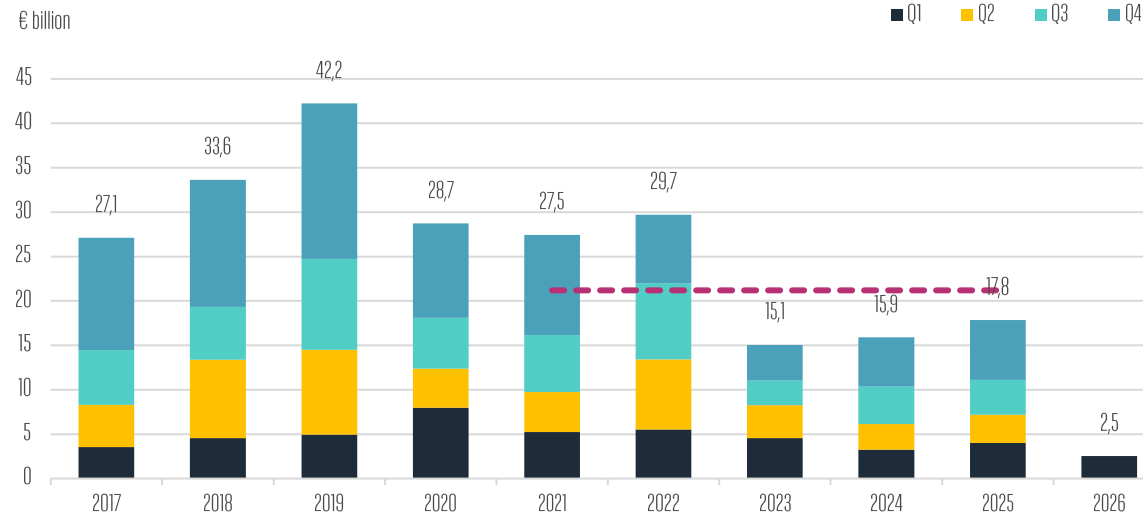
After a robust end to 2025, investment in commercial real estate in France stalled in Q1 2026 with just € 2.5bn allocated, representing a 10-year low. This is a 37% drop compared with Q1 2025 (when several major deals were signed).

Against this generally sluggish backdrop, there were nevertheless a few significant transactions, with four deals worth over € 100m, all in central Paris. The heart of Paris therefore remains a sought-after location, living up to its status as a safe haven amid a more uncertain market environment.

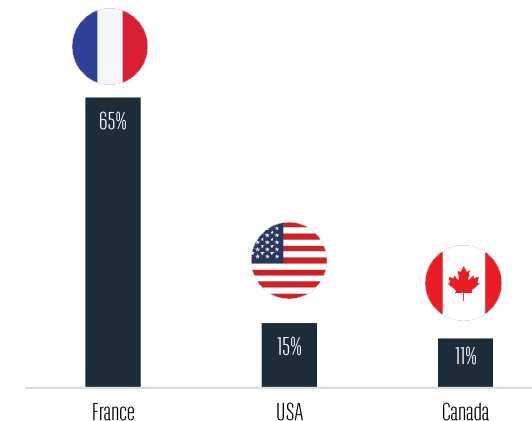
Domestic buyers still dominate the market, accounting for some 65% of investment over the quarter. Nevertheless, Anglo-Saxon investors remain prominent: those from the United States, Canada and the United Kingdom alone account for around a third of total investment, confirming their continued interest in France despite the current climate.

Investor confidence looks shaky against the backdrop of a rapidly deteriorating economic and political environment. This deterioration could hamper market momentum over the coming quarters. Investment in 2026 is therefore bound to be lower.

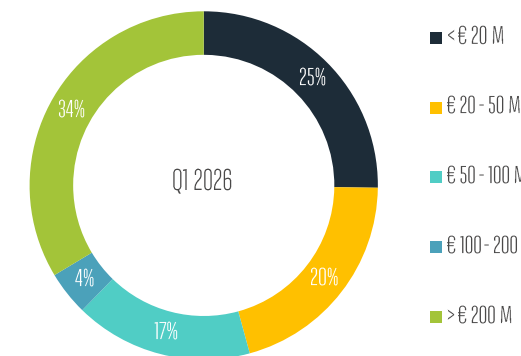
#### Investment in commercial real estate in France



#### Investors' nationality All asset classes



#### Breakdown of investment by volume size All asset classes



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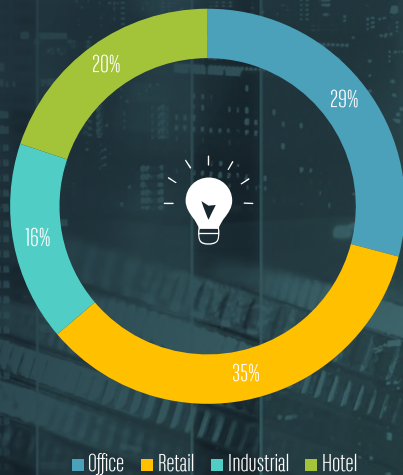


# Q1 2026

## INVESTMENT FRANCE

### No asset category escaped the fall in investment in the first quarter.

#### Breakdown of investment by asset classes - 2026 Q1

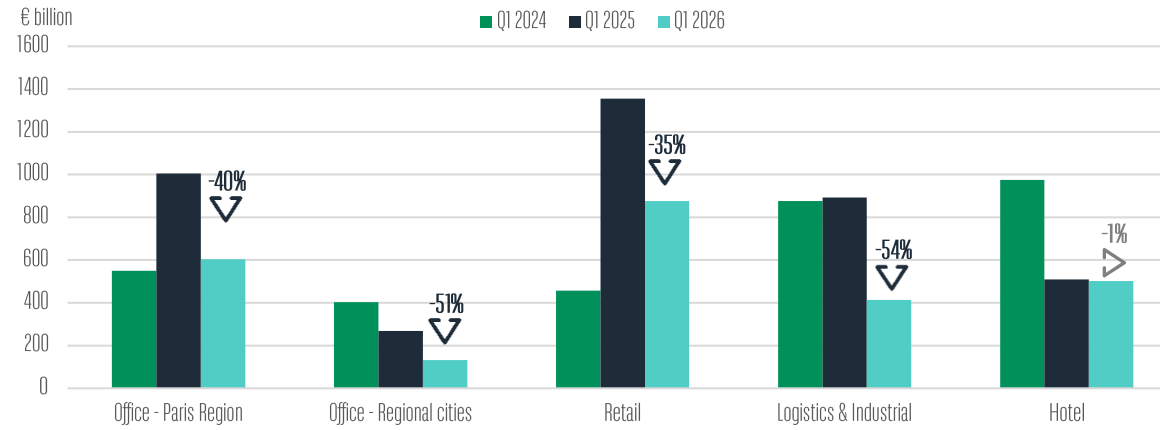


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## INVESTMENT MARKET BY ASSET CLASSES

### Investment by asset classes



BNP Paribas Real Estate / ImmoStat - Research

### Major deals

TYPOLGY	ASSET CLASS	BUYER	PRICE
Retail	91 Champs Élysées - Paris 08	Mimco / Foncière Renaissance	€ 322 M
Retail	Portefeuille BHV	Brookfield	€ 280 M
Office	83 Marceau - Paris 08	Hines	€ 247 M
Office	46 NDV - Paris 02	Barings	€ 103 M
Logistic	Entrepôt Noves (84)	M&G Real Estate	€ 47 M

#### Office

After a significant upturn in activity in Q4 2025, the office market slowed dramatically in Q1 2026, with investment down 42%. Investment in the Paris region is still highly concentrated, with 75% of it in Paris CBD, the only district to show growth over the quarter. More than ever, the city centre is seen as the safest market segment. The regions are still particularly sluggish. The few transactions that were identified were mainly concentrated in Lyon and Lille, while there were none in Aix-Marseille, illustrating the slowdown in some major regional cities.

#### Retail

Although activity fell sharply compared with Q1 2025 (-35%), the retail sector emerged as the leading asset class at the start of the year in terms of the amount invested. The market was largely driven by two major deals: the sale of 91 Champs-Élysées and that of BHV Marais, on Rue Rivoli. These two transactions, each worth over € 200m, accounted for around two-thirds of the total invested during the quarter. These landmark transactions confirm investors' continued strong appetite for 'prime' assets in liquid locations, which are seen as the most resilient in an uncertain market environment.

#### Industrial

Investment in logistics and industrial premises slumped -54% to € 413m in Q1 2026. This was in large part due to the lack of available assets. There were few significant portfolios put on the market during the quarter, and no deals for over € 50m. Such a limited supply inevitably limits the amount invested. However, current negotiations show that investors are still keenly interested in this asset class and suggest that activity may pick up over the coming quarters.

#### Hotel

At € 502m in Q1 2026, investment in hotels was stable (-1% vs. Q1 2025). Business remains brisk, as demonstrated by the 35 transactions signed since the beginning of the year. However, there were few major deals, with the two biggest coming in at just over € 60m. Even though the sector's fundamentals remain solid, underpinned by steady tourist demand and limited supply, the current geopolitical tensions driving up oil prices may dampen tourism and slow investment in hotels.





### YIELDS

Prime yields across all asset categories continued to widen in Q1 2026. Yields now stand at around 4.25% for offices in Paris CBD, 4.50% for high-street retail and 5.00% for Logistics.

This is taking place against a challenging financial backdrop. With the 10-year OAT hovering around 3.75%, the real estate risk premium remains under pressure, prompting investors to be cautious and highly selective in their investment decisions. Although prime yields have already eased somewhat, the current financial environment suggests that any further adjustment will be gradual, closely tied to sovereign yield trends and the market's ability to absorb a further price correction.



*"The rise in bond yields, combined with ongoing inflationary pressures, may prompt more cautious investors to remain on the sidelines in the coming months. Investors will be closely monitoring the macroeconomic implications of the conflict in Iran, as well as central bank decisions.*

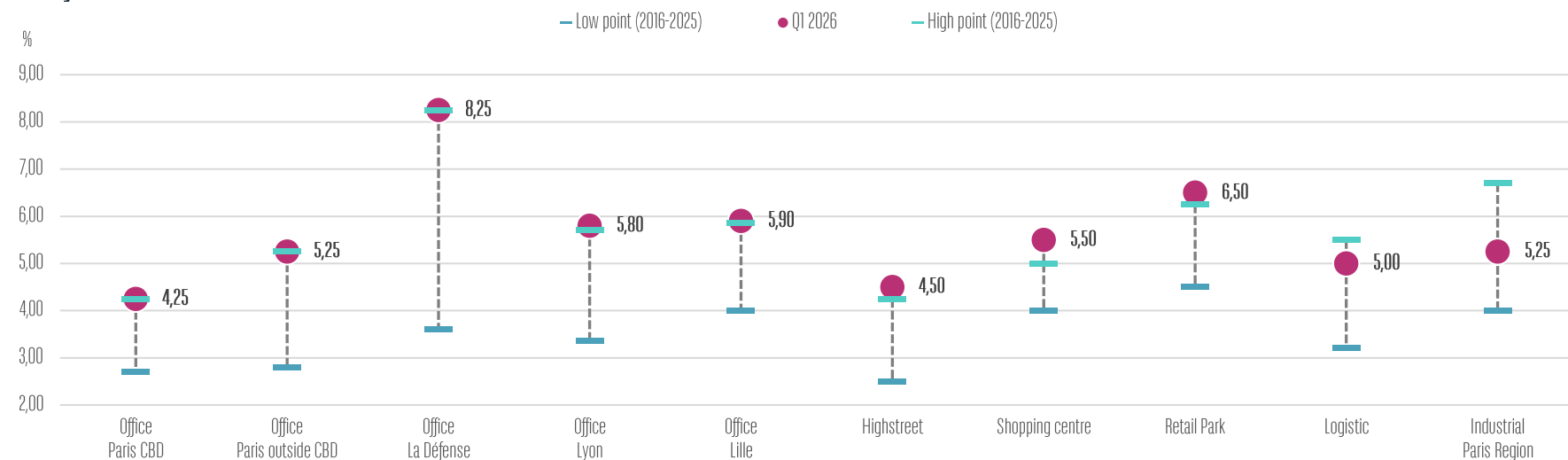
*Indeed, policy direction will be pivotal to restoring market visibility and sustaining an upswing in investment in the coming months."*

Brice de Germay  
Deputy CEO

BNP Paribas Real Estate Advisory France



### Prime yield



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# Q1 2026

## INVESTMENT FRANCE



### LOCATIONS FRANCE

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##### HEADQUARTER

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##### ERAGNY

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##### NOISY-LE-GRAND

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#### RÉGIONS

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