

REVIEW

RESIDENTIAL MARKET

FRANCE Q1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



KEY FIGURES

3,79%
OAT 10 years – at the end of 2026 Q1

3,22%
Interest rate – at the end of 2026 Q1

187 Bn €
Mortgage lending volume - 12 months at the end of february 2026



FINANCING MARKET

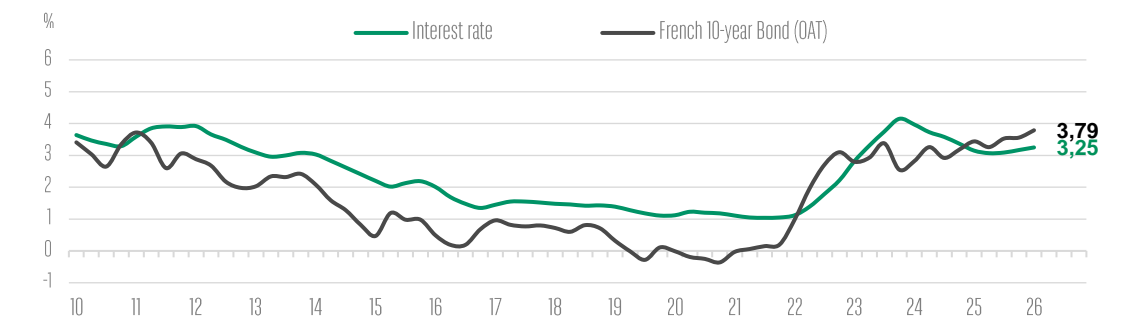
The conflict in Iran has pushed up oil prices, causing further economic uncertainty. Consequently, the Central Bank is monitoring the risks of inflation in the eurozone with greater vigilance. The markets now expect two to three key interest rate hikes in 2026, as reflected in higher Euribor rates since February. In France, inflation should therefore start to rise again, reaching +1.7% in 2026, compared with +0.9% in 2025.

Against this backdrop, the 10-year OAT yield stood at 3.79% at the end of Q1 2026.

However, the mortgage market is still encouraging, as € 187bn was granted over the 12 months to end February 2026, up 27% year-on-year.

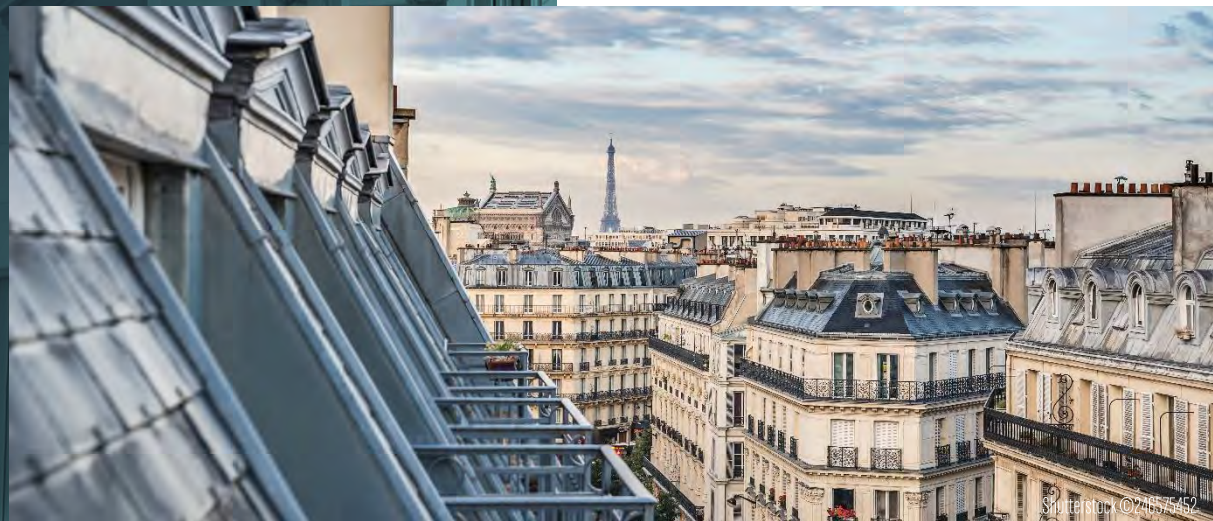
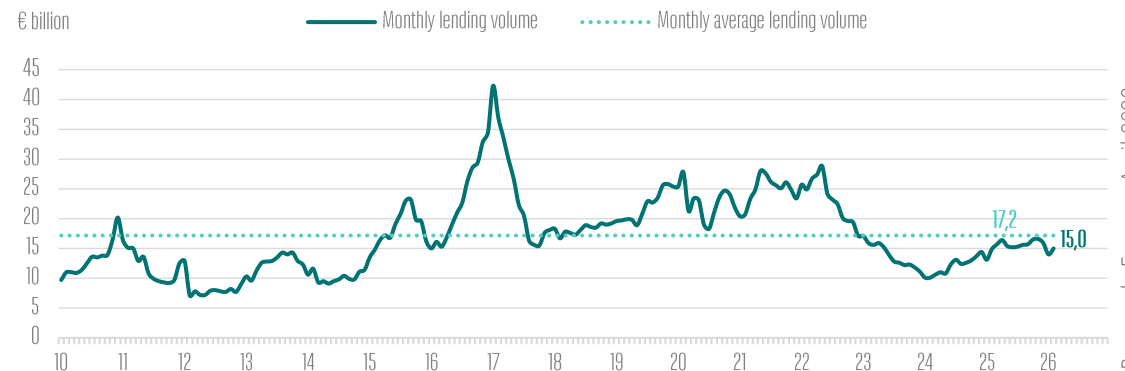
Interest rates and OAT in France

France



Mortgage length

France



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Q1 2026

RESIDENTIAL FRANCE

Although managed residential real estate is performing well, the "strict" residential sector is off to a slower start this year.

KEY FIGURES

€ 700 M
invested in France
In 2026 Q1

-21% vs 2025 Q1

-19% vs 2025 Q1
CONVENTIONAL

-91% vs 2025 Q1
INTERMEDIATE

-3% vs 2025 Q1
STUDENT

+1 225% vs 2025 Q1
SENIOR

-73% vs 2025 Q1
COLIVING



RESIDENTIAL MARKET

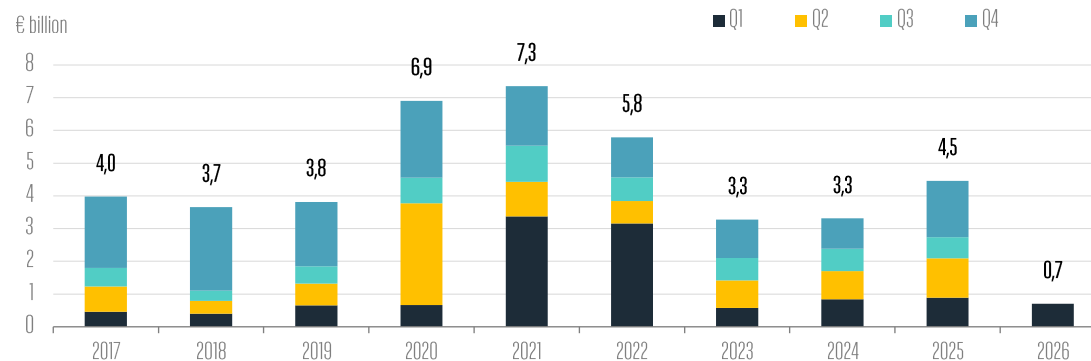
In this uncertain economic environment, just over € 700m has been invested in the segment in France. This is 21% less than in Q1 2025. However, compared with other commercial real estate asset categories, the residential sector has held up best so far this year. Investors remain keen on these assets, which remain a good way to diversify their investments.

Deals for new buildings have increased so far this year. They represented 21% of total investment over the full year 2025, but this rose to 27% in Q1 2026.

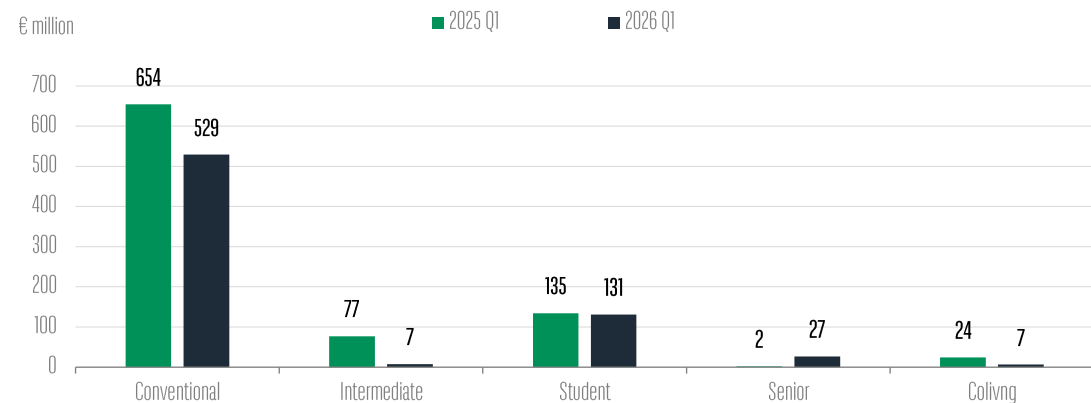
Not one portfolio changed hands over the period.



Investment volumes - Overall Residential



Investment volumes - Overall Residential



BNP Paribas Real Estate, Immostat - April 2026

BNP Paribas Real Estate, Immostat - April 2026



Q1 2026

RESIDENTIAL FRANCE

The steep fall in affordable housing weighed heavily on the narrow residential market in Q1 2026.

“At the start of this year, the narrow residential sector, like many other real estate asset categories, has been hit hard by the current economic and geopolitical situation. However, there has also been a significant decline in transactions involving affordable housing in this market. Our teams nonetheless succeeded in initiating ten or so deals totalling around € 250m in Q1 2026, which should translate into a very good second quarter. Residential real estate is still a popular choice among core and value-added investors. It therefore remains a lively component of the commercial real estate market.”

Thomas DUTEY-HARISPE
Directeur Adjoint BNPPRE
Investissement Résidentiel



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CONVENTIONAL AND INTERMEDIATE MARKETS

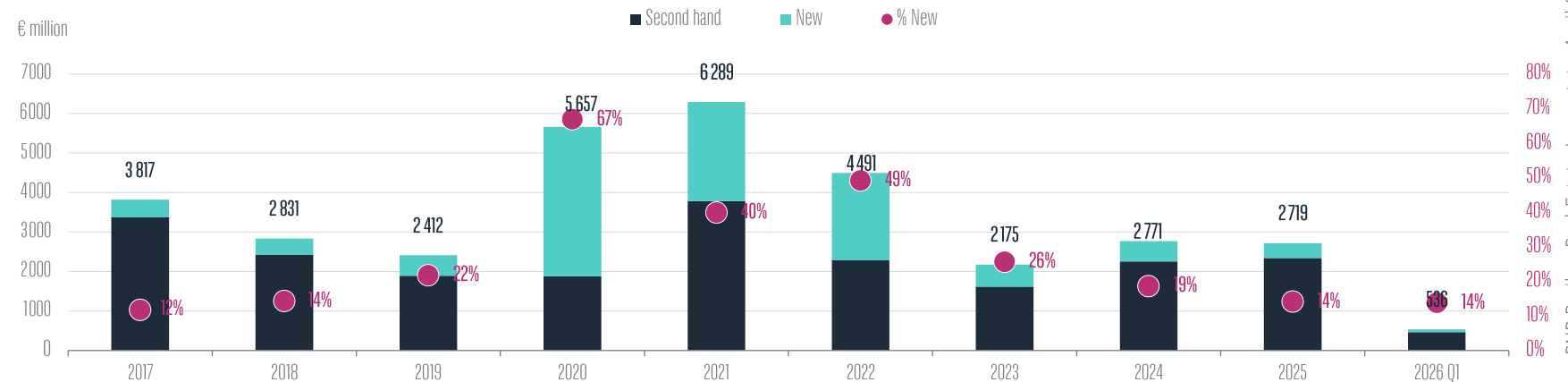
Some € 536m was invested in narrow residential assets (traditional and affordable housing) over the first three months of the year, i.e. 27% less than the year-earlier period.

Investment in traditional housing fell by 19% year-on-year in Q1 2026. Nevertheless, it was still the main market driver, with around € 530m invested.

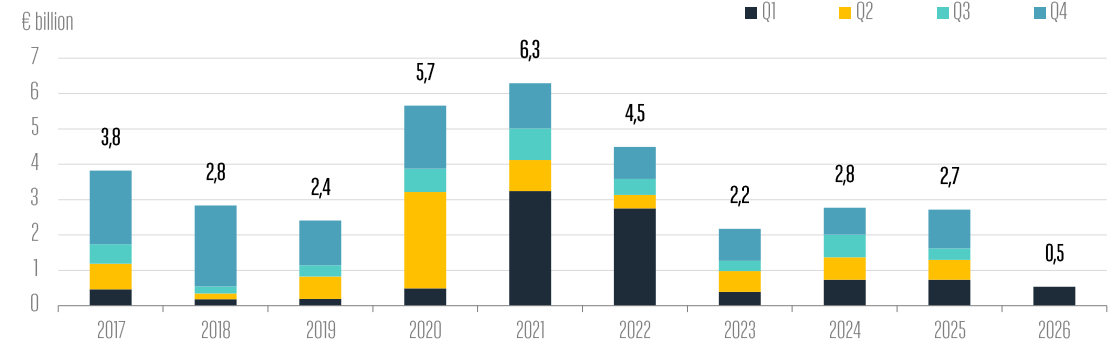
Meanwhile, investors seem to be showing little appetite for affordable housing so far this year. In fact, only one transaction was identified in Q1, worth around € 7m. This is much lower than the average investment amount for the quarter, i.e. € 56m between 2022 and 2025, for an average of five transactions.

Meanwhile, new housing accounted for 14% of the total, with around € 74m invested.

Investment volumes - Conventional and Intermediate markets France



Investment volumes - Conventional and Intermediate markets France



BNP Paribas Real Estate, Immostat - April 2026

BNP Paribas Real Estate, Immostat - April 2026



Q1 2026

RESIDENTIAL FRANCE

KEY FIGURES

CONVENTIONAL MARKET

529 M€ (volume)

99% (share)

INTERMEDIATE MARKET

7 M€ (volume)

1% (share)

PORTFOLIO VS SINGLE-ASSET DEAL

0% / 100%

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CONVENTIONAL AND INTERMEDIATE MARKETS

Deals of between € 10m and € 50m made up about 40% of the strictly residential market in terms of the amount invested and around 30% in terms of the number of transactions.

There was one deal for over € 200m in the 6th arrondissement of Paris during the quarter. This alone represented over 40% of investment in Q1 2026.

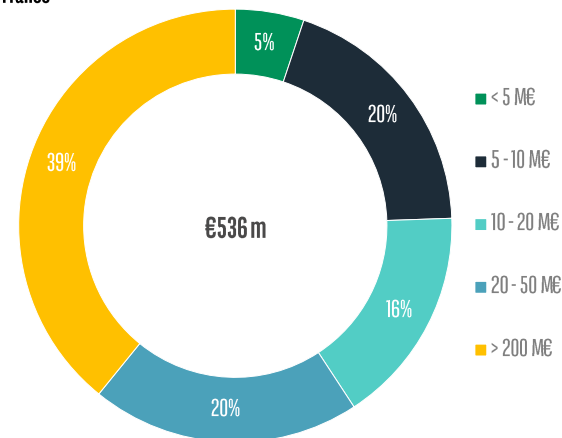
Paris and its suburbs were once again the main business drivers, attracting around € 507m, i.e. 94% of overall investment in strictly residential assets.



Major deals

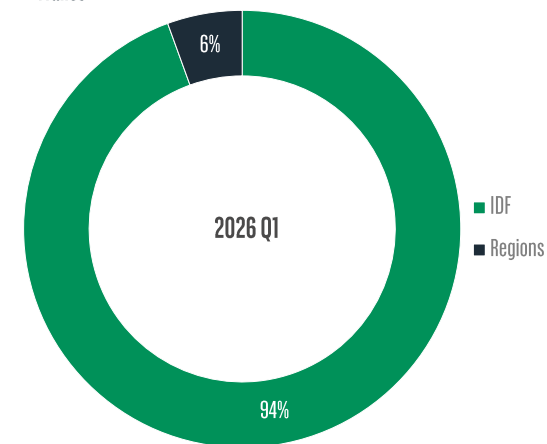
TYPOLGY	ASSET CLASS	BUYER	PRICE
Conventional	Paris 06	GCI et un family office	€ 210 M
Conventional	Paris 05	Groupe Sillam	€ 45 M
Conventional	Courbevoie	Fidelity International	€ 43 M
Conventional	Paris 09	Non communiqué	€ 20 M
Conventional	Boulogne-Billancourt	Lokalis	€ 18 M

Volume size - 2026 Q1 France



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Investment volumes France



BNP Paribas Real Estate, Immostat - April 2026



Q1 2026

RESIDENTIAL FRANCE

Thanks to student residences, the managed accommodation market enjoyed a strong start to the year.



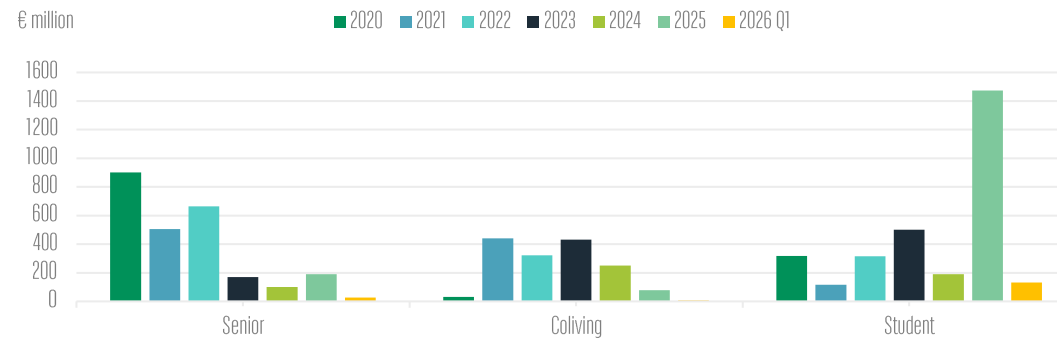
MANAGED RESIDENTIAL MARKETS

Managed residential meanwhile started the year on a positive note. Some € 164m changed hands for this segment, which was more than last year and above the average for the Q1 of the last three years (€ 153m).

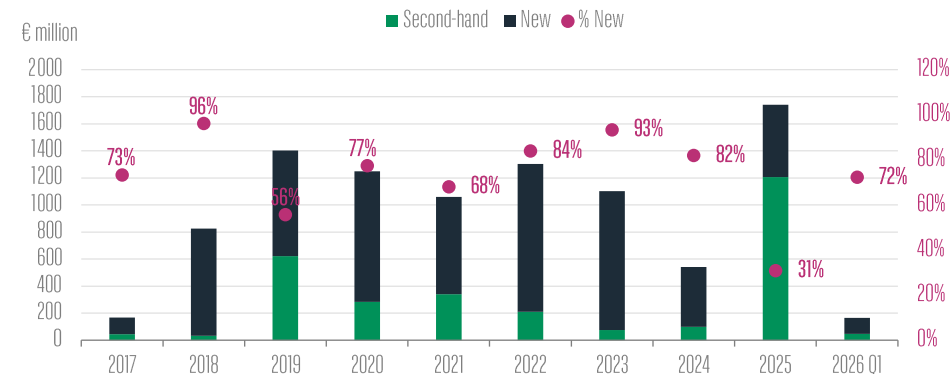
However, unpacking the overall figure reveals disparities. Student residences continued to propel the market, confirming their appeal to investors. They alone accounted for 80% of investment during the quarter. The figure for retirement homes was positive largely thanks to the flattering comparative figure; i.e. a sluggish Q1 2025. Co-living is still a niche market, with only € 7m invested and just one transaction (~73% year-on-year).

The Boost Society was very active in Q1, signing for three new student residences in the Île-de-France region, with around 1,200 beds.

Investment volume - Managed Residential Market France



Investment volume - Managed Residential Market France



“The managed residential market has been brisk so far this year.”

We recently completed two impressive deals in the region in the student and retirement markets.”

Christelle BEAUSSIER
Directrice adjointe BNPPRE
Résidences Services



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BNP Paribas Real Estate, Immostat – April 2026



BNP Paribas Real Estate, Immostat – April 2026



Q1 2026

RESIDENTIAL MARKET



LOCATIONS FRANCE

ÎLE-DE-FRANCE

HEADQUARTER

50 cours de l'île Seguin
CS 50280
92650 Boulogne-Billancourt Cedex
Tél. : +33 1 55 65 20 04

AUBERVILLIERS

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NOISY-LE-GRAND

Immeuble Le Copernic
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RÉGIONS

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LILLE

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