REVIEW

HOTEL MARKET

FRANCE Q2 2026

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RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q2 2026 HOTEL MARKET IN FRANCE

- Around € 1.3bn invested in hotels in H1 2026
- Hotels accounted for 16% of commercial real estate investment in H1 2026
- Investment was confined to a limited number of deals

KEY FIGURES

€0.7bn
INVESTED IN Q2 2026

+84%
VS Q2 2025

€82.4
RevPAR IN Q2 2026

+3.0%
VS Q2 2025

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ECONOMIC CONTEXT

French GDP was sluggish in H1 2026. It contracted by 0.1% in Q1, then grew by 0.2% in Q2. Economies around the world are being held back by the war in the Middle East and the oil price shock. French growth is expected to come in at just +0.7% this year, after +0.9% in 2025.

There are also signs of weakness in the labour market, with unemployment having risen steadily since Q4 2024 and standing at 7.9% in mainland France as of Q1 2026. Household confidence has been in negative territory since 2022 and hit a new low in May before starting to improve.

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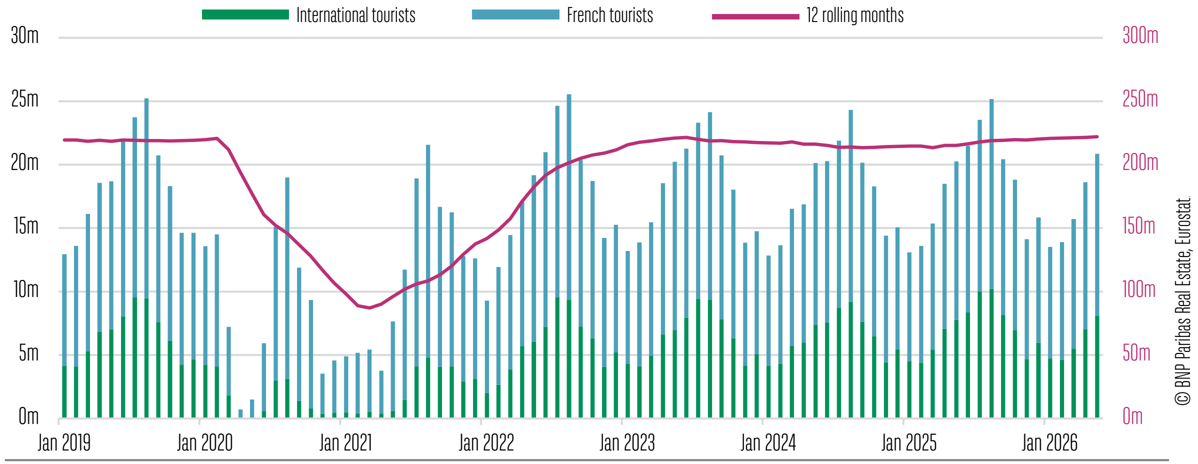
Monthly overnight hotel stays (million)



The number of overnight stays has increased by 3% so far in 2026, exceeding its pre-COVID average to reach 222 million over the 12 months to May 2026. This is mainly thanks to the rise in international tourists, whose share of overnight stays has been steadily increasing over the last 18 months. They represented 39% of total overnight stays in May 2026, i.e. more than 84 million over the rolling 12-month period, the highest level on record.

The trend can also be seen in the figures for air traffic: domestic flights in the first six months were down by 22.4% compared with the pre-COVID average, while international flights were up by 6.8%. Traffic has increased with all world regions, except Asia. The acceleration is most pronounced in Africa, particularly North Africa (+40%). The war in the Middle East had a moderate and temporary impact, with air traffic falling by 3% in April compared with last year, followed by a 1% drop in May and June; however, this is within a wider context of growth.

Q2 2026 HOTEL MARKET IN FRANCE

PERFORMANCES

The outlook for the hotel sector is bright. Although the beginning of 2026 was disrupted by the uncertain geopolitical climate, soaring oil prices and consumers prioritising their purchasing power, performance in Q2 was very strong. Bookings show that demand is gradually picking up again.

RevPAR stood at € 82.4, up 3.0% compared with H1 2025 and up 7.9% vs H1 2024. In June, **RevPAR** increased by 3.6% compared with June 2025, rising to €122.5, and by 18.4% compared with June 2024.

Occupancy figures rose by +0.7 points in the first half of the year (64.9 %) and by +1.2 points in June (79.4 %).

The **average price** has risen (+1.9% vs. 2025, +6.0% vs. 2024) and is now € 126.9.

RevPAR is rising in major French cities, with the exception of **Strasbourg** and particularly **Lyon**.

Paris flourished in H1 2026, with RevPAR up +3.0% vs. 2025, to € 180.4. Leisure visits were boosted by the long weekends in May. Business travel is making a comeback.

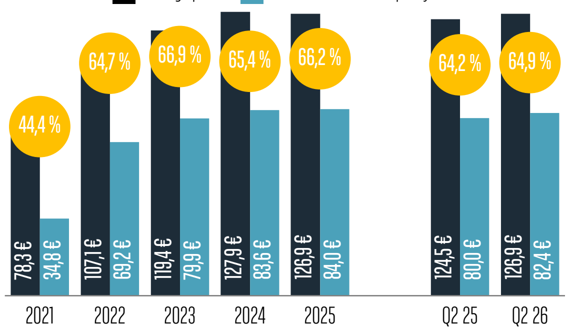
Nice and **Lille** performed very well, with impressive RevPAR growth in **Nice** (+8.6% compared with 2025, up to € 151.3, and +19.2% vs. 2024). The French Riviera stands out for its exceptionally high indicators. RevPAR in **Lille** is up by 5.8% vs. H1 2025 and by 11.2% vs. June 2025.

RevPAR in **Toulouse**, **Marseille** and **Bordeaux** rose by 4.4%, 4.2% and 3.5% respectively.

It was a tougher quarter for **Strasbourg** and above all **Lyon**, with RevPAR down -1.4% and -5.9%. There were no major trade fairs in Lyon, which therefore attracted fewer visitors than last year.

Trading performance in France as of June 2026

RevPAR in € excluding taxes, versus 2025



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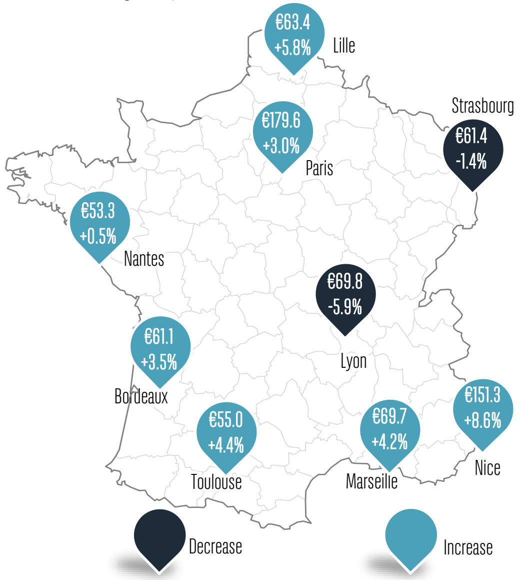
Trading performance in France as of June 2026

RevPAR in € excluding taxes, versus 2025



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Trading performance in France as of June 2026

In € excluding taxes, versus 2025

SEGMENT	OCCUPANCY RATE		AVERAGE PRICE		REVPAR	
Global	64.9%	+0.7 pt	€126.9	+1.9%	€82.4	+3.0%
Budget	59.9%	+0.0 pt	€57.5	+0.4%	€34.4	+0.4%
Economy	63.8%	+0.3 pt	€87.7	+0.6%	€56.0	+1.0%
Midscale	67.8%	+1.2 pt	€136.5	+1.4%	€92.6	+3.2%
Upscale	70.7%	+1.7 pt	€296.0	+2.1%	€209.2	+4.5%

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All hotel categories performed well. However, the gap between upscale and budget is widening.

Premium customers remain the least affected by the turmoil. As such, the **upscale** segment is once again the strongest (RevPAR up by +4.5%)

RevPAR in the **mid-range** segment rose by 3.2%.

The **budget** and **economy** segments saw the least pronounced changes – albeit positive ones – with RevPAR rising by +0.4% and +1.0% respectively.

They are gradually recovering, but are still the most sensitive to price, suffering from household spending trade-offs.

Q2 2026 HOTEL MARKET IN FRANCE

- 73 transactions identified in H1 of which 34 in Q2
- 94% of investment by French players
- Mostly individual transactions
- 58% of investment in Île-de-France

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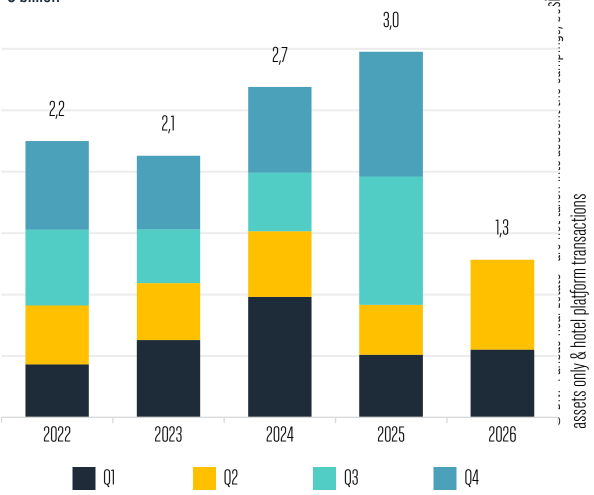
INVESTMENT

Hotel investment in France by quarter

€ billion



Some **€ 1.3bn was invested** in the hotel sector during H1 2026 (up 42% on the same period in 2025). This is 51% higher than the average for the first half over the 2017-2026 period.

Over **€ 0.7bn was invested** in the hotel sector in Q2 (+84% vs Q2 last year).

The hotel sector accounted for **16% of total investment** in commercial real estate in H1 2026.

Over **90% of investors in the hotel sector are French**.

There was only one deal worth more than € 100m in Q2.

There were **73 transactions** over the first six months of the year.

68 transactions were for individual assets (of which five including the premises and three off-plan sales). All told, these attracted around € 1.2bn.

Highlights among the individual assets changing hands included:

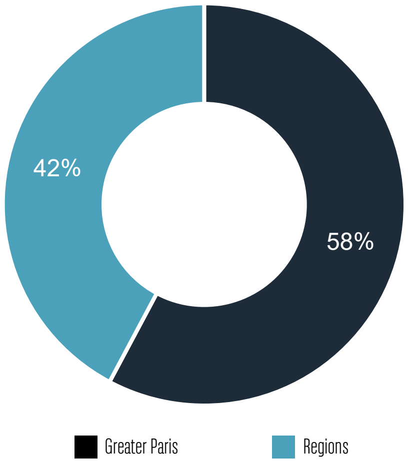
- the acquisition of the 4-star Pullman Paris Tour Eiffel Hotel in Paris (430 rooms) by BATIPART / CDC, SG and QUINSPARK for close to € 430m;

- the purchase of the 4-star Hôtel Tourisme Avenue in Paris (56 rooms) by COMPAGNIE LEBON / ELEVATION CAPITAL PARTNERS.

Five portfolios were transacted in H1 for roughly € 100m, including a portfolio of two hotels in Melun (128 rooms) acquired by ONE EXPERIENCE in Q2.

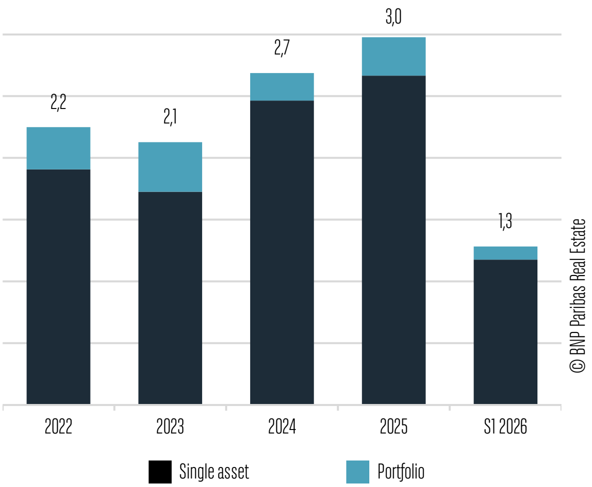
Hotel investment in France by geographical break

% of investment as of June 2026



Hotel investment in France by type

€ billion



In a more selective market, **Île-de-France accounted for 58% of investment** in H1 2026, amounting to some € 740m, compared with **42% for the regions** (around € 540m).

In H1 2025, Île-de-France accounted for 49% of investment.

To recap, the Paris region accounted for 54% of investment (around € 1.6bn) over the whole of 2025, compared with 46% (€ 1.4bn) for the rest of France.

A couple of notable deals in the regions included:

- the acquisition by a family office of the 4-star Le 1932 Hôtel & Spa Cap d'Antibes – MGallery (64 rooms) in Antibes;

- AMUNDI's purchase of Hamlet D at Center Parcs Bois aux Daims in Morton, in the Vienne region.

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