REVIEW

RESIDENTIAL MARKET

FRANCE Q3 2026



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RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q3 2026 RESIDENTIAL FRANCE

KEY FIGURES

4,82%
OAT 10 years - at the end of 2026 Q3

3,40%
Interest rate - at the end of 2026 Q3

184 Bn €
Mortgage lending volume - 12 months at the end of august 2026



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FINANCING MARKET

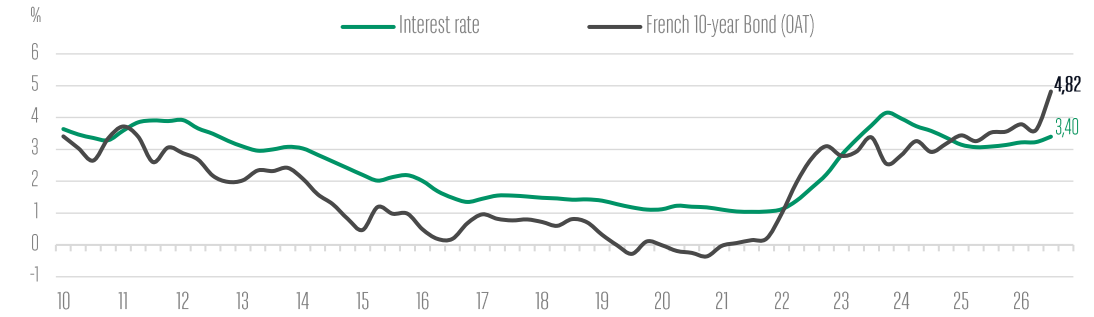
The French economy is still greatly affected by geopolitical tensions in the Middle East. This has led to highly volatile energy prices, with Brent crude now trading at over USD100 per barrel since September 2026. Other factors include:

- political uncertainty related to the upcoming presidential elections in France;
- the significant expansion in the OAT, which stood at 4.82% at the end of Q3 2026;
- the ECB's tightening of monetary policy. Indeed, to curb stubborn inflation (expected to average 3.1% in the eurozone in 2026 and 3.0% in 2027), the European Central Bank has raised its key interest rates on several occasions, with further increases in the offing.

These various headwinds are prompting caution in France, which is hampering economic momentum and, by extension, the confidence of real estate investors.

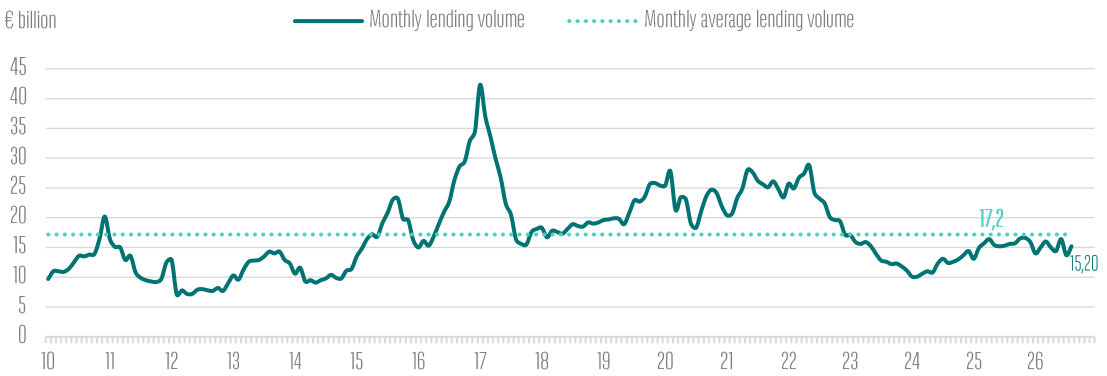
Moreover, with respect to residential real estate in France, borrowing costs are expected to rise further in the coming months, which could once again limit buyers' mortgage capacity.

Interest rates and OAT in France
France



Crédit Logement, Banque de France – November 2026

Mortgage length
France



Banque de France – November 2026

Q3 2026 RESIDENTIAL FRANCE

Even though one giant deal has admittedly boosted the overall figure in recent months, the residential sector is still resilient to economic fluctuations.

KEY FIGURES

€ 3,1 bn
invested in France
In 2026 Q3

+13% vs 2026 9M

-5% vs 2025 9M
CONVENTIONAL

+784% vs 2025 9M
INTERMEDIATE

-53% vs 2025 9M
STUDENT

+73% vs 2025 9M
SENIOR

+222% vs 2025 9M
COLIVING

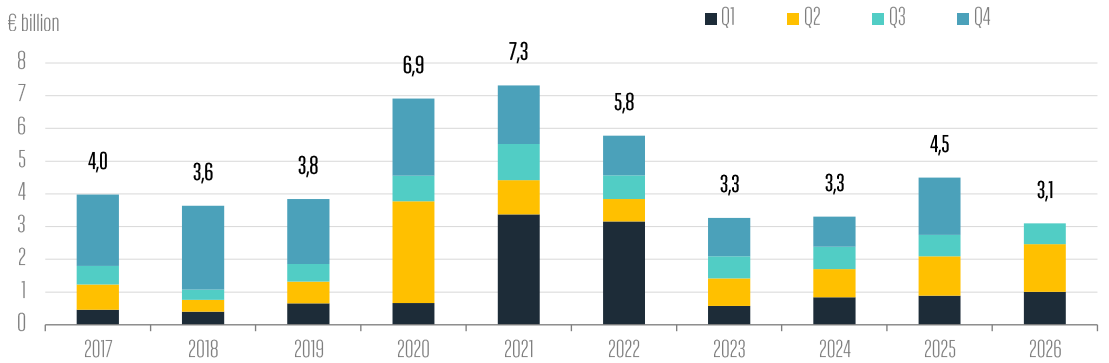
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RESIDENTIAL MARKET

The overall housing market in France experienced its lowest investment figure of the year in Q3 2026, at barely € 636m. The sector has been severely affected by the difficult economic backdrop and rising interest rates, leading to a slowdown in activity among both buyers and sellers.
Nevertheless, over € 3.1bn has been allocated since the beginning of 2026, helping French residential real estate as a whole to outperform last year's figure by 13%. This is mainly thanks to the sale of a portfolio of affordable housing by the Agence de Participations de l'État to the CDC for € 1bn.
Seven portfolios have changed hands over the period, representing 36% of overall investment in the asset category since January 2026.

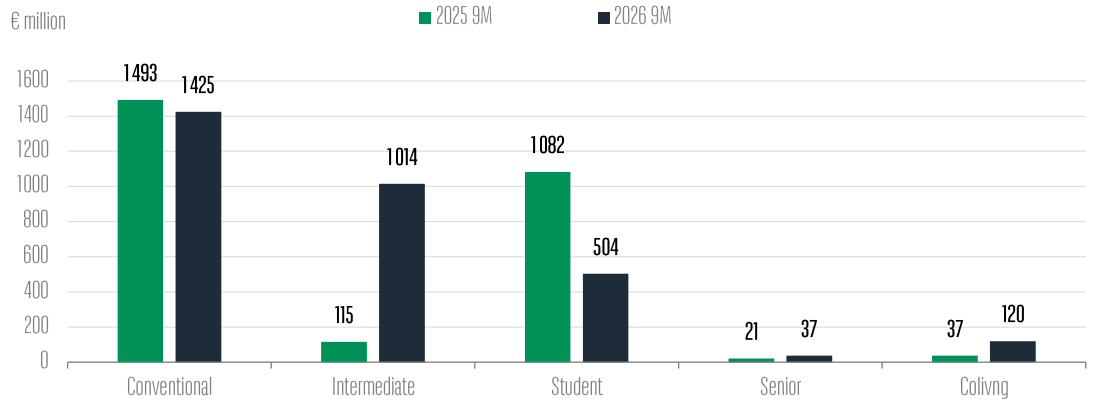


Investment volumes - Overall Residential



BNP Paribas Real Estate, Immostat – November 2026

Investment volumes - Overall Residential



BNP Paribas Real Estate, Immostat – November 2026

The strictly residential sector is still a safe investment, but it is facing fresh turbulence.

"Despite this downturn and economic uncertainty, the residential division of BNP Paribas Real Estate Advisory ended Q3 2026 on a positive note, with year-on-year growth of over 20%. This encouraging figure reflects the sector's resilience and confirms investors' interest in high-quality assets located in the heart of the most established markets. Investors are becoming pickier: they are now paying closer attention to fundamentals, albeit without scaling back their ambitions. As such, the market is becoming more demanding, yet it retains its depth and appeal."

Thomas DUTEY-HARISPE
Directeur Adjoint BNPPRE
Investissement Résidentiel

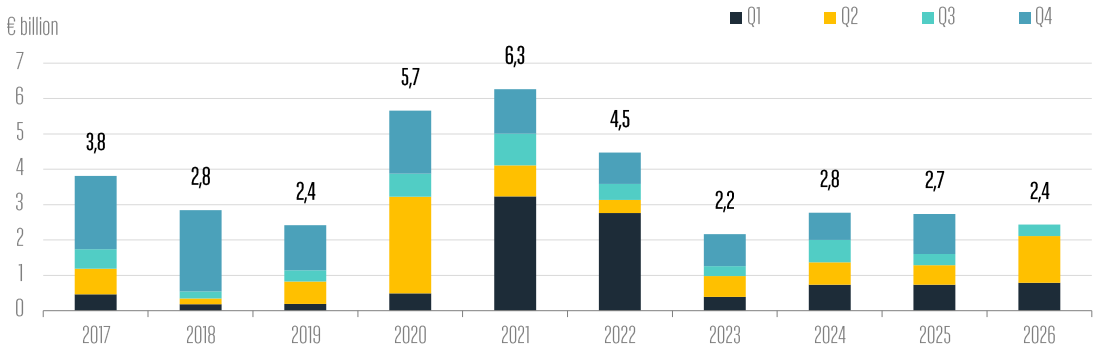
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CONVENTIONAL AND INTERMEDIATE MARKETS

Over € 2.4bn has been invested in conventional and affordable housing in France. However, this figure is misleading: if we strip out the exceptionally large deal concluded in Q2, barely € 1.4bn has been invested over the first nine months of 2026, i.e. a fall of 10% year-on-year. This fall is due to the lower number of transactions (-25% y-o-y), itself a consequence of dwindling liquid assets and the ongoing mismatch between sellers' and buyers' expectations. This is prompting landlords to rent rather than sell.

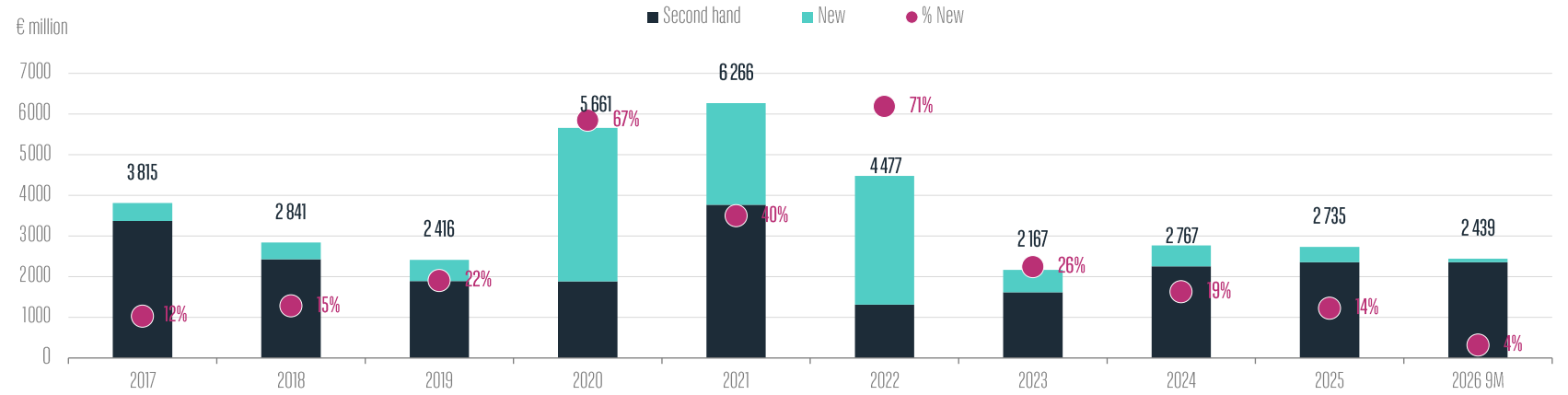
Île-de-France is still dominant. With over 100 transactions identified so far in 2026, the region has been the main driver of investment in strictly residential assets, accounting for 88% of all transactions during the period.

Investment volumes - Conventional and Intermediate markets
France



BNP Paribas Real Estate, Immostat – November 2026

Investment volumes - Conventional and Intermediate markets
France



BNP Paribas Real Estate, Immostat – November 2026

KEY FIGURES

CONVENTIONNAL MARKET

€ 1,4 bn (volume)

58% (share)

NTERMEDIATE MARKET

€ 1 bn (volume)

42% (share)

PORTFOLIO VS SINGLE-ASSET DEAL

41% / 59%

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CONVENTIONAL AND INTERMEDIATE MARKETS

Deals under € 20m accounted for 28% of investment in residential real estate and 85% by number of transactions.

There have been three deals for over € 100m since the beginning of the year.

The capital hosted all transactions worth over € 40m (excluding the one exceptional deal).



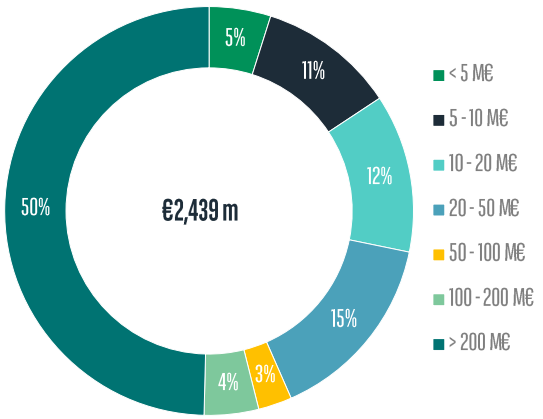
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Major deals

TYPOLOGY	ASSET CLASS	BUYER	PRICE
Conventional	Paris 06	GCI et un family office	210 M€
Conventional	Paris 15	Ville de Paris	105 M€
Conventional	Paris 15	Paris Habitat	65 M€
Conventional	Paris 05	Groupe Sillam Invest	45 M€
Conventional	Courbevoie	Fidelity international	43 M€

Volume size - 2026 9M

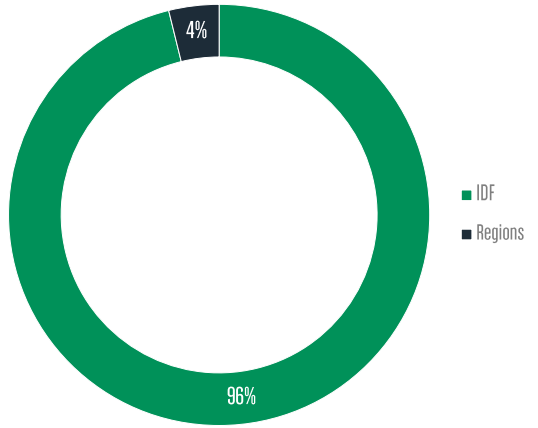
France



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Investment volumes

France



BNP Paribas Real Estate, Immostat - November 2026

Q3 2026 RESIDENTIAL FRANCE

Managed accommodation has reverted to normal after a bumper year of investment in student assets.

KEY FIGURES

€ 661 M
invested in managed markets in France In 2026 9M

-42% vs 2025 9M

-53% vs 2025 9M
STUDENT

+73% vs 2025 9M
SENIOR

+222% vs 2025 9M
COLIVING

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MANAGED RESIDENTIAL MARKETS

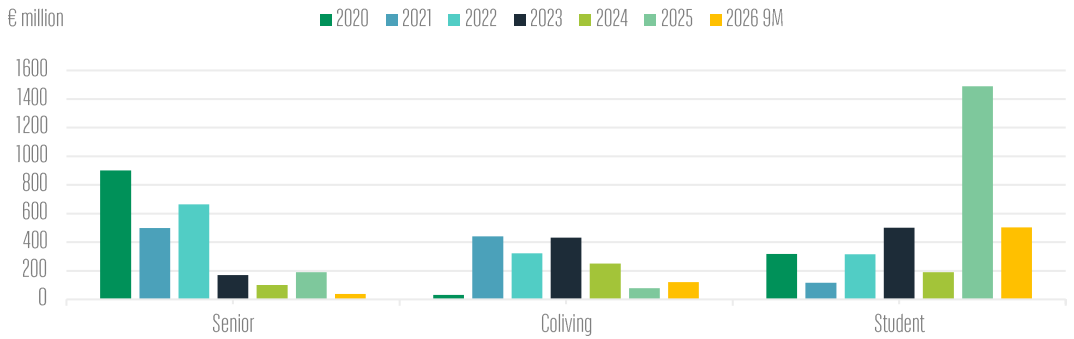
With over € 660m invested since the beginning of the year, the managed sector is enjoying strong momentum. Stripping out the disposal of the YouFirst portfolio in 2025, investment over the first nine months of 2026 is up 17%.

After a record year in 2025, student accommodation remains the main driver. These assets accounted for 76% of the total, with nearly € 504m invested, outperforming their historical average (€ 338m over the first nine months of the year since 2019). All the deals worth over € 40m were also student residences.

Co-living properties took second place with € 120m invested over the first nine months, driven by three transactions totalling € 74m in Q3.

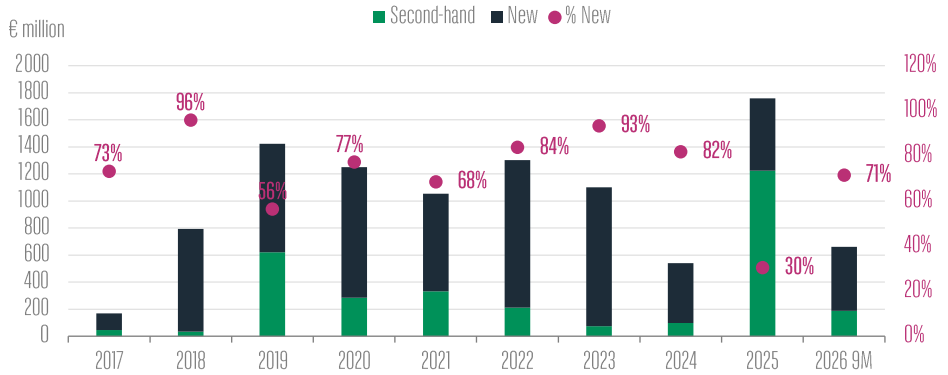
Lastly, care homes came in at € 37m, up from € 17m the previous year, even though there were no transactions in Q3.

Investment volume - Managed Residential Market
France



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Investment volume - Managed Residential Market
France



BNP Paribas Real Estate, Immostat – November 2026



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