

# A Hotel Market Demonstrating Strong Resilience at the Start of the Year



Note: Arrows indicate annual changes.

## Summary

- France recorded a record number of overnight stays in Q1 2026, despite the outbreak of the war in Iran at the end of February 2026.
- **The impact of the conflict on the French tourism industry remains uncertain.**
- In the Paris Region, domestic overnight stays rebounded to 2019 levels after three consecutive years of decline.
- Hotel investment volumes held steady compared with the first quarter of the record year in 2025.
- Prime yields have remained unchanged since September 2025, underpinned by strong liquidity and a still-wide spread over the highly volatile risk-free rate.

## Short-term indicators



NB: The arrows indicate the trend for the year 2027. \*All-inclusive accommodation and travel.

Source : Oxford Economics, Insee, May 2026.

## Tourist numbers in France

### A start to the year that could have been promising for the growth of international tourism

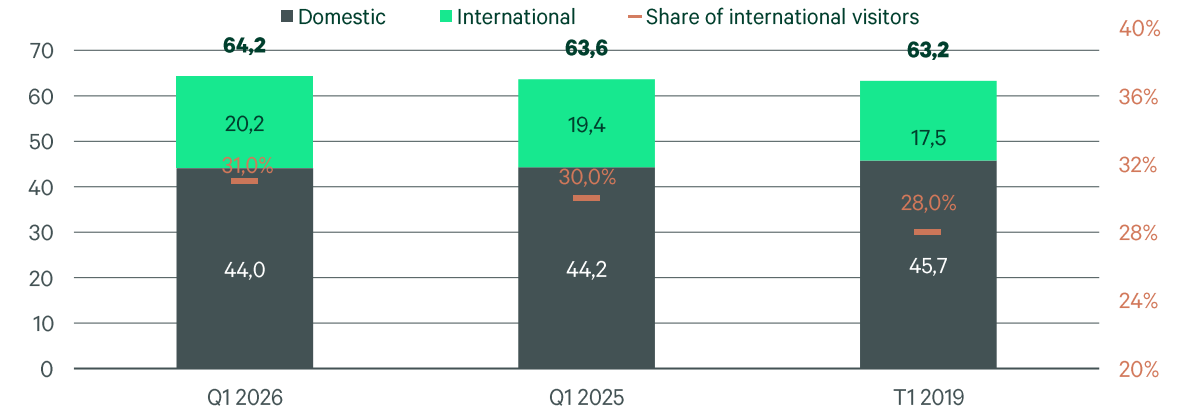
During the first three months of the year, overnight stays in hotels and other collective tourist accommodation appeared to remain on the positive trajectory seen since 2024, with solid growth in international demand (+4.2 % compared with Q1 2025) alongside a slight decline in domestic demand (-0.4 %).

However, the outbreak of the conflict in Iran on February 28th, 2026, and the disruption it caused to global air traffic, introduced a new source of uncertainty and may affect this momentum in the months ahead. At this stage, the figures for March 2026 alone are still too limited to draw any firm conclusions about the impact of the conflict on the French tourism market.

Compared with March 2025, overnight stays in March 2026 declined slightly among international visitors (-0.9%), while increasing among domestic travellers (+2.7%). Even so, these movements remain modest and do not yet point to any significant shift in destination choices in the immediate aftermath of the conflict.

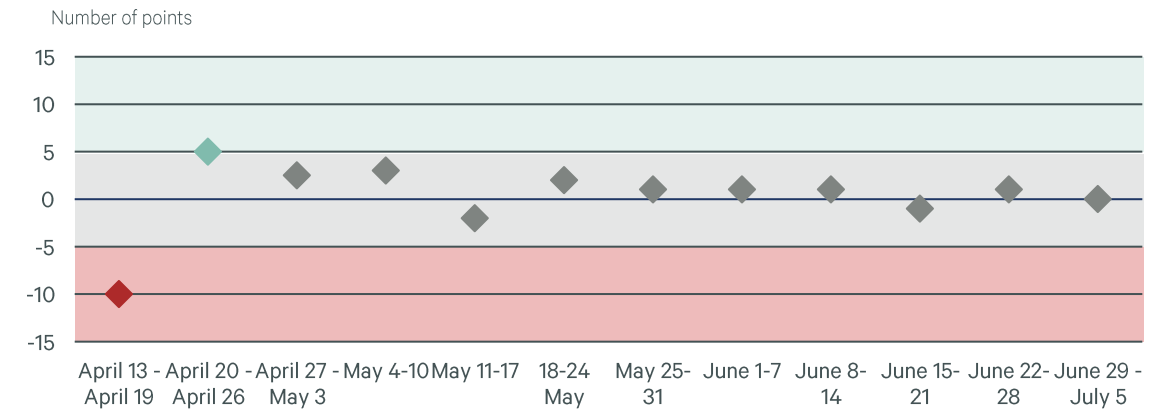
In addition, hotel booking levels in France for Q2 2026, according to MKG data published at the end of April, were broadly stable year on year, with weekly fluctuations in April mainly reflecting differences in the school holiday calendar.

FIGURE 1: Number of overnight stays in France – domestic and international customers



In thousands. All collective tourist accommodation excluding campsites.  
Source: INSEE, May 2026.

FIGURE 2: Weekly Booking Rate Comparison for France (end of April 2026 vs end of April 2025)



Change in Booking Rate Percentage Points.  
Source: MKG, May 2026.

## Focus: Tourist numbers in The Paris Region

### A surge in domestic footfall in Q1 2026

For the fourth consecutive year, the Paris Region recorded a new high in hotel overnight stays over the first three months of the year.

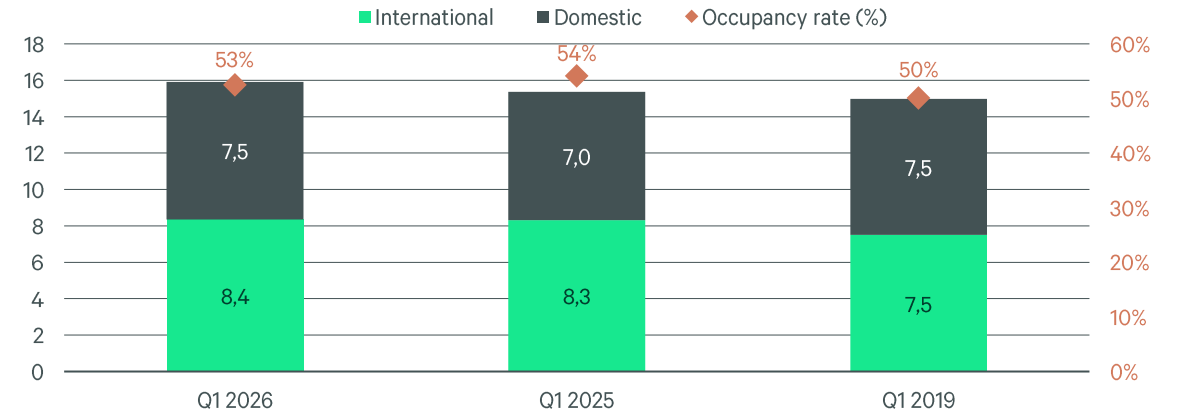
What makes Q1 2026 particularly significant is the return of domestic demand. With more than 7,500 overnight stays, domestic visitors surpassed the previous peak recorded in 2019, before entering a period of continuous decline. By contrast, international demand — which had been the main driver of growth in recent years — appears to have stabilised this quarter, although it still accounted for the majority of overnight stays (53 %).

These quarterly results cannot be attributed solely to the possible impact of the conflict in Iran, as domestic demand had already been rising in January and February, as well as in March. International demand, on the other hand, declined in March following a strong start to the year.

Traffic at Paris’s two main airports remained relatively resilient, with passenger numbers increasing in Q1 2026 despite the airspace restrictions introduced in March. Arrivals from the Middle East fell by 8% compared with Q1 2025, but this decline was offset by stronger passenger flows from Africa and the Asia-Pacific region.

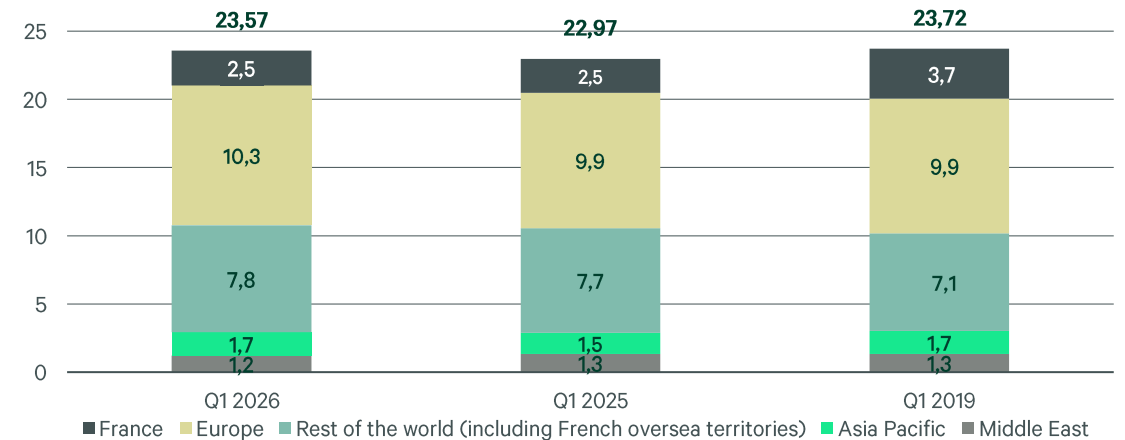
From an operating perspective, Île-de-France also posted a solid start to the year, with RevPAR up 6.4% compared with Q1 2025, supported by both higher occupancy and stronger average daily rates. All hotel segments benefited from this positive trend, including in March 2026, despite concerns that upscale hotels in particular could be affected by weaker demand from Middle Eastern travellers.

FIGURE 3: Number of overnight stays and share of international customers in the Paris Region



In thousands. Hotels only.  
Source: INSEE, MKG, May 2026.

FIGURE 4: Traffic at Roissy-CDG and Orly airports by geographic area



Millions of passengers.  
Source: Aéroports de Paris, Ministry of Transport, May 2026.

## Operating performance

### A nationwide RevPAR boosted by high-end establishments

Over the first three months of the year, national RevPAR rose by more than 3.5% compared with Q1 2025, after remaining broadly stable throughout last year. This growth was supported by a further increase in average daily rates (+1.7 year on year) as well as a rise in the occupancy rate.

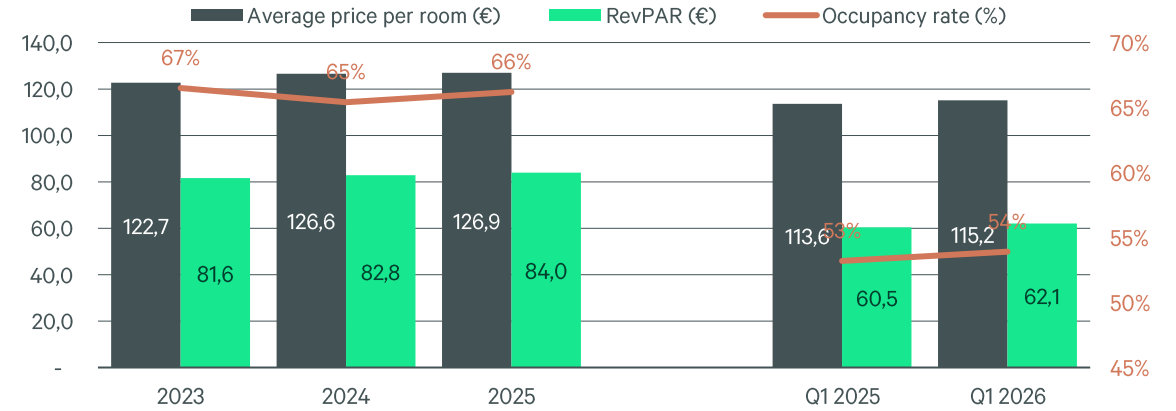
Although operating performance improved across all hotel categories, the upscale segment was the main driver of growth, with RevPAR increasing by more than 5% compared with Q1 2025.

In the budget and economy segments, occupancy and RevPAR were slightly above Q1 2025 levels, but still below those recorded in Q1 2024. This suggests that operators in these segments still need to strike a careful balance between occupancy and pricing.

Renewed inflationary pressures linked to the conflict in Iran could present an additional challenge for these categories, where passing higher costs on to customers through further price increases may prove difficult following the inflation peak of 2022.

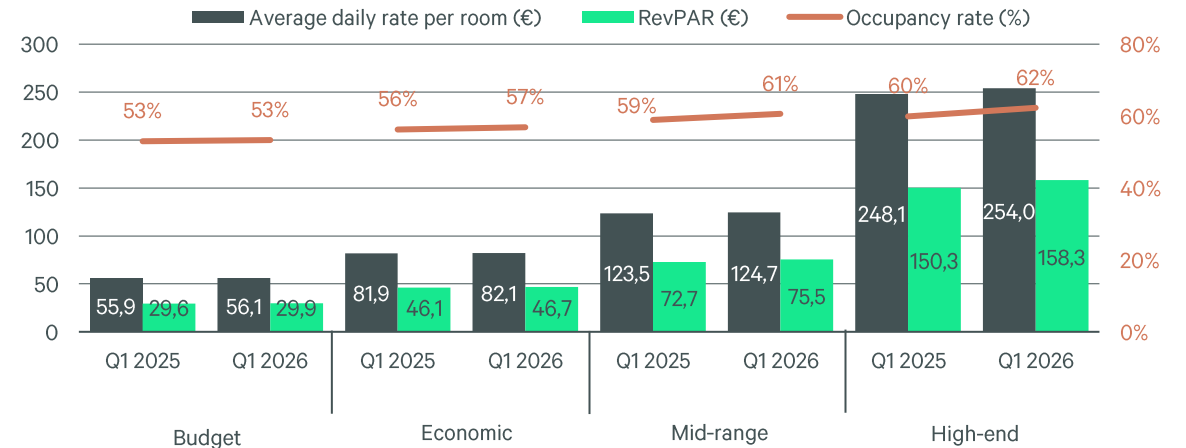
At the regional level, performance across France's three main destinations was mixed. The Paris Region and Provence-Alpes-Côte d'Azur both posted strong RevPAR growth, driven by occupancy in the former and by pricing in the latter. By contrast, Auvergne-Rhône-Alpes saw weaker performance following a strong 2024–2025 winter season, with RevPAR declining by 3.5%.

FIGURE 5: Operational performance of hotels in France



€ excl. VAT  
Source: MKG, May 2026.

FIGURE 6: Operational performance of hotels in France by range



€ excl. VAT  
Source: MKG, May 2026.

## Investment France

### Stable volumes compared to the first quarter of a record year 2025

With more than €680 million invested, the hotel investment market recorded stable volumes (-2%) compared with Q1 2025. This stands in contrast to other real estate asset classes, where investment volumes declined sharply over the same period, with drops ranging from 12% to 60%.

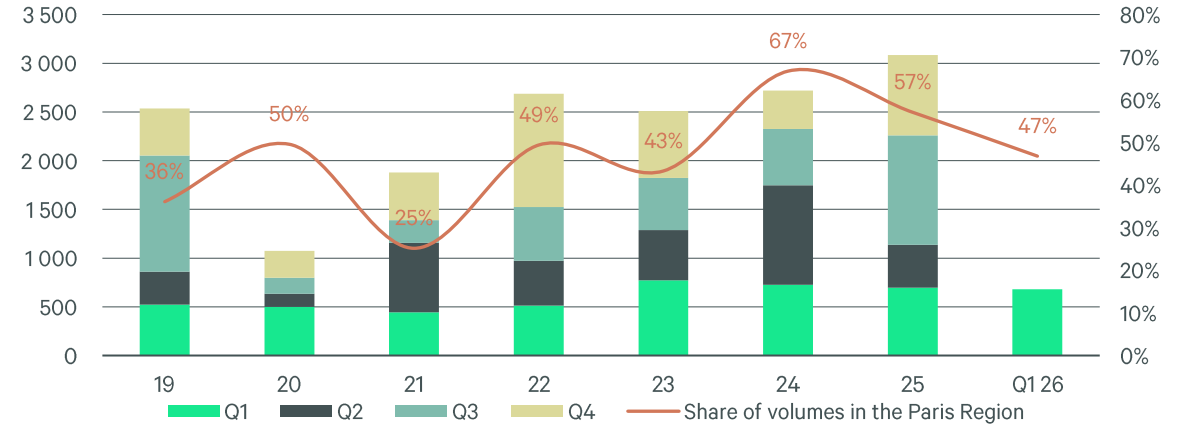
This performance is particularly noteworthy given that the small-deal segment, covering transactions below €5 million, remained subdued. Only three deals were completed, compared with an average of 13 transactions over the first three months of the year since 2023. As a result, while total volumes held up well, the number of transactions fell by almost one-third compared with Q1 2025.

By contrast, the €10 million to €50 million segment was especially active, with seven portfolio transactions completed. These accounted for more than 25% of total investment volume, the highest share recorded since 2021. However, the largest transaction of the quarter was a single-asset deal: the sale of the landmark La Pérouse hotel in Nice for around €60 million.

Although the Paris Region accounted for a smaller share of total investment volumes than in the previous two years, the region still made a solid start to the year. Investment volumes in the Paris region reached nearly €320 million, representing a 22% increase year-on-year.

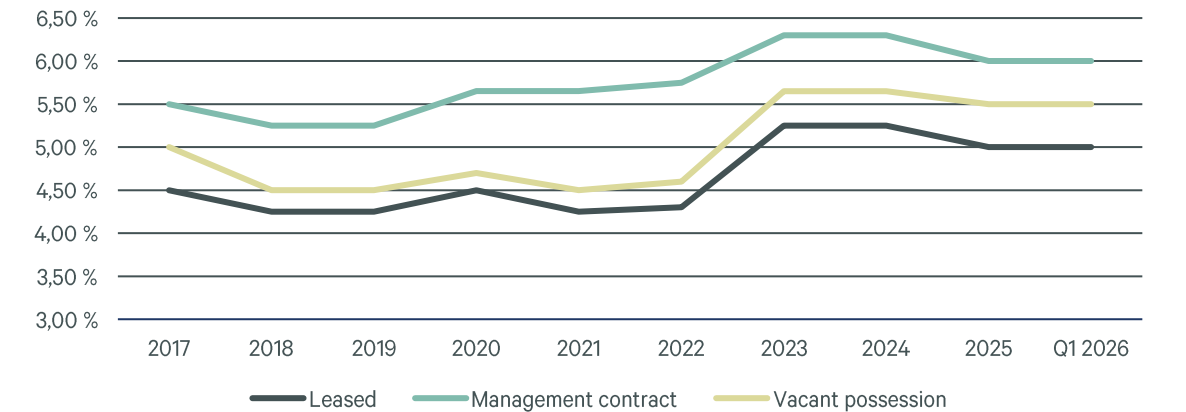
The prime hotel yield remained stable at 5.00% in Q1 2026, supported by continued investor appetite for the sector and a still-wide spread over the highly volatile risk-free rate.

FIGURE 7: Quarterly investment volumes in France and share of the Paris Region volumes



In millions of euros.  
Source: CBRE, Q1 2026.

FIGURE 8: Prime yield by occupancy type



Source: CBRE, Q1 2026



### Contacts

#### Quentin LAFERTE

Head of Hotels Investment Properties  
France,  
+33 (0) 6 22 05 41 91  
quentin.laferte@cbrehotels.com

#### Benjamin DELJURIE

Head of Hotels Valuation  
France, Belgium & Luxembourg  
+33 (0)6 12 59 41 33  
benjamin.deljurie@cbrehotel.com

#### Kenneth HATTON

Head of Hotels  
Europe  
+44 7830 083 000  
kenneth.hatton@cbrehotel.com

#### Estelle BARBARY

Senior Consultant - Research  
+ 33 (0)1 53 64 30 71  
estelle.barbary@cbre.fr

#### Sabine ECHALIER

Director - Research  
+ 33 (0)1 53 64 37 04  
sabine.echalier@cbre.fr

#### Pierre-Edouard BOUDOT

Executive Director - Research  
+33 (0)1 53 64 36 86  
pe.boudot@cbre.fr



© Copyright 2026. All rights reserved. This report has been prepared in good faith based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinions and/or projections based on CBRE's analyses of current market circumstances. Other firms may have different opinions, projections, and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses, or market circumstances later change. CBRE disclaims all liability for any decisions taken or conclusions reached based on information herein, particularly in terms of CBRE or third-party securities purchased or sold, and does not guarantee the accuracy, completeness, or adequacy of the information herein. Legal, tax, or accounting statements and recommendations should be understood as general observations based on our experience and knowledge of the commercial real estate markets and should not be used as legal, tax, or accounting advice, which we are not authorised to provide.

To learn more about CBRE Research or for additional reports, please visit the Insight & Research: <https://www.cbre.com/insights> page. The reports published by CBRE France are also available on: <https://www.cbre.fr/en-gb/insights> CBRE Business Partners - Economic Interest Grouping  
- Head office: 76 rue de Prony 75017 Paris - SIREN: 412 352 817 - RCS Paris

