CBRE

“Technical” rebounds, but a lack of fluidity

▼ €2 Bn €
Office

▲ €3 Bn
I&L

▶ €1,8 Bn
Retail

▲ 4.35 %
Prime yield
Office (June 2026)

▶ 4.90 %
Prime yield
Class A Logistics (June 2026)

▲ 4.50 %
Prime yield
Retail (June 2026)

Note: cumulative volumes invested since the beginning of the year. The arrow indicates annual changes.

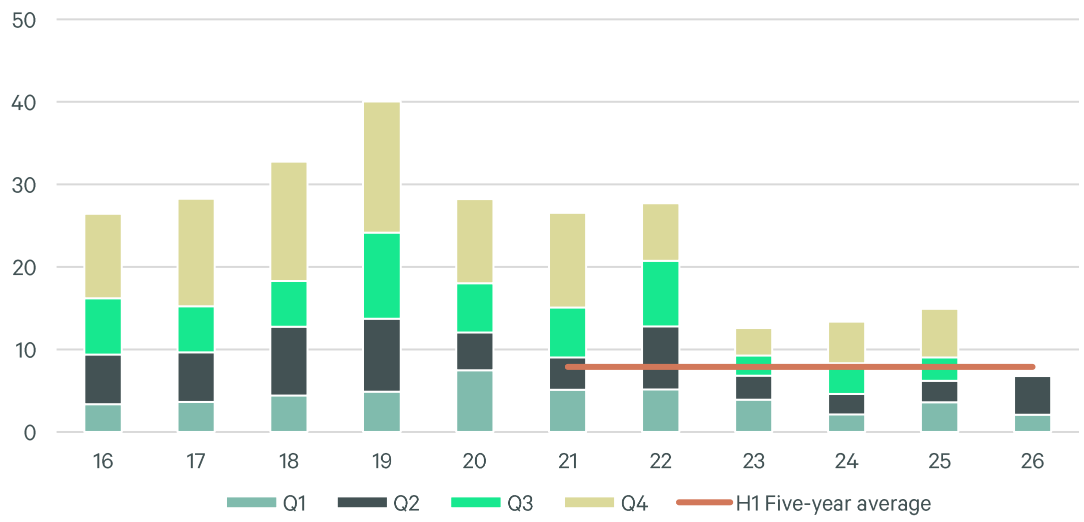
A Necessary Dual Interpretation

With €6.8 billion invested, the first half of 2026 posted a year-over-year increase of 9%: this momentum was driven by a sharp rebound in Q2 2026, as investment volumes in standard commercial real estate doubled compared to the first quarter. While, at first glance, these figures seem to indicate a fairly resilient market despite a complex environment, a more nuanced interpretation is immediately necessary.

H1 volumes were driven by Blackstone’s acquisition of Proudreed’s entire business park portfolio (€2.3 billion). This transaction, which took place as part of a corporate deal, alone accounted for ~50% of Q2 volumes and confirms the following trend: for several quarters now, overall transaction volumes have been insufficient to “offset” the impact of exceptionally large transactions. The market, characterized by high volatility, a lack of balance, and inconsistency, is delivering uneven performance.

The number of deals is also down sharply (-25%) and runs counter to what a genuine recovery would look like: with the exception of H1 2025, the number of transactions completed in the first six months of the year has been declining since 2022.

FIGURE 1: CRE Investment in France



In € Bn
Source: CBRE Research / Immostat, Q2 2026

A Skewed Dynamic for I&L

I&L's performance, totaling €3 billion, is primarily linked to the completion of the sale of the Proudreed portfolio. Blackstone's acquisition of 500 assets spread across France (commercial properties and business parks, urban logistics facilities, and logistics warehouses) constitutes an atypical transaction—both in terms of its structure and its value—and remains a rare and isolated occurrence.

Overall for the half-year, transactional activity was generally sluggish: I&L suffered from a sparse pipeline at the end of last year. Excluding the Proudreed portfolio, only €700 million was invested this half-year, with an average deal size of ~€10 million.

However, interest in this asset class remains strong, and there are signs of a gradual improvement by late 2026/early 2027, while at the same time the leasing market regained momentum in Q2.

Selective Resumption of Retail Investment

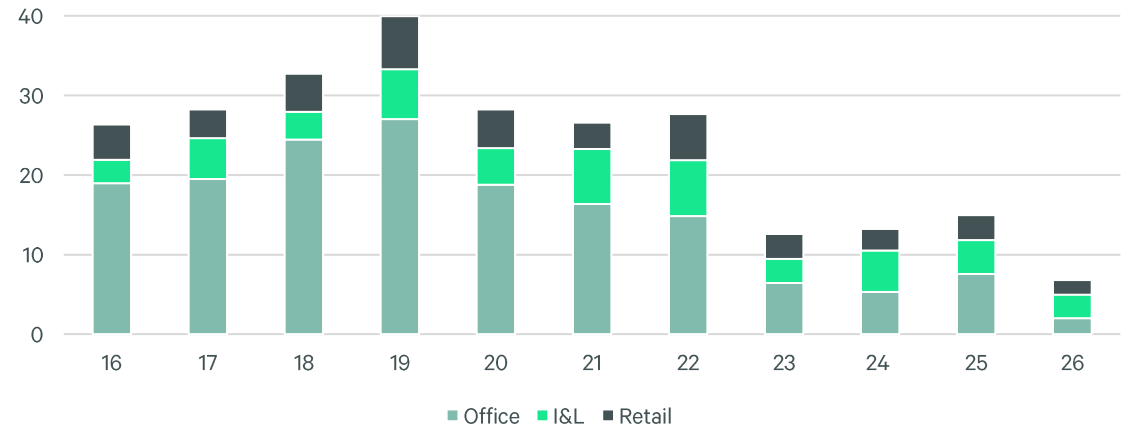
In the retail sector, with €1.8 billion invested, volumes have stabilized compared to last year and are even slightly above the five-year average for H1. The recovery, however, is selective and concentrated on the most transparent and secure assets. Two properties located on the Champs-Élysées (29–33 and 91) account for 45% of the total investment.

H1 volumes are also driven by retail parks, which offer a risk-return profile valued for its predictability. High-street prime, stand-alone properties and shopping centres continue to attract targeted interest, particularly in major regional cities.

Office Investment is Down this Semester

With €1.7 billion invested, the Paris region office market recorded an 18% decline compared to 2025, which had been a year of recovery. Volumes remain below the five-year average (-47%). The number of transactions also saw a decline (-22%). Nevertheless, ongoing sale projects could significantly increase investment volumes by the end of the year.
The market still lacks depth, as it remains highly concentrated in central Paris (83% of volumes and 74% of transactions). This trend toward polarization, observed since 2024, even appears to be intensifying in 2026.
The regional office market continues to record a decrease in volumes and the number of transactions, which have been experiencing continuous erosion since 2022.

FIGURE 2: CRE investment by asset typology



Volumes, in € B
Source: CBRE Research / Immostat, Q2 2026

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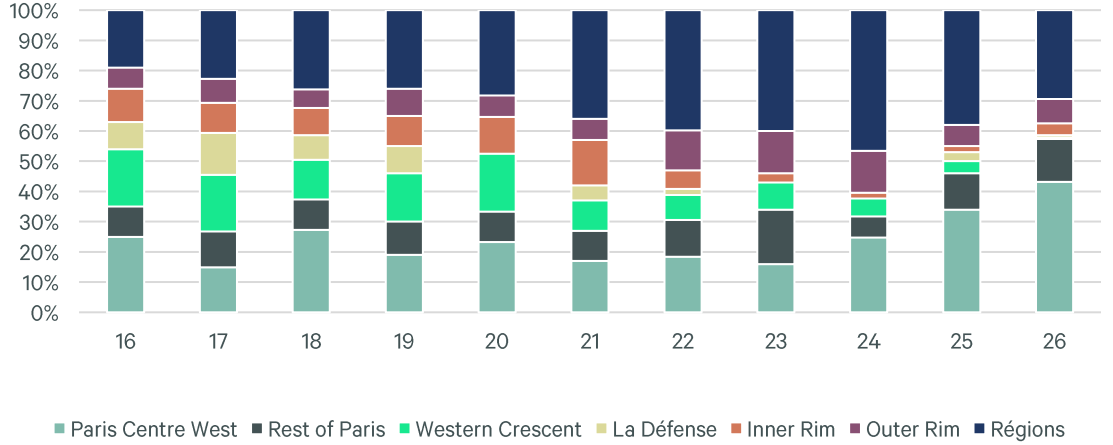
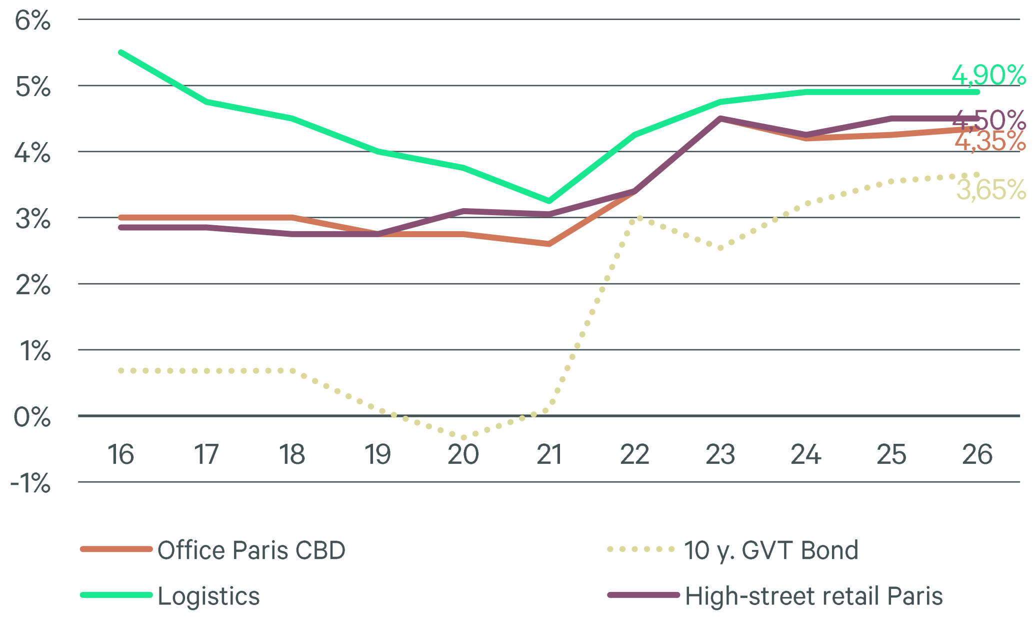


In %, excluding non-itemised portfolios (such as the Proudreed/Blackstone transaction in Q2 2026)
Source: CBRE Research / Immostat, Q2 2026

FIGURE 4: Prime yields and 10 y. GVT Bond



Source: CBRE Research, Banque de France, Q2 2026 (end of June)

The Price Factor Remains a Persistant Obstacle

While investors are quite capable of mobilising significant capital for substantial amounts on a ad hoc basis, the misalignement between sellers and buyers on pricing persists and continues to weigh on the French market. This is a sign of a market that is still feeling its way, with sellers who are ultimately more hesitant and cautious than genuinely waiting: they are testing market conditions without managing to finalise sales, as some are unable to accept substantial losses.

Given current 10-year government bond levels, it is unlikely that real estate yield will decline in the coming months; on the contrary, the trend emerging by the end of the year is for a decompression across all asset classes, with the market still in a phase of adjustment.

In its latest projections, the Banque de France has revised growth forecasts downwards (+0.5% GDP in 2026). Although the recent drop in the price of Brent crude oil to around $75 per barrel has provided some welcome relief since the partial reopening of the Strait of Hormuz, the end of the crisis is far from confirmed, and purchasing power has been permanently affected by the situation. Harmonized inflation (HICP) is expected to be around 2.5% by the end of 2026, and household consumption is expected to remain virtually flat (+0.2%). At the same time, France continues to face a growing public deficit (€3.5 billion, or 117.5% of GDP), widening the gap with the average of other European countries, with no prospect of significant improvement before 2027 due to a lack of real policy flexibility.

Undoubtedly, 2026 will continue to be a year of transition. The completion of the pipeline—particularly in the office segment—could help transaction volumes hold steady despite the unfavorable environment, and the investment market will remain heavily dependent on a few major deals. As for the prospects for a genuine recovery, they are still expected to be delayed until 2027 or even 2028.

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