The French Investment Market

3rd Quarter 2026	The investment market	knightframank.fr/en/research



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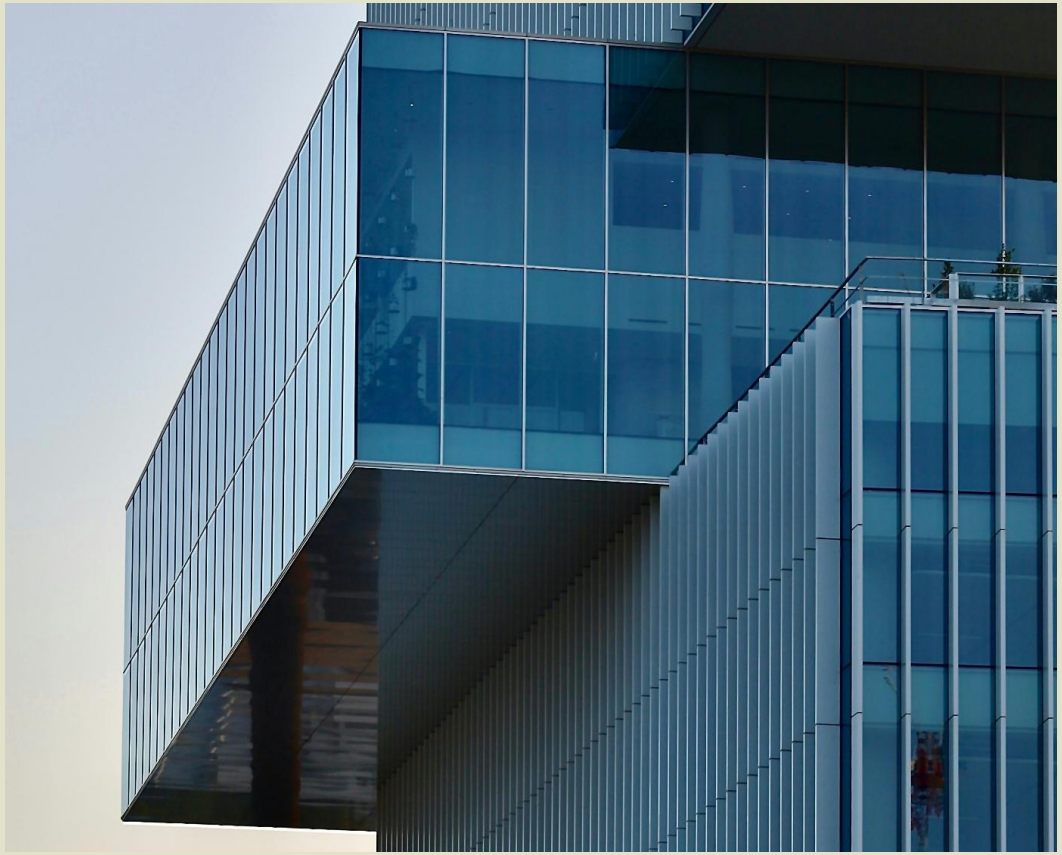
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01. Economic context



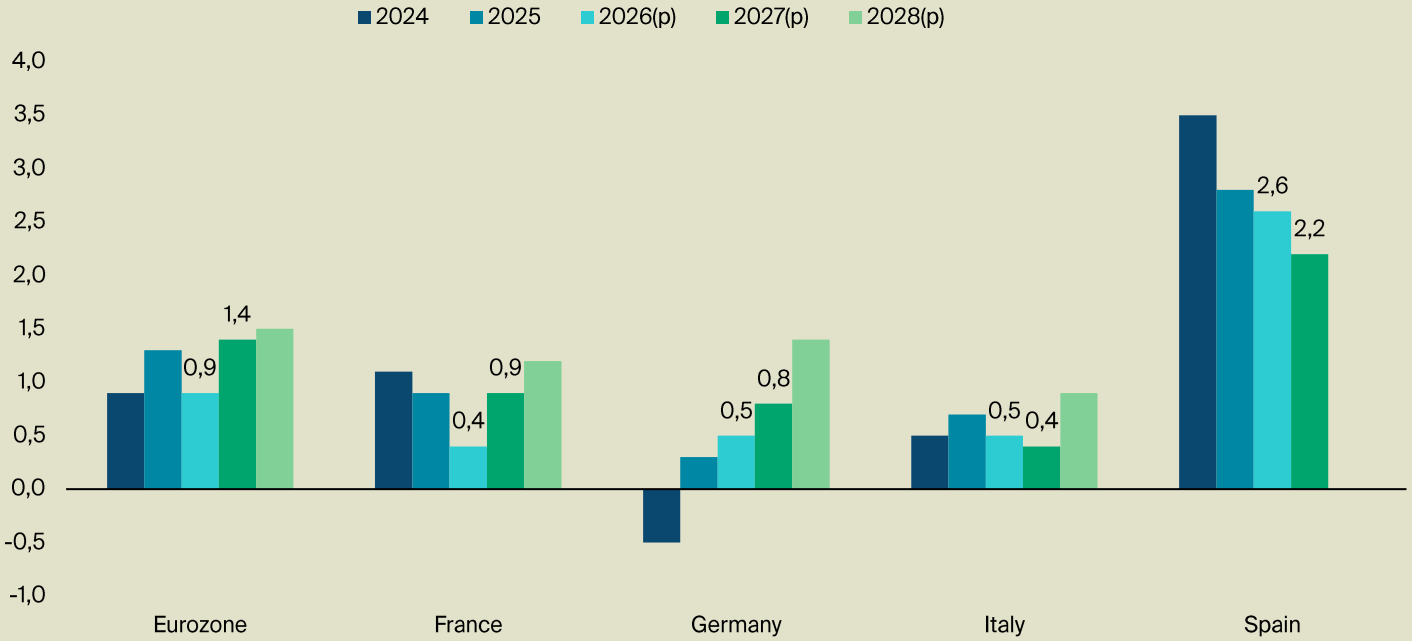
Economic growth: France close to Germany and Italy

The stalemate in conflicts in Moyren-Orient and Ukraine is leading to an increase in oil and gas costs and continues to weigh on European economies. The continent's main locomotives are particularly affected. In addition, heat waves are adding to this deteriorating economic situation, particularly in France, the most severely affected country on the Old Continent: they are deteriorating food production and maintaining inflationary pressures (+3% in France and +3.8% in the Eurozone in September 2026).

Thus, France's growth outlook has been revised downwards: +0.4% of GDP in volume in 2026 compared to +0.5% in Germany and Italy.
French growth is nevertheless expected to recover in 2027 (+0.9%), at a slightly faster pace than that of Germany (+0.8%) and Italy (+0.4%).
However, these forecasts could be downgraded throughout the Eurozone if long-term rates were to remain high: their rise automatically implies an increase in the interest burden for several years (100 bps corresponds to an additional cost of €150 to €160 billion over ten years, with an increasing cost over time), i.e. resources that will not be reinvested in the economy.

Even in this scenario, French growth is likely to be resilient insofar as it is mainly driven by foreign trade (positive trade balance expected) and by the maintenance of household consumption.

GDP in the Eurozone
%, year-on-year



Sources: European Central Bank, Banque de France, Deutsche Bundesbank, Banca d'Italia and Banco de España / (p) projections
NB: For Spain, the Banco de España has not communicated a forecast for 2028
For Germany, Deutsche Bank only publishes its forecasts in June, so those posted do not take into account the ongoing conflict in the Middle East

A global rise in bond yields Amplified in France

The rise in ten-year bond yields is a global phenomenon: from 1 January to 30 September 2026, they increased by 68 basis points (bps) in Germany, 114 bps in the US and 116 bps in France.

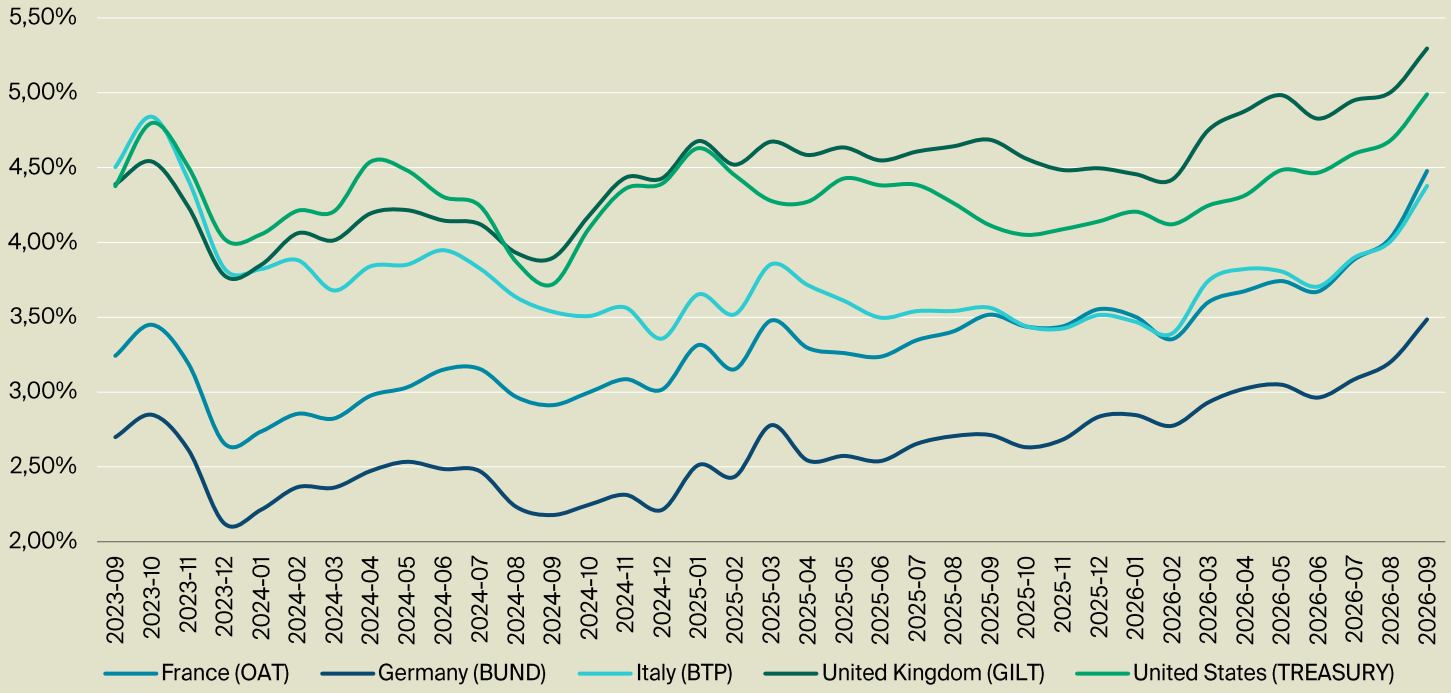
This increase can be explained first and foremost by the AI boom: the debt of the 4 American hyperscalers (Alphabet, Amazon, Meta and Microsoft) has increased 11-fold between 2024 and the 1st half of 2026 alone. These groups issue ten-year bonds at yields of 5 to 6%, which is driving up US rates to maintain investor attractiveness. Inflation expectations are also raising fears of a slippage in US public finances.

The United States, a world reference, is dragging all the sovereign debts of developed countries in its wake, starting with the Bund. In the euro zone, the outlook for inflation and the ECB's expectation of persistently high key rates are fuelling the upward movement.

The French OAT is suffering from this global shock, and the French political situation amplifies its magnitude: the markets no longer believe in the 5% public deficit target for 2026. The spread with Germany, which averaged around 70 bps over the twelve months prior to the September surge, has since fluctuated between 110 and 130 bps.

A decline in domestic political risk would relieve France, but would not significantly reduce the OAT as long as US rates remain high.

10-year bond rates
In % - monthly average



Source: Banque de France

02. Global trends



Key figures of the French commercial real estate investment market

	Investment volumes			Number of transactions		
	Q1-Q3 2025	Q1-Q3 2026	Change	Q1-Q3 2025	Q1-Q3 2026	Change
Total	**€8.6 billion**	**€10.5 billion**	*+ 22 %*	**375**	**415**	*+11 %*
Offices	€3.8 billion	€4.1 billion	*+ 8 %*	139	148	*+6 %*
Retail	€2.4 billion	€2.8 billion	*+ 14 %*	119	148	*+24 %*
Industrial	€2.4 billion	€3.6 billion	*+ 52 %*	117	119	*+2 %*
Île-de-France**	€5.4 billion	€5.6 billion	*+3 %*	145	167	*+15 %*
Regions**	€2.8 billion	€2.2 billion	*-21 %*	219	239	*+9 %*
Portfolios	25 %	29 %	*+4 points*	11 %	6 %	*-5 points*
Foreign investors	35 %	58 %	*+23 points*	22 %	16 %	*-6 points*
€>100 million *	41 %	58 %	*+17 points*	16	17	*+6 %*

**number of transactions in absolute terms - ** excluding nationwide portfolios*

PRIME YIELDS

	Q3 2026	Year-on-year change	10-year change
OFFICES	4,50 %	▲ +35 bps	▲ +150 bps
RETAIL	5,00 %	▲ +75 bps	▲ +225 bps
INDUSTRIAL	5,15 %	▲ +40 bps	▼ -35 bps

Source: Knight Frank

€10.5bn invested at end-September: +22% year-on-year, driven by large deals

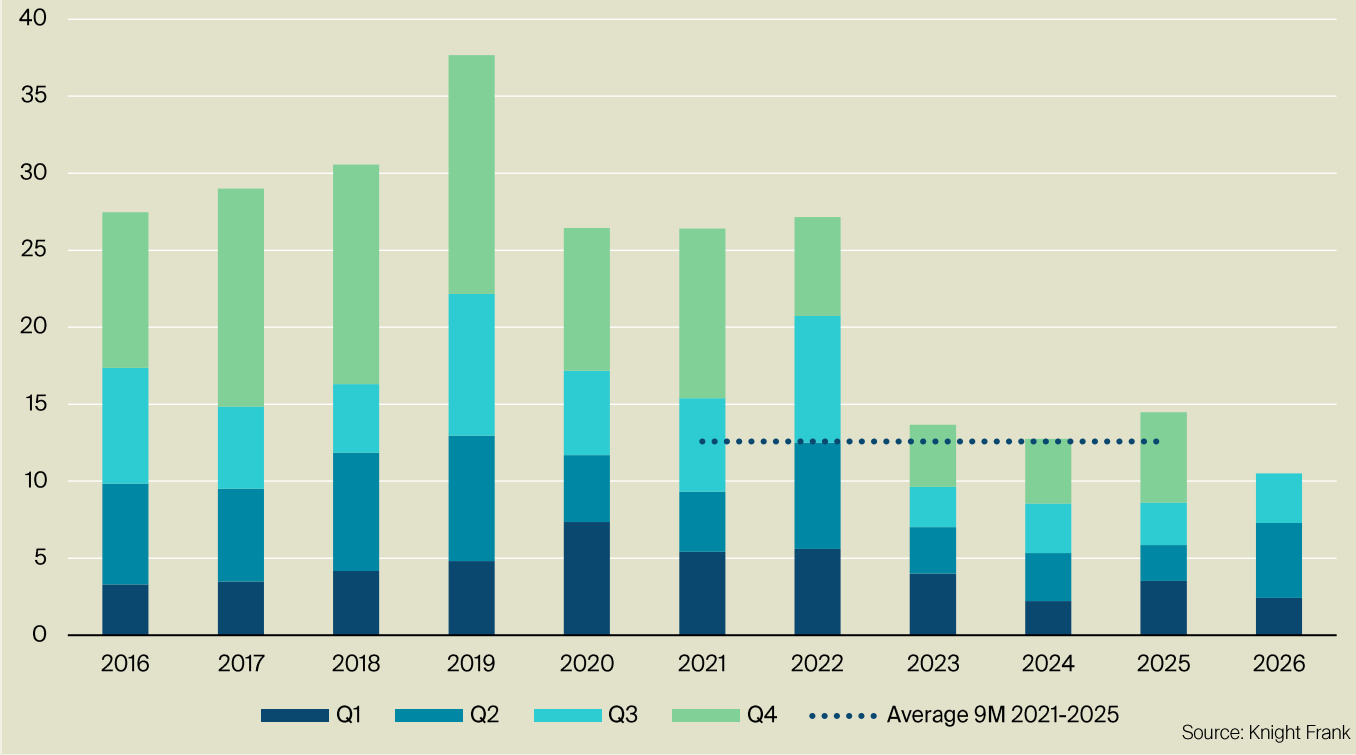
At the end of September 2026, €10.5 billion had been invested in commercial real estate in France, an increase of 22% year-on-year. With €3.2 billion committed, the 3rd quarter increased by 17% compared to the 3rd quarter of 2025, after an already dynamic 2nd quarter (€4.9 billion). However, the cumulative volume remains 17% lower than the average of the first nine months of the last five years (2021-2025). This annual increase is, however, dependent on a few very large transactions: the sale of Proudreed's portfolio to Blackstone (€2.3 billion) in the 2nd quarter, then the sale of Capital 8 (Paris 8th) to Pontegadea for more than €800 million in the past quarter, making the latter the largest office transaction in Europe since 2022.

Indeed, the market is very granular: transactions of more than €100 million represent 58% of committed volumes, the highest level in the last 5 years, while the mid-market €50-100 million segment has collapsed to 5%, a historic low.

With a further increase in the ECB's key rates in September and a 10-year OAT at 4.90% at the end of September, the cost of borrowing is still higher, and competition from bond products is increasing. However, the observed increase in the number of transactions (+11% in one year) and the large number of assets brought to market after the summer break is a sign of recovery: it reflects an acceptance by market participants of the new market reality, where rates will be persistently high, with owners also being pressed by the need to refinance their assets and rotate their portfolios.

Although the market can still count on trophy asset transactions, even in an unfavourable context, to ensure a minimum of liquidity, a narrowing of the bid-ask spread between sellers and buyers is still necessary to return to historical levels of investment volumes.

Investment volumes in commercial real estate in France
In billions of euros, per quarter



Source: Knight Frank

Offices retain the lead, retail and industrial on the rise

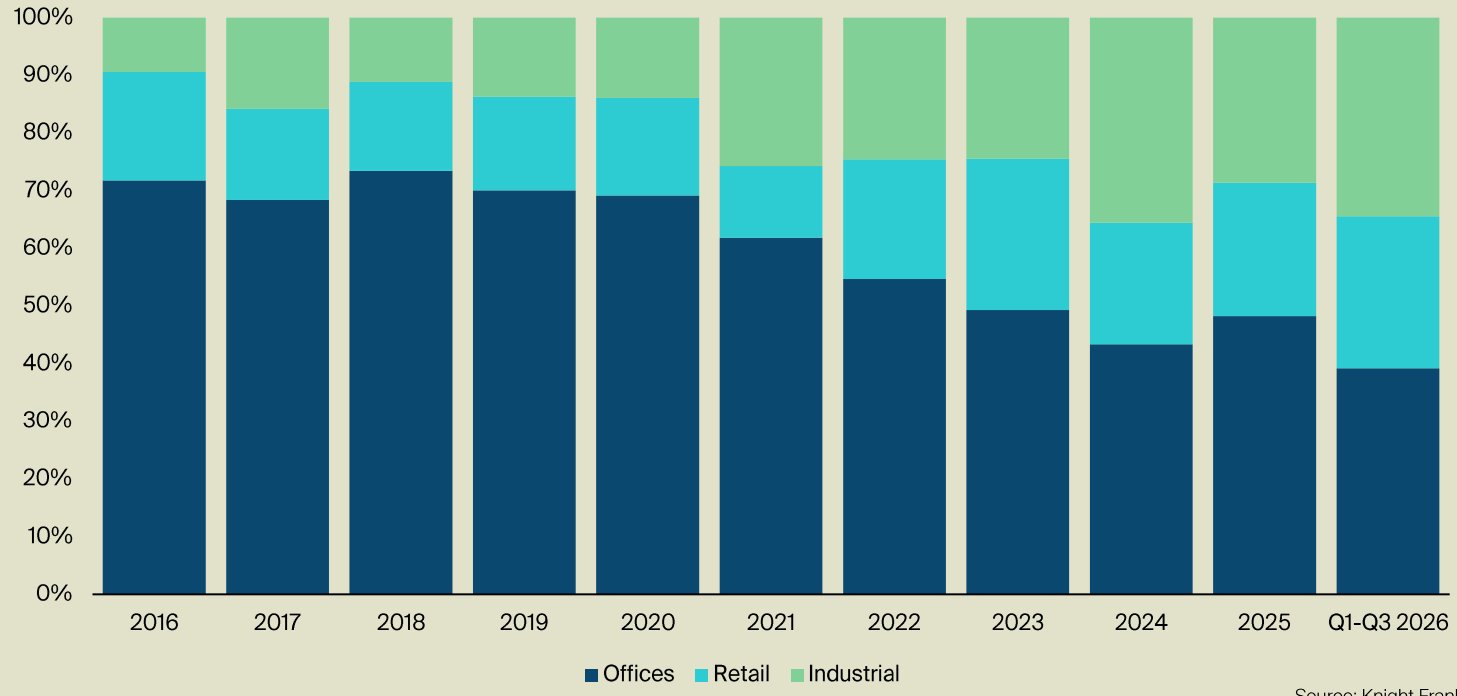
With €4.1 billion committed at the end of September (+8% year-on-year), offices remain the leading asset class but represent only 39% of volumes, compared to 48% in 2025 and 61% on a ten-year average. This continued top position is largely based on the sale of Capital 8 and two transactions exceeding the €200 million mark: Blue Owl's acquisition of 49% of the Thales campus in Vélizy, and Hines' acquisition of 83-85 avenue Marceau from SFL.

Industrial & logistics reached €3.6 billion (+52%), or 34% of volumes, a percentage inflated by the sale of the Proudreed portfolio (€2.3 billion): excluding this deal, volumes would have stood at around €1.3 billion, i.e. 46% less than a year earlier. The 3rd quarter did, however, send positive signals with the signing of two transactions worth around €100 million, levels previously absent from the market: the acquisition by MSREI of the Asphalte portfolio, composed of five logistics warehouses, as well as that by Clarion Partners of the Som'link logistics warehouse (116,800 m²) near Amiens.

Retail confirmed its strong performance with €2.8 billion (+14%) and a market share of 26%, a high point over the past decade: this performance was mainly driven by Paris high-street retail units (49% of total volume) and a 24% increase in the number of transactions.

Investment volumes in commercial real estate in France by asset class

In %



Source: Knight Frank

Foreign investors are making a strong comeback

Foreign capital represented 58% of the volumes invested at the end of September 2026, compared to 35% a year earlier and 38% on average between 2016 and 2025, i.e. an unprecedented level over the period. After the acquisition of Proudreed's assets (€2.3 billion) by the American Blackstone, the 2nd largest transaction of the year, Capital 8 for more than €800 million, was also the work of a foreign player, the Spanish Pontegadea.

This cross-border capital was also the most active on large-ticket deals: of the 17 transactions of more than €100 million in the first 9 months, 10 were the work of foreign investors. In addition to Proudreed and Capital 8, there is the Marignan building (Black Swan, €402 million), the BHV Marais (Brookfield, €300 million), and even more recently the Carrefour portfolio of assets, sold by the retailer as a sale-and-leaseback operation to the Singaporean fund GIC for more than €200 million.

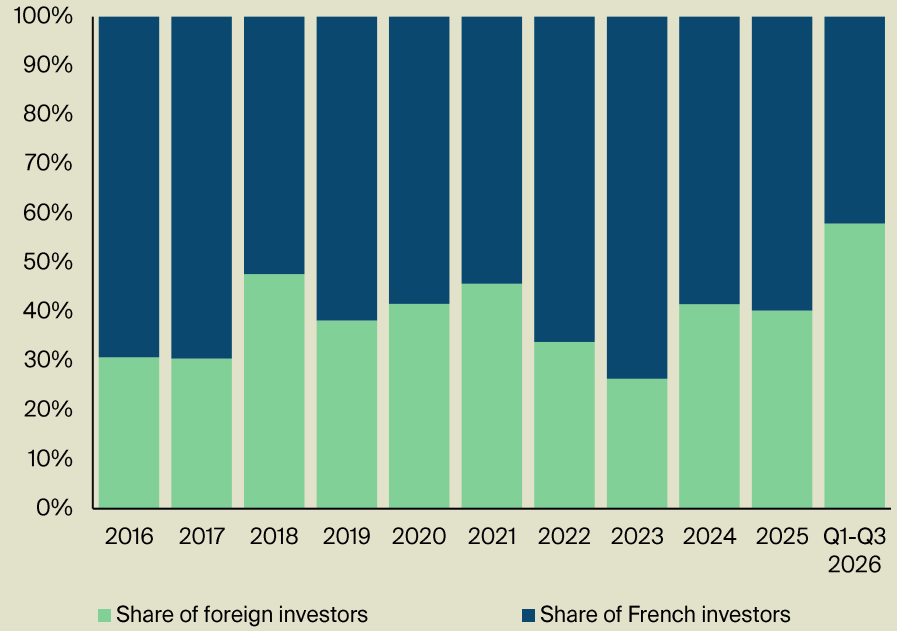
North Americans were the most active, accounting for 36% of volume, a record. Their investment funds are more easily positioned for large lot sizes, thanks to their ability to source capital from institutional investors on a global scale.

By contrast, the low share of French investment (42%) reflects a lack of capital available to domestic players and the choice of several SCPIs to focus on foreign markets.

Investment volumes in commercial real estate in France by geographical origin of capital
In %

Investment volume at the end of September 2026:

1	France	42 %
2	Europe	15 %
3	North America	36 %
4	Other	7 %



Source: Knight Frank

Investment funds and private investors at the helm

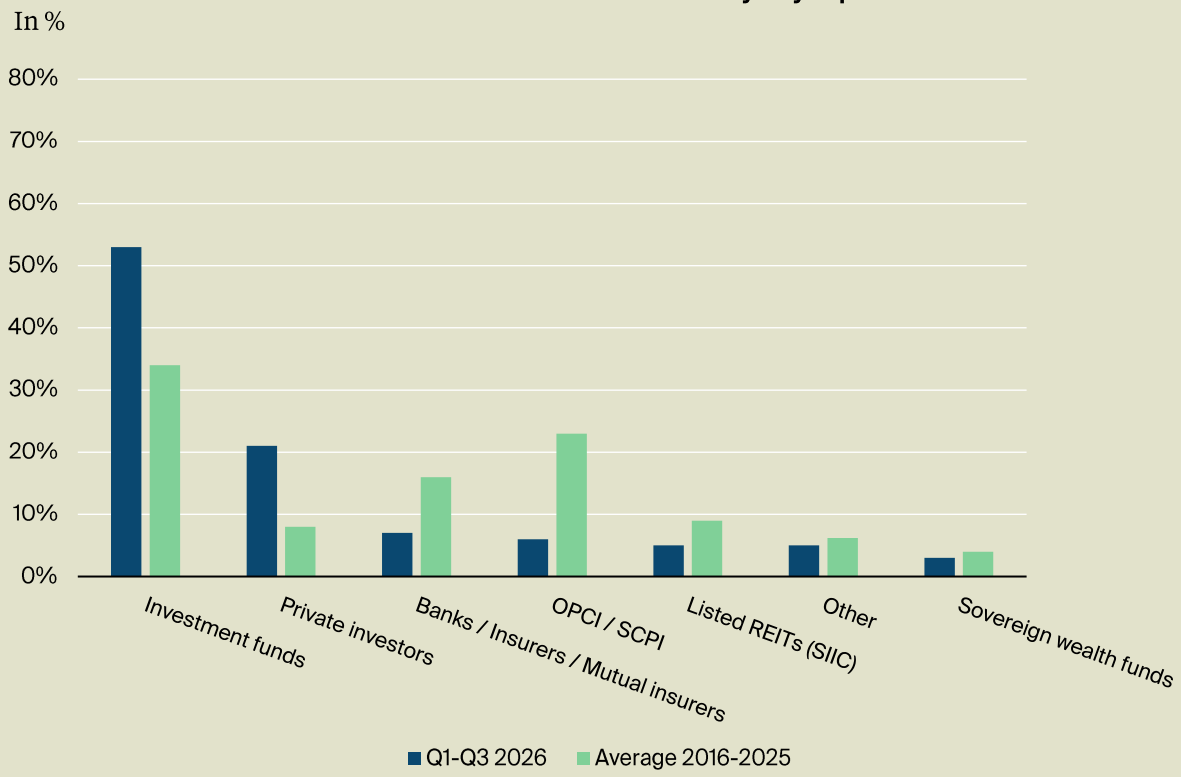
The acquisition of Proudreed's industrial assets by Blackstone (€2.3 billion) brought the share of investment funds to a record 53% of the volumes invested in the first 9 months of 2026 (vs. 34% on a ten-year average). Excluding this mega-deal, the share would have remained above average (at 39%), with the funds having signed several of the largest deals: 29-33 avenue des Champs-Elysées by Black Swan Real Estate Capital (€402 million), BHV Marais by Brookfield Asset Management (€300 million), the Thales campus in Vélizy (€246 million) by Blue Owl Capital and 83-85 avenue Marceau by Hines (€243 million).

The other driving force of the market is that of private investors, who have been particularly active since the rise in bond yields in 2022 and have bucked the general trend. They accounted for 21% of the amounts committed, i.e. nearly three times their usual weight (8% in the ten-year average). Family offices and high-net-worth individuals benefit from the advantage of being able to detach themselves from the high cost of debt by financing their acquisitions largely with equity. In particular, they target trophy assets with value-add potential, with a long-term buy-and-hold strategy.

Conversely, traditional institutional investors remain in retreat: banks, insurance companies and mutual insurance companies account for only 7% of volumes (vs. 16% on a ten-year average), despite a return to major transactions over the past quarter, notably with the acquisition of Axe France (Paris 13th) by BPCE for €136 million, and that of Le Titien (Paris 9th) by Assurances du Crédit Mutuel for €130 million.

SCPIs and OPCIs, which accounted for nearly a quarter of volumes over the last ten years, represent only 6% in 2026. While the gradual recovery in SCPI inflows since 2025 has given them some room for manoeuvre, some of this capital is being redirected to foreign markets. Their return to the domestic market remains conditional on opportunities in line with their new strategies (asset classes and yield).

Investment volumes in commercial real estate in France by buyer profile



Source: Knight Frank

SCPI: inflows stabilising at a robust level
OPCI: outflows easing sharply

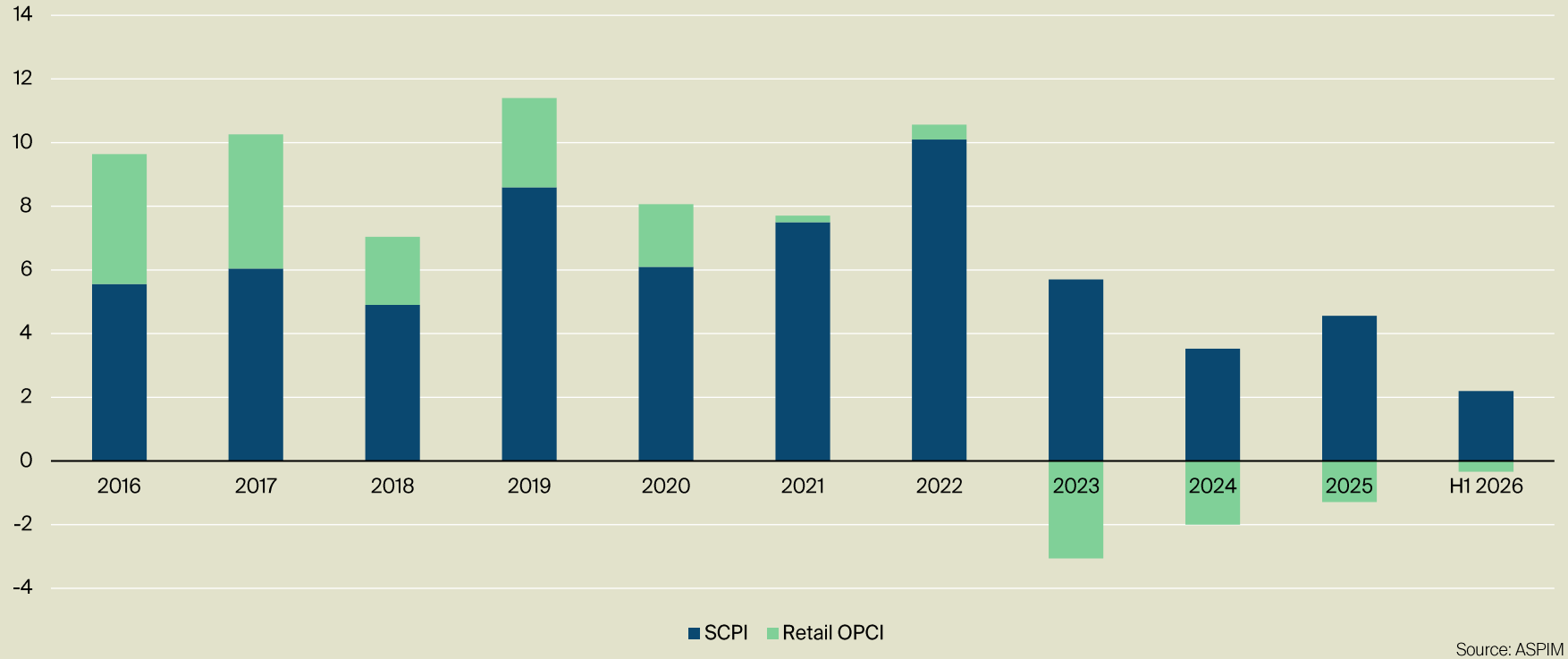
In the first half of 2026, net inflows from SCPIs totalled €2.2 billion, up 2.5% compared to the same period in 2025.

However, net inflows from SCPIs slowed down in the 2nd quarter of 2026, to €1.1 billion, compared to €1.2 billion in the first three months of the year, a decline of 7% quarter-on-quarter and 5% compared to Q2 2025.

Retail OPCIs recorded outflows of €337 million, down 53% compared to the second half of 2025 and 42% compared to the first half of 2025.

Outflows slowed sharply in the 2nd quarter, to €63 million, compared with €274 million in the first three months of the year. However, this improvement remains fragile, as almost all vehicles remain in outflows or show zero inflows in the 2nd quarter.

Net inflows into non-listed real estate funds for retail investors
In billions of euros



Source: ASPIM

Prime yields : a risk premium now under threat

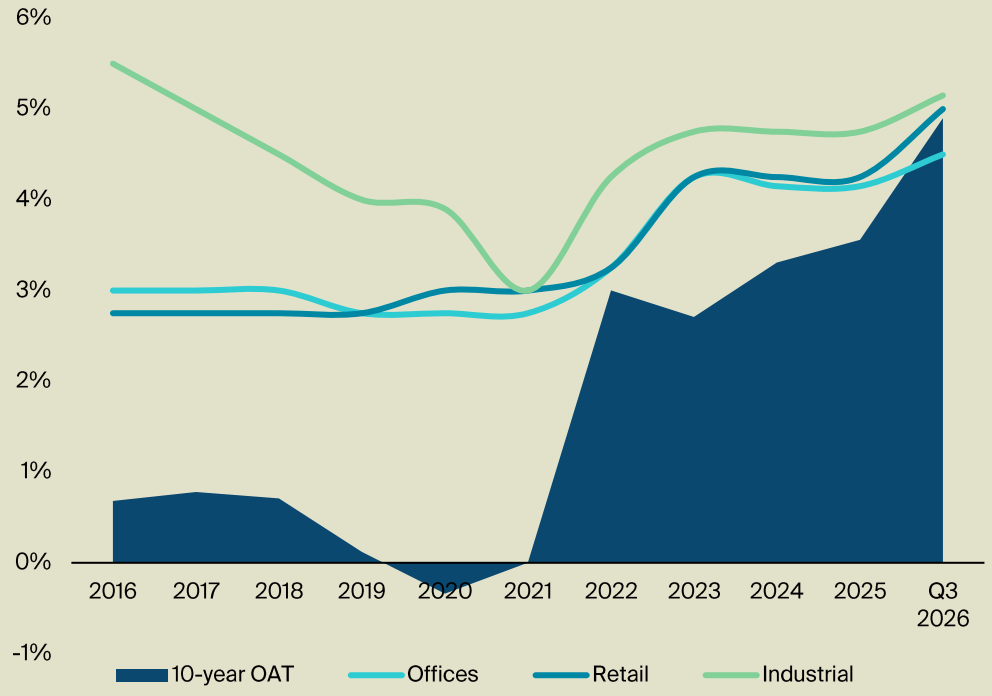
The rise in long-term rates accelerated in the 3rd quarter: against the backdrop of the ongoing Strait of Hormuz crisis and the resulting inflationary surge, the 10-year OAT reached 4.90% at the end of September, compared with around 3.50% at the beginning of the year. This increase de facto compresses the real estate risk premium and pushes prime yields upwards: at the end of September, the prime yield reached 4.50% for Paris CBD offices (+25 bps over the quarter), 5.00% for Paris high-street retail (excluding luxury) (+50 bps) and 5.15% for logistics (+15 bps).

For prime Paris offices, the 10-year OAT now exceeds the prime yield: the risk premium has therefore disappeared today, even if bond yields remain quite volatile and can fall quickly subject to an improvement in the geopolitical and political context in France.

Does this mean that prime real estate is overvalued? Not necessarily. For an equivalent initial yield, a refurbished CBD asset let to a blue-chip tenant at an indexed market rent, provides a significant plus compared to a government bond: a hedge against inflation.

	Year-on-year change	10-year change
	▲ +35 bps	▲ +150 bps
	▲ +75 bps	▲ +225 bps
	▲ +40 bps	▼ -35 bps

Prime yields
In %, at the end of the period



Source: Knight Frank

03. Office



Key figures of the office investment market

	Investment volumes			Number of transactions		
	Q1-Q3 2025	Q1-Q3 2026	Evol.	Q1-Q3 2025	Q1-Q3 2026	Evol.
Total	€3.8 billion	€4.1 billion	*+8 %*	139	148	*+6 %*
Île-de-France**	€3.3 billion	€3.5 billion	*+8 %*	78	81	*+4 %*
Regions**	€0.5 billion	€0.6 billion	*+14 %*	60	67	*+12 %*
Portfolios (%)	5 %	3 %	*-2 points*	4 %	3 %	*-1 point*
Foreign investors (%)	25 %	45 %	*+20 points*	12 %	14 %	*+2 points*
€>100 million (%) *	43 %	54 %	*+11 points*	8	10	*+25 %*

**number of transactions in absolute terms* ***excluding nationwide portfolios*

PRIME YIELD

	Q3 2026	Year-on-year evolution	Evolution over 10 years
Paris CBD	4,50 %	▲ +35 bps	▲ +150 bps
La Défense	6,75 %	▲ +25 bps	▲ +200 bps
Lyon Part-Dieu	6,00 %	▲ +50 bps	▲ +100 bps

Source: Knight Frank

Capital 8 props up figures, investment volume increases year-on-year

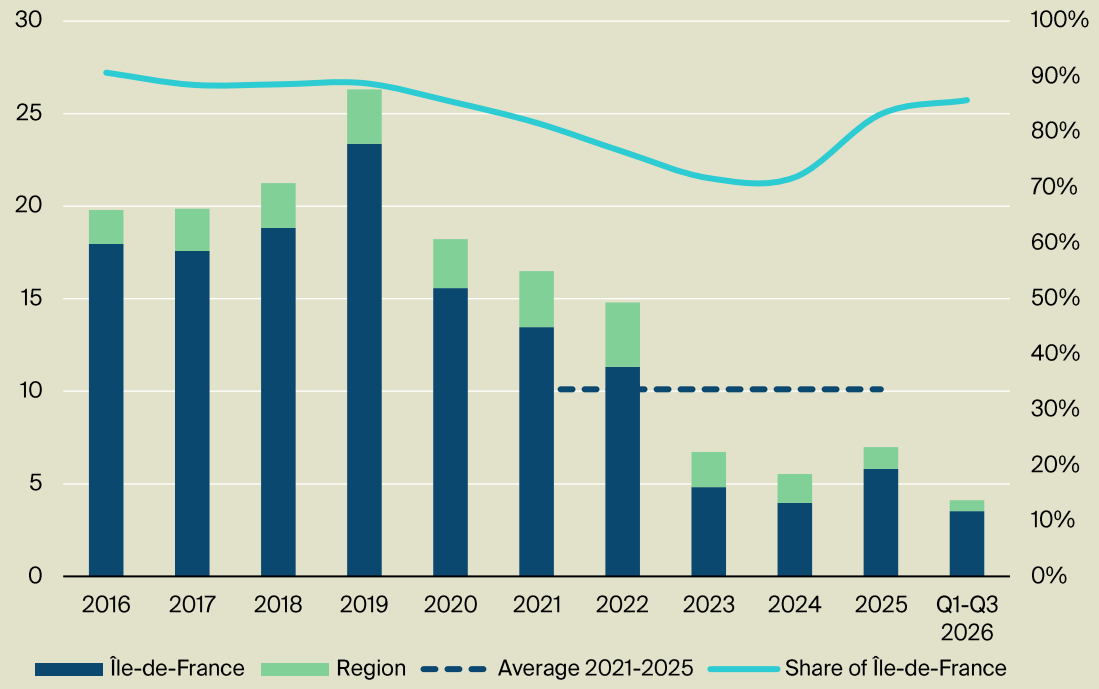
Just over €4.1 billion was invested in offices in France in the first 9 months of 2026, a volume up 8% year-on-year. This increase is mainly due to a single transaction: the sale of Capital 8 (Paris 8th arrondissement) by Invesco to Pontegadea, for more than €800 million. Excluding this deal, the volume would have fallen by 13% to €3.3 billion, the lowest volume recorded over the period since 2009.

Faced with a 10-year OAT at 4.90% at the end of September, which is sharply compressing the risk premium, several "core" office investment opportunities are the subject of longer negotiations and still difficult agreements on their valuation between potential sellers and buyers. As a result, investors have often preferred office assets with a "value-add" profile, allowing them to generate a higher potential return, more rewarding for their risk and offsetting the cost of credit. The share of "value-add" therefore reached 54% of the volume of office investment at the end of September, a historically high proportion.

Whatever the risk profile, the focus on central locations prevails, at a time when the market is suffering from the lack of rental activity in several peripheral and regional sectors. Thus, on a national scale, the Ile-de-France region remains predominant, with 86% of the volume invested, i.e. €3.5 billion (+8% year-on-year). The CBD alone accounts for 56% of volumes in the Ile-de-France region (€2 billion), confirming the extreme polarisation of the market.

By contrast, the regions remain subdued, with only €583 million invested at the end of September, a volume up 14% year-on-year but still 59% below its ten-year average. The two largest transactions to date have been in Lyon, with the sale of the Part-Dieu Tower for €50 million at the beginning of the year, as well as the acquisition by Foncière Immobilier & Territoire Rhône-Alpes and CDC of the Exo 7 building for €30 million in the second quarter. During the 3rd quarter, 2 transactions completed the top 4: the acquisition by Iroko of "Upline" in Villeneuve-d'Ascq and the sale of the "Citadelle" building in Lyon, both for amounts slightly less than €30 million.

Office investment volumes in France
In billion euros, in %



Source: Knight Frank

56% of the Ile-de-France volumes were invested in the CBD, The Inner and Outer Rims revitalized by major deals

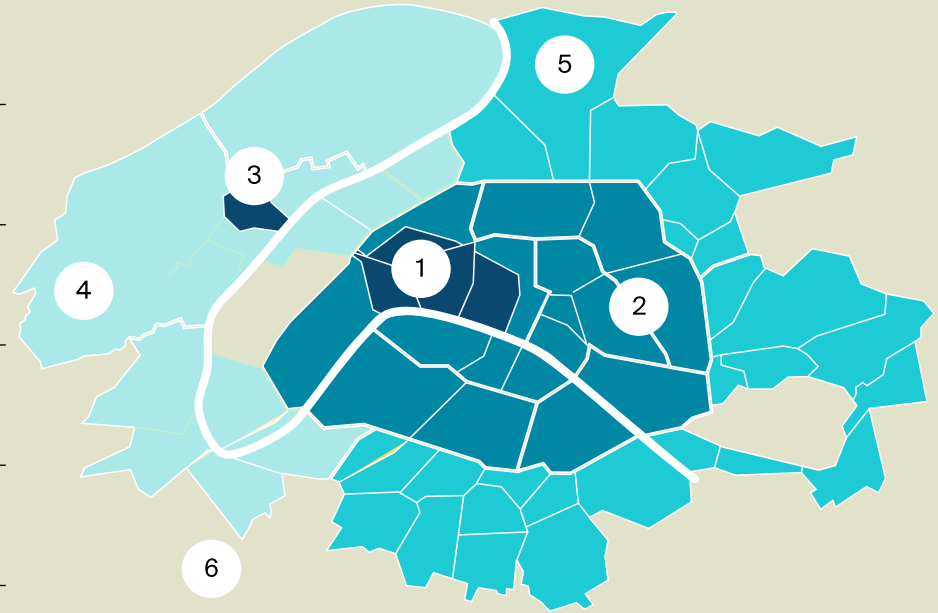
By sector, the Central Business District (CBD) remains the safe haven for office investors in a market that is still uncertain. With €2 billion as of the end of September (+21% year-on-year), the CBD accounts for 56% of the volume in the Ile-de-France region. 6 deals of more than €100 million drove this result, led by Capital 8, sold by Invesco to Pontegadea for more than €800 million, then 83-85 avenue Marceau (Hines, €243 million), 39 rue du Colisée (DWS, €137 million), Le Titien at 48-50 rue de la Victoire (ACM, €130 million), 34-36 rue du Louvre (SCBSM, €112 million) and 46 rue Notre-Dame-des-Victoires (Barings, €110 million). The other arrondissements of Paris, also meeting the criterion of centrality, were the 2nd most popular area for investors, with a volume of €676 million. In the 3rd quarter, the sector was boosted by the acquisition of Axe France in the 13th arrondissement (BPCE, €136 million).

After a recovery in 2025 (€457 million), La Défense remains behind with €231 million invested via only 2 transactions, the largest of which was the acquisition by Icade of 49% of the Eqho tower for €191 million. The Western Crescent, with subdued rental activity, totalled only €114 million, its lowest level of the decade.

The results are more encouraging for the peripheral sectors. In the Inner Rim, the volume for the first 9 months of the year reached €191 million, its best level since 2023, driven by the acquisition of "Magnetik" in Montrouge (€130 million). For the Outer Rim, the investment volume stood at €289 million, compared to only €6 million a year earlier, thanks to the acquisition of 49% of the Thales campus in Vélizy (€246 million). However, the levels of these two sectors remain below their respective ten-year averages over the period (€1.1 billion and €364 million).

Sectors breakdown of office investment volumes as of the end of September 2026
In Ile-de-France

1	Paris CBD	1,984 M€
2	Rest of Paris	676 M€
3	La Défense	231 M€
4	Western Crescent	114 M€
5	Inner Rim	191 M€
6	Outer Rim	289 M€



Source: Knight Frank

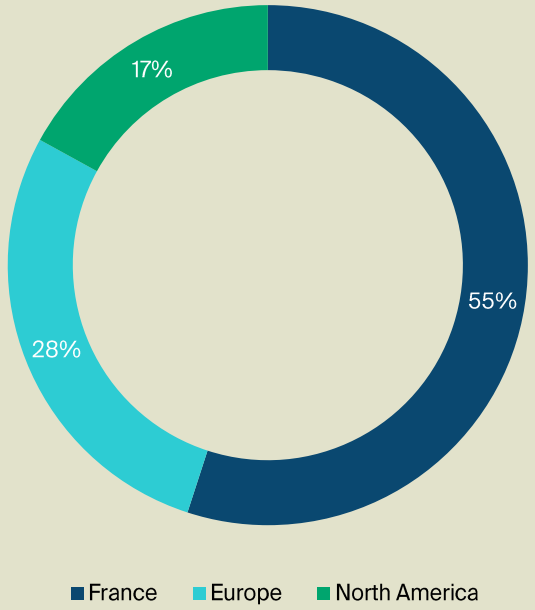
French investors still lead the market, foreign investors at a record high

French investors continued to dominate the office market, accounting for 55% of volumes invested by the end of September 2026. They closed five deals of more than €100 million, including Icade's acquisition of a 49% stake in the Eqho Tower in La Défense (€191 million) and, last quarter, BPCE's acquisition of Axe France (€136 million).

Foreign investors thus account for a record 45% of volumes. Europeans (28%) were the most active, driven by Pontegadea, Amancio Ortega's family office, which acquired Capital 8 from Invesco for more than €800 million. They are followed by North American investors, operating through investment funds, whose 17% market share is the highest in 10 years.

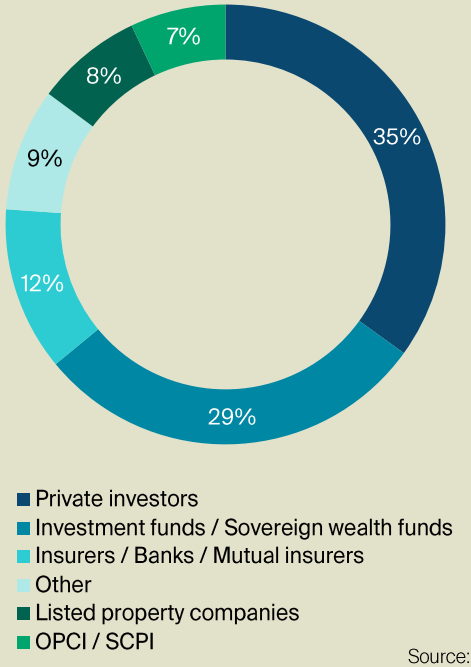
On the back of Capital 8, private investors have become the leading buyer profile in offices, with a record 35% share (vs. a 10-year average of 9%). Investment funds follow with 29% of volumes, in line with their 10-year average (27%). Conversely, despite a gradual recovery in inflows since 2025, the share of OPCIs/SCPIs remains at a low (7% at end-September 2026 vs. a 10-year average of 27%). The same applies to banks and insurers, which accounted for only 12% of office investment, compared with an average of 19% over 2016-2025. Traditionally active in the core segment, they remain on the sidelines as buyers and sellers still fail to agree on pricing, with their risk premium squeezed further last quarter by rising bond yields (10-year OAT at 4.90% at end-September).

Office investment volumes by buyer nationality
France, end of September 2026, % of total volume



Source: Knight Frank

Office investment volumes by type of buyer
France, end of September 2026, % of total volume



Source: Knight Frank

Prime office yields: Further outward shift

In the third quarter, the rise in the 10-year OAT accelerated amid geopolitical and energy tensions and uncertainty over France's fiscal trajectory, reaching 4.90% at end-September, up from 3.59% at end-June. This sharp increase mechanically squeezes the real estate risk premium, which has disappeared or even turned negative for offices. Against this backdrop, prime office yields continued to move out over the quarter, without making it any easier for sellers and buyers to agree on pricing.

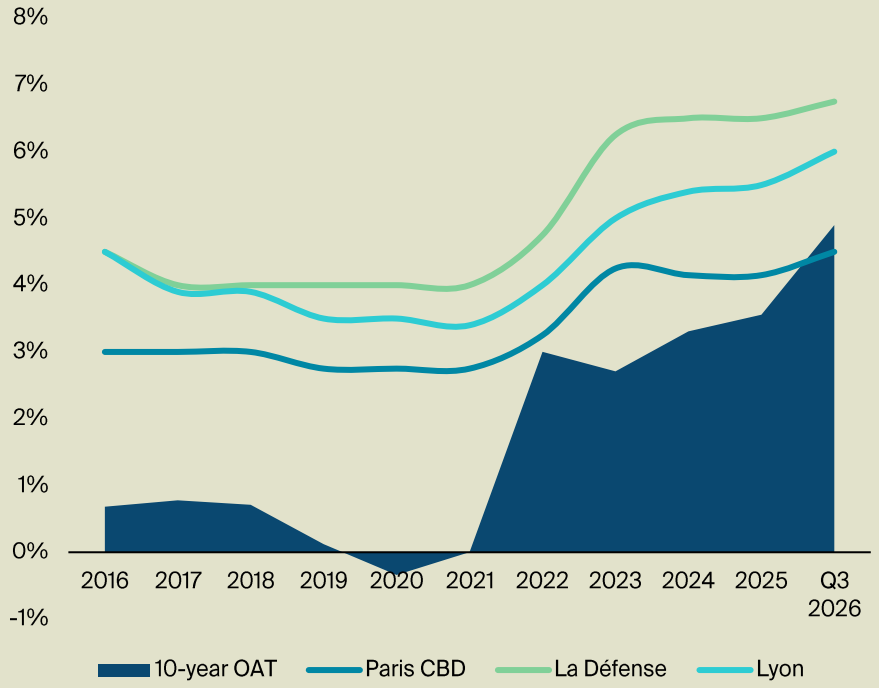
In the CBD, the prime yield has moved out by 25 basis points to 4.50%. With the 10-year OAT at 4.90% and inflation persisting, a new, secure building with a solid tenant profile and indexed rents, and therefore protected against inflation, may ultimately prove a more attractive investment than a bond.

In La Défense, the "theoretical" prime yield reached 6.75%, 15 basis points higher than in the previous quarter. In Lyon Part-Dieu, the outward shift was more pronounced (+40 basis points), with the prime yield now at 6.00%.

	Year-on-year change	10-year change
Paris CBD	▲ +35 bps	▲ +150 bps
La Défense	▲ +25 bps	▲ +200 bps
Lyon	▲ +50 bps	▲ +100 bps

Source: Knight Frank

Prime office yields in France
In %, end of period



Source: Knight Frank

Top office asset transactions in the last 12 months

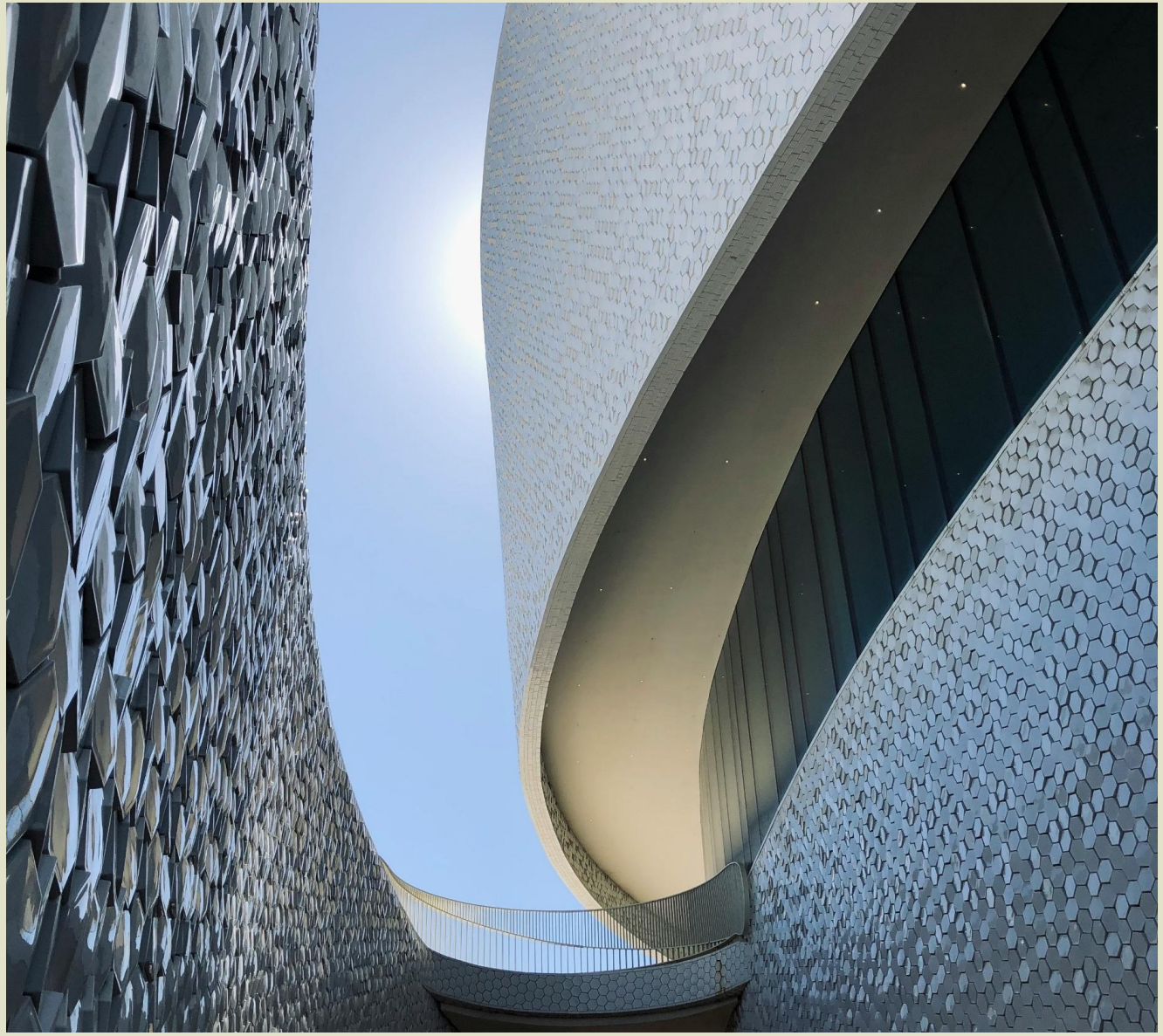
Address / Assets	City	Seller	Buyer	Pricing
Capital 8	**Paris 8th**	**INVESCO REAL ESTATE**	**PONTEGADEA**	
Paris Trocadero Business Center	Paris 16th	UNION INVESTMENT	BLACKSTONE	
49% of the Thales Campus in Vélizy	Vélizy-Villacoublay (78)	COVIVIO	BLUE OWL CAPITAL	
83-85 Marceau Avenue	Paris 16th	SFL	HINES	
Austerlitz II	Paris 13th	BNP PARIBAS REIM	AERMONT CAPITAL	
Eqho Tower (49%)	**Courbevoie (92)**	**NH INVESTMENT & SECURITIES / KB KOOKMIN BANK**	**ICADE**	
Insight	Paris 13th	DWS	AERMONT CAPITAL	
39 rue du Colisée	Paris 8th	BNP PARIBAS AM	DWS	
Axe France	**Paris 13th**	**CNP ASSURANCES / OFI INVEST**	**BPCE**	
Bloom	Paris 12th	PRAEMIA REIM	GECINA	

In bold: Q3 2026 transaction

100-200 M€ 200-500 M€ >500 M€

Source: Knight Frank

04. Retail



Key figures of the retail investment market

	Investment volumes			Number of transactions		
	Q1-Q3 2025	Q1-Q3 2026	Change	Q1-Q3 2025	Q1-Q3 2026	Change
Total	€2.4 billion	€2.8 billion	*+14 %*	119	148	*+24 %*
Île-de-France**	€1.7 billion	€1.7 billion	*+3 %*	43	51	*+19 %*
Regions**	€0.8 billion	€1 billion	*+39 %*	76	97	*+28 %*
Portfolios (%)	48 %	16 %	*-32 points*	18 %	11 %	*-7 points*
Foreign investors (%)	11 %	41 %	*+30 points*	3 %	7 %	*+4 points*
€>100 million (%)*	57 %	52 %	*-5 points*	4	5	*+25 %*

**number of transactions in absolute terms* ***Single assets excluding nationwide portfolios*

PRIME YIELDS

	Q3 2026	Year-on-year change	10-year change
High street	5,00 %	▲ +75 bps	▲ +225 bps
Shopping centres	6,25 %	▲ +25 bps	▲ +250 bps
Retail parks	6,00 %	▼ -25 bps	▲ +125 bps

Source: Knight Frank

Retail investment up, driven by major deals in Paris

At the end of September 2026, the volume of retail investment in France reached €2.8 billion, up 14% year-on-year and 5% compared to the ten-year average for the first nine months of the year.

Following the same trend as last year, high-street retail investment (€1.5 billion, +48% vs. 10-year average), driven by large single-asset deals on prime Paris pitches, allows this asset class to move forward despite headwinds. Investors favour the best pitches, where vacancy is reduced and the potential for rent growth is proven.

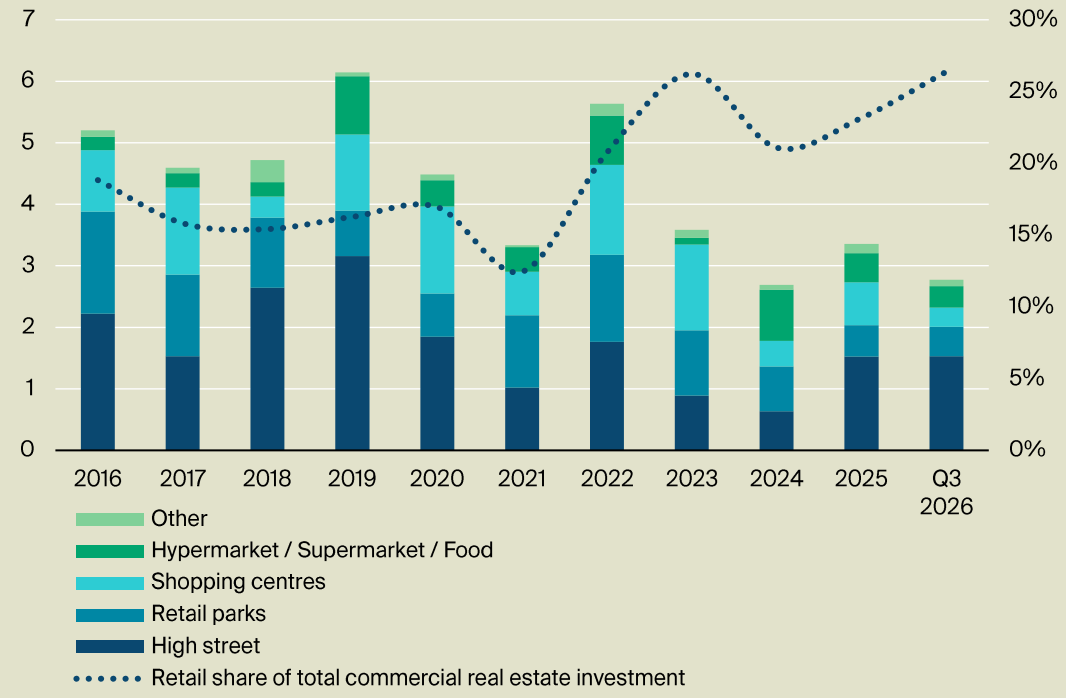
In addition to the major transactions of the first half (29-33 Champs-Elysées, forward purchase (VEFA) by Black Swan Real Estate Capital from Icade for €402 million; 91 Champs-Elysées by Foncière Renaissance and Mimco for €320 million; BHV Marais by Brookfield AM for €300 million) was added, in the 3rd quarter, the sale of 49 avenue Montaigne (Aroxys, €57.5 million). These trophy assets continue to attract large ticket sizes, regardless of market conditions.

Shopping centres (€311 million) remain at half their ten-year average, with smaller-scale deals such as the Grand Quetigny shopping centre acquired by Carmila from HIH (€45 million) during the 3rd quarter. Changing consumer expectations keep the segment in constant reinvention, requiring specialist asset management and appealing to a limited pool of investors.

Food retail, by contrast, is experiencing positive momentum, and is targeted by investors for its defensive nature in times of crisis. It totalled €349 million at the end of September, a volume up 41% year-on-year and 21% compared to the ten-year average. The market was particularly boosted by the recent transaction involving the sale of a portfolio of Carrefour assets to the Singaporean fund GIC, in a sale-and-leaseback deal, for an amount of more than €200 million.

Meanwhile, the retail park market remains undersupplied despite sustained demand from international investors, with virtually no new development. At the end of September, €482 million had been invested in France (-20% vs. 10-year average).

Retail investment volumes in France
In € billion and %



Source: Knight Frank

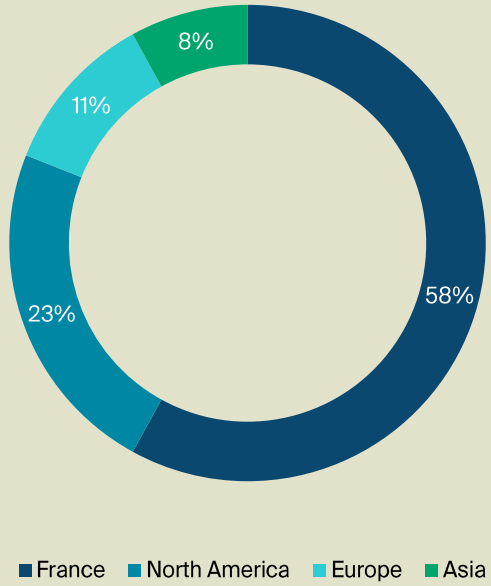
Substantial foreign capital, and a record for investment funds

Foreign investors were particularly active in the retail investment market in the first 9 months of the year: they accounted for 42% of the volumes invested, compared to 14% in 2025 and 30% on average over 10 years.

The largest foreign transactions remain that of 29-33 avenue des Champs-Elysées (€402 million), acquired by Black Swan Real Estate Capital on behalf of the American Bain Capital and the British Revcap, and that of BHV Marais acquired by the Canadian Brookfield AM (€300 million). In the 3rd quarter, the Singaporean GIC positioned itself on a portfolio of Carrefour sites (more than €200 million). The Pont-de-Pierre retail park in Garges-lès-Gonesse can also be mentioned: it was acquired by the Dutch Redevco for €57.5 million. Among foreign investors, North Americans remain the most active, with 23% of the total market.

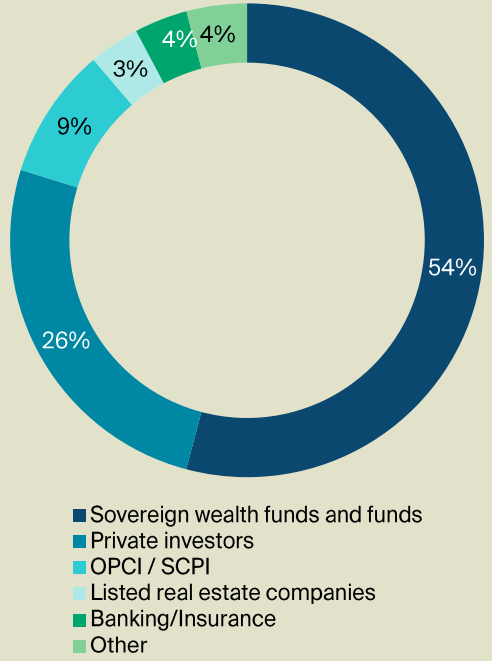
By buyer type, investment funds reached a record share, accounting for 46% of the volumes invested in the first 9 months of the year (vs. 31% on average), to which are added 8% for sovereign wealth funds represented by the Singaporean GIC. An all-time high was also reached by private investors (26%), involved in the acquisition of 91 avenue des Champs-Elysées (€320 million) and the Aushopping Amiens Sud shopping centre (€70 million).

Breakdown of retail investment volumes by buyer origin
At the end of September 2026



Source: Knight Frank

Breakdown of retail investment volumes by buyer type
At the end of September 2026



Source: Knight Frank

High street and shopping centre yields soften, retail parks stable

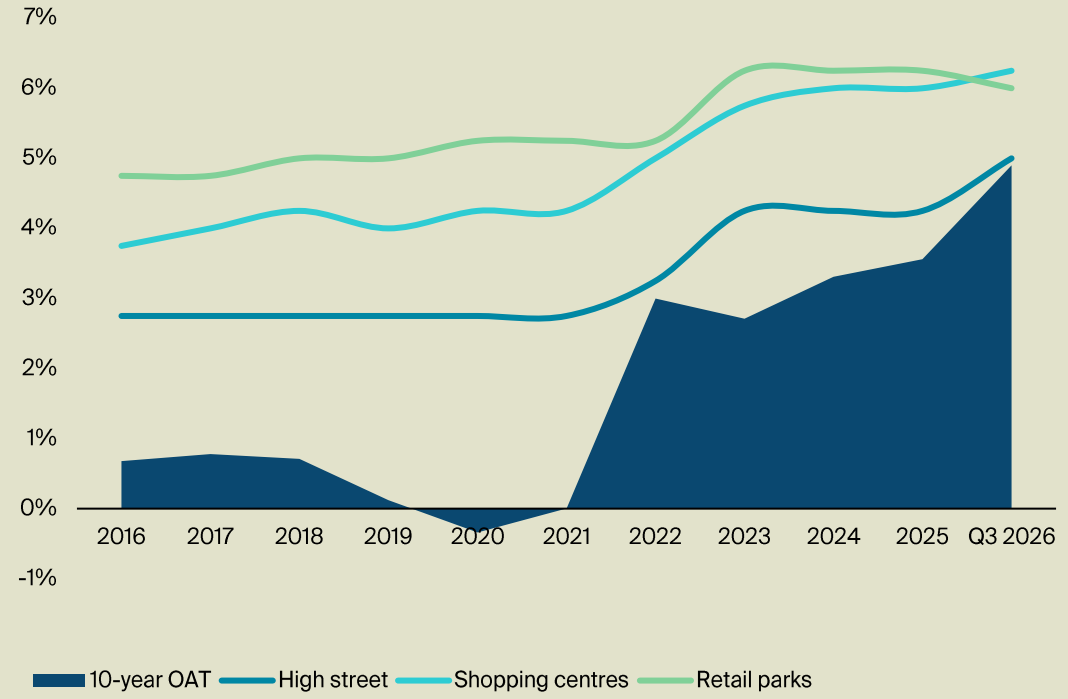
In a geopolitical context that remains tense, the 10-year OAT continues to rise (4.90% at the end of September) and squeezes the real estate risk premium. The prime high-street yield (excluding Paris luxury pitches) now stands at 5.00%, up 50 basis points compared to the previous quarter.

In the absence of core benchmark deals and in a sluggish market, the prime shopping centre yield has softened by 25 basis points to 6.25%.

In retail parks, by contrast, a market that is still undersupplied in the face of sustained investor demand, competition for scarce assets kept the prime yield at 6.00% at the end of September, stable over the quarter but compressed by 25 basis points year-on-year.

	Year-on-year change	10-year change
High street	▲ +75 bps	▲ +225 bps
Shopping centres	▲ +25 bps	▲ +250 bps
Retail parks	▼ -25 bps	▲ +125 bps

Prime retail yields in France
In %, end of period



Source: Knight Frank

Main retail investment deals over the last 12 months

ADDRESS / ASSET	TYPE	LOCATION	SELLER	BUYER	PRICE (M€)
29-33 avenue des Champs-Elysées	HS	Paris 8th	ICADE	BLACK SWAN REAL ESTATE CAPITAL	
91 avenue des Champs-Elysées	HS	Paris 8th	ACOSS	FONCIERE RENAISSANCE / MIMCO	
BHV – 52 rue de Rivoli	SC	Paris 4th	CITYNOVE	BROOKFIELD ASSET MANAGEMENT	
Carrefour portfolio	**HYP/SUP**	**France**	**CARREFOUR**	**GIC**	
Fashion Center	**Other**	**Aubervilliers**	**PRIVATE INVESTORS**	**WENOVA AM**	
223 rue Saint-Honoré	HS	Paris 1st	HINES	PONTEGADEA	
Carrefour portfolio	HYP/SUP	France	CARREFOUR	SUPERMARKET INCOME REIT	
88 rue de Rivoli	HS	Paris 4th	PIMCO	DASSAULT REAL ESTATE	
49% of an OPPCI (3 assets)	RP	Region	FREY	BNP PARIBAS CARDIF / SOCIETE GENERALE ASSURANCES / CRÉDIT AGRICOLE ASSURANCES	
30% of Valentine shopping centre	SC	Marseille	PRIVATE	SERRIS REIM / SOGENIAL	

€50-100 million €100-200 million €200-500 million

In bold: Q3 2026 transaction

SC: Shopping centre; HYP/SUP: Hypermarket/Supermarket/Food; HS: High street; RP: Retail park

Source: Knight Frank

05. Industrial & logistics



Key figures of the industrial & logistics investment market

	Investment volumes			Number of transactions		
	Q1-Q3 2025	Q1-Q3 2026	Change	Q1-Q3 2025	Q1-Q3 2026	Change
Total	€2.4 billion	€3.6 billion	*+52 %*	117	119	*+2 %*
Logistics	€1.8 billion	€1 billion	*-45 %*	61	58	*-5 %*
Light industrial	€0.6 billion	€2.6 billion	*+365 %*	56	61	*+9 %*
Île-de-France**	€0.5 billion	€0.3 billion	*-28 %*	24	35	*+46 %*
Regions**	€1.7 billion	€0.8 billion	*-52 %*	93	84	*-10 %*
Portfolios (%)	32 %	68 %	*+36 points*	14 %	4 %	*-10 points*
Foreign investors (%)	73 %	84 %	*+11 points*	50 %	29 %	*-21 points*
€>100 million (%)*	22 %	67 %	*+45 points*	4	2	*-50 %*

number of transactions in absolute terms* * Single assets excluding nationwide portfolios*

PRIME YIELDS

	Q3 2026	Year-on-year change	10-year change
Logistics	5,15 %	▲ +40 bps	▼ -35 bps
Light industrial	6,10 %	▲ +35 bps	▼ -65 bps

Source: Knight Frank

An industrial market "boosted" by the Blackstone/Proudreed deal, logistics showing signs of recovery

Thanks to Blackstone's €2.3 billion mega-acquisition of Proudreed's industrial assets in Q2, the volume of investment in logistics and light industrial assets reached €3.6 billion at the end of September in France, up 52% compared to the same period a year ago.

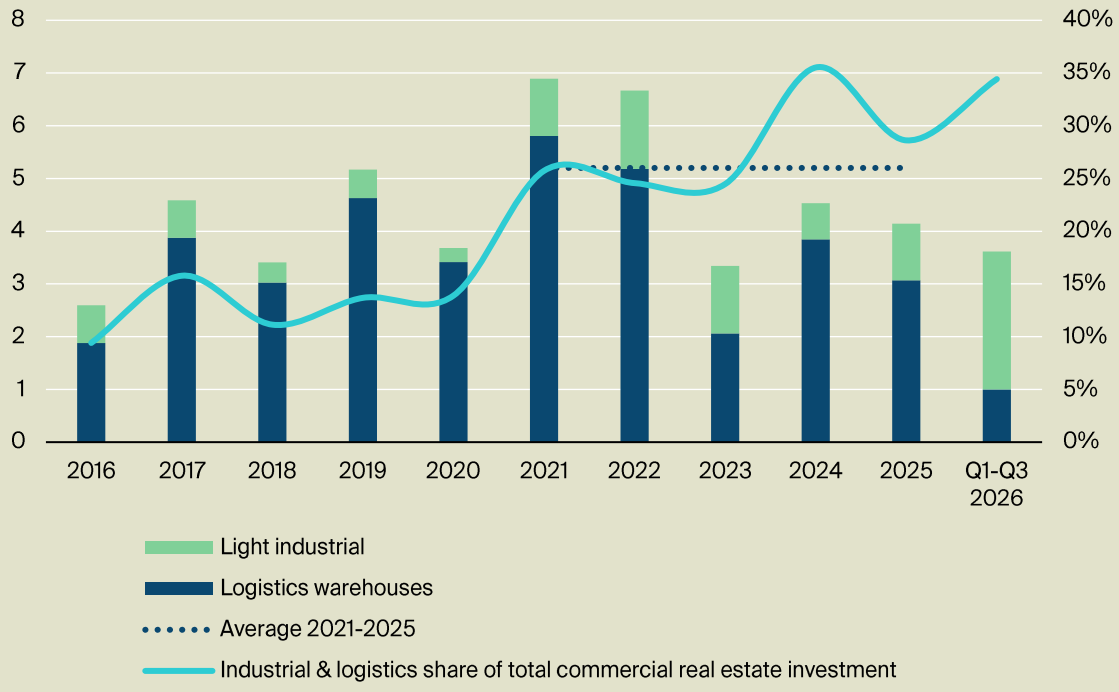
Excluding this exceptional deal, volumes would have reached only €1.3 billion, the lowest level in the last 10 years. During the 3rd quarter, only €513 million was invested, a volume down 31% in one year and 48% compared to the ten-year average over the period.

The major global investment funds are ready to deploy significant capital on exceptional opportunities, due to the fundamental attractiveness of the French logistics and industrial market. For international investors (84% of volumes, including a record 74% for North Americans), France offers a dense and high-quality transport network, essential for logistics operators, large consumer catchment areas and an attractive risk/return profile.

As a "core" market, France offers higher yields than its neighbours (Germany, the Netherlands, the United Kingdom). Despite a constraining financial context, the industrial segment remains high on international investors' target list in their asset allocation strategies.

While Proudreed's portfolio, mainly composed of light industrial assets, has brought this segment to a record level (€2.6 billion), investment in logistics warehouses remains subdued. At €998 million at the end of September, the volume of investment in logistics fell by 45% year-on-year and by 57% compared to the ten-year average, and is the lowest level reached in 10 years. However, the 3rd quarter sent a positive signal as the most active quarter of 2026, and by recording the first significant transaction of the year: Morgan Stanley's acquisition from Hines of the Asphalte portfolio (5 warehouses) for €110 million. The 2nd largest transaction of the year also materialized in the 3rd quarter, with the sale by ESR to Clarion Partners of the Som'link logistics warehouse (116,800 m²) near Amiens. Persistent pricing disagreements between buyers and sellers nevertheless continues to slow down the sale of large logistics portfolios, traditionally a mainstay of this market.

Industrial & logistics investment volumes in France
In € billion and %



Source: Knight Frank

A record share for foreign investment funds, French investors hold steady

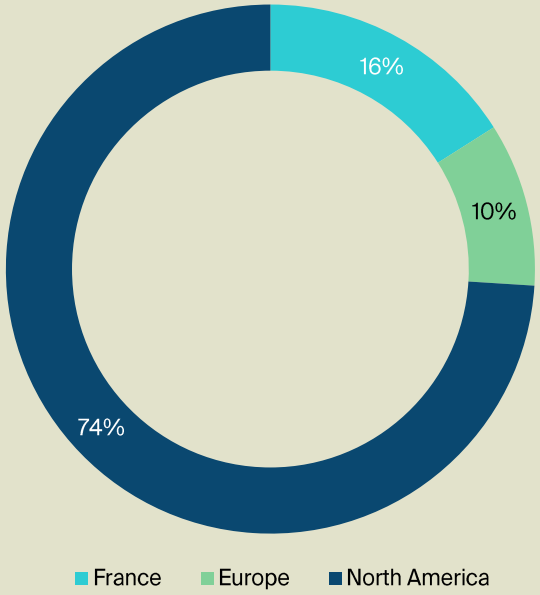
The industrial real estate investment market has historically been driven by foreign players, and in particular investment funds. The latter often target France, as part of pan-European portfolio strategies aimed at building continent-wide networks.

At the end of September, North Americans dominated the market, with a record share of 74% of the volumes invested at the end of September, compared to 33% on average over the last 10 years. In addition to the exceptional deal on the Proudreed portfolio, acquired by Blackstone for €2.3 billion during the second quarter, Morgan Stanley acquired the Asphalte portfolio (€110 million) and Clarion Partners acquired the Som'link logistics warehouse (116,800 sq m) last quarter. Adding a 10% market share attributable to European investors, the overall share of foreign investors also reached a record 84%, compared to 70% on average over the ten years. The same is true for the distribution of capital by type of buyer, with investment funds accounting for 85% of the amounts invested, a record, compared to an average share of 57% over the period 2016-2025.

Although their market share is mechanically low (16%), French investors have maintained a fairly stable level of activity, with €577 million invested to date (-5% year-on-year). This volume, which is quite resilient, remains close to the ten-year Q1-Q3 average (€652 million). All their transactions were below €50 million, the largest being the acquisition by Groupama Gan REIM of a portfolio of seven parcel delivery hubs from Vectura (€48.5 million) at mid-year, ahead of the Ferrero warehouse in Barentin acquired by Argan (€35 million) at the beginning of the year.

Industrial & logistics investment volumes by buyer nationality

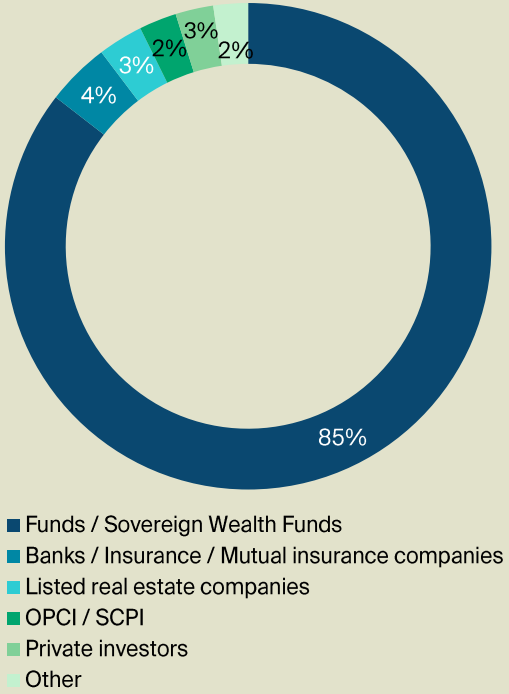
In France, at the end of September 2026, on the total volume in %



Source: Knight Frank

Industrial & logistics investment volumes by buyer type

In France, at the end of September 2026, on the total volume in %



Source: Knight Frank

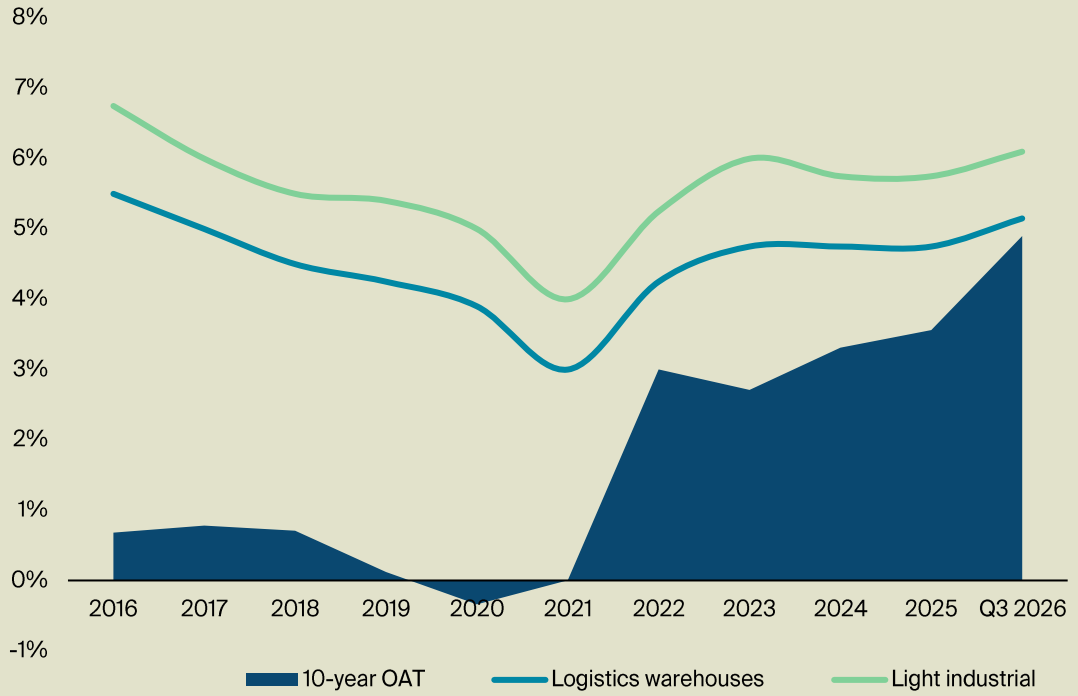
Prime logistics and light industrial yields soften further

After a further increase of 15 basis points in the 3rd quarter, the prime yield now stands at 5.15% at the end of September for logistics (+40 bps over a year), and 6.10% for light industrial (+35 bps).

This yield expansion is rebuilding a sufficient risk premium in the face of rising bond yields: at the end of September 2026, the 10-year OAT rate reached 4.90%. In a geopolitical and fiscal context that is still uncertain, this "risk-free" rate is expected to remain high in the coming months, raising fears that prime yields will continue to rise.

	Year-on-year change	10-year change
LOGISTICS	▲ +40 bps	▼ -35 bps
LIGHT INDUSTRIAL	▲ +35 bps	▼ -65 bps

Prime industrial & logistics yields in France
In %, end of period



Source: Knight Frank

Main transactions of industrial assets in the last 12 months

Address / Assets	Type	City	Seller	Buyer	Pricing
Proudreed Portfolio	I	National	PROUDREED	BLACKSTONE	
French assets in the Mileway portfolio	LOG	National	BLACKSTONE	M7 REAL ESTATE	
Logiprime portfolio of 5 warehouses	LOG	Regions	OFI INVEST	INTERVEST	
Asphalt Portfolio (5 assets)	**LOG**	**National**	**HINES**	**MORGAN STANLEY**	
Portfolio of 2 assets	LOG	Regions	ARES MANAGEMENT	FIDELITY INTERNATIONAL	
Som'link	**LOG**	**Amiens (80)**	**ESR**	**CLARION PARTNERS**	
Portfolio of 9 assets	I	National	AXTOM	HERBERT / DEA CAPITAL	
Mauvin Business Park	I	Aubervilliers (93)	ICADE	SOGARIS	
Seafrigo platform	LOG	Le Havre (76)	AG REAL ESTATE	WDP	
Vendenheim logistics zone	LOG	Vendenheim (67)	LCR	ARGAN	

In bold: Q3 2026 transaction

LOG: Logistics warehouse; I: Light industrial

50-100M€ 100-200M€ 200-500M€ > €500M

Source: Knight Frank

The Knight Frank **Research department**

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The data used for this study comes from sources widely recognised for their accuracy, as well as from Knight Frank property market monitoring tools.

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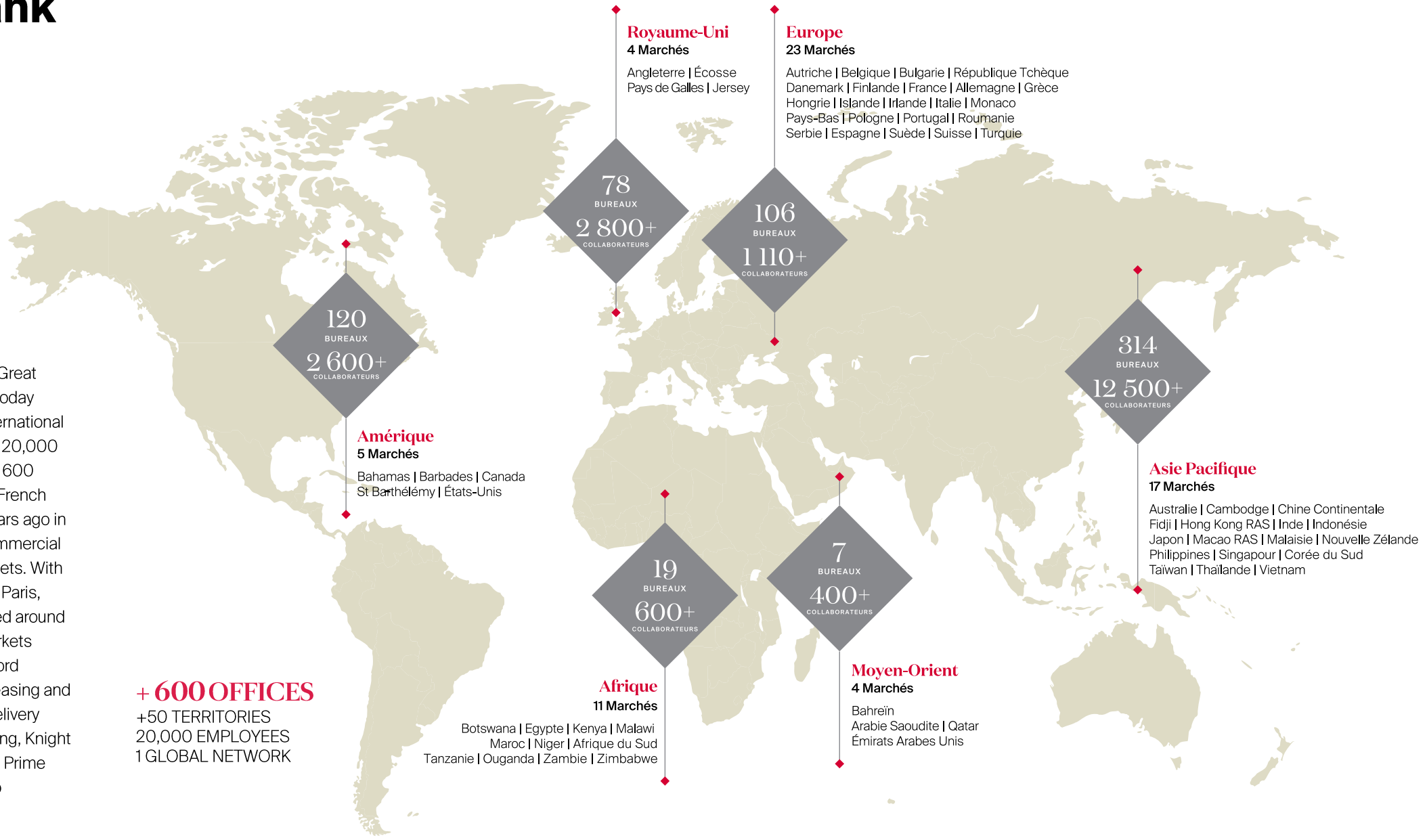
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