

1ST HALF 2025

NEWMARK

The **investment** market

FRANCE | OFFICES, RETAIL, INDUSTRIAL



Contents

01	Summary	P.03
02	Key figures	P.04
03	Investment volumes	P.05
04	Players	P.17
05	Yields	P.21
06	Outlook	P.24

Summary

Observations from the 1st half of 2025



2.3 billion euros

were invested in the French market in the 2nd quarter of 2025. €5.5 billion has been invested since the beginning of the year, representing a **15% increase year-on-year**.



2 billion euros

were invested in the French office market in the 1st half of 2025 (**+11%** compared to the same period in 2024). The Greater Paris Region accounts for most of the activity, whilst regional markets are sluggish (~€250 million invested in the 1st half of 2025).



The Greater Paris Region accounts for

64% of investment volume

in France in the 1st half of 2025 (compared with 48% in 2024). This high proportion is attributable to the **completion of large-scale acquisitions of office space** (80% of Trinity) and retail space (Kering/Ardian joint venture, 15% of Forum des Halles).



The total amount invested in retail properties is

1.8 billion euros,

a high proportion of **32%** due to **large-scale transactions** (Kering/Ardian joint venture, etc.). Activity in the industrial market remained stable (**€1.6 billion** committed, up 2% year-on-year).



All asset classes included

11 deals
≥ 100 million euros

were recorded in France in the 1st half of 2025. These accounted for 47% of investments made during the period.



Foreigners account for a significant share of investment in France, with nearly

2.2 billion euros

committed in the 1st half of 2025, representing **41%** of the total volume (compared with 44% for the whole of 2024).

Key figures

	H1 2025	H1 2024	Change
Investment volume, all asset classes	€5.5 bn	€4.8 bn	▲
Total number of transactions	204	310	▼
Number of transactions ≥ €100 million	11	10	▲
Share of transactions ≥ €100 million	47%	33%	▲
Share of investment volume in the GPR*	64%	46%	▲
Share of investment volume in offices	37%	38%	▼
Share of investment volume in industrial	31%	33%	▼
Share of investment volume in retail	32%	29%	▲
Share of foreign investors	41%	44%	▼
Share of portfolios	32%	24%	▲
Prime office yield	4.00%	4.25%	▼
Prime retail yield	4.00%	4.25%	▼
Prime industrial yield	4.75%	4.75%	▶

Source: Newmark / *GPR : Greater Paris Region



Investment volumes

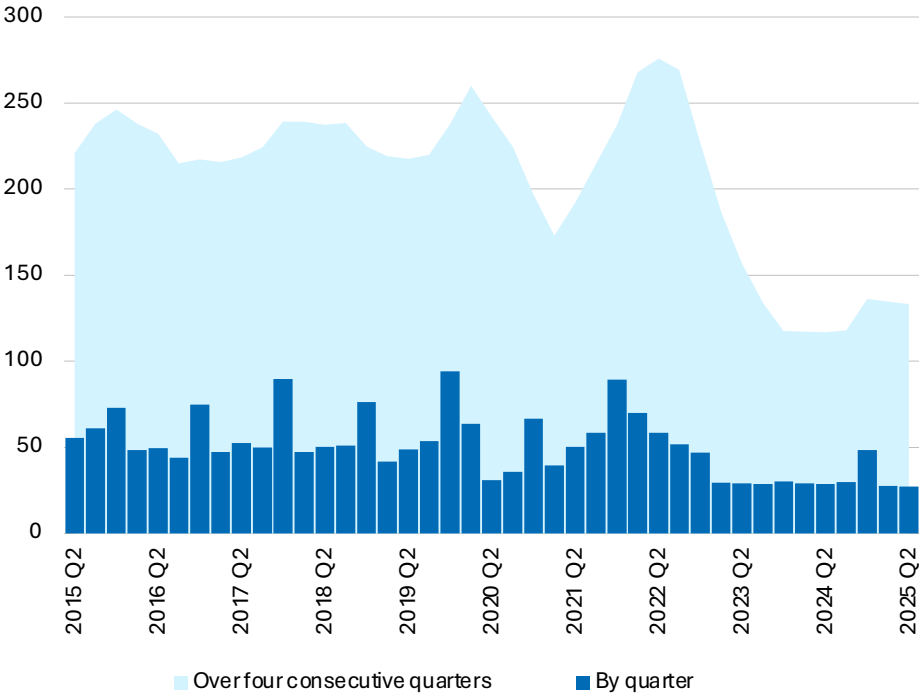


International context

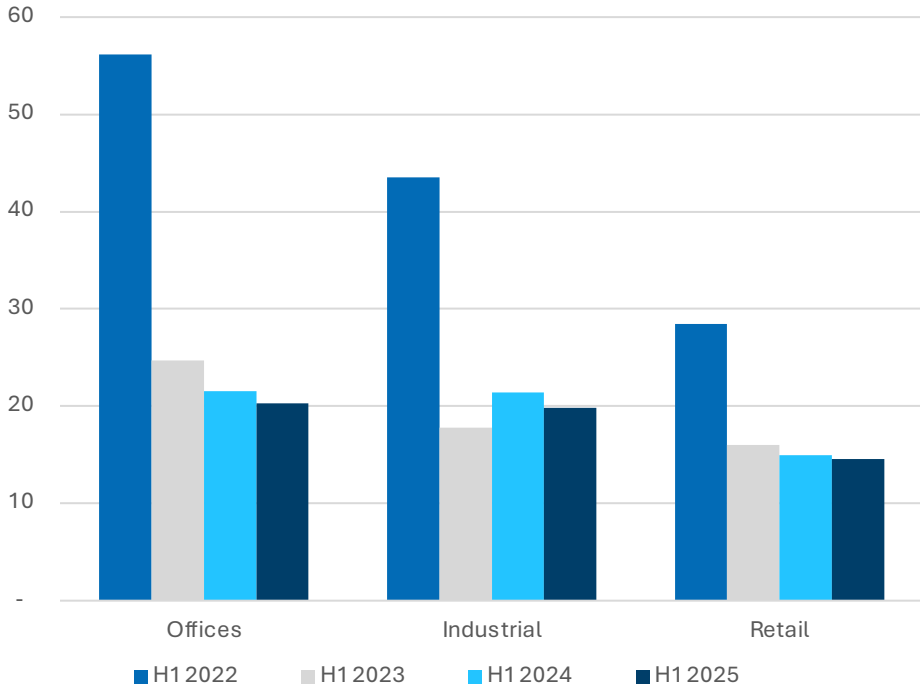
Almost €27 billion was invested in the European commercial real estate investment market in the 2nd quarter of 2025. For the 1st half of 2025, investment volume totaled €55 billion, representing a slight decrease of 7% year-on-year. The trend towards market rebalancing is continuing, with a more even distribution across the different asset classes. With just over €20 billion committed in the 1st half of 2025, representing 37% of the total volume, offices are

slightly ahead of industrial premises. Although the share of retail properties is lower (27%), this asset class is the only one to maintain a stable volume of activity from one year to the next, whilst volumes invested in the office and industrial markets fell by 6% and 7% respectively.

Investment volumes in Europe, all products* in € bn



Investment volumes in Europe by asset type, in € bn



Source: RCA / *Commercial real estate (offices, retail, industrial).

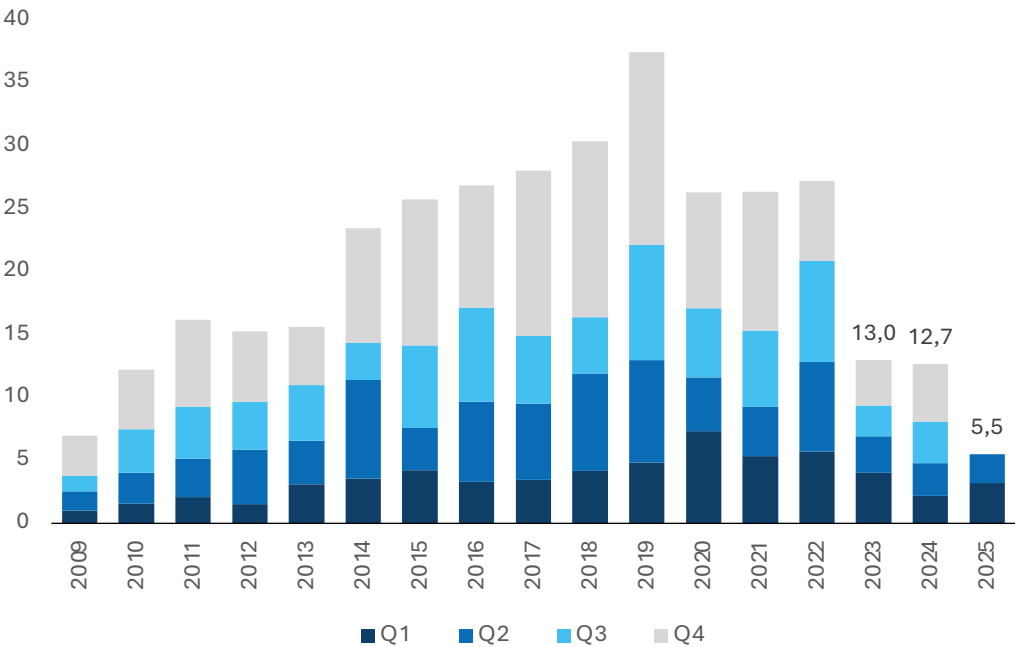
A limited increase that must be put into perspective

Following €3.2 billion invested in France in the 1st quarter of 2025, €2.3 billion was invested in the 2nd quarter. This brings the total amount invested in the 1st half of 2025 to €5.5 billion, up 15% year-on-year.

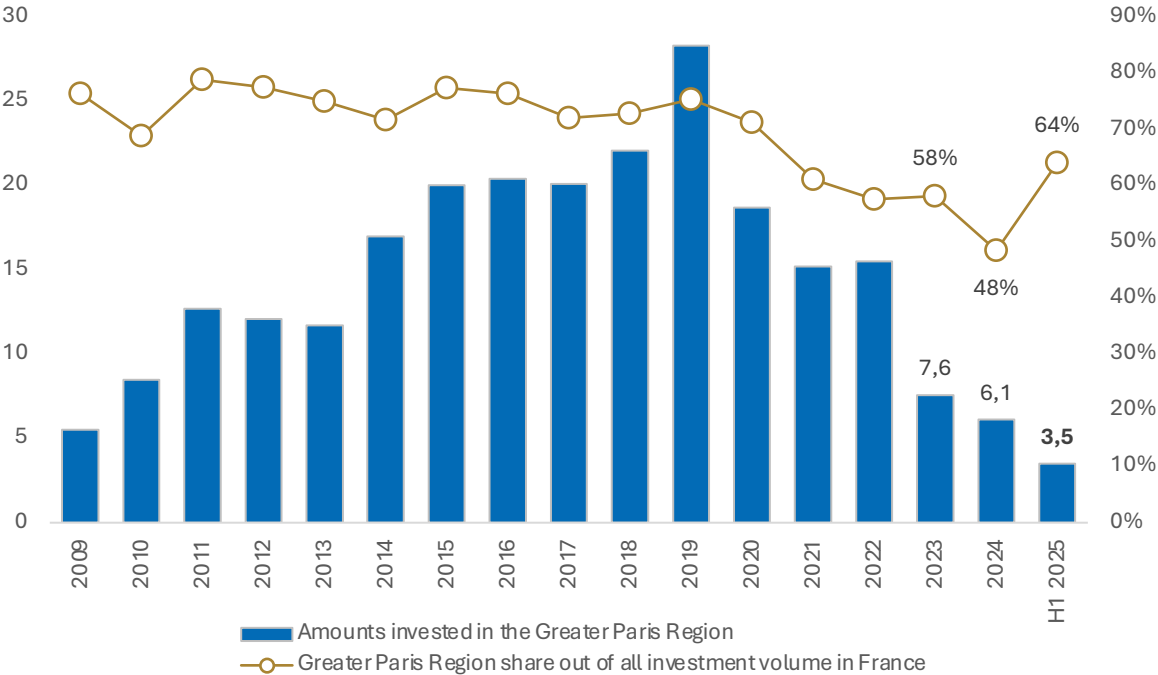
This result needs to be put into perspective, however, as the total number of transactions fell sharply (204 compared with 310 in the 1st half of 2024) and a few very large acquisitions accounted for a significant share of the volume (JV Kering/Ardian, “Trinity” Tower, “Renaissance”, etc.).

These transactions, along with the reduced number of sales of large industrial portfolios, explain the high proportion of investments in the Greater Paris Region (64% of the amounts invested in France in the 1st half of 2025, compared with 46% in the 1st half of 2024).

Volumes invested in France per quarter, all products* in € bn



Investment volumes in the Greater Paris Region, all products* in € bn



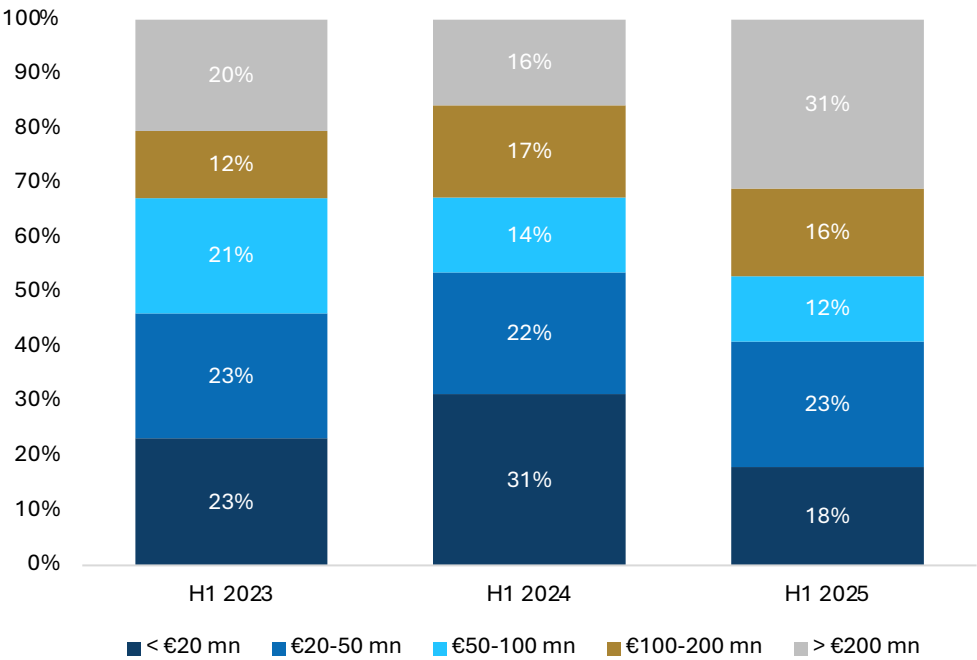
Sources: Newmark / RCA / *Commercial real estate (offices, retail, industrial).

Four transactions account for nearly one-third of investment volumes

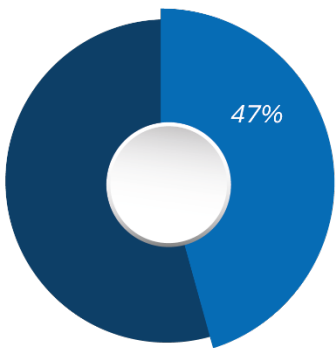
Across all asset classes, 11 transactions exceeding €100 million were recorded in France in the 1st half of 2025 (compared with 10 in the 1st half of 2024), accounting for 47% of the total amount invested during the period. The four transactions above €200 alone account for one-third of

investments in France since January million (Kering/Ardian joint venture, “Trinity” Tower, “Forum des Halles”, “Renaissance”). The category of transactions between €20 million and €50 million remains buoyant, with more than 41 deals totaling €1.2 billion.

Investment volumes in France*, broken down by amount category

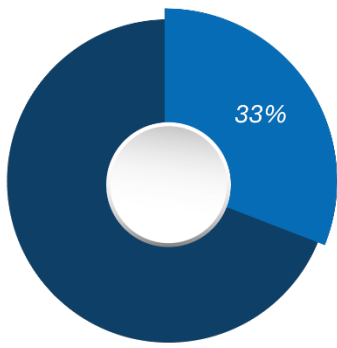


Share of total amounts invested in France



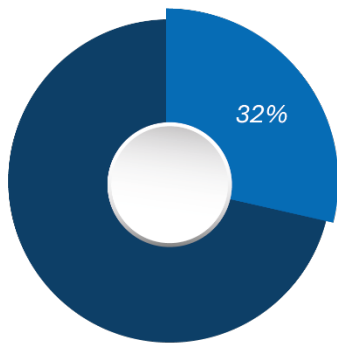
11

Transactions > €100 mn
In France as at H1 2025



10

Transactions > €100 mn
In France as at H1 2024



10

Transactions > €100 mn
In France as at H1 2023

Sources: Newmark / RCA / *Commercial real estate (offices, retail, industrial).

Significant transactions

2025 examples (Q1-Q3)

DOMINANT USE	BUILDING / ADDRESS	CITY	SELLER	BUYER	AREA SQ M	AMOUNT
Retail / Offices	JV Kering / Ardian*	Paris (75001, 75008)	Kering	Ardian (ACM / Mubadala)	12,136	●
Offices	Solstys 38-46 rue du Rocher	Paris (75008)	Deka	Gecina	32,200	●
Offices	Tour Trinity (80 %)	Courbevoie (92)	Unibail Rodamco Westfield	NBIM	49,000	●
Offices / Retail	Renaissance 26 bis-32 rue François 1 ^{er}	Paris (75008)	Ardian	ACOSS (URSSAF)	9,213	●
Retail	Forum des Halles (15%)	Paris (75001)	Unibail Rodamco Westfield	CDC	77,600	●
Logistics	Occident Portfolio (5 warehouses)	France	Blackstone	EQT Real Estate	148,000	●
Retail	Saint-Genis 2	Saint-Genis-Laval (69)	SCC-LSGI	Mercialys	38,500	●
Offices	280-282 boulevard Saint Germain	Paris (75007)	AEW (CNP Assurances)	Mindston Capital	8,696	●
Logistics	4 warehouses Portfolio	France	Columbia Threadneedle (PFA)	AEW (CDC)	83,000	●
Logistics	Sun Portfolio (3 warehouses)	France	DWS	Ares Management	115,000	●
Logistics	Pepsi platform	Dourges (62)	Delta 3	Tristan Capital P. / Edmond de Rothschild Reim	136,000	●
Retail / Offices	88 rue de Rivoli	Paris (75004)	Pimco	Immobilière Dassault	6,000	●
Offices	48 rue Notre Dame des Victoires	Paris (75002)	Pontegadea	Foncière Renaissance / Mimco	7,417	●
Offices	15 avenue de la Grande Armée	Paris (75016)	Generali	RedTree Capital	4,686	●
Logistics	Cross-dock warehouse	Colombier-Saugnieu (69)	ESQ MC Groupe	Prologis	25,313	●
Offices	CB21 (25 %)	Courbevoie (92)	CNP Assurances	Covivio	17,000	●
Retail	9 Carrefour Market Portfolio	France	Carrefour	Supermarket Income REIT	33,444	●
Retail	Dionysos Portfolio – shops in the Marais	Paris (75004)	6e Sens Immobilier	Groupama Gan Reim	2,056	●
Offices	187-189 quai de Valmy	Paris (75010)	Amundi	Kerria	3,546	●
Retail	Rue Bonaparte portfolio of shops	Paris (75006)	Praemia	Mata Capital	850	●

Source: Newmark / *Hôtel de Nocé, 35-37 Montaigne, 56 Montaigne.

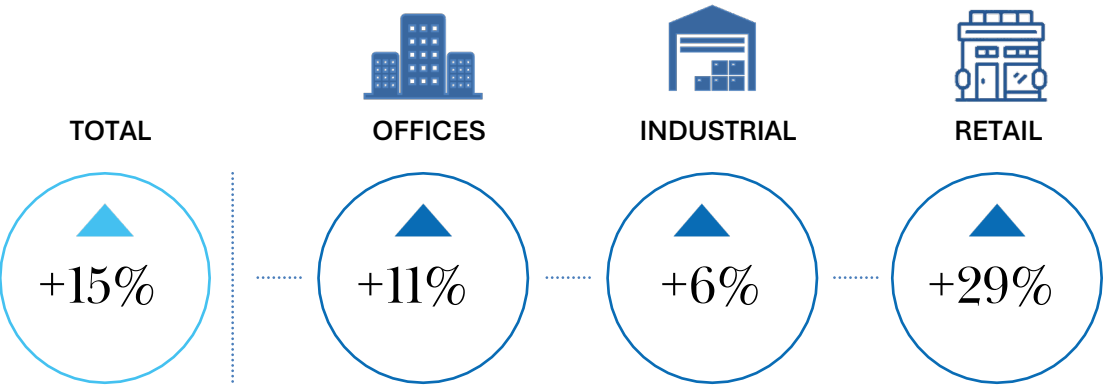
● >€200 mn ● €100 - 200 mn ● €50 – 100 mn ● <€50 mn

A relatively balanced split

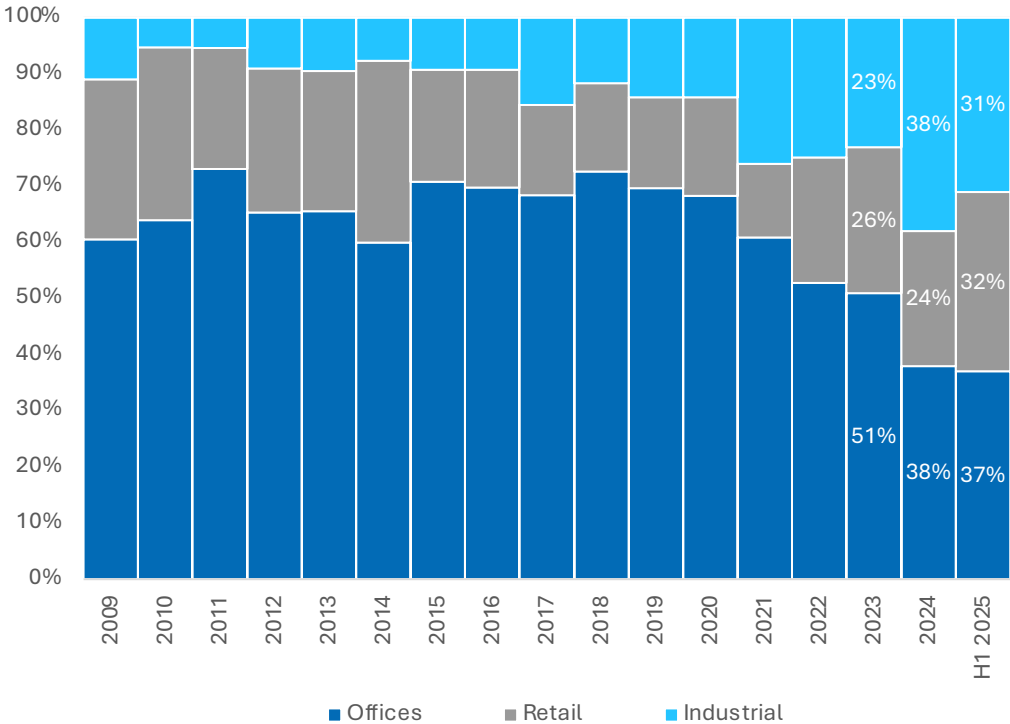
The breakdown of investment volumes in the 1st half of 2025 is relatively balanced. Retail properties account for 32% of investments in France, but their share has been inflated by a few large transactions (JV Kering/Ardian, “Forum des Halles,” “Renaissance”, “Saint Genis 2,” etc.), whilst the total number of transactions remains limited.

The industrial market performed slightly better, with €1.7 billion invested in the 1st half of 2025 (+6% year-on-year). Finally, offices are once again the dominant asset class, but their share remains well below the ten-year average (37% vs. 62%).

French investment volumes - Year-on-year change



French investment volumes, breakdown by asset class



Sources: Newmark / RCA / *Commercial real estate (offices, retail, industrial).

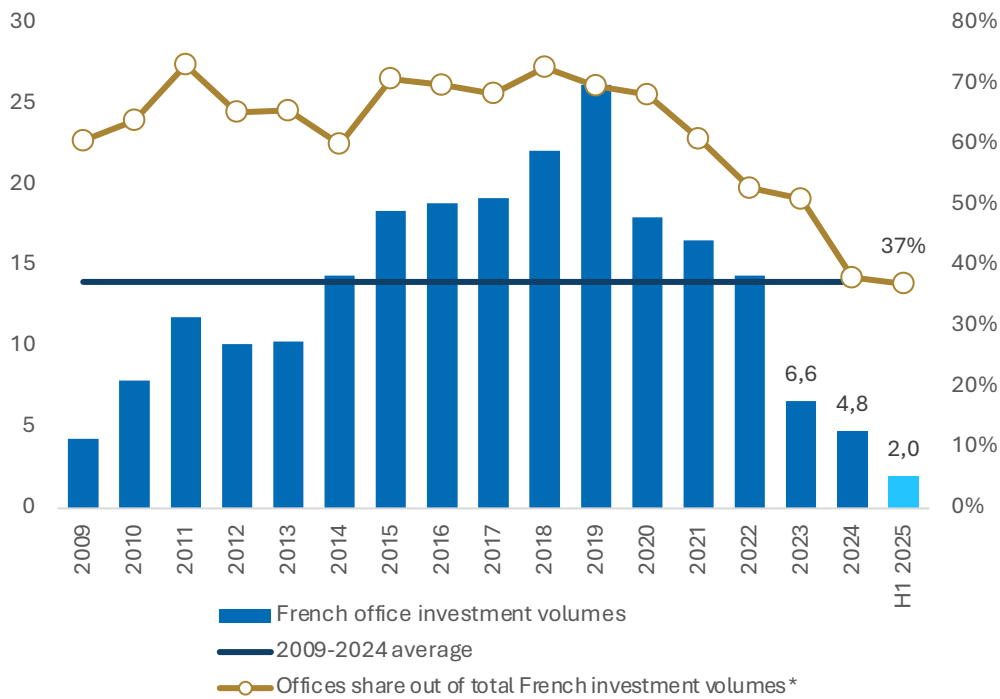
Offices: higher volumes but few transactions

€2 billion was invested in the French office market in the 1st half of 2025, representing an 11% increase year-on-year. However, four transactions > €100 million alone account for 37% of the total volume since January (80% of the “Trinity” Tower, “Renaissance”,

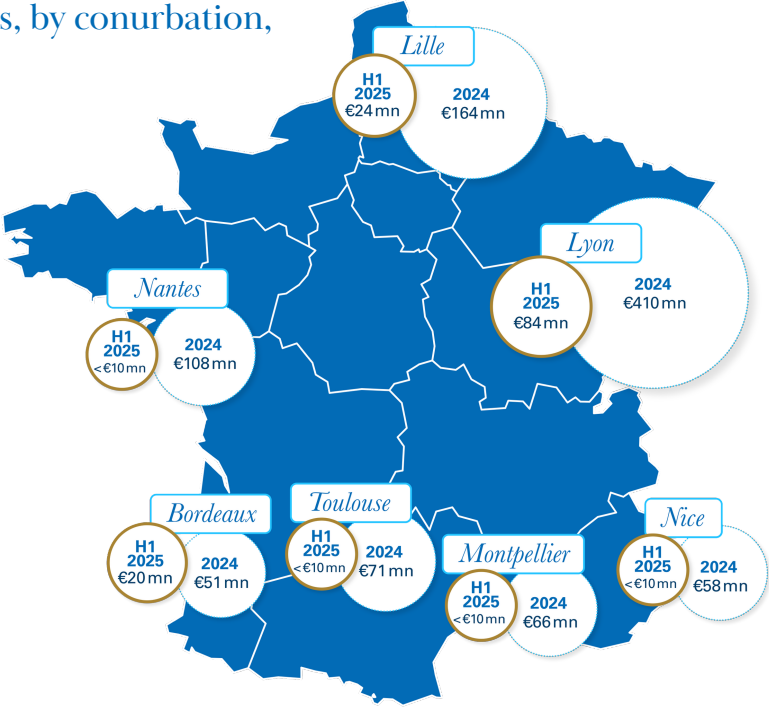
etc.). These transactions explain the high share of investments in the Greater Paris Region (88% of office investments in France, compared with 69% in 2024), which will increase further in the 2nd half of the year with the completion of other large-scale transactions

(such as “Solstys”, bought by Gecina). In the regions, the office market remains sluggish, particularly in Lyon, where less than €100 million was invested in the 1st half of 2025, compared with more than €400 million for the whole of 2024.

Office investment volumes in France, in € bn



Volumes invested in offices in the regions, by conurbation, in € mn



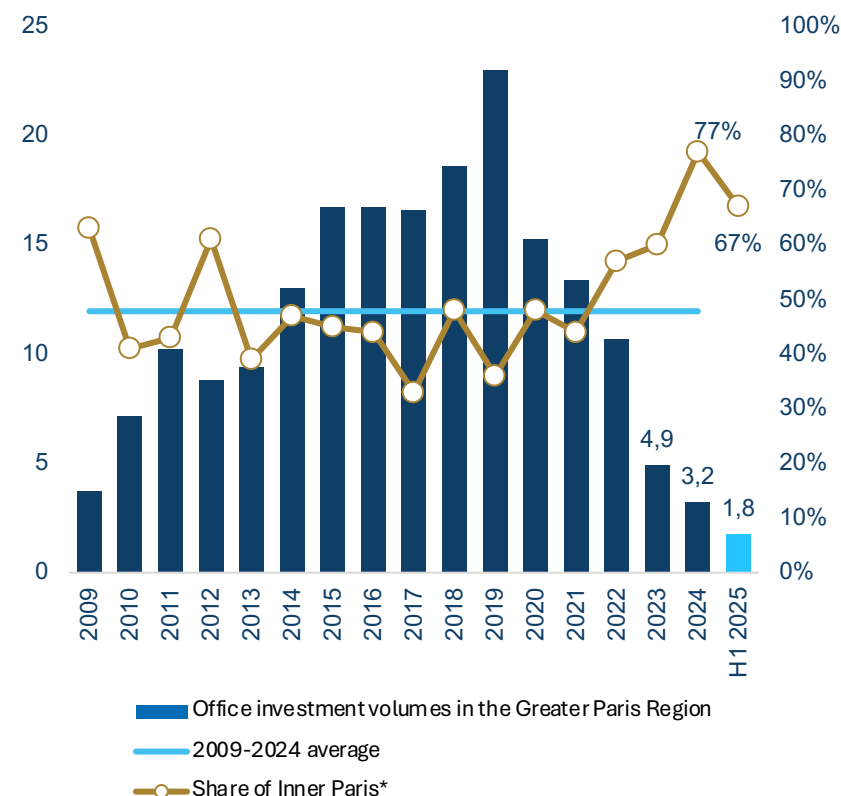
Sources: Newmark / RCA / *In the commercial real estate market (offices, retail, industrial).

Paris remains attractive, a landmark transaction in La Défense, sluggish everywhere else...

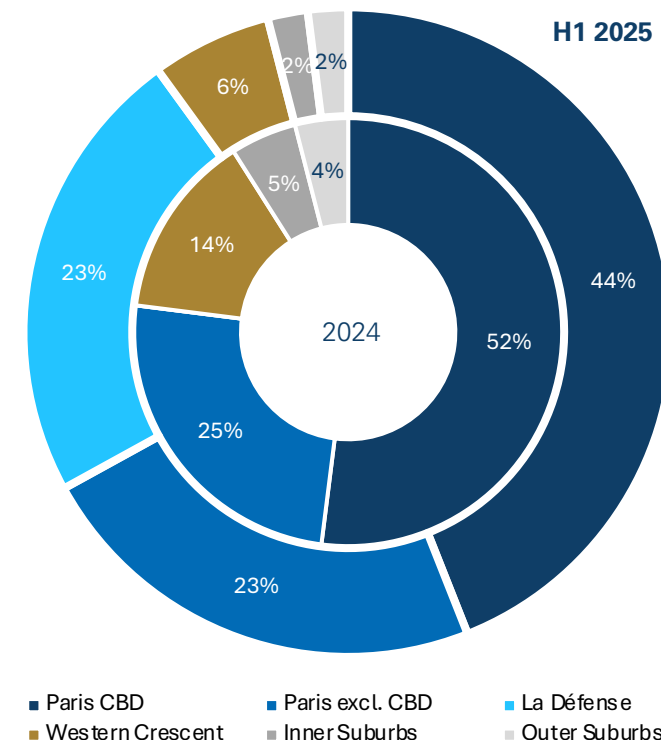
€1.8 billion was invested in the Paris office market in the 1st half of 2025, representing a 76% increase in one year. The beginning of the year was dominated by URW's sale of 80% of "Trinity" to NBIM, the first tower sold in La Défense since "Eria" in 2022.

This transaction explains the decrease in the share of Inner Paris in the volumes invested in the Greater Paris Region office market (67% compared to 77% in 2024). However, the capital continues to dominate activity thanks to several transactions in the CBD. Furthermore, Paris's share will increase in the second half of the year with the completion of a number of large transactions ("Paris Trocadéro", "Solstys", etc.).

Office investment volumes in the Greater Paris Region, in € bn



Office investment volumes in the Greater Paris Region, by geographic sector, as a %



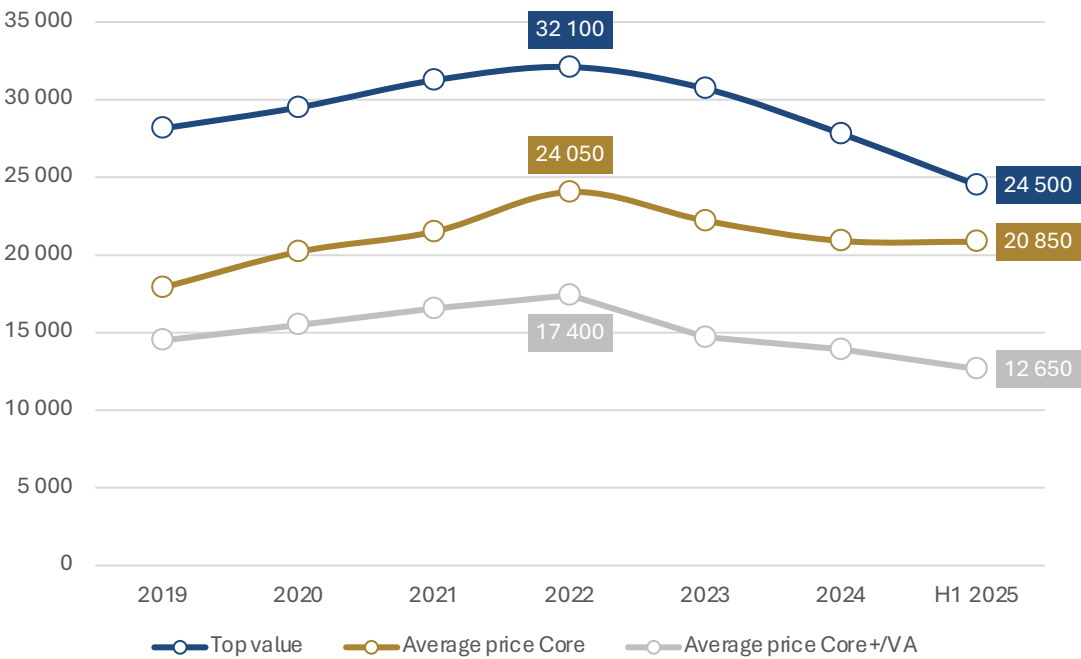
Sources: Newmark / Immostat / *On total office investment volumes in Greater Paris Region

Offices: very mixed price trends

Price adjustments began in 2022-2023 and are continuing in the various office sectors in the Greater Paris Region. In the 1st half of 2025, prices averaged €13,500/sq m in the CBD, a 33% decrease from the 2022 level (~€20,000/sq m). The correction is more pronounced in the Western Crescent and the Inner Suburbs,

where average prices reached €4,500/sq m and less than €2,000/sq m respectively. However, in these sub-markets, a significant portion of activity relates to conversion projects, and very few or no core assets are being sold.

Change in metric prices for offices in Paris CBD, in €/sq m



Metric price ranges for offices by sector, in €/sq m

	2022	H1 2025
La Défense	12,200 8,000	9,100 3,000
Western Crescent	20,500 6,300	10,500* 4,500
Inner Suburbs	10,200 4,700	4,800* 1,800

Top recorded value
Average transaction value

Sources: Newmark / RCA / NB: price in €/sq m gross price, total area.

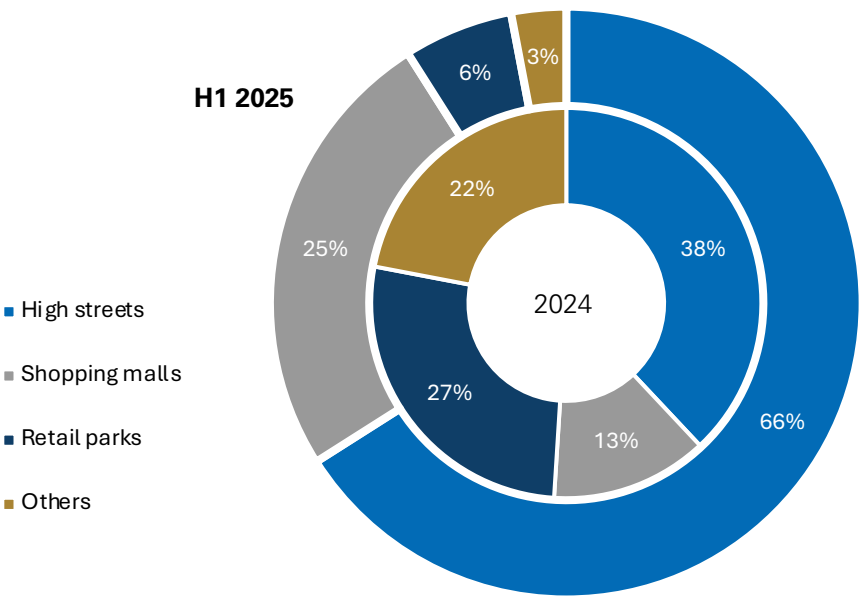
*No Core transactions

Retail: a sharp increase that needs to be put into perspective

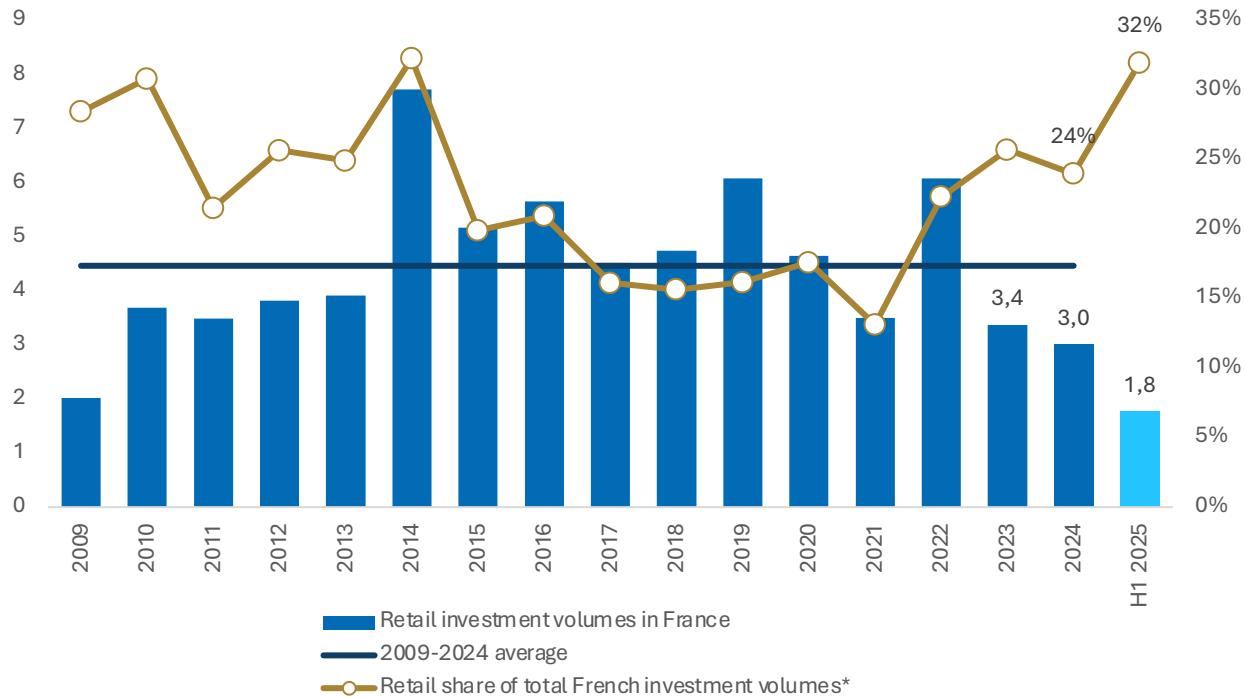
In the 1st half of 2025, the amount invested in the French retail market totaled €1.8 billion. This represents one-third of all commercial real estate investment and is up 29% compared to the 1st half of 2024. However, activity slowed significantly between the 1st and 2nd quarters of 2025 (-55%) and investors remain highly selective. Furthermore, large

transactions account for a very significant proportion of the total. Four transactions worth more than €100 million account for 69% of activity since the beginning of the year (JV Kering/Ardian and “Forum des Halles” in the 1st quarter, and “Saint-Genis 2” and the retail space in the mixed-use “Renaissance” building in the 2nd quarter).

Breakdown of retail investment volumes in France, by format



Retail investment volumes in France, in billions of euros



Sources: Newmark / RCA / *In the commercial real estate market (offices, retail, industrial).

Paris, the driving force behind the retail market

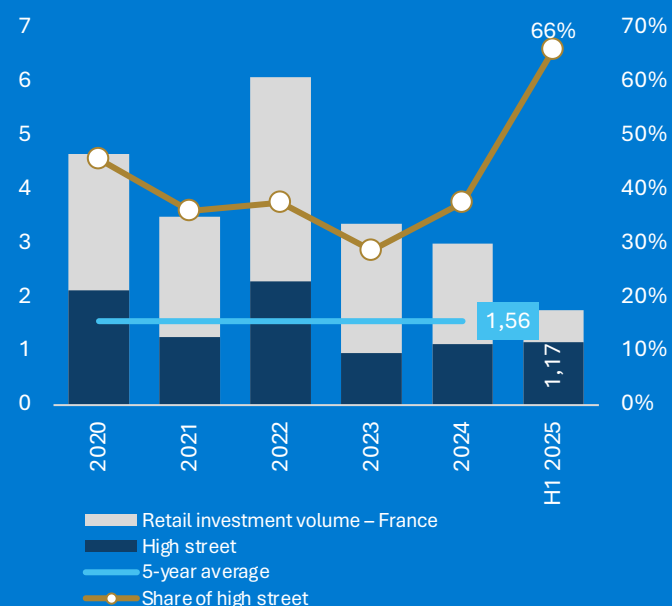
Due to the Kering/Ardian joint venture, high street property accounted for most retail investments in the 1st half of 2025 (66%), ahead of shopping malls (25%), whose share was inflated by the sale of 15% of the “Forum des Halles” and “Saint-Genis 2”. Although highly prized by investors, retail parks account for only a small

share of retail investment due to the limited number of large-scale properties coming onto the market. As a result, retail park sales totaled only €100 million in the 1st half of 2025, representing a 6% share compared with 27% for the whole of 2024.



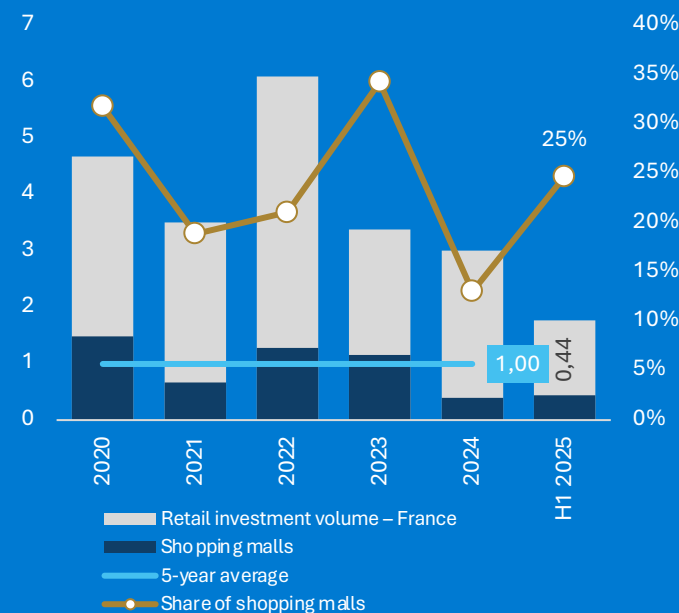
High street

Breakdown of investment volumes in French high street assets, in € bn



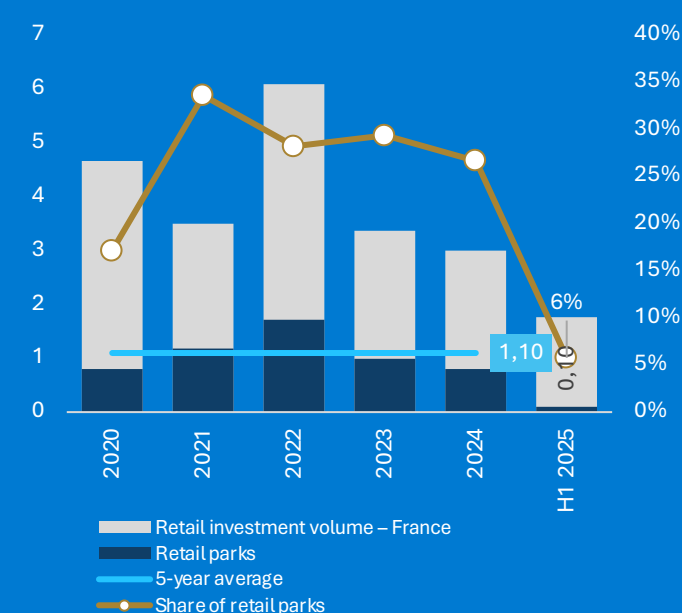
Shopping malls

Breakdown of investment volumes in French shopping malls, in € bn



Retail parks

Breakdown of investment volumes in French retail parks, in € bn

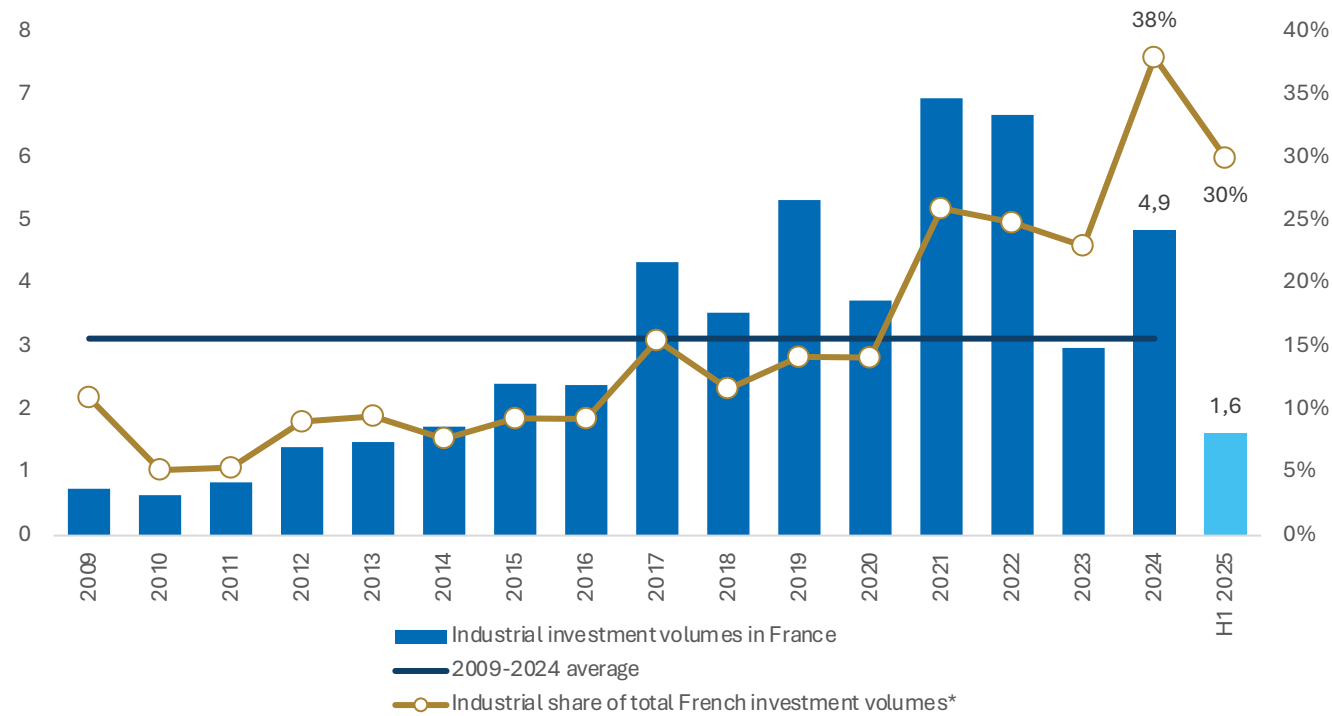


Industrial: recovery in Q2, but a less buoyant end to the year in sight

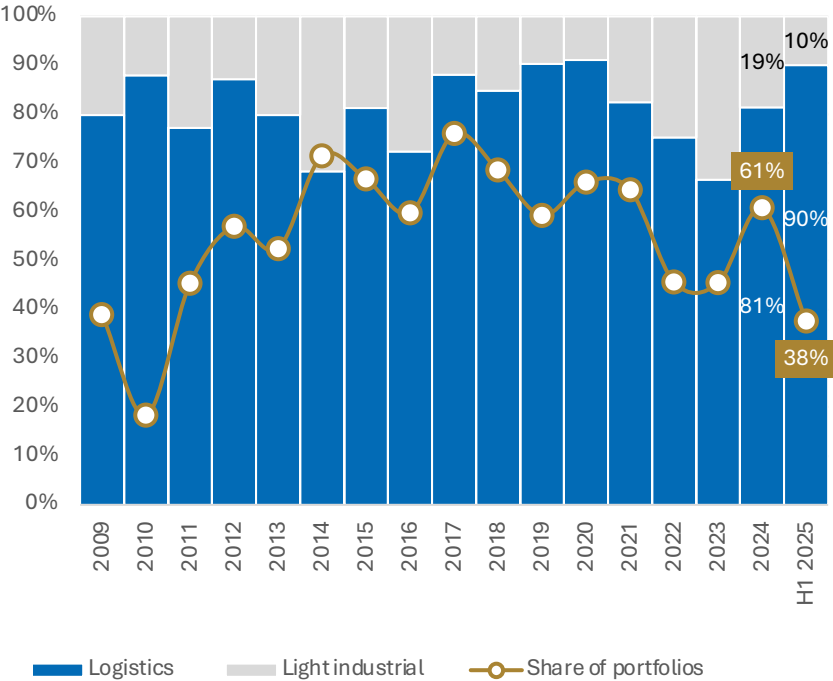
Almost €900 million was invested in the French industrial market in the 2nd quarter of 2025, representing a 21% increase over one quarter on the back of the signing of several large logistics portfolios (“Occident”, “Sun”, etc.). The light industrial premises sector was less dynamic.

For the 1st half of 2025, the volume invested in the French industrial market totaled more than €1.6 billion, a slight increase of 2% year-on-year. Given the deals currently in progress, the result for 2025 is very likely to be lower than in 2024.

Industrial investment volumes in France, in € bn



Breakdown of investment volumes in French industrial property, by asset type



Sources: Newmark / RCA / * In the commercial real estate market (offices, retail, industrial).

Players



Foreign investors maintain their share

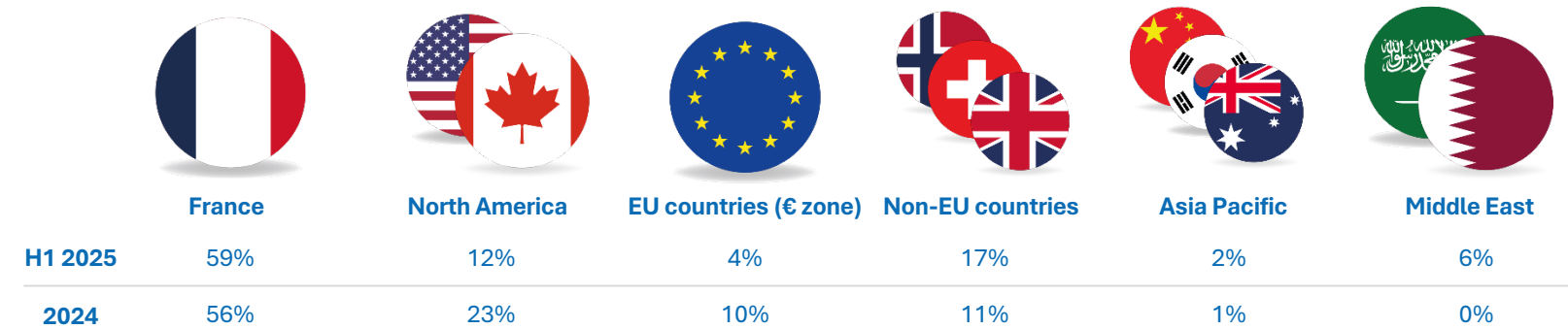
As in 2024, and despite a limited number of transactions, foreign investors continued to account for a significant share of investment volumes in France in the 1st half of 2025, accounting for 41% compared with 44% for 2024. They were behind the largest transactions in all asset classes, particularly in the form of joint ventures (NBIM, Mubadala).

As in 2024, however, the industrial sector continues to account for most of their investments (recent acquisitions by EQT Real Estate, ARES, Prologis, etc.).

In terms of number of transactions, French investors account for almost all the activity.

The most significant were carried out on behalf of institutional investors such as ACM, ACOSS, CDC and Cardif.

Change in the share of foreign investors in France, as a %*



Breakdown of foreign investment in France, by asset type, as a %*

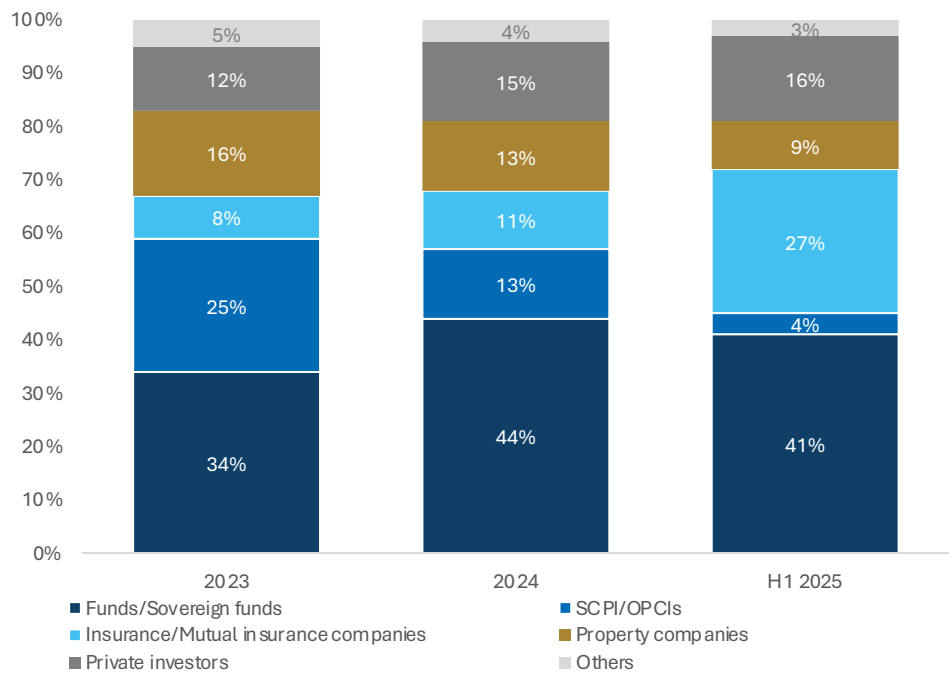


Source: Newmark / *Of the total volume invested in France (offices, retail, industrial).

Institutional investors stand out

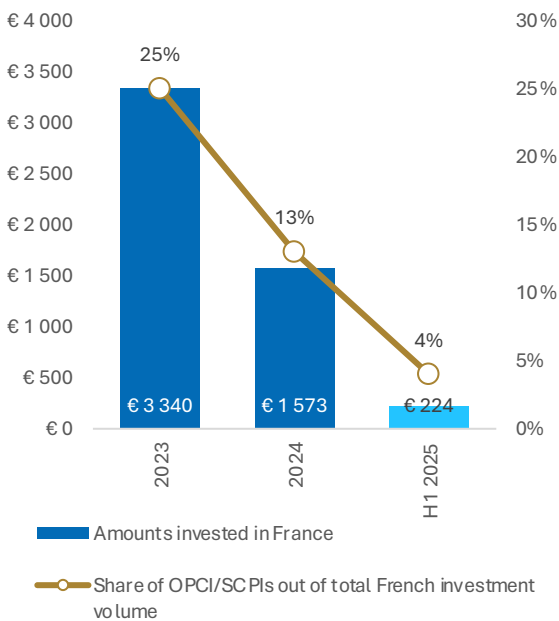
2025 marks the return of the large French institutional investors. Several insurers (ACM, Cardif, etc.) were notably behind significant acquisitions in the 1st half of the year. However, their share (27%) remains lower than that of funds (41%), which was boosted by significant acquisitions by sovereign wealth funds in the retail and office markets (NBIM, Mubadala) and by investment funds in the logistics market (EQT, ARES, BOREAL, etc.). Finally, the share of SCPIs/OPCIs is continuing to shrink, falling from a peak of 35% in 2017 to 13% in 2024 and barely 4% in the 1st half of 2025.

Investment volumes in France*, breakdown by investor type

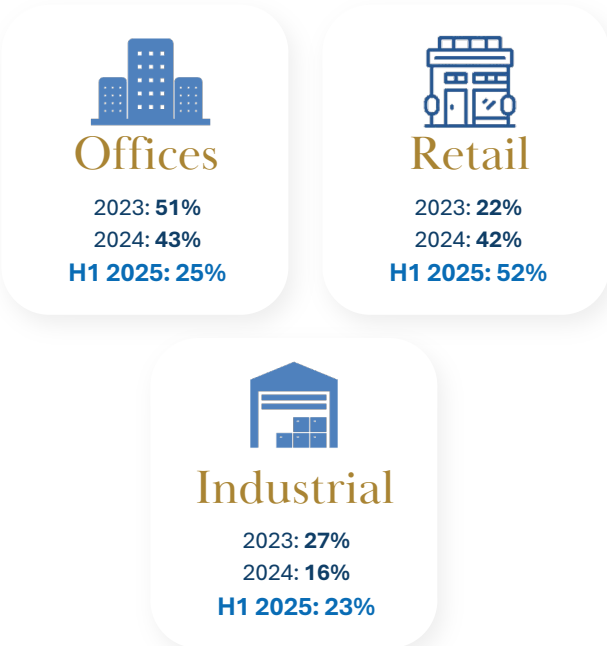


Spotlight on SCPI/OPCI activity

Amounts invested in France by OPCIs/SCPIs, in millions of euros



Amounts invested in France by OPCIs/SCPIs, breakdown by asset class, % of total volume



Sources: Newmark / RCA / *In the commercial real estate market (offices, retail, industrial).

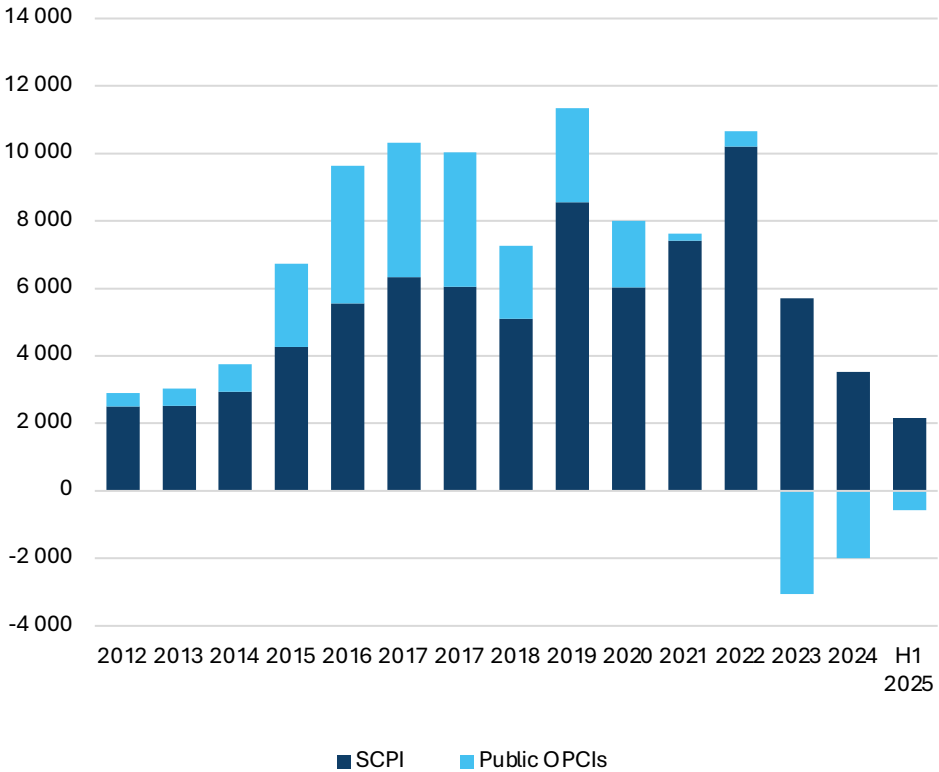
Confirmed recovery in SCPI inflows

Net inflows into SCPIs rebounded in the 1st half of 2025. They totaled €2.2 billion, up 29% compared with the 1st half of 2024, partly due to the creation of new funds (21 new SCPIs identified since the beginning of 2024).

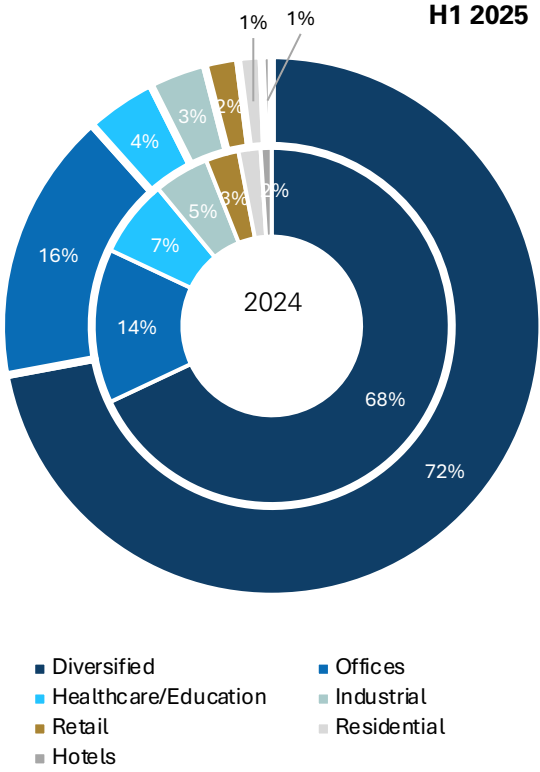
Diversified SCPIs accounted for most gross inflows in the 1st half of 2025 (72% compared with 68% in 2024), ahead of office SCPIs (16%).

OPCIs, meanwhile, continued to experience outflows (-€578 million in the 1st half of 2025), although these have slowed since the beginning of the year.

Change in net inflows into public real estate funds, in €



Breakdown of gross SCPI inflows, by asset type, as a %



Source: ASPIM

Yields

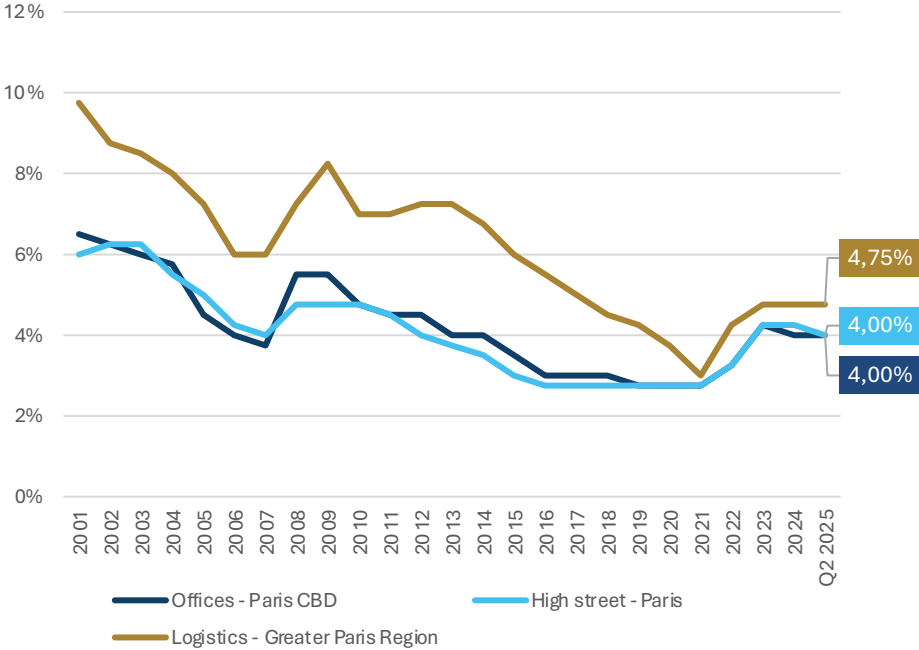


The real estate risk premium is struggling to recover

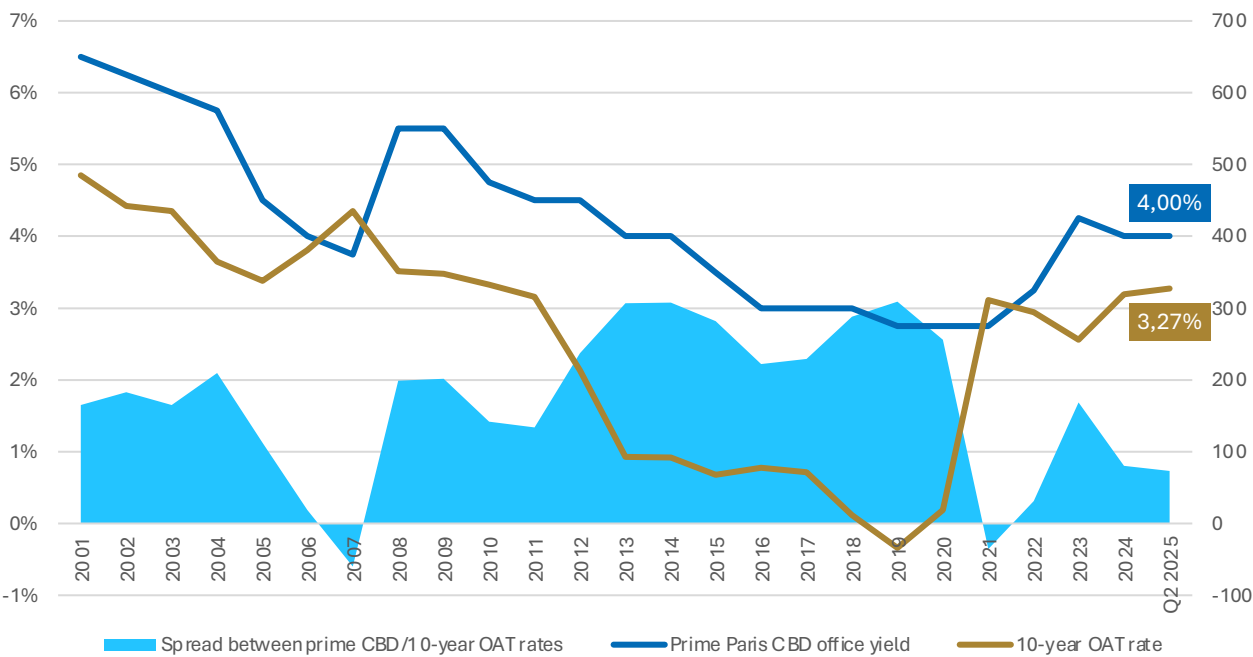
The ECB's monetary easing policy continues, with a 25 basis point cut in interest rates in June. This is the fourth cut since the beginning of 2025. Bond yields remain high, however, reaching 3.27% at the end of June, compared with 3.20% at the end of 2024.

Despite the reduction in the real estate risk premium and difficulties with certain marketing operations, the prime yield for offices remained stable in the 2nd quarter of 2025, while that for prime retail assets trended downward due to investors' hyper-selectivity and the concentration of demand on the highest-quality assets.

Change in prime yields (%)



Spread between office yields and 10-year OAT rates



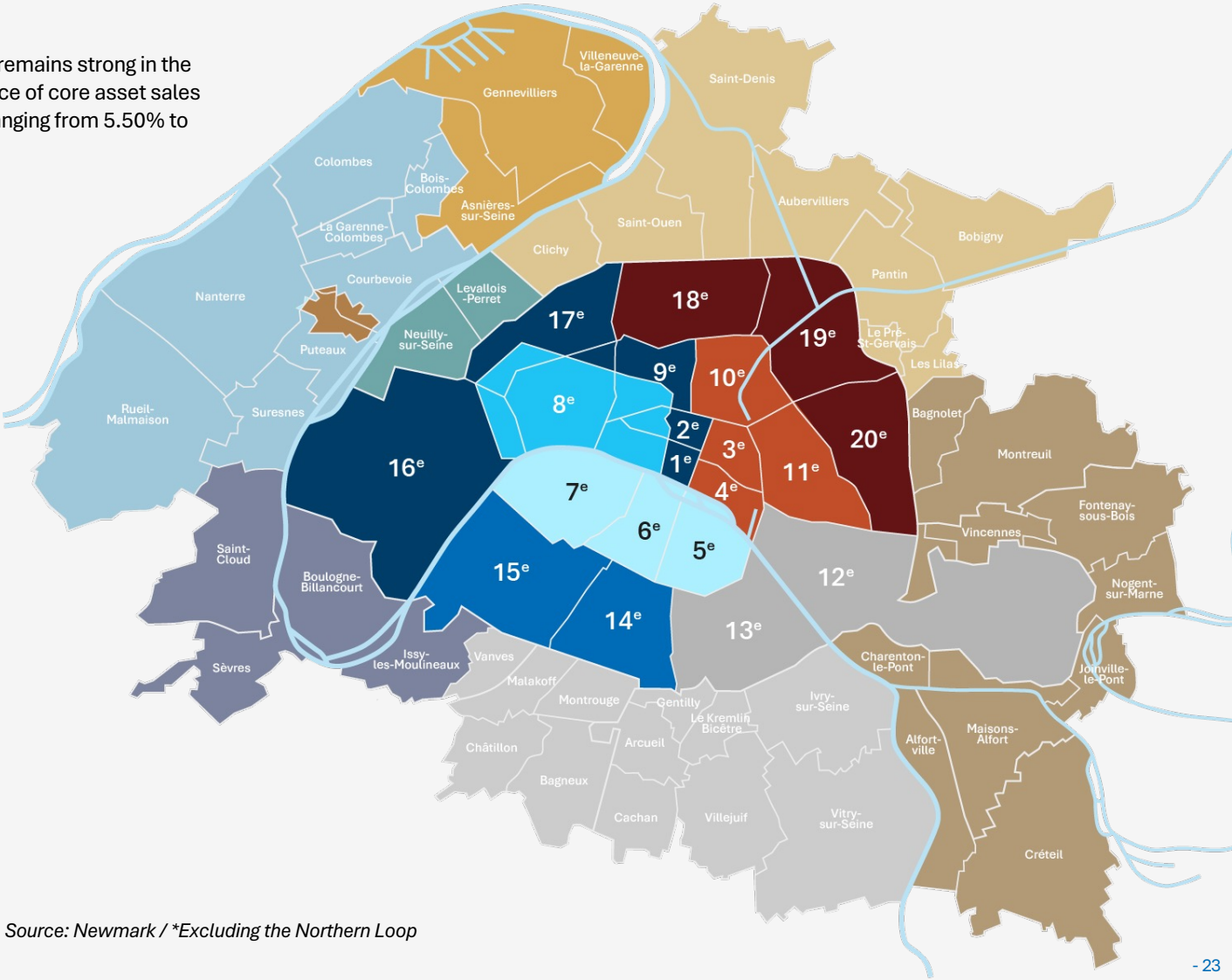
Sources: Newmark / RCA / Banque de France

No significant change in office yields

Yields on Parisian office properties changed little in the 2nd quarter, although investor demand remains strong in the capital's central districts. In the suburbs, the market remains less transparent due to the absence of core asset sales (apart from the sale of the “Trinity” Tower). The gap with Paris remains significant, with yields ranging from 5.50% to 6.50% in the Western Crescent* and 7.00% to 7.50% in the Inner Suburbs.

Prime office yields in the Greater Paris Region (%)

	Q2 2025	Q2 2024
Paris CBD	4.00%	4.25%
Paris Centre West	4.25%	4.50%
Paris 3-4-10-11	4.75%	4.75%
Paris 5-6-7	4.50%	4.50%
Paris 12-13	5.25%	5.25%
Paris 14-15	5.25%	5.25%
Paris 18-19-20	6.50%	6.50%
La Défense	6.25%	6.00%
Neuilly - Levallois	5.50%	5.00%
Péri - Défense	6.75%	6.75%
Southern Loop	6.50%	6.50%
Northern Loop	7.50%	7.50%
Inner Northern Suburbs	7.00%	7.00%
Inner Southern Suburbs	7.25%	7.25%
Inner Eastern Suburbs	8.00%	8.00%



Source: Newmark / *Excluding the Northern Loop

Outlook



Outlook

What we expect to see
by the end of 2025

► **In the 2nd half of 2025**, investment volumes could reach approximately €8 billion, representing **an increase of more than 40%** compared to the 1st half, but a volume close to that of the 2nd half of 2024 (€7.9 billion).

► **Over the whole of 2025**, investment in France is expected to reach **€13-14 billion (compared with €12.7 billion in 2024)**, a more modest increase than hoped for at the beginning of the year and still far below the ten-year average (€25.5 billion).

Furthermore, market performance will continue to depend on the completion of very large transactions in Paris (“Solstys”, finalized in July, “Paris Trocadéro”, “91 Champs-Élysées”, etc.).

► The market context will remain highly uncertain, dominated internationally by the **trade war and the threat of new tariffs**.

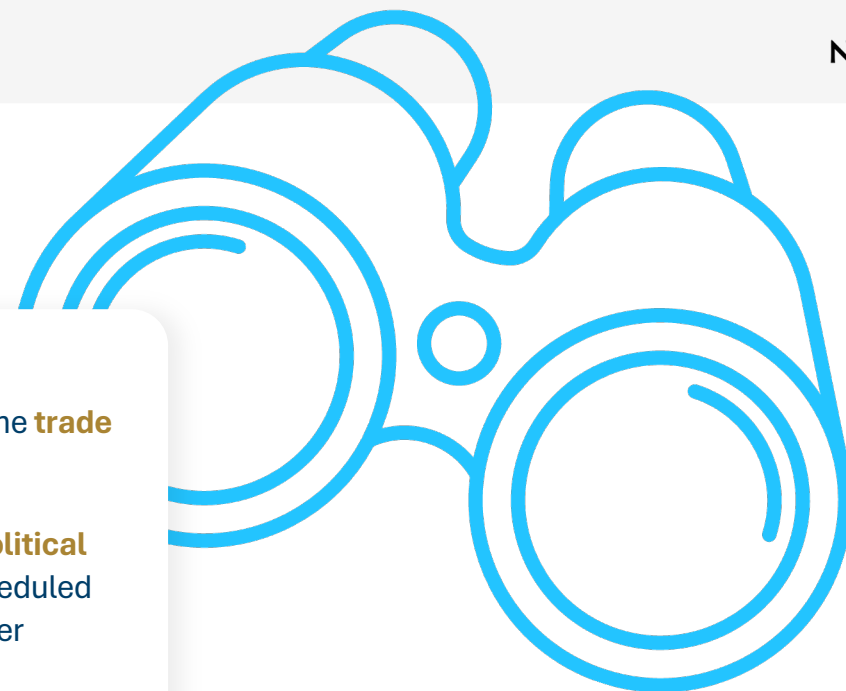
France, meanwhile, is still in a state of **political instability**, with a vote of confidence scheduled for September 8th and the threat of another dissolution.

Finally, the **tax situation could change unfavorably for landlords** (possible ban on passing on property tax to tenants).

All of this could complicate the completion of certain transactions. More generally, **investors will remain highly selective** and will continue to favor asset classes with the **strongest fundamentals over the long term** (Parisian trophy assets, residential, data centers, etc.).

► Despite the reduction in key interest rates, **OATs remain high**, and the yield spread is struggling to recover.

Bond yields and the equity market may offer more attractive returns. Furthermore, **the French real estate market may also appear less attractive than certain other European markets**, where the correction in values has been more significant and rapid.



Outlook



Jérôme de Laboulaye



*“In an **office market** undergoing profound change, current dynamics favor prime buildings in ideal locations: centrality and flight to quality remain the guiding principles for investors, regardless of the type of strategy (core, core+, and value-add). It should be noted that pockets of capital are forming in the value-add segment (BlackRock recently raised €1.2 billion to invest in Europe) to take advantage of new opportunities in central Paris and the most established markets of the Western Crescent.”*



Nicolas Coutant

“At this stage, we do not anticipate any further compression in prime yields, which will depend on a recovery in the lettings market outside Paris's central business district and stronger competition for buyers. In the short term, the rise in market values will mainly be driven by increases in rents.”



Malo Lacroix



*“Despite a marked rebound in volumes, the **retail market** suffers from a lack of depth, with particularly limited activity in the mid-sized transaction category. Furthermore, the growing demands of buyers may clash with the still high expectations of some sellers, which weighs on market liquidity. Nevertheless, certain formats continue to attract keen interest from French and foreign investors. This is the case for retail parks, for which yield compression is anticipated by the end of the year in a relatively undersupplied market offering potential rent increases.”*

*“The **industrial market** had inflated investment volumes in France, accounting for a high share of 38% in 2024. Activity remained stable in the 1st half of 2025 but is expected to be less dynamic in the 2nd half of the year, with a downturn in the lettings market and a smaller number of portfolio sales.”*



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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

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