



# Review of the FY 2025 results of French real estate developers and property companies

*April 2026*

# Summary

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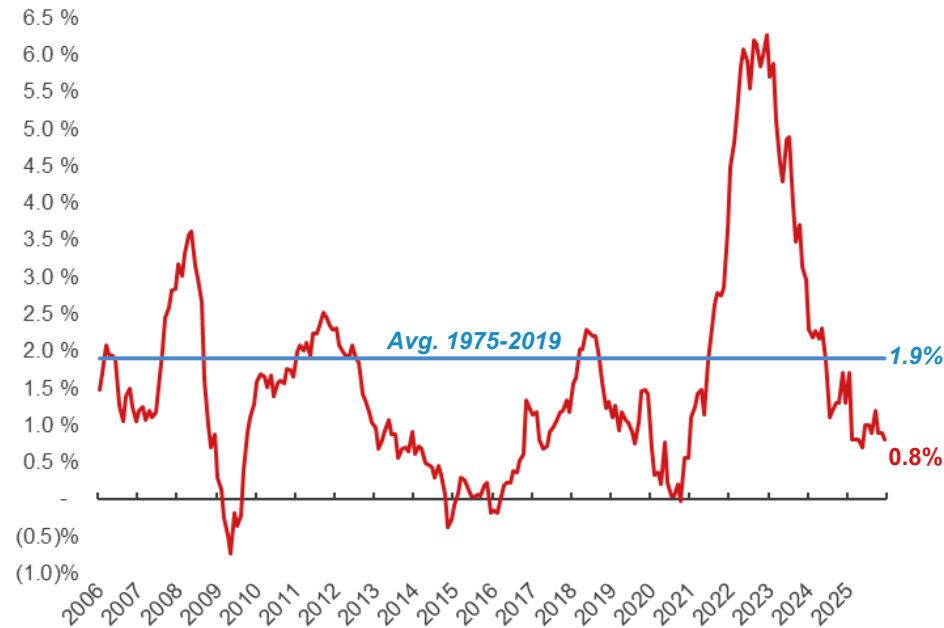


**Economic and financial  
news of FY 2025**

# In FY 2025, in France, inflation continues to slow and is now well below the 2022-2023 inflation peaks

## French consumer price index

Year-on-year change from January 2006 to December 2025

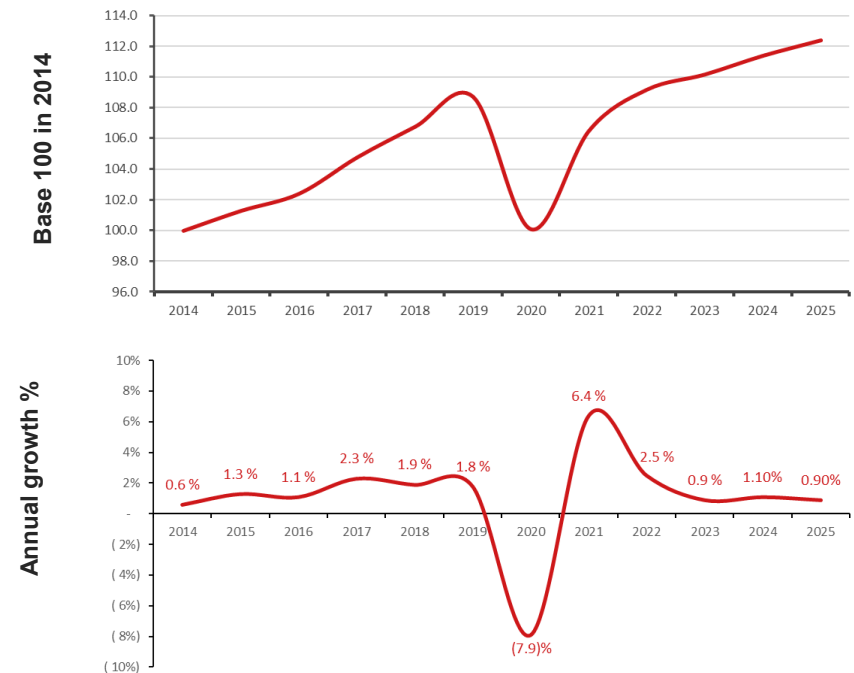


Source: Insee – Consumer Price Index, December 2025

- Inflation in France stood at 0.8% in December 2025 down 0.5 pts compared to December 2024.
- Over 2025, CPI trends are mainly explained by the drop in energy prices, which fell by (6.8)% year-on-year, easing overall inflationary pressure despite more moderate changes in other components.
- Events in the Middle East in Q1'26 could lead to a rise in the CPI over the coming months.

## Real GDP growth in France

(2014 – 2025)

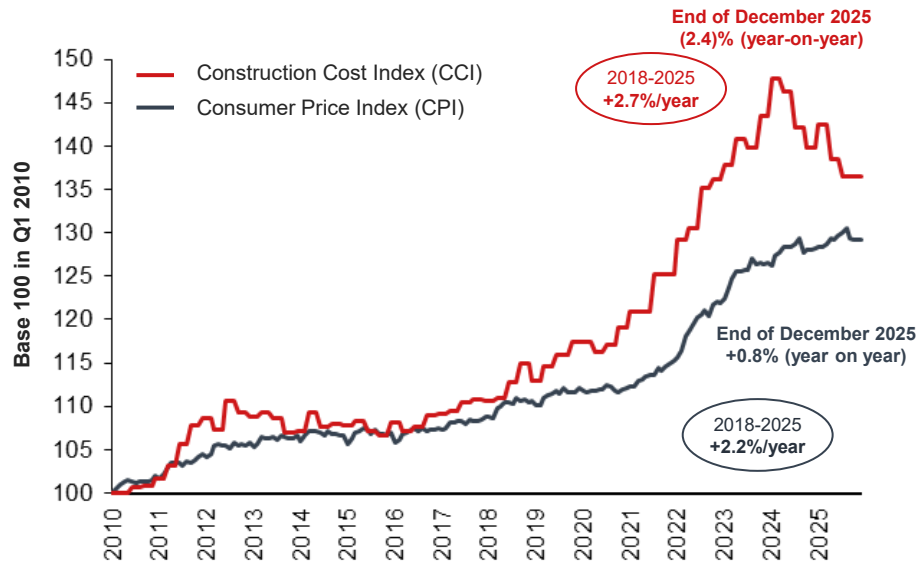


Source: Insee, December 2025

- GDP growth in France reaches a modest +0.9% in FY 2025, in line with 1.1% in 2024 and 0.9% in 2023.
- Growth relies on domestic demand excluding inventories (+0.7 pts) driven by household and public demand. In contrast, net exports weighed on activity, subtracting 0.5 pts from GDP growth.

# While construction costs remain elevated by historical standards, inflation supports tertiary rent indexation

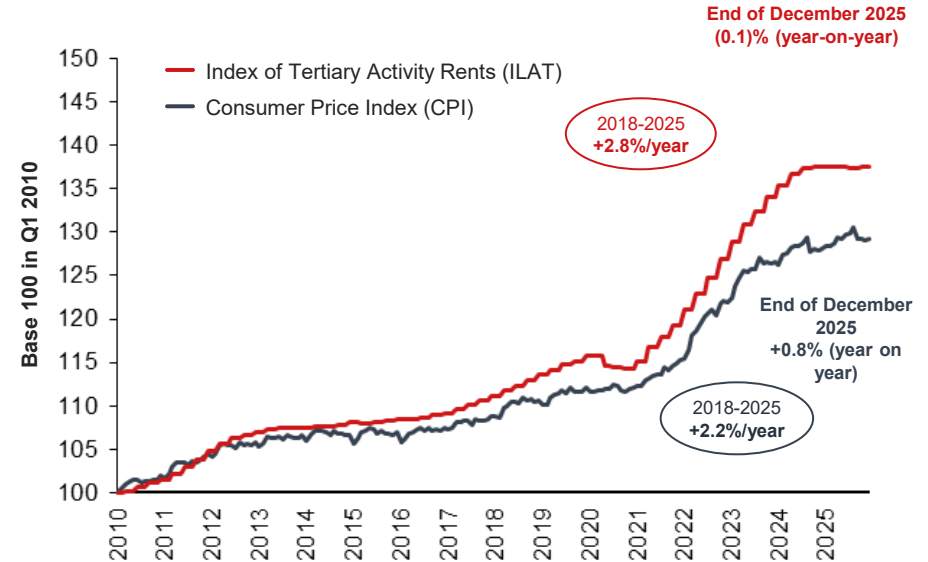
**Comparative evolution of CPI and CCI**  
(2010 – 2025)



Source: Insee, September 2025.

- The Construction Cost Index (CCI) decreases by 2.4% year-on-year at the end of December 2025, compared to 0.8% annual inflation at the end of December.
- Although the CCI declines year on year, construction costs remain high by historical standards
- Over the period 2018-2025, the CCI increases by an average of 2.7% per year, compared to an average annual inflation of 2.2%.

**Comparative evolution of CPI and ILAT**  
(2010 – 2025)

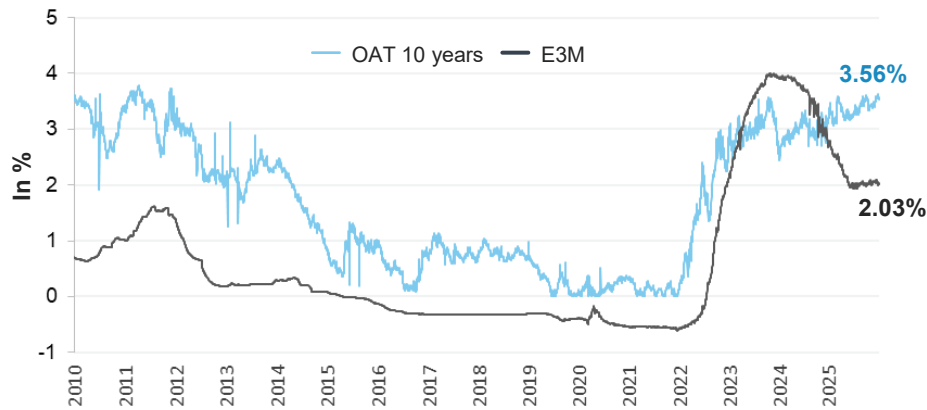


Source: Insee, September 2025.

- Inflation benefits the indexing of tertiary rents. At the end of December 2025, the ILAT is down (0.1)% year on year.
- Over the period 2018-2025, the ILAT increases by an average of 2.8% per year, compared to an average annual inflation of 2.2%.

# Interest rates remain high despite some easing since 2024

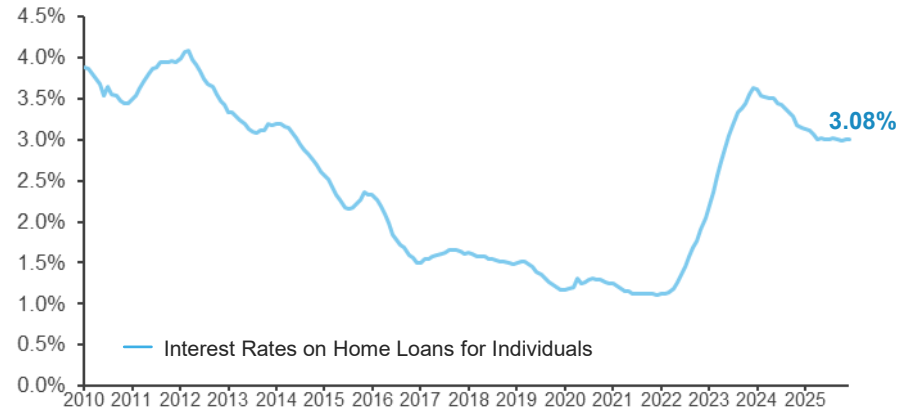
**Evolution of interest rates: 10-year OAT and 3-month Euribor from 2010 to December 2025**



Source: Banque de France, ABC Bourse and S&P Capital IQ

- Since the beginning of 2022, the rise in interest rates, as a result of central banks' monetary tightening, has been abrupt. The 10-year OAT rose by around three percentage points over two years, rising from nearly zero at the end of 2021 to 3.56% in December 2025, reaching a monthly peak of 3.62%.
- The decline in the average credit rate began in early 2024, with a steady drop of around 10 basis points per month. In June 2024, the average rate for new loans (excluding renegotiations) stood at 3.70%, compared to 4.17% in January 2024 – its highest level in a decade – and 1.12% in January 2022.
- Since then, market conditions have remained relatively stable, with moderate volatility in long-term rates. Nonetheless, financing conditions remain tighter than pre-crisis levels, and real estate actors continue to face a higher cost of capital.

**Interest rates on home loans for individuals from 2010 to December 2025**



Source: Banque de France, December 2025

## Impact of the change in mortgage interest rates

**Loan amount possible for a monthly payment of €1,000**

**Total cost of borrowing**

Term	Loan rate		Var.	Term	Loan rate		Var.
	3.00%	4.00%			3.00%	4.00%	
10 years	€ 104,000	€ 99,000	(5)%	10 years	€ 16,000	€ 21,000	31 %
15 years	€ 145,000	€ 135,000	(7)%	15 years	€ 35,000	€ 45,000	29 %
20 years	€ 180,000	€ 165,000	(8)%	20 years	€ 60,000	€ 75,000	25 %
25 years	€ 211,000	€ 189,000	(10)%	25 years	€ 89,000	€ 111,000	25 %

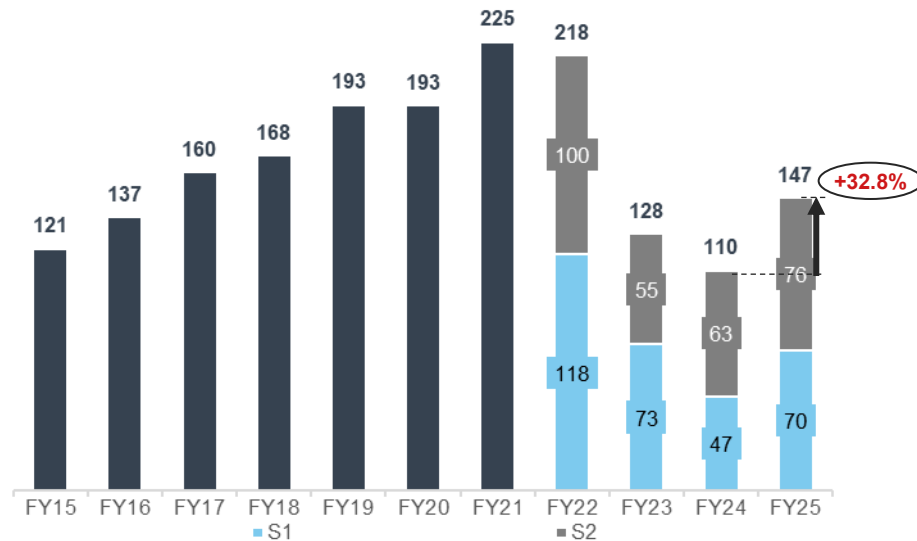
Source: Accuracy

- For a monthly payment of €1,000 over a loan term of more than 20 years, the borrowable amount is €211,000 with a 3% interest rate, compared to €189,000 with a 4% interest rate. Additionally, the total cost of the loan over the duration is 25% higher with a 4% interest rate compared to a 3% interest rate.

# Mortgage loans: the recovery observed in late 2024 continues throughout 2025

## New housing loans for individuals

Annual production between 2015 and December 2025

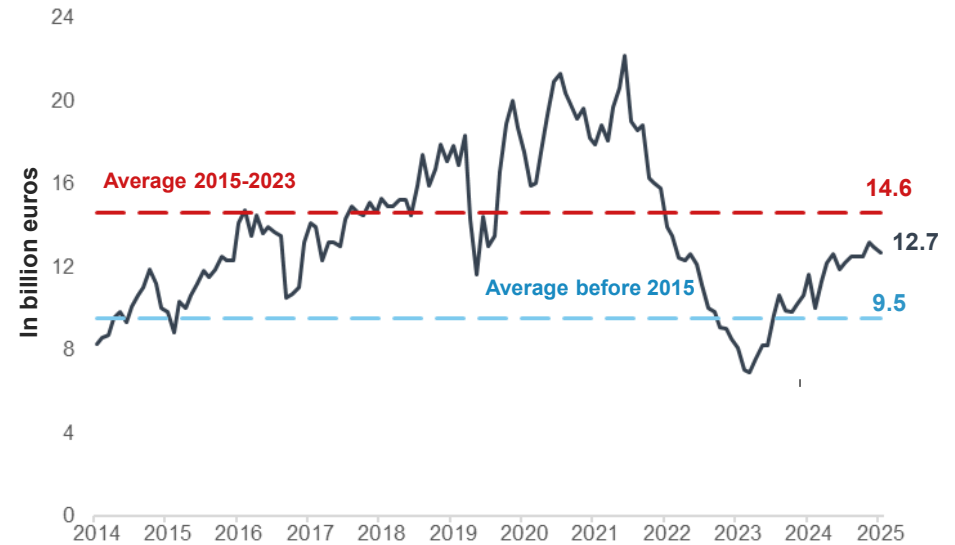


Source: Banque de France, December 2025.

- During FY 2025, the level of home loan production is up 33% compared to the previous year. However, it remains lower than the loan production observed over FY17-FY22.
- Home loan production has rebounded since Q4 2024, partly driven by government measures expanding access to interest-free loans.

## New housing loans for individuals

Monthly production between 2015 and December 2025



Source: Banque de France et S&P Capital IQ, December 2025.

- Monthly home loan production stands at €12.7 billion in December 2025, after increasing throughout the year. The lowest level since 2015 is reached in February 2024, at €6.8 billion.



**French developers: 2025  
activity**

# After a prolonged slowdown, French housing production has rebounded modestly

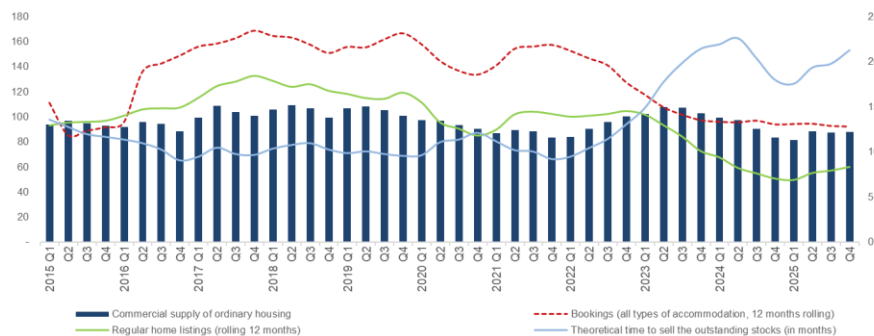
## Housing starts and building permits in France (rolling 12 months)



Source: Statinfo Housing, December 2025.

- From January 2025 to December 2025, c. 379,200 housing units (collective and individual) were authorised for construction in France, representing a +15.0% increase compared to the previous twelve months, but still 19% below the level recorded in the twelve months preceding the COVID crisis.
- These figures confirm the persistent weakness in residential construction, with activity levels still well below structural needs, despite a modest rebound observed since 2025.
- As a reminder, between 400,000 and 500,000 new units would need to be started each year to keep pace with demographic trends.

## Commercial offer, sales and reservations

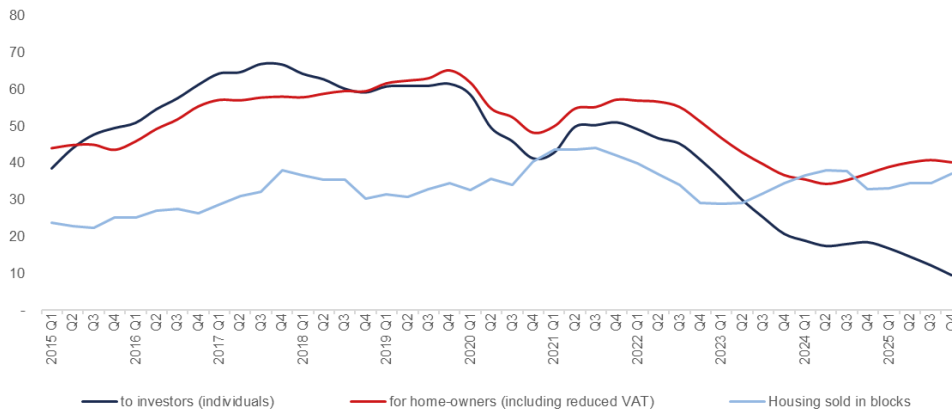


Source: FPI Real Estate Observatory, December 2025.

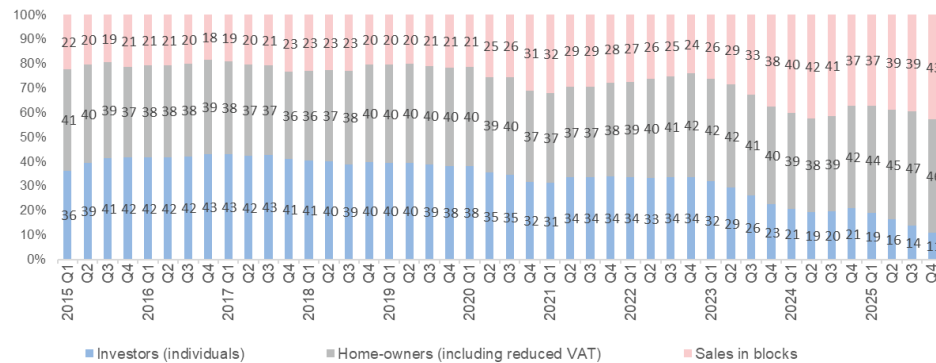
- In 2025, bookings remain low, representing a decrease of 21% compared with pre-2023 levels.
- After a period of decreasing new housing offerings since Q1 2023, supply stabilised in 2025, up 18% compared to Q4 2024. Despite a slight rebound in building permits, ongoing weak demand and high construction costs suggest that the shortage of new housing is likely to persist.
- Following its decline until Q4 2024, commercial housing supply has stabilised and slightly increased over 2025, supported by higher new launches that have partly replenished the market.
- The time taken to sell outstanding stocks initially declines in Q4 2024 to 18.0 months before increasing to 21 months in Q4 2025.

# Homebuyer bookings continue to rise as investors pull back

Bookings by type of actor (rolling 12 months)



Booking by type of actor in percentage



Source: FPI Real Estate Observatory, December 2025.

## Individual Investment

- In recent months, bookings have stabilised, supported by an 8.2% increase in home-owner purchases. These now account for the majority of the retail market, driven in particular by falling interest rates and the expansion of the PTZ (France's interest-free loan for first-time homebuyers).
- At the same time, bookings from individual investors have sharply declined ((48.6%) since the announcement of the end of the Pinel scheme, now representing only 11% of retail bookings compared with c.20% a year earlier.

## Sales in blocks





- Sales in blocks moderated after reaching a peak in 2024, when developers turned to institutional buyers to compensate for the withdrawal of individual investors following the announced end of the Pinel scheme.
- Over 2025, sales in blocks decreased by 6.7%, mainly due to lower sales to all segments (social landlords, intermediate housing and institutional investors). However, compared to historical trends, the share of block sales remains high at the end of 2025, confirming that this type of sale has been one of the main distribution channels used by developers to support their sales during the crisis.

# Overall performance of French real estate developers in FY25

Company	Last half-year growth (LFL) July – Dec. 2025	FY25 revenue growth (reported)	FY25 revenue (€bn)	FY25 operational margin (%)	FY25 sales weight by categories (%)	Last year share evolution (%)	Market cap. as of 31/12/25 (€m)	Backlog evolution (€m)
	(22)%	(22)%	2.7	(5.3)%		(31)%	500	
	(29)%	(25)%	2.1	8.5%		(13)%	2,554	
	2%	5%	1.1	8.0%		(4)%	586	
	(6)%	(8)%	1.3	(1.3)%		(21)%	1,668	

Sources: Capital IQ, Annual Reports 2025  
Note: Quarterly backlogs are currently unavailable for Altarea.

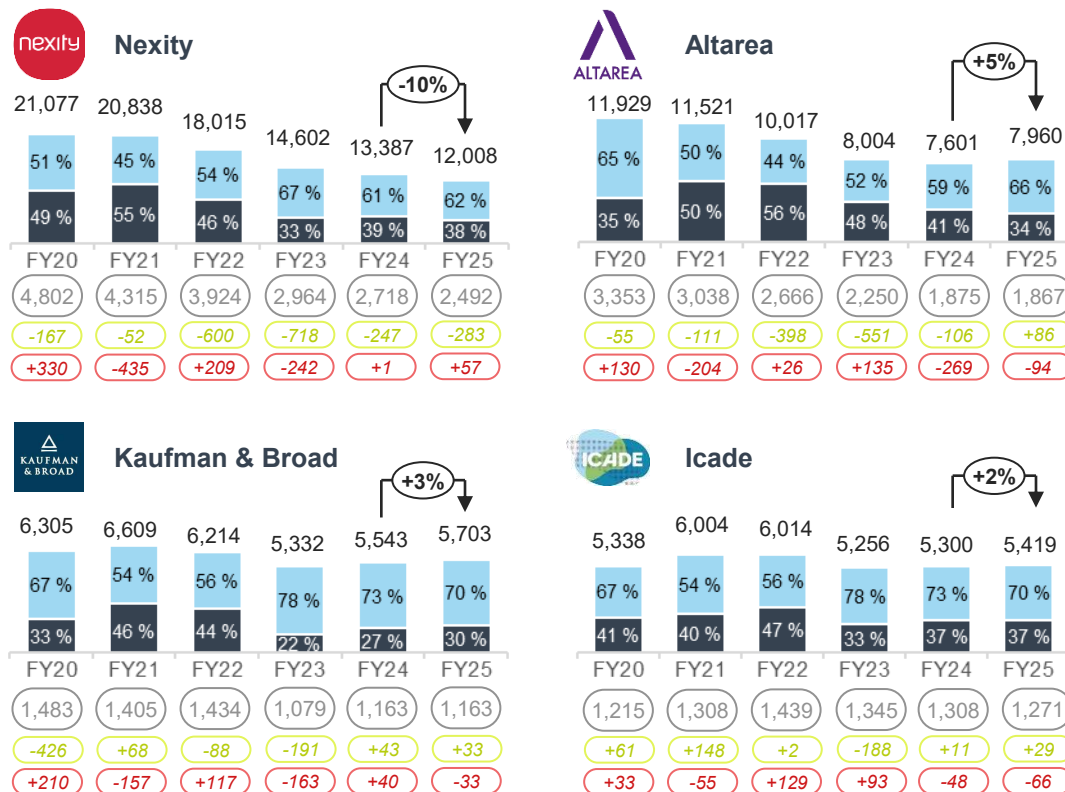
# Quarterly overall share price evolution of France's leading real estate developers for the 2023-2025 period

Company	2023				2024				2025			
	Jan/Mar	April/Jun	Jul/Sept	Oct/Dec	Jan/Mar	April/Jun	Jul/Sept	Oct/Dec	Jan/Mar	April/Jun	Jul/Sept	Oct/Dec
	(15)%	(21)%	(25)%	23%	(44)%	(12)%	36%	6%	(25)%	(2)%	15%	(19)%
	(13)%	(12)%	(15)%	(7)%	(2)%	6%	(27)%	6%	4%	1%	4%	5%
	(0)%	(2)%	2%	11%	(10)%	(5)%	16%	(3)%	(2)%	3%	(10)%	1%
	5%	(12)%	(19)%	14%	(29)%	(9)%	15%	(14)%	(9)%	14%	(10)%	3%

Sources: S&P Capital IQ, quarter-to-quarter comparison

# 2025: The market rebalanced after Pinel, with recovery driven by end-user demand

## Bookings – New housing (in number)



### Legend:

■ Blocks sales   
 ■ Individuals sales   
 (XXX) Bookings in €m incl. VAT   
 (XXX) Volume effect in €m incl. VAT   
 (XXX) Price effect in €m incl. VAT

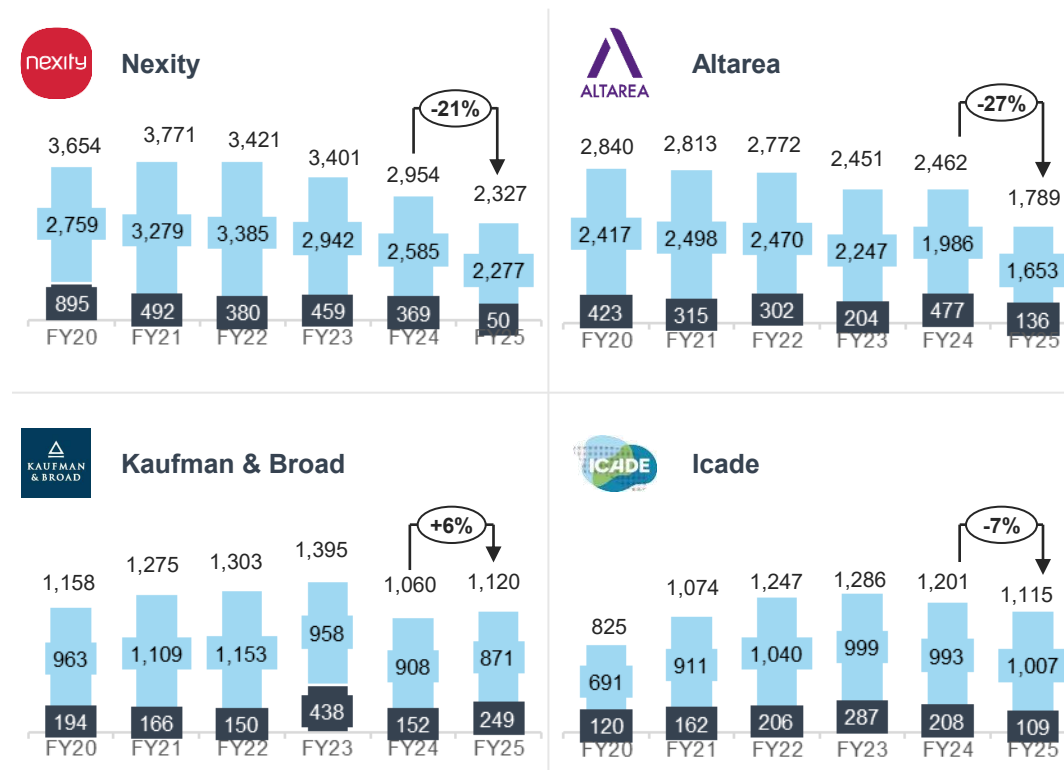
Sources: Annual financial reports, press releases and annual results presentations.

Note: For Kaufman & Broad, closing of financial accounts takes place on 30 November and 31 May.

- In 2025, **Nexity** recorded 12,008 housing reservations, down (10)% in volume and (8)% in value. The decline reflects the end of the Pinel scheme, impacting individual investors. Retail sales dropped (13)% in volume, but improved in homebuyers (+19%), driven by targeted marketing, adapted offers, and more favourable financing conditions (nationwide extension of the PTZ and increased lending appetite from banks). Bulk sales totalled 7,450 units.
- **Altarea** recorded a 5% increase in housing reservations by volume and (0.4)% by value in 2025. This performance was driven by strong demand from first-time buyers and institutional demand, offsetting the (34)% decline in private investors following the end of the Pinel scheme. The lower average unit price (€235k vs €247k) reflects a shift in commercial mix towards managed residences and a growing share of compact units.
- **Kaufman & Broad** recorded stable housing reservations in value, with a 3% increase in volume following a slowdown in Q4 due to political and regulatory uncertainty. The shift in client mix reflects stronger demand from first-time and second-time buyers (+35%), while bulk sales declined. The commercial offer remained concentrated in high-demand areas (83%).
- **Icade** recorded stable reservations in volume but a (3)% decline in value (€37m). The 2025 activity is impacted by the end of the Pinel scheme and weaker private investor demand, partly offset by a +17% rise in homebuyer reservations, supported by the extended PTZ schemes and new product launches. Bulk sales rose by +8% in volume but fell in value ((2)% due to product mix.

# Most developers reported declining revenues due to the still-weak residential market and the delayed ramp-up of new-generation projects in a challenging economic environment

## Revenues – French developers – Promotion only (in €m)



Legend:

■ Housing ■ Commercial

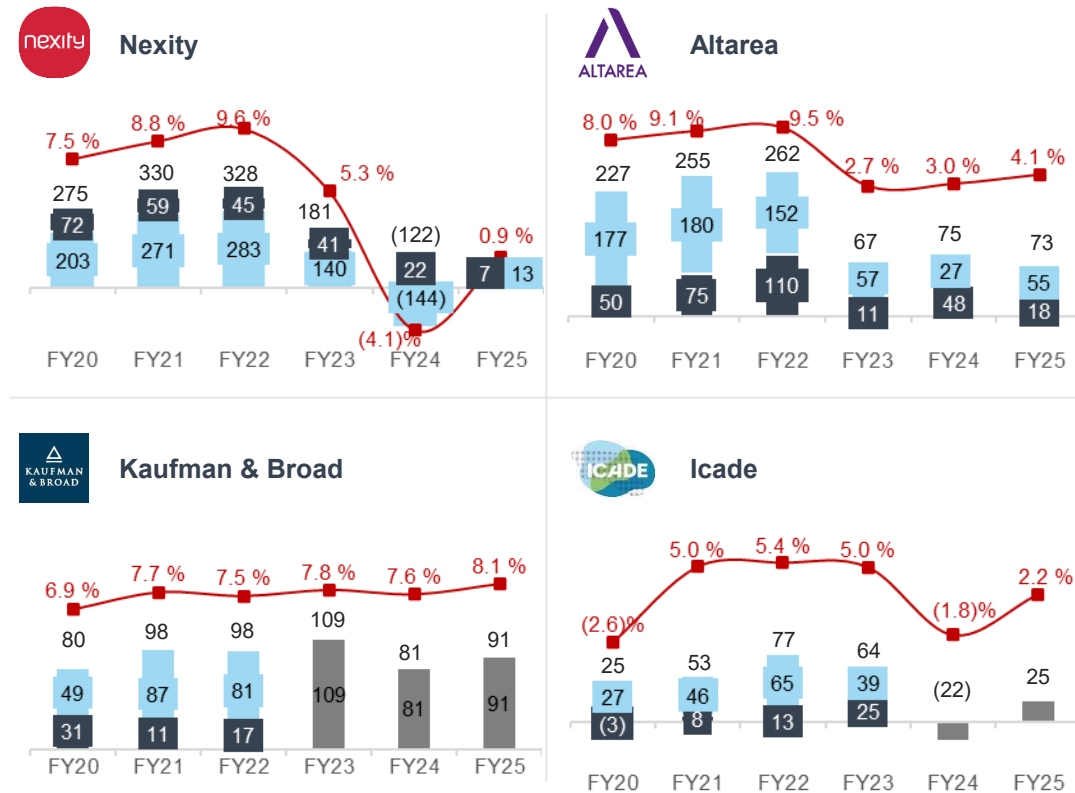
Sources: Annual financial reports, press releases and annual results presentations.

Note: For Kaufman & Broad, closing of financial accounts takes place on 30 November and 31 May.

- **Nexity** posted revenues of €2,327m in 2025, down (21)% year-on-year. Residential real estate decreased by (12)% to €2,277m, reflecting a slowdown in activity. Revenues from commercial real estate declined sharply by 86% to €50m due to the completion of large projects (LGC, Reiwa and Carré Invalides) in 2024 and the limited replenishment of backlog over the last two years.
- **Altarea** generated revenues of €1,789m in 2025, down (27)% year-on-year. Residential activity declined by (17)% to €1,653m, reflecting the reduced contribution of legacy projects. However, new-generation operations are scaling up, now accounting for 50% of residential revenues (vs 14% in 2024). In commercial real estate, revenues fell by (71)% to €136m.
- **Kaufman & Broad** posted revenues of €1,120m in 2025, up 6% year-on-year. Residential revenues decreased by (4)% to €871m, driven mainly by the apartment segment (€814m vs €830m in 2024). The tertiary segment saw a strong rebound, with revenues increasing to €249m (vs €152m).
- **Icade** reported economic revenues of €1,115m in 2025, down (7)% year-on-year. Residential revenues remained up +1% to €1,007m, as extended PTZ programmes offset the negative impact of the end of the Pinel scheme and higher block sales. Tertiary revenues remain low, reflecting the absence of major deliveries in 2025 following significant completions in late 2024 and limited new transactions year-to-date.

# Operating profit rebounded as higher-margin new projects phase in, replacing dilutive 2024 operations

## Operating margin – French developers (in €m / in % achieved revenues)



Legend:

■ Housing ■ Commercial —●— Operating margin rate

Sources: Annual financial reports, press releases and annual results presentations.

Note: For Kaufman & Broad, closing of financial accounts takes place on 30 November and 31 May.

→ **Nexity's** operating result improved sharply to €20m in 2025 (vs €(144)m in 2024), reflecting the margin build-up. The recovery stems from the growing contribution of newly launched operations aligned with the company's updated margin targets and market conditions.

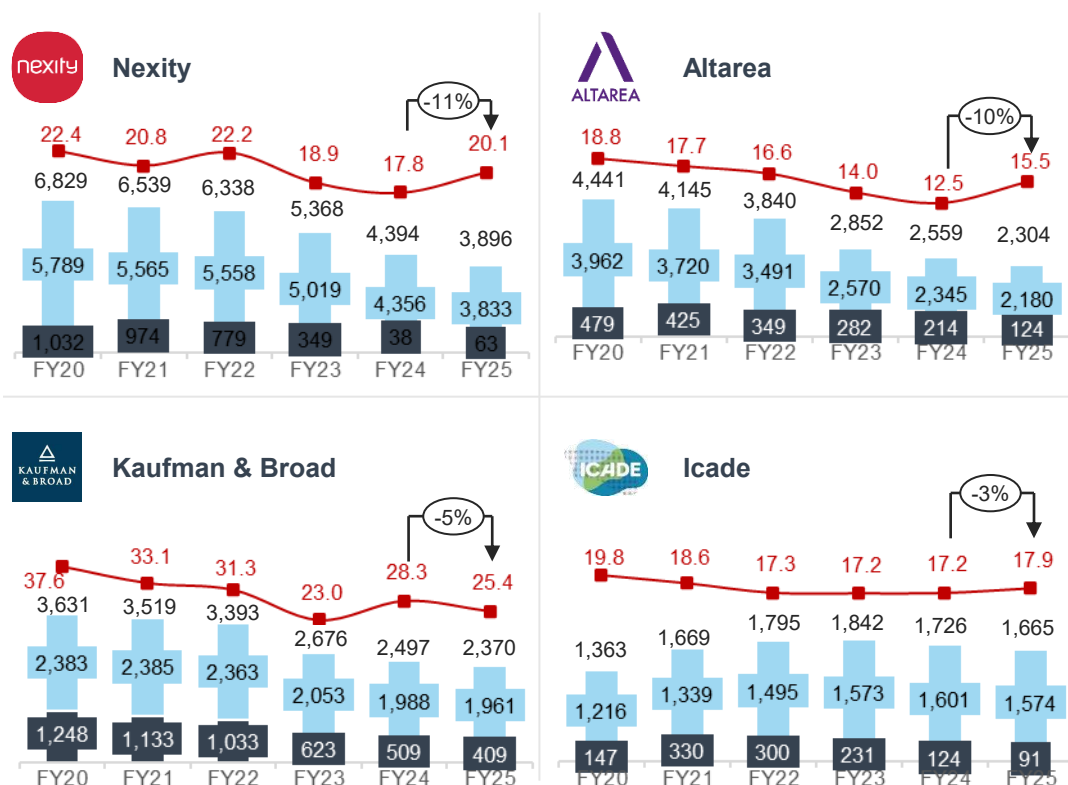
→ **Altarea** posted a stable operating result of €73m, mostly in residential real estate, supported primarily by new-generation projects generating satisfactory margins, while legacy projects' contribution remained negative at €(11.3)m. In commercial real estate, the result decreased by €(30)m.

→ **Kaufman & Broad** reported a current operating profit of €91m in 2025, up from €81m in 2024, with a higher margin rate of 8.1% (vs 7.6%). Operating expenses rose moderately in absolute terms but decreased as a share of revenue, reflecting improved cost control amid top-line growth.

→ **Icade** recorded a positive recurring operating profit of around €25m in 2025, an improvement of approximately €57m year-on-year. This rebound was largely driven by the progressive ramp-up of new residential development supported by higher-margin projects and continued reduction in operating costs.

# The level of backlog reflects a certain level of caution regarding new project launches

## Backlog – Order book (in €m / in months of activity)



Legend:

■ Backlog - Housing 
 ■ Backlog - Commercial 
 —●— Backlog in months of activity

Sources: Annual financial reports, press releases and annual results presentations.

Note: For Kaufman & Broad, closing of financial accounts takes place on 30 November and 31 May.

The backlog in months of activity is calculated based on the LTM published revenue.

- **Nexity's** backlog stood at €3.9bn at the end of December 2025 ((11)% vs December 2024), covering 20.1 months of activity. 48% of this amount is already secured through signed deeds.
- As of 31 December 2025, **Altarea's** backlog stood at €2,180m for residential and €124m for commercial real estate covering c.15.5 months of activity. According to the company, this remaining backlog is expected to be delivered over the usual 18 to 24-month development cycle.
- As of 30 November 2025, **Kaufman & Broad's** residential backlog stood at €1,961m (excl. VAT) while its commercial backlog reached €409m. The total backlog represents 25.4 months of activity.
- As of 31 December 2025, **Icade's** housing backlog stood at €1.7bn, down (3)% compared to year-end 2024. The decline reflects a (1.7)% drop in the residential backlog to €1.6bn and a (27)% decrease in the commercial segment due to the lack of new signings and the progress of ongoing developments.

# WCR is higher as a % of sales and net debt strategies vary

WCR (in % of rev.) and net debt (in €m)



Legend:  
 Net debt (excl. IFRS 16)   
 WCR as % of rev.

Sources: Annual financial reports, press releases and annual results presentations.  
 Note: For Kaufman & Broad, closing of financial accounts takes place on 30 November and 31 May.  
 WCR as a % of turnover is calculated on the basis of the LTM published turnover.

→ **Nexity's** working capital improved by €(161)m driven by stricter land acquisition policy, faster receivables collection, and optimisation of the time lag between land acquisition and the first cash calls. Working capital as a percentage of revenue remains stable at 25.3% as revenue fell by 21%.

→ **Altarea's** working capital increased significantly, driven mainly by the Developer business following the disposal of three logistics sites, which improved the WCR at the end of 2024, and was compounded by a 10% decline in revenue compared to 2024.

*As a reminder, the ratios of working capital as a % of turnover and net debt indicated opposite correspond to those of the group (including in particular the real estate activity), which makes comparisons less meaningful.*

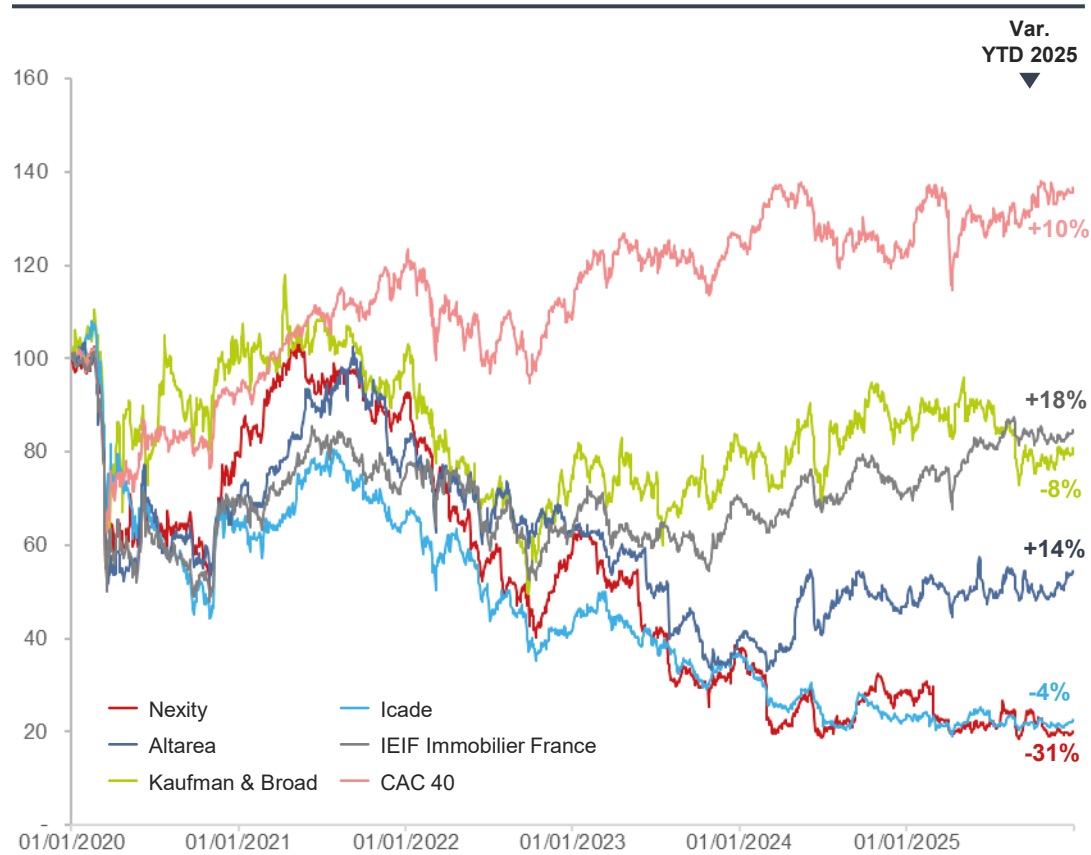
→ In 2025, **Kaufman & Broad** maintained a positive net cash position, slightly down from FY24. During the year, a significant bond repayment was funded from available liquidity and had no material impact on the group's net cash position. Working capital remained structurally negative.

→ For **Icade**, the increase in working capital as a percentage of revenue reflects the selective development restart, the acceleration of construction starts and the acquisition of sites from Casino for development (€32m). Net debt rose as available cash declined, despite more than €90m in disposals of non-core assets.

# Since the beginning of 2022, there has been a significant drop in the share prices of developers compared to benchmark indices

## Evolution of the share prices of the developers of the panel

Base 100 at 01/01/2020 | Analysis period: from 01/01/2020 to 31/12/2025



Sources: Capital IQ, news

	Nexity	Kaufman & Broad	Altarea	Icade	IEIF Immobilier France	CAC 40
<b>Variation</b>						
<b>Rolling year</b>						
<b>2024</b>	-31%	-8%	+14%	-4%	+18%	+10%
<b>2023</b>	-22%	+9%	+18%	-35%	+2%	-2%
<b>2022</b>	-38%	+12%	-39%	-13%	+11%	+14%
<b>2021</b>	-37%	-26%	-24%	-37%	-17%	-9%
<b>2020</b>	+17%	+0%	+19%	+3%	+10%	+28%
<b>Over the period</b>	-21%	-2%	-30%	-35%	-31%	-8%
<b>30d spread</b>						
<b>at 31/12/2025</b>	-80%	-19%	-46%	-77%	-15%	+36%
<b>at 1/1/2020</b>	7.3%	5.3%	5.5%	5.6%	2.5%	2.3%
	4.8%	8.6%	4.7%	5.1%	3.3%	3.6%

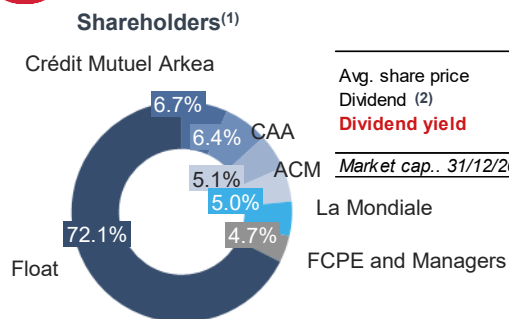
- In 2025, Nexity experienced a sharp decline, impacted by a severe sector-wide crisis, the announcement of a net loss of €(184m) in 2025, and the suspension of its dividend. Altarea and Kaufman & Broad showed resilience, supported by solid year-end results. Despite continued pressure on the office segment, Icade's share price remained stable.
- Real estate developers' shares fell by 20% on average in 2023 and by 8% on average in 2024.
- Since 2020, prices have fallen by more than 50% on average, even though the CAC 40 rose by 36% over the same period.

# Altarea and Kaufman & Broad maintain their dividend policy, Nexity did not pay a dividend due to an unfavourable result and Icade paid €1.9 per share



**Nexity**

**n.a.**



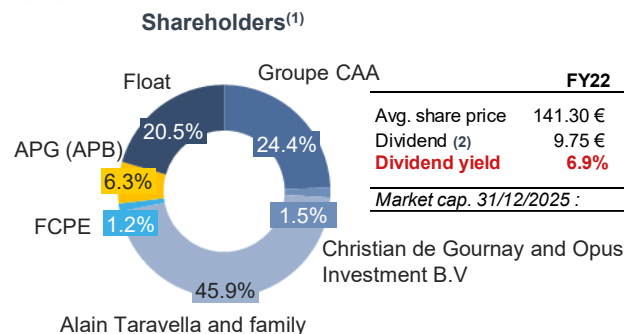
	FY22	FY23	FY24	FY25
Avg. share price	27.38 €	19.34 €	11.71 €	10.12 €
Dividend (2)	2.50 €	- €	- €	- €
<b>Dividend yield</b>	<b>9.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Market cap.. 31/12/2025 **€500m**



**Altarea**

**BBB-**



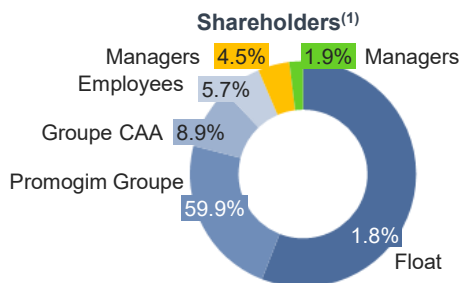
	FY22	FY23	FY24	FY25
Avg. share price	141.30 €	101.02 €	91.23 €	102.52 €
Dividend (2)	9.75 €	10.00 €	8.00 €	8.00 €
<b>Dividend yield</b>	<b>6.9%</b>	<b>9.9%</b>	<b>8.8%</b>	<b>7.8%</b>

Market cap.. 31/12/2025 : **€2,232m**



**Kaufman & Broad**

**BBB-**



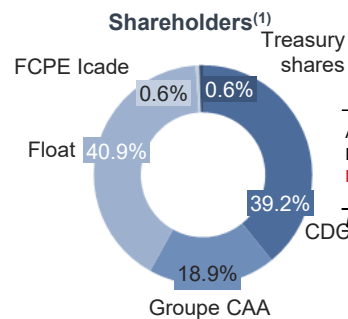
	FY22	FY23	FY24	FY25
Avg. share price	27.32 €	27.31 €	30.57 €	31.32 €
Dividend (2)	2.40 €	2.20 €	2.40 €	2.20 €
<b>Dividend yield</b>	<b>8.8%</b>	<b>8.1%</b>	<b>7.9%</b>	<b>7.0%</b>

Market cap.. 31/12/2025 **€586m**



**Icade**

**BBB**



	FY22	FY23	FY24	FY25
Avg. share price	49.38 €	38.08 €	25.32 €	21.58 €
Dividend (2)	4.33 €	4.84 €	4.31 €	1.92 €
<b>Dividend yield</b>	<b>8.8%</b>	<b>12.7%</b>	<b>17.0%</b>	<b>8.9%</b>

Market cap.. 31/12/2025 **€1,807m**

Sources: Annual reports; S&P Capital IQ, Fitch Ratings

Notes: (1) Last known position (2) Average of the rolling 12-month price



**French property  
companies: Activity in  
2025**

# France maintains its 3rd position in European real estate investment, with investment volumes rising

## Commercial real estate investment

All asset classes in Europe – FY 24 and FY 25 (in €bn and in %)

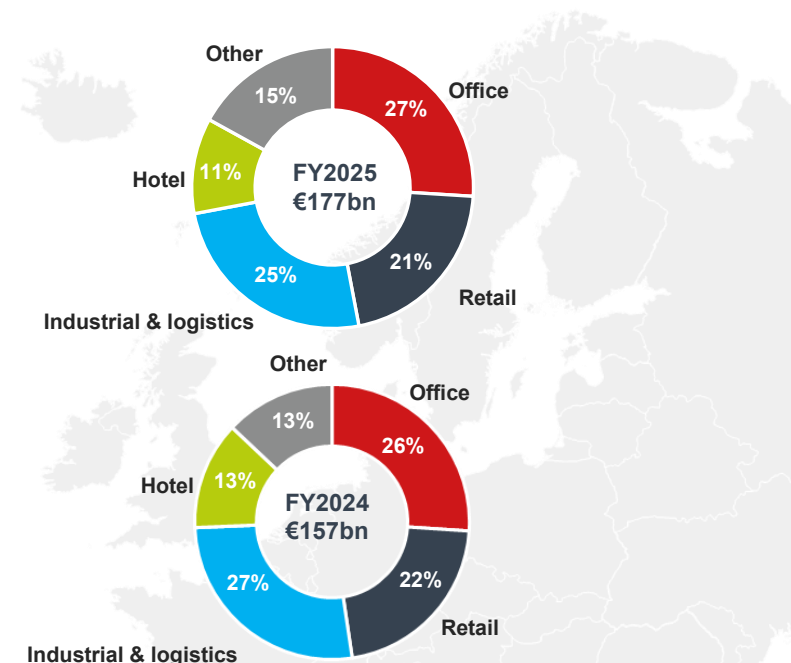
	Rank		Investments in €bn			in % of total		
	FY 2024	FY 2025	FY 2024	FY 2025	Variation	FY 2024	FY 2025	Variation
United Kingdom	1	1	50.3	51.1	2 %	32 %	29 %	(3.0) pts
Germany	2	2	25.9	25.1	(3)%	16 %	14 %	(2.2) pts
France	3	3	15.1	17.2	14 %	10 %	10 %	0.1 pts
Spain	5	4	8.7	11.9	37 %	6 %	7 %	1.2 pts
Italy	7	6	7.0	10.8	54 %	4 %	6 %	1.7 pts
Sweden	4	5	9.4	11.6	23 %	6 %	7 %	0.6 pts
Netherlands	8	7	6.4	7.9	23 %	4 %	4 %	0.4 pts
Czech Republic	15	9	1.7	4.5	165 %	1 %	3 %	1.5 pts
Norway	5	8	8.7	5.4	(38)%	6 %	3 %	(2.5) pts
Denmark	11	12	2.6	3.7	42 %	2 %	2 %	0.4 pts
Finland	12	13	2.4	3.6	50 %	2 %	2 %	0.5 pts
Poland	10	10	3.2	4.2	31 %	2 %	2 %	0.3 pts
Belgium	9	11	4.7	4.0	(15)%	3 %	2 %	(0.7) pts
Portugal	13	14	2.0	2.8	40 %	1 %	2 %	0.3 pts
Others	n.a.	n.a.	9.3	12.8	38 %	6 %	7 %	1.3 pts
<b>Total</b>			<b>157.4</b>	<b>176.6</b>	<b>12 %</b>	<b>100 %</b>	<b>100 %</b>	

Source: BNP Paribas Real Estate, February 2026.

- European investment volume increased by 12% year-on-year to €176.6bn in FY2025. The United Kingdom and Germany remained the two largest investment markets, with the UK broadly stable at €51.1bn and Germany slightly down at €25.1bn.
- France retained its third-place ranking, while Spain, Italy and Sweden posted strong growth and gained share of total European volumes.
- Overall, the leading European markets maintained their positions, although the recovery in FY2025 was supported by a broader range of geographies, including Southern Europe, the Nordics and the Czech Republic.

## Breakdown of investments by asset class

Commercial real estate in Europe – FY24/25

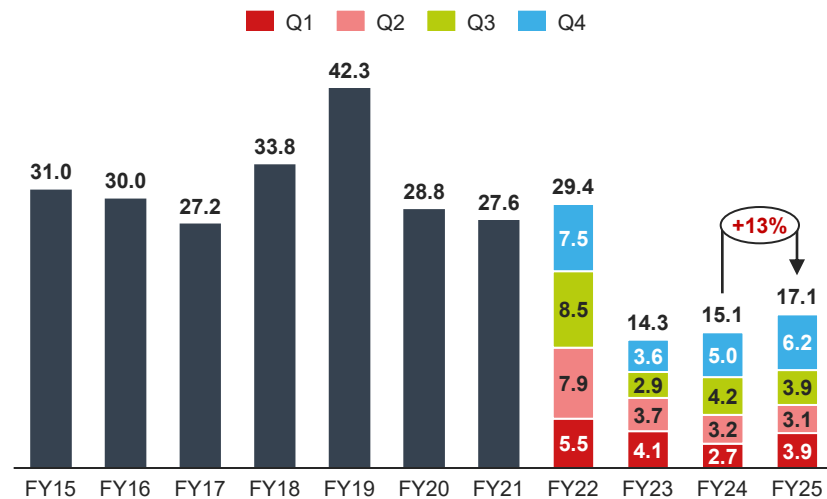


- Investment volumes increased across all major asset classes in 2025. Office grew by 13% year-on-year to €47bn, Retail by 9% to €37.2bn, and Industrial & Logistics by 6% to €44.5bn.
- Other asset classes recorded the strongest growth, increasing by 36% to €37.8bn.

# Commercial real estate: the second half of 2025 confirms the sector's recovery

## Commercial real estate investment

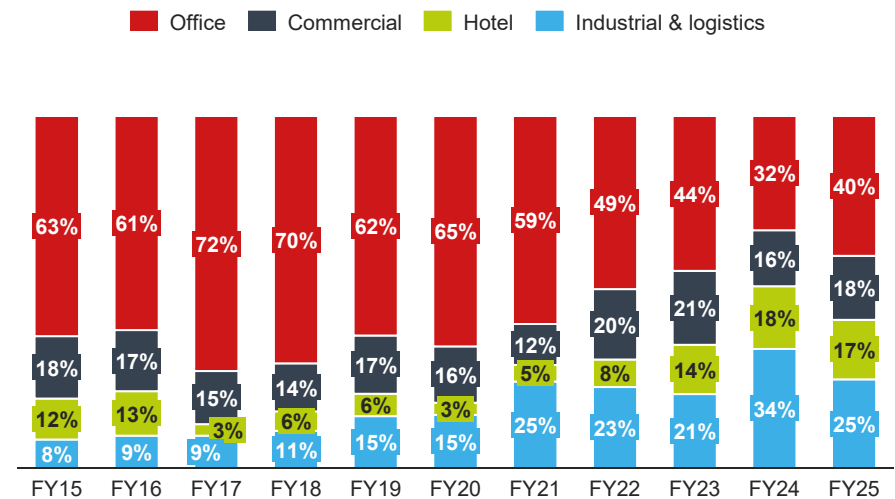
All asset classes in France – FY25 (in €bn)



- The French commercial real estate market showed a cautious recovery in FY2025. Investment volumes reached €17.1bn, up 13% year-on-year, although still below historical levels. The improvement was mainly supported by a strong fourth quarter, during which €6.2bn was invested, up 24% compared with Q4 2024.
- Large transactions continued to play an important role, with 29 deals above €100m accounting for 37% of total volumes. Domestic investors remained the largest buyer group, representing 57% of total investment, while international investors also remained active, led by North America, the UK and Germany.
- Looking ahead, the recovery is likely to remain gradual. BNP notes that the 10-year OAT finished at 3.56% in 2025, which could continue to weigh on pricing and reinforce caution for some investors. At the same time, improving deal flow, a more supportive macro backdrop and the return of foreign investors suggest that the market could stabilise further in 2026.

## Breakdown of investments by asset class

Commercial real estate in France – FY25



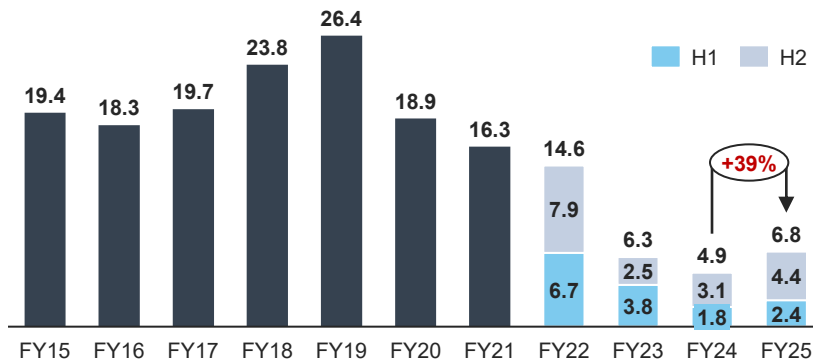
- Investment activity in FY2025 showed mixed dynamics across asset classes. Offices remained the leading segment, with c. €6.8bn invested over the year, representing c. 40% of total volumes. This recovery was mainly driven by the return of investors to Île-de-France, where office investment reached c. €5.6bn.
- Industrial and logistics assets were less dynamic in 2025. Logistics and light industrial assets together accounted for c. €4.3bn of investment with logistics alone at €3.1bn, down 20% versus 2024. As a result, the segment lost momentum relative to offices and remained below the levels seen in the strongest years of the cycle.
- Retail also posted a recovery in FY2025, with investment volumes rising above €3.1bn, up 28% year-on-year. Activity was supported by several exceptional transactions, which helped the segment regain visibility after a weaker period, although it remained below the office segment in absolute terms.
- The hospitality sector extended its positive momentum in 2025, with more than €2.9bn invested over the year.

Source: BNP Paribas Real Estate, February 2026.

# FY 2025: uneven recovery across asset classes, with core markets taking the lead (1/2)



Office Investments – FY25 (in €bn)

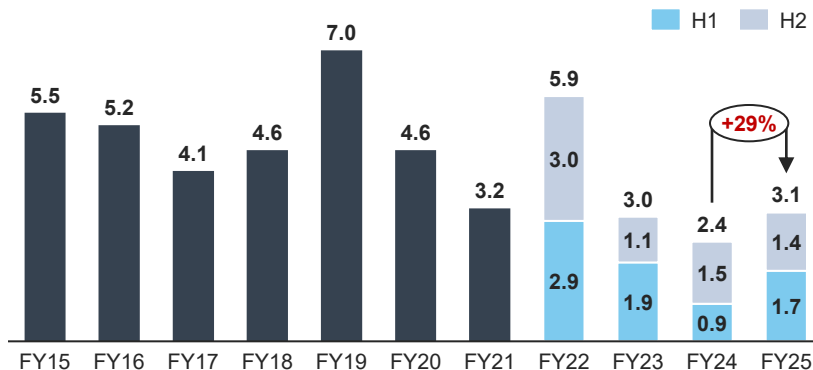


- Office investment remained the leading segment in France in FY2025, accounting for 40% of total investment volumes. Based on a total market of €17.1bn, this represents c. €6.8bn invested in offices over the year.
- The Île-de-France market continued to dominate activity, with €5.6bn invested in 2025, up 51% year-on-year. Paris intra-muros remained the most dynamic submarket, concentrating nearly 80% of Ile-de-France volumes.
- By contrast, regional office markets remained more subdued, with €1.5bn invested outside Île-de-France, down 19% year on year.

**Notable transactions:** Sale of the Renaissance building in Paris's Golden Triangle for c. €300m, CMA CGM / Merit's acquisition of Quadrans Est in Paris 15 for €290m, the acquisition of 48 Notre-Dame des Victoires for c. €90m-95m, the Trinity Tower transaction in La Défense, and La Française REM / ERAFP's acquisition of 21 rue de Bruxelles in Paris 9 for €19m.



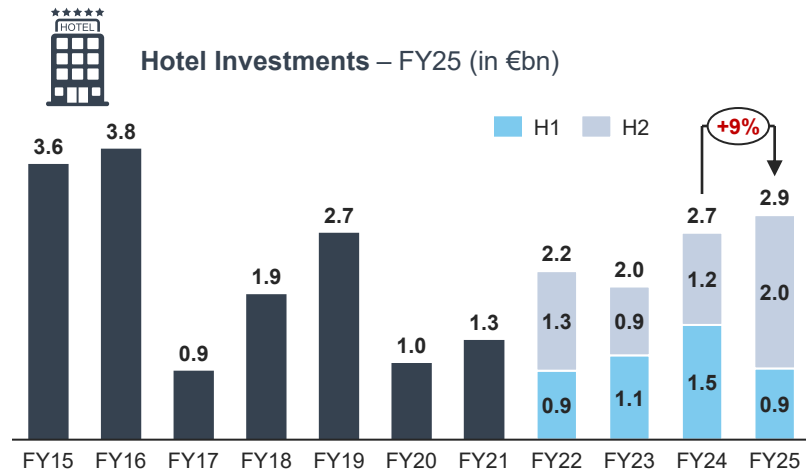
Commercial Investments – FY25 (in €bn)



- Retail investment also recovered in FY2025, exceeding the €3bn mark over the year, corresponding to c. €3.1bn of transactions.
- High-street retail remained the dominant format, accounting for 56% of retail investment volumes, while Paris intra-muros alone represented roughly half of total annual volumes.
- Out-of-town retail accounted for 27% of investment activity, with shopping centres representing the remaining 17%.

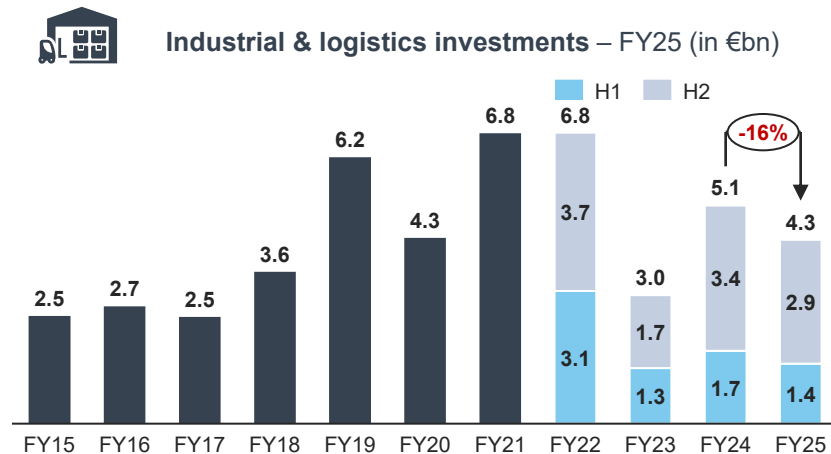
**Notable transactions:** Acquisition of a 60% stake in Kering's three-asset prime Paris portfolio by an Ardan-led consortium backed by Mubadala and other partners for €837m; acquisition of a 15% stake in Westfield Forum des Halles by CDC Investissement Immobilier for €235m; acquisition of 223 Rue Saint-Honoré by Pontegadea for c. €170m; and acquisition of the Renaissance asset at 28 bis-32 Rue François Ier by URSSAF for c. €300m-€315m

# FY 2025: uneven recovery across asset classes, with core markets taking the lead (2/2)



- With c. €2.9bn invested in 2025, the hotel sector maintained strong momentum, up 9% compared with 2024 and supported by a record fourth quarter.
- The market was driven almost exclusively by single-asset transactions, which accounted for the vast majority of deals, while portfolio activity remained very limited.
- Hotels represented 17% of total commercial real estate investment in France in 2025, confirming the asset class's continued attractiveness.
- Activity remained concentrated on 3-star and 4-star hotels. Forward-funded transactions remained limited.

**Notable transactions:** Sale of the Pullman Paris Montparnasse for c. €310m and sale of Le Cap Estel on the French Riviera, with both deals exceeding €200m

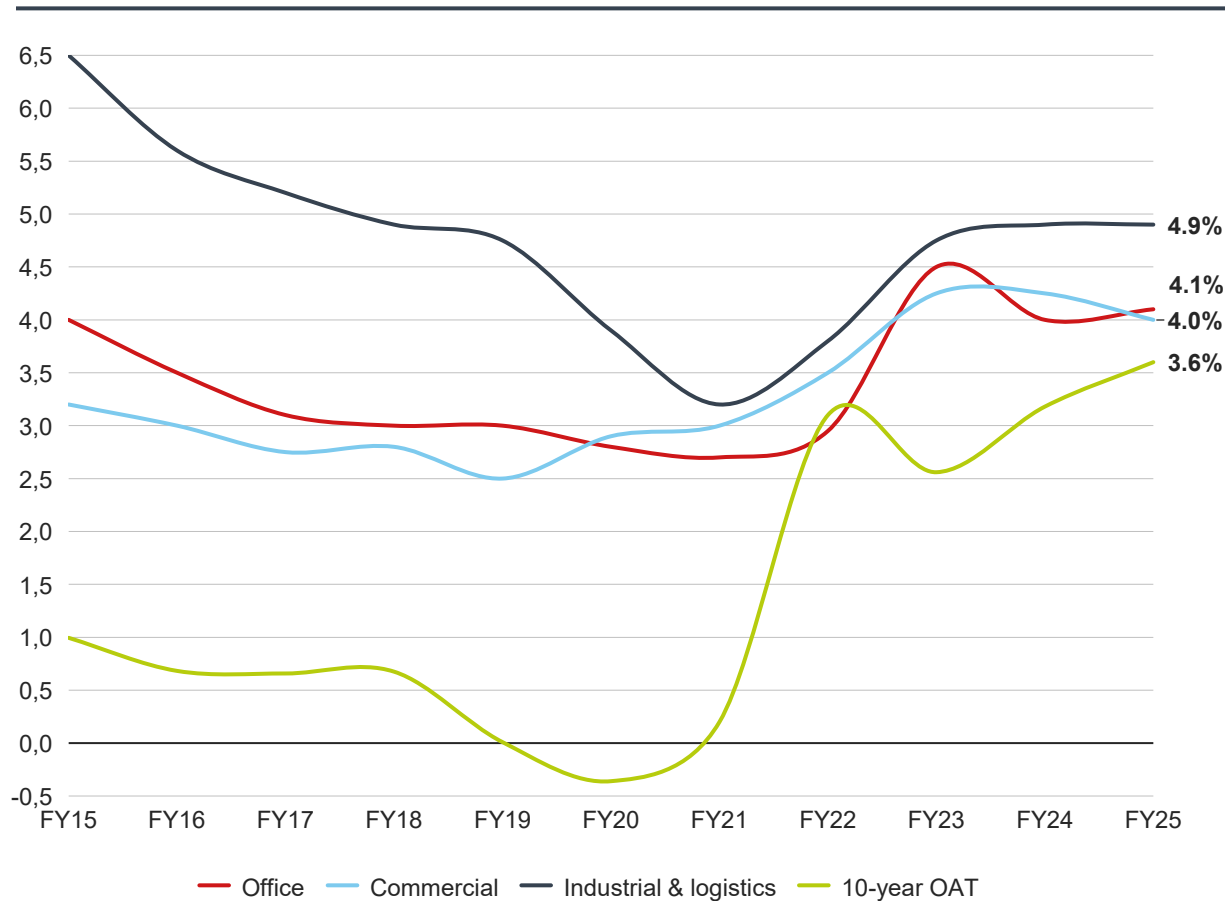


- Industrial and logistics assets were less active in 2025. In the overall French investment market, industrial and logistics assets accounted for 25% of total volumes, equivalent to c. €4.3bn, while BNP highlights a marked slowdown in the segment, with invested volumes down 18% year on year after several robust years.
- The market was primarily supported by single-asset transactions, as portfolio transfers became rarer, although a few sizeable deals still supported activity. On the logistics market specifically, invested volumes reached €3.1bn in 2025, down 20% versus 2024.

**Notable transactions:** Sale of the Logiprime portfolio by OFI Invest to a Belgian investor for c. €130m, as well as AEW's acquisition of a c. 97,000 sqm portfolio comprising five urban logistics assets in France for more than €100m





# Rising interest rates have narrowed the spread between real estate yields and the 10-year OAT

**Comparative evolution of interest rates**  
 “Prime” rate of return vs 10-year OAT rate







- Following the outward repricing observed since 2021, prime yields moved only marginally in 2025, suggesting that the French investment market entered a phase of greater pricing stability. Prime office yields in Paris QCA ended 2025 at 4.10%, prime high-street retail yields at 4.00%, while prime logistics yields remained stable at 4.90%.
- This relative stability in property yields came despite a higher sovereign benchmark, as the French 10-year OAT closed 2025 at 3.56%, compared with 3.2% at the end of 2024. As a result, the spread between prime real estate yields and the 10-year OAT remained limited in 2025, especially for the most competitive segments.
- Based on year-end yields, the spread stood at c. 54 bps for prime Paris offices, c. 44 bps for prime high-street retail and c. 134 bps for prime logistics. This confirms that the relative value offered by core office and retail assets remained tight, while logistics continued to offer a wider premium.
- Overall, the market remained highly selective. Prime assets continued to attract capital, but the rise in the OAT maintained pressure on pricing and financing conditions. In that context, the relative resilience of prime yields in 2025 points to a market where investors remained focused on the best-located and most liquid assets, even as the higher cost of capital continued to constrain the pace of repricing and recovery.

# Overall performance of French property companies in FY25

Company	Last half-year growth (LFL) July 25 - Dec 25	FY25 growth Reported	FY25 revenue (NRI) (bn)	NAV per share Dec.-25 Dec24 - Dec 25	Dec.-25 Portfolio geographical repartition (%)	Market cap. as of 31/12/25 (\$bn)	Last year share evol. (%)	FY25 sales weight by category (%)
 UNIBAIL-RODAMCO-WESTFIELD	(1%)	(2.9)%	2.2	143.8 0%	€48.9bn (1.6)% United States 19% Central Europe 23% South. Europe 42% North. Europe 16%	13.3	28%	Commercial 93% Convention & Exhibition 4% Offices and other 3%
 KLEPIERRE	(1)%	4.8%	1,2	32.2 8.7%	€21,2bn +4.8% France 37% Southern Europe 37% Scandinavia 14% Central Europe 12%	9.7	22%	Commercial 99% Other 1%
 gecina	(2)%	4.2%	0.7	159.3 +1%	€17.4bn 0.0% Paris 80% Core Western Crescent 9% La Défense 5% Others locations 6%	6.0	16%	Offices 84% Residential 16%
 Eurofima	(17)%	4.0%	0.7	90.5 +4%	€16.0bn +3.2% Germany 41% France 35% Italy 16% Other - Europe 8%	6.3	(11)%	Residential 28% Hotels 26% Offices 45%

Source: S&P Capital IQ, Annual Reports 2025

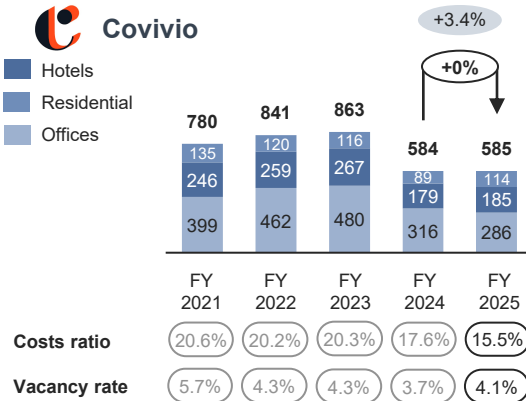
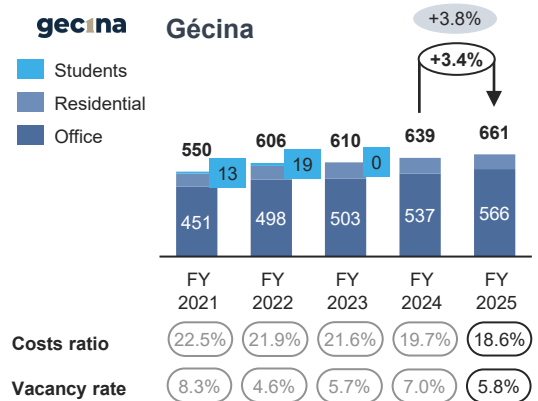
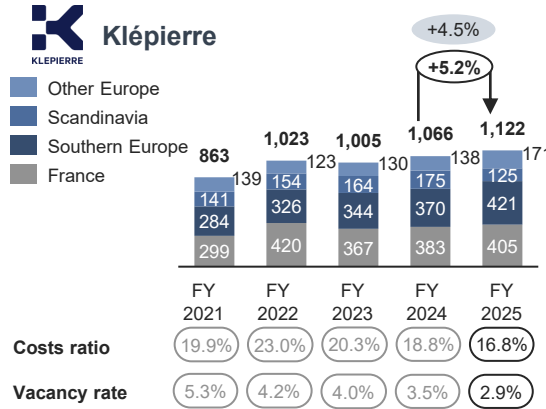
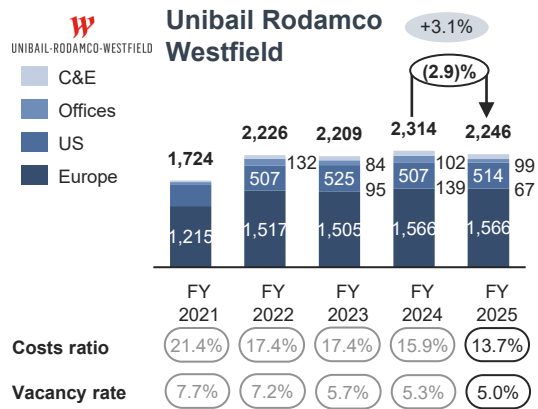
# Semi-annual NAV per share of France's leading real-estate property companies for the 2022-2025 period

Company	2022		2023		2024		2025	
	Jan/Jan	Jul/Dec	Jan/Jan	Jul/Dec	Jan/Jan	Jul/Dec	Jan/Jan	Jul/Dec
 UNIBAIL-RODAMCO-WESTFIELD	2%	(5)%	(3)%	(3)%	(3)%	1%	(3)%	0%
 KLEPIERRE	(2)%	1%	(2)%	(1)%	4%	5%	4%	5%
 gec1na	3%	(5)%	(7)%	(11)%	(1)%	1%	(1)%	0%
	3%	(3)%	(14)%	(8)%	(8)%	2%	(1)%	4%

Source: Annual financial reports 2022-2025, semester-to-semester comparison

# Like-for-like performance mainly reflects indexation and rental reversion

## Net rental Income (in €m)



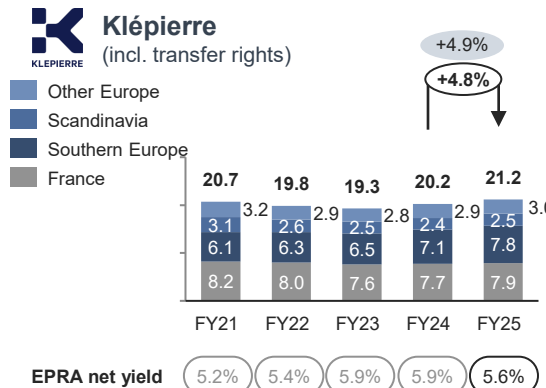
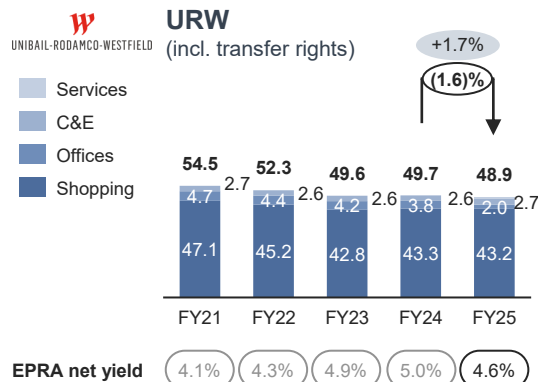
Legend: +xx% Like-for-like performance

Sources: Financial reports, press releases and results presentations.

- Despite solid like-for-like growth of +3.1%, reflecting strong operational performance supported by indexation, leasing uplift and higher variable income, **Unibail's** reported net rental income declined by (2.9%) in FY 2025. This gap is mainly attributable to strategic disposals, such as Trinity Tower and Gaîté-Montparnasse, carried out over the period, which offset the underlying momentum of the operating portfolio.
- **Klépierre** posted a +5.2% increase in net rental income in FY 2025, supported by resilient like-for-like growth of +4.5%, reflecting strong operational efficiency. Lower shopping-centre vacancy, down 20 bps to 4.6%, contributed to this performance. The RomaEst acquisition also had a significant positive impact, outperforming expectations and reinforcing the Group's accretive growth strategy.
- **Gecina** reported rental income growth of +3.4% in FY 2025, driven mainly by like-for-like growth of +3.8%. This performance was supported by indexation (+2.6%) and rental reversion, particularly in offices (+3.7% LfL) and residential (+4.5% LfL).
- **Covivio** recorded flat net revenues in FY 2025, underlying growth being mainly driven by like-for-like performance of +3.4%. The increase was supported by indexation (+19 bps), higher occupancy and rental uplift on reletting and renewals (+15 bps), offset by major disposals.

# Valuations show like-for-like growth thanks to improved market conditions and increased operating efficiency

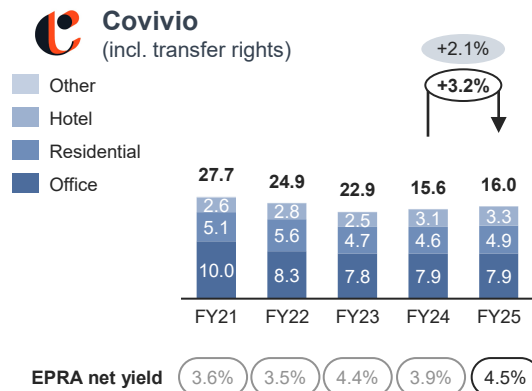
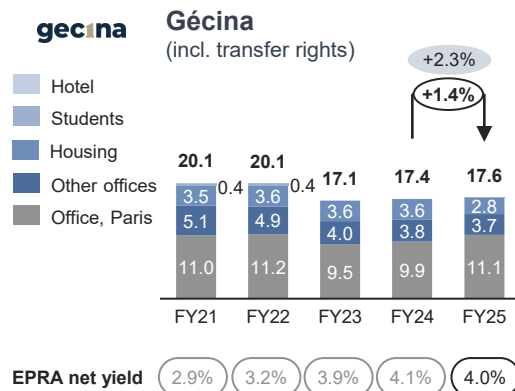
## Valuation of assets under management (in €bn) | Incl. value of rights



→ **URW:** €48.9bn at FY 2025, compared to €49.7bn at year-end 2024, down by (1.6)% mainly due to disposals and FX impacts. On a like-for-like basis, portfolio valuation increased by +1.7%, including +1.8% in Europe and +1.2% in the US.

→ **Klépierre:** Portfolio recorded a like-for-like valuation increase of +4.9% over FY 2025, driven by a +3.7% cash flow effect and a +1.2% market effect. The average EPRA Net Initial Yield (NIY) stood at 5.6%, down 30 basis points over twelve months.

→ **Gécina:** Portfolio was valued at €17.6bn at FY25, up 1.4% over the half-year. On a like-for-like basis, values rose by 2.3%, leading to a positive cash flow effect of +2.0%, primarily driven by central areas and a slightly positive yield effect of +0.2%, supported by the resumption of large-scale transactions in Paris and the still-depressed nature of the investment market outside Paris.



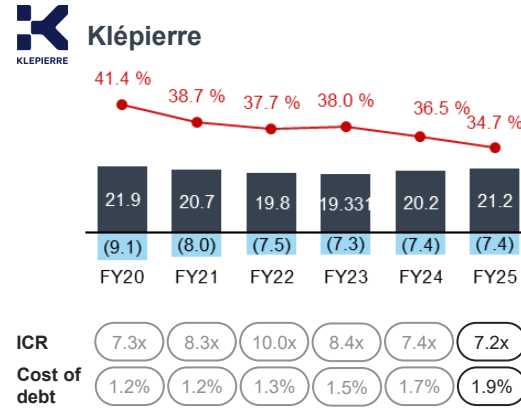
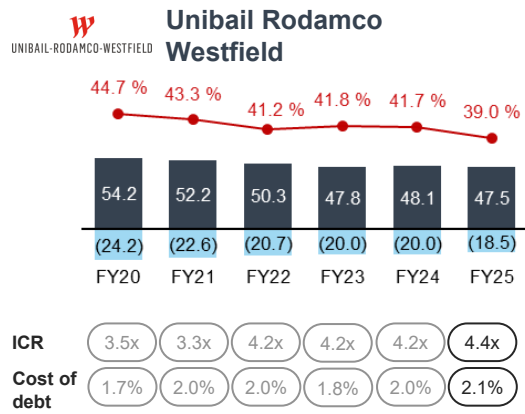
→ **Covivio's** portfolio reached €16.0bn Group share at FY25, supported by hotel investments and the full consolidation of CB21. Like-for-like values rose 1.5% over six months, reflecting contrasting trends across segments. Core city-centre offices showed modest growth, while major business districts stabilised and non-core offices declined. German residential delivered solid like-for-like growth, driven notably by Berlin. Hotel assets continued to strengthen, benefiting from restructured assets and broad-based gains across France, Spain and Italy.

Legend: +xx% Like-for-like var.

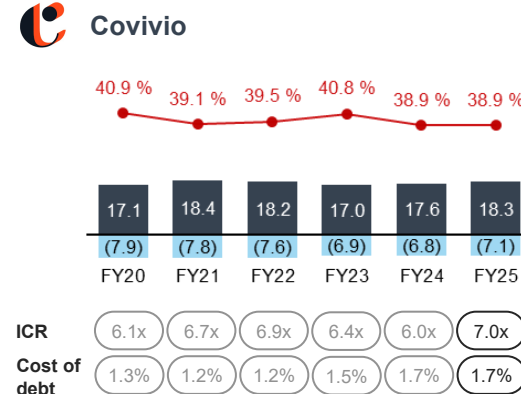
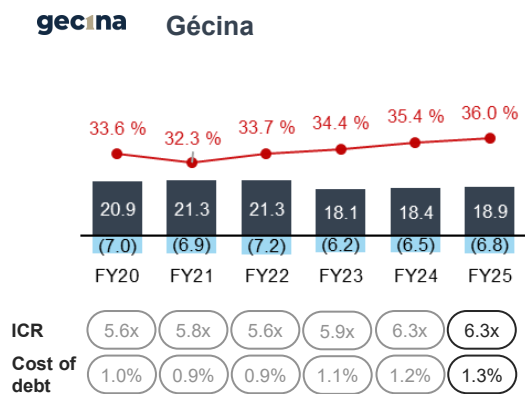
Sources: Annual financial reports, press releases and annual results presentations.

# The growth in the market value of assets leads to an improvement in the LTV ratio

## Main characteristics of debt



- **URW's** LTV ratio decreased to 39.0% (from 41.7% as of 31 December 2024), mainly supported by the net debt reduction and a positive portfolio revaluation.
- **Klépierre's** LTV level has further improved to 34.7%, down 180 basis points compared with the end of 2024, driven by growth in portfolio value.
- **Gécina's** LTV ratio increased to 36.0% (versus 35.4% as of 31 December 2024) due to an increase in net debt (+€0.2m).
- **Covivio's** Loan-to-Value (LTV) ratio stood at 38.9% at year-end 2025, in line with the Group's LTV policy < 40% despite the full dividend payment.



Legend: ■ Asset value - share of group (DI, €bn) ■ Net debt (€bn) —●— LTV

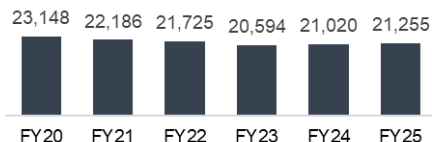
Sources: Annual financial reports, press releases and annual results presentations.

# In FY 2025, NAV per share continues to rise, confirming the rebound observed in asset values by the end of 2024

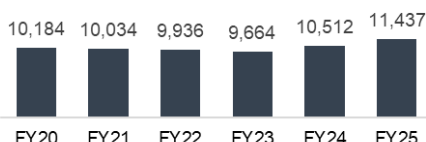
## Reinvestment NAV (EPRA NRV)



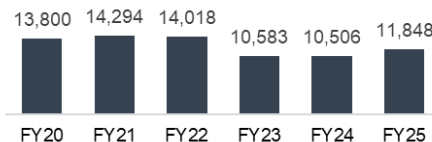
**Unibail Rodamco Westfield**



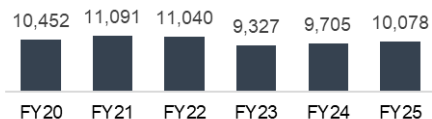
**Klépierre**



**gecina Gécina**



**Covivio**



Legend: —●— EPRA NAV/NRV per share (€) ■ EPRA NAV/NRV (€m)

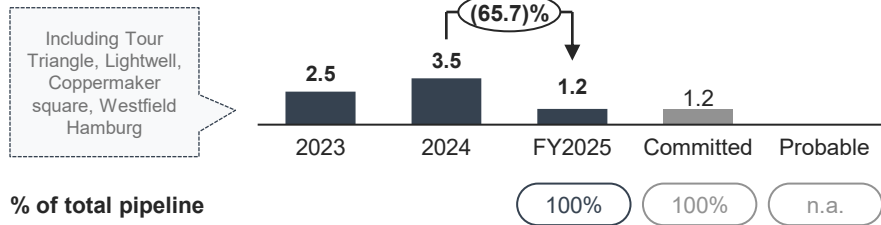
Sources: Annual financial reports, press releases and annual results presentations.

Note: (1) Yearly average share price

- The stability in **URW's** NAV per share is mainly due to the revaluation of the real estate portfolio and offset by the FX impact. At the end of 2024, lower inflation and stabilising interest rates helped reduce pressure on the real estate market. Combined with successful asset management strategies (pipeline deliveries, growth in tenant sales), URW's NAV per share stabilised.
- For **Klépierre**, the increase in NAV per share is mainly explained by the rise in the market value of the portfolio. The portfolio recorded a like-for-like valuation increase of +4.9% over FY 2025. The average EPRA Net Initial Yield (NIY) stood at 5.6%.
- **Gecina's** NAV increased over FY 2025, supported by the contribution of recurrent net income, positive valuation effects from yield compression and rental growth, and value creation from pipeline deliveries and asset rotation.
- **Covivio's** NAV remained relatively stable over the period, slightly increasing (+3.9% per share since December 2024) due to recurring earnings, asset value growth and value creation from acquisitions.

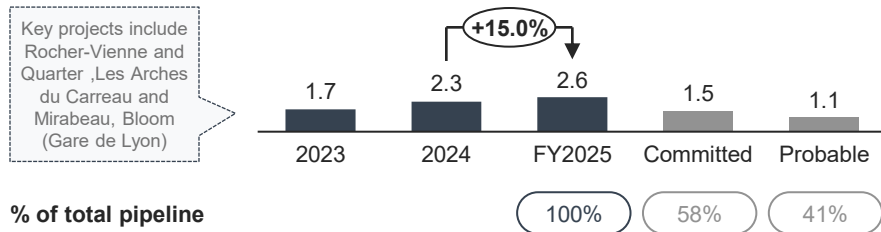
# Reduced project pipelines reflect the significant volume of deliveries completed in 2025

**UNIBAIL-RODAMCO-WESTFIELD** In €bn



URW's development pipeline amounted to €1.2bn as of 31 December 2025, down from €3.5bn following the partial delivery of Westfield Hamburg-Überseequartier. In H1-2026, the Ibis Hotel works and the construction of the remaining offices in Hamburg will be completed. This will further reduce URW's TIC by approximately €0.5bn upon tenants' handover, partially offset by the inclusion of the renovation of two exhibition halls at Paris Porte de Versailles (+€0.1bn) in the Committed pipeline.

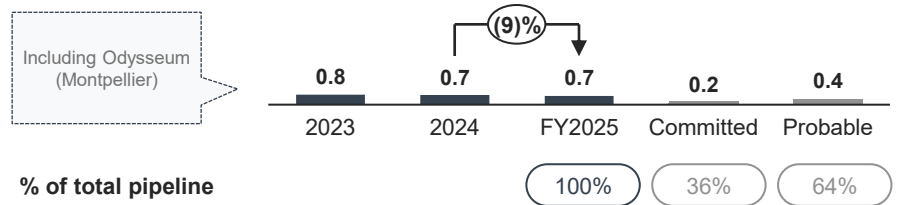
**gecina** In €bn



Gecina's development pipeline has been adjusted by €1.8bn following portfolio rotation decisions in 2025, resulting in substantial deliveries, partly offset by reinvestments in H2 2025, during which Gecina acquired three large office assets located in supply-constrained markets (Rocher Vienne, Hôtel Particulier, Bloom). In addition, four other flagship office projects have advanced further, supported by an additional €0.2bn of investment.

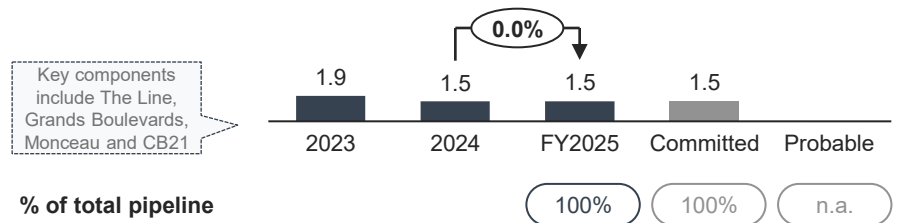
Sources: Annual financial reports, press releases and annual results presentations.

**KLEPIERRE** In €bn



At the end of 2025, Klépierre acquired Casamassima, the leading shopping centre in Bari (Italy). Klépierre also launched a new project with the extension of Le Gru, the iconic shopping centre in Turin and unveiled an extension project of the Romagna shopping centre in Rimini (Italy).

**Covivio** In €bn

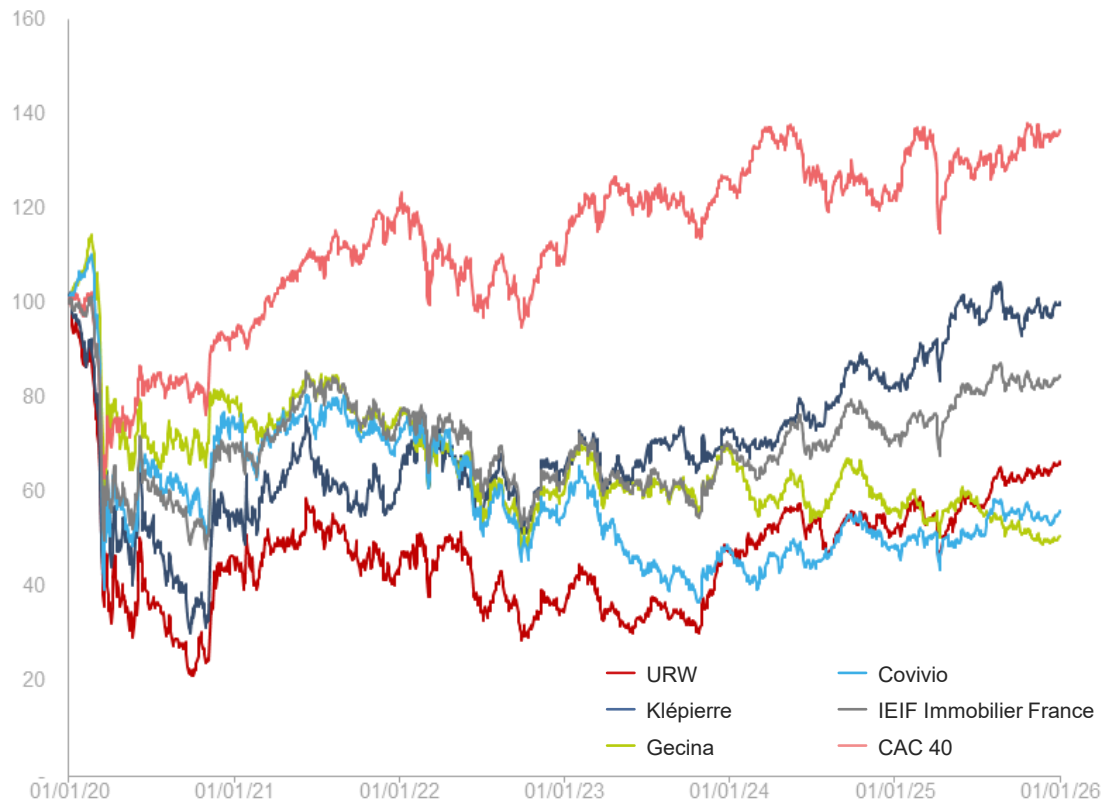


Covivio has a pipeline of eight office and mixed-use projects in France, Germany, and Italy, adding €69m in revenue. It includes redevelopments in Paris and Milan, a project for Thalès, developments in central Berlin and Milan, and the redevelopment of the CB21 tower in La Défense. Covivio also has a hotel pipeline of nine projects, including office-to-hotel conversions in Paris and Bologna, a turnkey project in Porto, and refurbishments linked to the Essendi opco acquisition.

# Real estate companies outperformed the CAC 40 in FY2025, supported by a strong rebound across the sector

## Stock price evolution of the real estate companies in the panel

Base 100 on 01/01/2020 | Analysis period: from 01/01/2020 to 31/12/2025



	URW	Klépierre	Gécina	Covivio	IEIF Immobilier France	CAC 40
Gross value as at 31/12/2025	92.8 €	33.7 €	56.7 €	80.9 €	5,212 €	8,150 €
<b>Variation</b>						
Since 01/01/2025	+28%	+21%	+16%	-11%	+18%	+10%
2024	+8%	+12%	+1%	-18%	+2%	-2%
2023	+33%	+12%	-13%	+14%	+11%	+14%
2022	-21%	+4%	-23%	-22%	-17%	-9%
2021	+1%	+16%	-3%	-2%	+10%	+28%
2020	-54%	-47%	-26%	-21%	-31%	-8%
Over the period	-34%	-0%	-44%	-49%	-15%	+36%
<b>30d spread</b>						
at 31/12/2025	3.7%	3.2%	3.4%	3.7%	2.5%	2.3%
at 1/1/2020	3.8%	5.0%	4.9%	4.4%	3.3%	3.6%

- Since 2020, listed real estate companies have been exposed to a succession of major macroeconomic shocks, including the health crisis, the war in Ukraine, inflation and interest rate hikes. However, based on the current panel, short-term share price volatility had normalised by year-end 2025 instead of increasing further.
- As of 31 December 2025, 30-day volatility ranged from 3.2% to 3.7% for the four listed real estate peers, compared with a range of 3.8% to 5.0% on 1 January 2020.
- After an average share price increase of c. 12% in 2023, the panel was broadly stable in 2024, with an average performance of c. +1%.
- Since 1 January 2025, the sector has recovered more meaningfully: the four listed real estate companies were up by c. 14% on average, compared with +10% for the CAC 40 and +18% for the IEIF Immobilier France index.
- This suggests renewed investor interest in the sector, although performance remained uneven across names, with URW, Klépierre and Gécina up strongly, while Covivio declined by 11%.

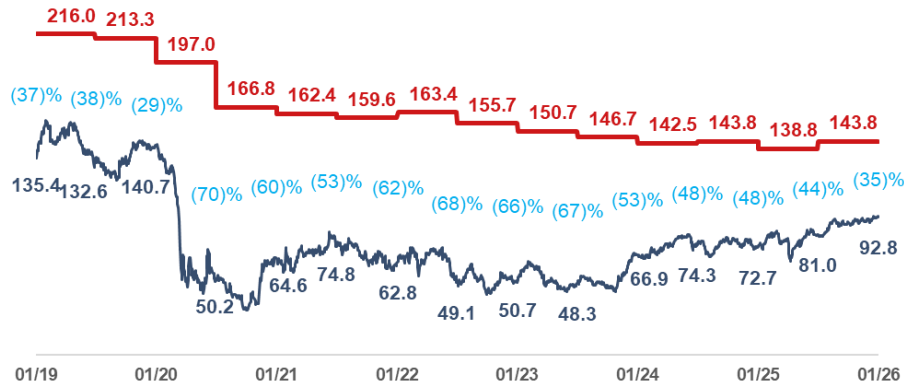
Sources: Capital IQ

Note: The stock prices presented have been calculated on a base of 100 for the purpose of comparability.

# The discounts on the stock price relative to the NAV remain high but have narrowed as asset values have adjusted



## Unibail Rodamco Westfield

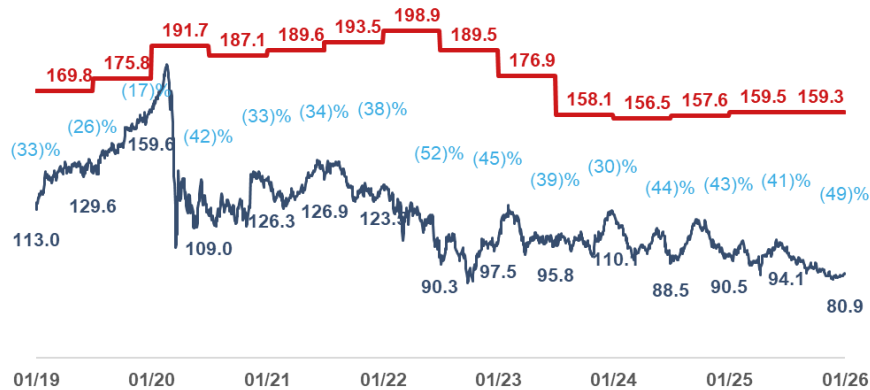


## Klépierre

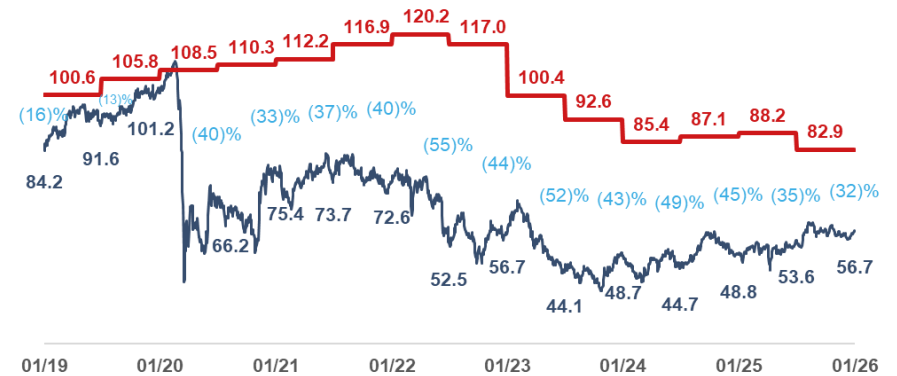
Legend:  
 — EPRA NAV/NRV per share (€)  
 — Stock market  
 (x)% Premium/Discount to NAV



## Gécina



## Covivio



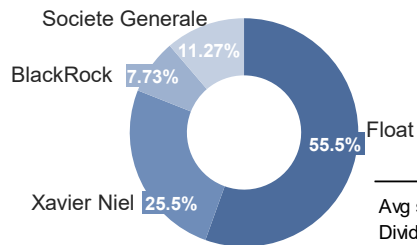
Sources: S&P Capital IQ, Semi-annual financial reports, Press releases and Semi-annual financial results presentations.

# The real estate companies in our panel have broadly maintained their cash distributions, with the return of dividends from URW in FY24

## Unibail Rodamco Westfield

BBB+

### Shareholders<sup>(1)</sup>



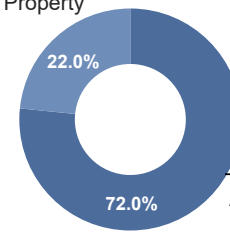
	FY22	FY23	FY24	FY25
Avg share price (2)	57.42 €	51.60 €	73.42 €	77.24 €
Dividend	- €	- €	2.50 €	3.50 €
<b>Dividend yield</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.4%</b>	<b>4.5%</b>
<i>Suspension of dividends for the 2020-23 financial years</i>				
<b>Market cap. 31/12/2025</b>	<b>€13,296m</b>			

## Klépierre

A-

### Shareholders<sup>(1)</sup>

Simon Property Group



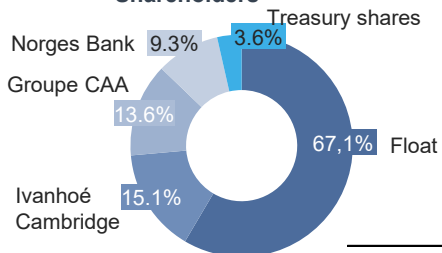
Stichting Pensioenfond ABP  
The Vanguard Group

	FY22	FY23	FY24	FY25
Avg share price (2)	21.60 €	22.98 €	26.20 €	30.93 €
Dividend	1.75 €	1.80 €	1.85 €	1.90 €
<b>Dividend yield</b>	<b>8.1%</b>	<b>7.8%</b>	<b>7.1%</b>	<b>6.1%</b>
<b>Market cap. 31/12/2025</b>	<b>€9,660m</b>			

## gecina Gécina

A-

### Shareholders<sup>(1)</sup>

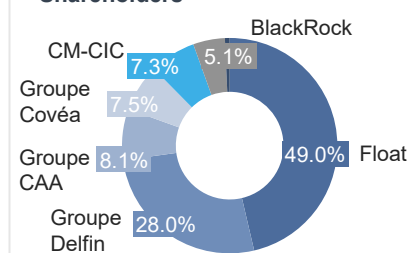


	FY22	FY23	FY24	FY25
Avg share price (2)	62.06 €	48.85 €	48.28 €	50.45 €
Dividend	3.50 €	3.30 €	3.50 €	3.75 €
<b>Dividend yield</b>	<b>5.6%</b>	<b>6.8%</b>	<b>7.2%</b>	<b>7.4%</b>
<b>Market cap. 31/12/2025</b>	<b>€6,274m</b>			

## Covivio

BBB+

### Shareholders<sup>(1)</sup>



	FY22	FY23	FY24	FY25
Avg share price (2)	62.06 €	48.85 €	48.28 €	50.45 €
Dividend	3.75 €	3.75 €	3.50 €	3.50 €
<b>Dividend yield</b>	<b>6.0%</b>	<b>7.7%</b>	<b>7.2%</b>	<b>6.9%</b>
<b>Market cap. 31/12/2025 :</b>	<b>€6,274m</b>			

Sources: Annual and semi-annual reports; S&P Capital IQ

Note (1) Latest known position as of 31/12/2025 (2) Average stock prices over the last 12 months

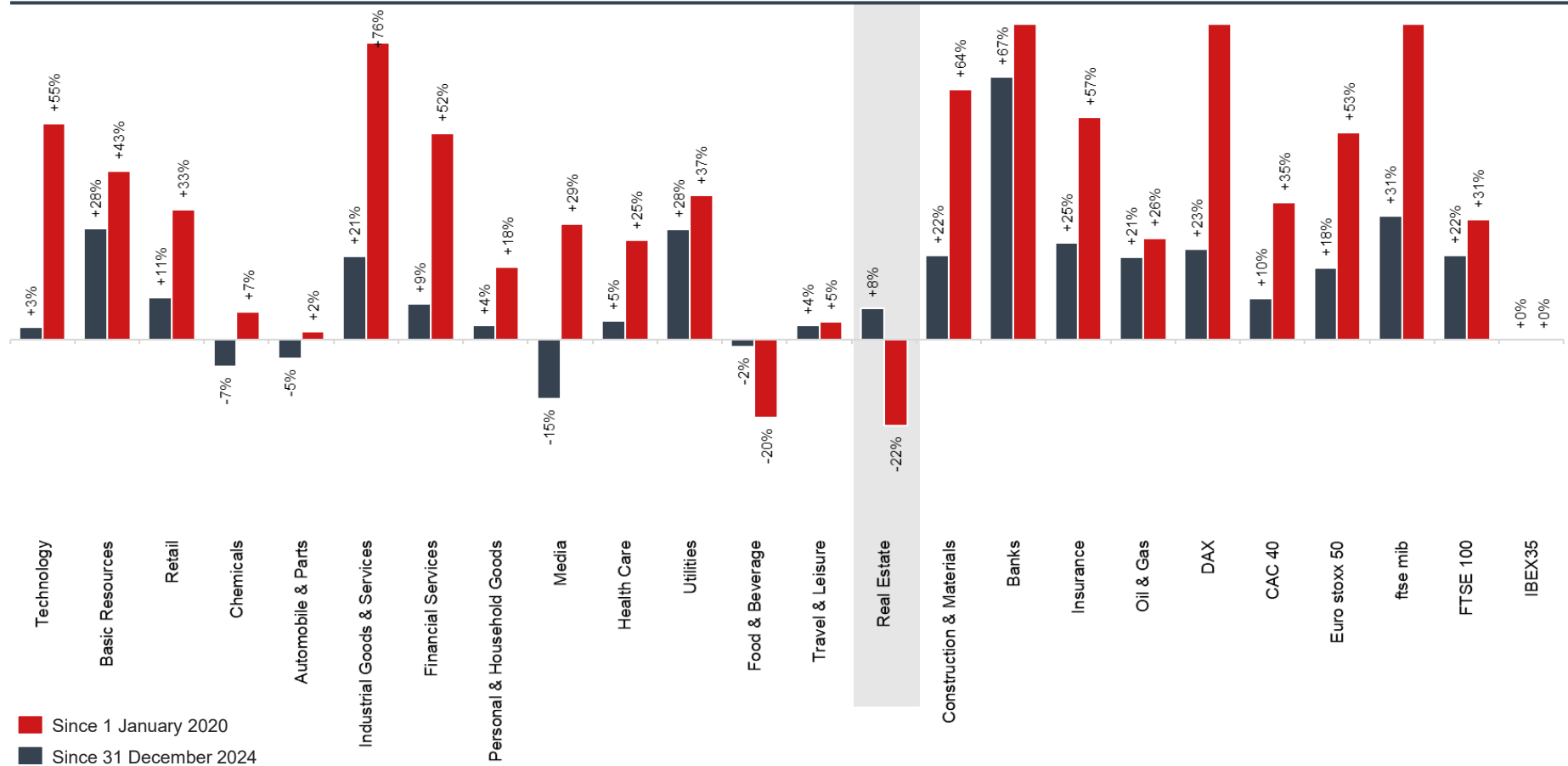


## Appendices



# Real estate stocks have underperformed the market since 2020; however, they showed resilience during the LTM

Stock price variations of Stoxx Europe 600 sector indices  
(2020 – FY2025)



Source: S&P Capital IQ

Note: Analysis period between 1 January 2020 and 31 December 2025



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