FRANCE
GLOBAL CITIES
RETAIL GUIDE

2026 EDITION

Better never settles

FRANCE OVERVIEW

France is one of Europe's largest retail markets, achieving an annual turnover of more than €500 billion. France is home to many renowned retail brands including some of the largest retail chains in the world such as Carrefour or the Mulliez group (e.g. Auchan, Decathlon, etc.).

Household consumption is one of the country's main growth drivers with the French still devoting a high proportion of their disposable income to the retail sector.

With a record number of more than 100 million international visitors in 2024, France remains the most popular tourist destination in the world. France has benefited from the international visibility provided by the 2024 Olympic Games.

France attracts consumers from all over the globe, spending a significant amount in the country's most sophisticated thoroughfares such as Paris' Golden Triangle, the Marais, or other key tourist high-end locations such as Cannes, Saint-Tropez or Courchevel, where some of the most iconic brands are located (many owned by a few dominant French luxury groups including LVMH, Kering, Hermès, L'Oréal Luxe, etc.).

FRANCE

Economic Overview

ECONOMIC SUMMARY

ECONOMIC INDICATORS	2024	2025	2026F	2027F	2028F
GDP (% y/y change)	1.1	0.9	1.0	1.2	1.3
Consumer spending (% y/y change)	1.0	0.5	0.6	0.9	1.2
Industrial production (% y/y chante)	-0.1	0.5	1.6	1.4	1.5
Investment (% y/y change)	-1.3	0.2	1.4	2.1	1.7
Unemployment rate (%)	7.4	7.6	7.8	7.8	7.6
Inflation rate (%)	2.0	0.9	1.4	1.8	2.1
Exchange rate vs USD	1.1	1.1	1.2	n/a	1.2
Interest rates short-term (%)	4.1	2.4	2.2	2.3	2.4
Interest rates 10-year (%)	3.0	3.4	3.3	3.2	3.1

NOTE: *annual % growth rate unless otherwise indicated. Figures are based on local currency and in real terms. F forecast

SOURCE: Moody's Analytics, Inc.

RETAIL SALES GROWTH: % CHANGE ON PREVIOUS YEAR

INDICATOR	2022	2023	2024	2025	2026F
Retail sales growth volume (%)	3.1	-1.8	2.1	2.7	0.9

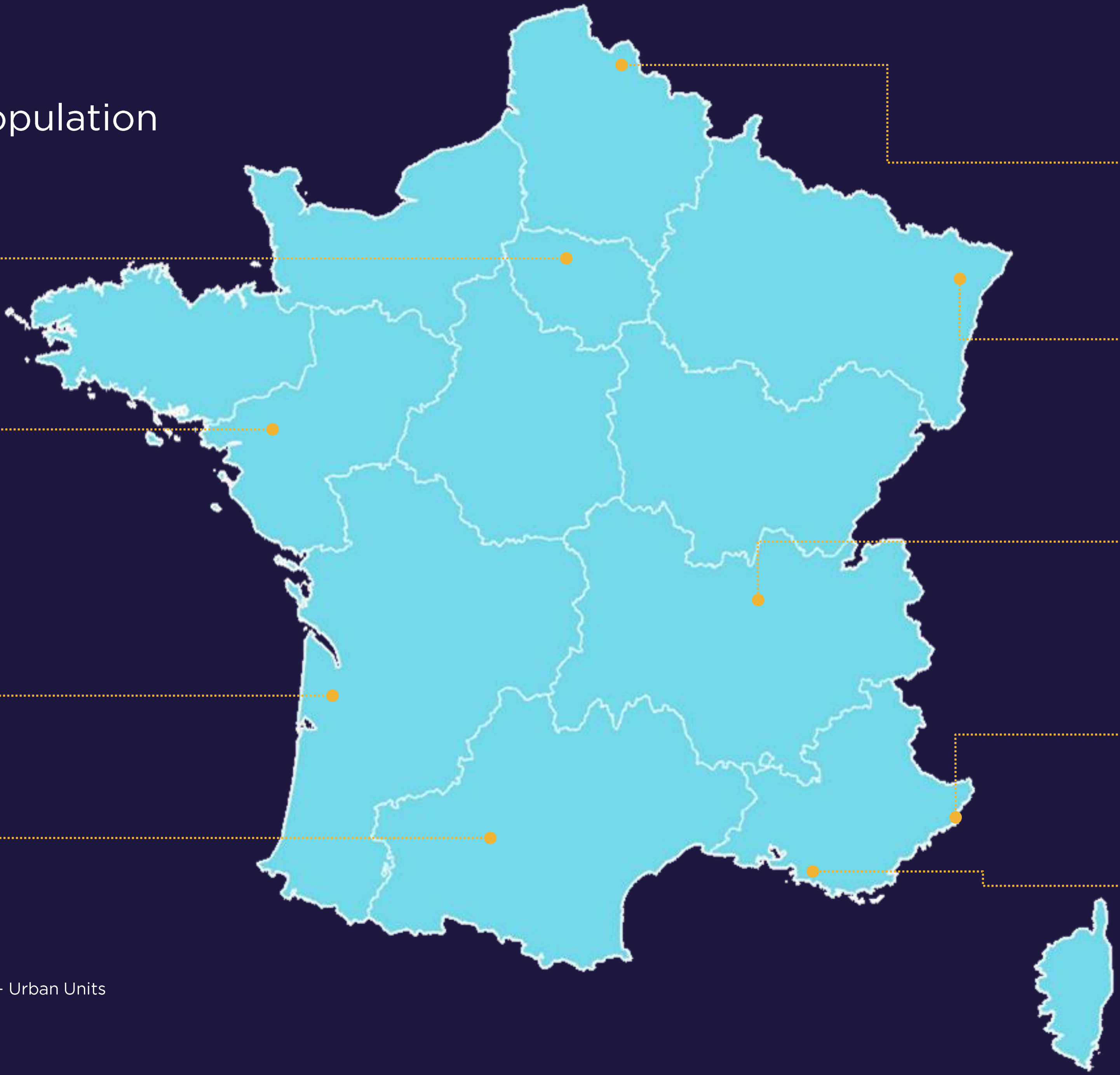
ECONOMIC BREAKDOWN (2023)

Population (million)	68.8
GDP nominal (bil. USD)	3,249.7
Public sector balance (% of GDP)	-5.4
Public sector debt (% of GDP)	115.4
Current account balance (% of GDP)	-0.1

PARLIAMENT	Bicameral: Senate (right orientated) and National Assembly (no majority).
PRESIDENT	Emmanuel Macron
PRIME MINISTER	Sébastien Lecornu
ELECTION DATE	2027 (Presidential)

FRANCE

Largest Cities & Population



Paris
10,890,751

Nantes
677,080

Bordeaux
1,008,509

Toulouse
1,063,235

Lille
1,058,439

Strasbourg
487,063

Lyon
1,702,921

Nice
962,697

Marseille/ Aix-En-Provence
1,625,845

SOURCE: INSEE – Legal Population 2021 – Urban Units

FRENCH

Retail Overview

MAJOR DOMESTIC FOOD RETAILERS

Leclerc, Intermarché (Netto), Système U, Carrefour, Auchan, Monoprix/ Franprix (Casino Group), Biocoop, Grand Frais, Picard.

MAJOR DOMESTIC NON-FOOD RETAILERS

Fnac-Darty, Décathlon, Boulanger, But-Conforama, Beaumanoir Group (Morgan, Caroll, La Halle, Bonobo, Quiksilver, etc.), Leroy Merlin, Castorama, Galeries Lafayette, Boulanger, Cultura, Maisons du Monde, Truffaut, Sephora, Yves Rocher, SMCP Group (Sandro, Maje, Claudie Pierlot, Fursac), Kiabi, Etam, Alain Afflelou, Promod, Jonak, Sessun, Courir, King Jouet, Alain Afflelou...

FOOD AND BEVERAGE OPERATORS

McDonald's, Bertrand Group (Burger King, Au Bureau, Pitaya, Hippopotamus, Volfoni, Le Paradis du Fruit, Pitaya, Léon), Yum ! (KFC, Pizza Hut), Agapes Group (3 Brasseurs, Salad & Co, etc.), Napaqaro (Buffalo Grill, Popeyes), Flunch, Quick, Le Duff group (Del Arte, Brioche Dorée), Paul, Boulangerie Ange, Domino's Pizza, Subway, Baudaire Group (La Boucherie, Courtepaille, Constant, Le Kiosque du Boucher), Amrest (Sushi Shop), Wagram Food Service (Columbus, Krispy Kreme, Copper Branch), O'Tacos, Maison Nicolas, Jeff de Bruges, La Mie Caline, Sushi Daily, Starbucks, Marie Blachère.

INTERNATIONAL RETAILERS IN FRANCE

Ikea, Intersport, H&M (H&M, H&M Home, Cos, etc.), Inditex Group (Zara, Bershka, Pull & Bear, etc.), Mango, Primark, Kiko, Uniqlo, b&m, Action, Normal, Calzedonia, Canada Goose, Sostrene Grene, Xiaomi...

MAJOR INTERNATIONAL FOOD RETAILERS

Lidl, Aldi, Costco, Match, Colruyt.

NEW ENTRANTS TO MARKET

Hoka, Primaprix, Shein, Acqua di Parma, BlackSheep, Gentle Monster, RH Modern, Rimadesio, Doppelgänger, Reformation, Baoma, Big Canteen, Chopstix, Tropicool, Activate, Battle Kart

TYPICAL HOURS

MONDAY - SATURDAY	SUNDAY
9.00/ 10.00 – 19.00/ 20.00 (later for supermarkets)	10.00 - 13.00 (supermarkets) 10.00 - 19.00 (in tourist areas)

FRANCE

Retail Scene

France is one of Europe’s largest retail markets, with a population of some 69 million (ranking second behind Germany) with sustained demographic growth despite a slight slowdown in recent years.

The French retail property market benefits from a massive influx of tourists and that several giants in the retail distribution sector (food and luxury in particular) are French. Retail property stock comprises over 200,000 units, equalling 76 million sqm. High streets account for the highest numbers of stores, while retail parks accommodate nearly half of the total surface area of organised retail space in France.

Limited by the shortage of real estate and the technical/administrative difficulties posed by town-planning laws (the latest being the objective ZAN/ zero net artificialisation), opportunities are becoming increasingly rare in all market segments. On prime areas of high streets, this phenomenon has been boosted by both retailer demand in the luxury sector and several new entrants to the market, both in Paris and the provinces.

Total existing stock of shopping centre space in France totals over 22 million sqm (Jan 2026).

The French landscape is dominated by several regional historic schemes in the Paris region (Westfield Les Quatre Temps, Belle Epine, Créteil Soleil, Westfield Forum des Halles or Westfield Vélizy 2) and the provinces (Westfield La Part-Dieu in Lyon, Atlantis in Nantes, Cap 3000 near Nice, Les Terrasses du Port in Marseille or Westfield Euralille in Lille). Given the decline in the number of new regional shopping centres, very few significant projects recently opened in France: Lillenium in Lille (56,200 sqm), Mon Grand Plaisir (39,000 sqm) and most recently Neyrpic outside Grenoble (50,000 sqm) in 2024. Activity is now mainly focused on redevelopments and extensions of established centres with the creation of leisure and restaurant hubs such as "Imagi Park" in Val d'Europe, "Overland" in Pontault Combault and "Archipel" in Le Pontet. The development of these experiential activities generates continuous footfall and maintains the attractiveness of shopping centres.

The French retail warehouse market is regarded as one of the most mature and highly developed in Europe. The fragmented and generally mediocre quality of much of the French out-of-town market still leaves a considerable gap for the development of higher quality and more integrated schemes. They are now a target for state aid as part of a “plan to transform commercial areas”. However, these redevelopment projects are proving difficult to implement due to a combination of implementation issues (land, financing, administrative obstacles) and the wide variety of actors involved.

The development of new generation schemes has now been underway for the last 15 years, more family friendly and with a broader and more balanced tenant mix. One of the most visible example of this approach is “Atoll” in Angers and “Waves” Actisud near Metz, and “Shopping Promenade” in Vendenheim and Claye Souilly in the Greater Paris Region. A significant opening is expected in 2026 in Sainte-Geneviève-des-Bois: "Central Park Valvert" will cover 80,000 sqm and should boost the momentum of new out-of-town developments and help to modernise the park.

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Retail Scene

France is one of Europe's chief markets for factory-outlet centres, with a total of near 500,000 sqm of space. The first to open their doors were located in the North and East of the country and were developed from the mid-1980s to the late 1990s. Since then, coverage of the country continued with improvement in the architecture of factory outlets, as shown with the last openings in the provinces, like the "The Village" in Villefontaine close to Lyon in 2018, or "Honfleur Normandy Outlet" in Honfleur (2017) and "McArthurGlen Paris-Giverny" in Douains (2024) in the northwest part of the country. Tourism is identified as a key driver for potential turnover in these factory outlets.

After rising to prominence in the 2000s, e-commerce reached its peak during the Covid period, taking over from stores forced to close. Even before the crisis, e-commerce was already a fundamental pillar of retailers' omnichannel strategy, but it has become an increasingly important complement to physical retailing, particularly through click & collect and online booking services. With sales of almost €200 billion by 2025, e-commerce has more than trebled its performance over the last decade.

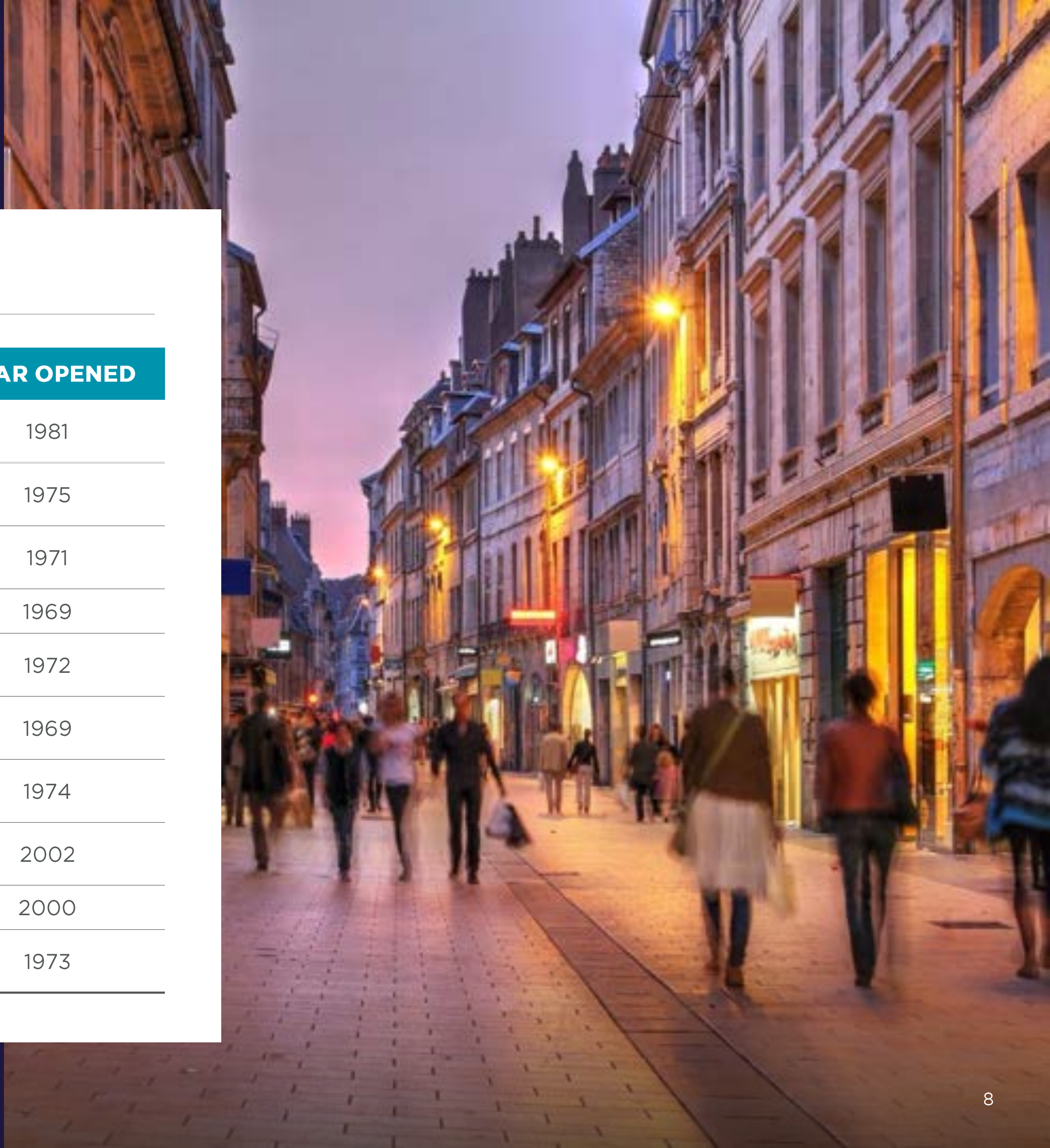
The pace of growth seems to have slowed since 2021, with a return to normal in the breakdown of sales between products and services, the latter historically being the driving force behind online sales (61% in 2025) thanks to travel and tourism.

New technologies are now used by nearly all retailers and have become part of the typical consumer shopping or user experience. Every new shopping centre and retail park includes new digital concepts.

The French retail property market is generally considered as one of the most transparent and mature in Europe. Sunday opening in specific zones defined as International Tourist Zones is established by the Macron law, taking advantage of the tourist's high purchasing power, mainly in Paris (11 zones), West Coast (2 zones) and Southern France (5 zones).
The role played by public authorities and legal recourse on retail schemes remain important. This may occasionally impact the length of time it takes to open stores and retail schemes. A major plan has been underway by the government to revitalize some town centres in the regional market and another one for the out-of-town schemes. There are no restrictions on foreign companies either buying or renting property in France.

FRANCE

Shopping Centres



TOP SHOPPING CENTRES BY SIZE

NAME	CITY	SIZE (GLA SQM)	YEAR OPENED
WESTFIELD LES QUATRE TEMPS+CNIT	Puteaux/La Défense (Paris region)	175,000	1981
WESTFIELD LA PART-DIEU	Lyon	160,000	1975
BELLE EPINE	Thiais (Paris region)	141,000	1971
CAP 3000	Saint-Laurent du Var	135,000	1969
WESTFIELD VELIZY 2	Vélizy-Villacoublay (Paris region)	129,000	1972
WESTFIELD PARLY 2	Le Chesnay (Paris region)	129,000	1969
CRETEIL SOLEIL	Créteil (Paris region)	124,000	1974
WESTFIELD CARRE SENART	Lieusaint	117,000	2002
VAL D'EUROPE	Serris	115,000	2000
WESTFIELD ROSNY 2	Rosny-sous-Bois (Paris region)	111,000	1973

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Key Features of Lease Structure

ITEM	COMMENT
LEASE TERMS	9 years for most existing retail units in high streets, 10 years or more elsewhere (institutional landlords). The tenant has the right to break every 3 or 6 years, except when a fixed term has been agreed, in compliance with the Pinel law (see below). The tenant benefits from an automatic, perpetual, and statutory right of renewal. However, the landlord can refuse to renew the lease but will consequently have to pay high eviction indemnities. The landlord can also regain possession if the tenant breaches the covenant or for redevelopment, although the latter also involves high eviction indemnities. Possibility to set up derogation with short term leases (max 3 years).
RENTAL PAYMENT	Euro per square metre per year for high street retail properties. Rents are typically payable quarterly in advance. Turnover rents are common in shopping centres. Exists also for retail parks and high streets (new schemes). Premium payments for lease assignments are also common in France so as to gain leasehold interest, based on the tenants' security of tenure and the limitation on rental increases.

ITEM	COMMENT
KEY MONEY	In some occasions, key money can also be a lump sum payable into the hands of the landlord. In such case, it is subject to VAT tax and is not amortisable.
RENT REVIEW	Annual indexation only rents are mostly indexed to the ILC index/ "Index des Loyers Commerciaux" (a weighted average index comprising changes in consumer prices, construction costs and retail sales), published by the INSEE (National Institute for Economic Statistics) quarterly but applied annually. Only old contracts have rents indexed to the construction cost index (ICC). No rent review during the lease term, except rare rent revision cases.

FRANCE

Key Features of Lease Structure

ITEM	COMMENT
SERVICE CHARGES, REPAIRS AND INSURANCE	Service charge usually provided by the landlord is paid by the tenant according to the lease terms/in compliance with the Pinel Law. It includes cleaning, security, maintenance, repair, etc. Insurance for common parts is also paid by the landlord and charged back. The tenant has to keep the premises in good repair. The tenant pays for internal insurance directly. While tenant associations in shopping centres are usually responsible for promotions and marketing, they can also be provided by the landlord who charges promotions and marketing back.
PROPERTY TAXES AND OTHER COSTS	Local property tax is generally paid for by the landlord, but this liability can be transferred to the tenant.
DISPOSAL OF A LEASE	Assignment is not generally permitted without the landlord's consent. The landlord will negotiate a higher rent if a change of use is required. The assignor must guarantee the rent for three years after assignment (Pinel law).

ITEM	COMMENT
VALUATION METHODS	Shops are valued on a "zoning" basis (following the 2015 MGP: Méthode Générale de Pondération). The retail zoning principle recognises that the area at the front of the shop, adjacent to its primary window frontage (normally referred to as "Zone A") is the most valuable in rental terms.
LEGISLATION	Decree no. 53-960, dated 30 September 1953, relating to commercial, industrial and small business premises, codified under Articles L145-1 et seq and Articles R145-1 et seq of the French Commercial Code. These provisions specify the particular conditions which are applicable to commercial leases and supplement the generally applicable provisions of the French Civil Code. Pinel Law on retail and small businesses, has been adopted from 5 June 2014 including changes related to retail lease contracts; renewal rent increases capped at 10%, priority granted to the leaseholder in case the premises is put on sale, extension of short term leases duration, etc.

FRANCE

Key Features of Lease Structure

ITEM	COMMENT
ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)	Environmental annex or green lease (Grenelle II): for leases covering units of more than 2,000 sq m. The aim is to reduce greenhouse gas emissions and energy consumption in buildings, by obliging the lessor and lessee to adopt an 'eco-responsible' attitude, by signing a declaration of goodwill and good practices to be implemented. Tertiary or "Eco Energie Tertiaire" decree: the first piece of legislation to make existing tertiary buildings subject to energy performance regulations in order to combat climate change. It requires a gradual reduction in energy consumption in buildings >1,000 m^2, with an initial target of a 40% reduction by 2030, rising to -60% by 2050. Annual reporting is used to monitor compliance with these obligations. Owners, lessors and occupiers are required to declare the energy consumption of their premises in order to obtain a rating that reflects changes in energy consumption. Law on Mobility: obligation to install electric charging points in car parks in new or renovated buildings with more than 10 spaces (2021) and existing buildings with more than 20 spaces (2025).

To be monitored: the « simplification law » project was suspended and postponed until after the local elections. This bill focused in particular on monthly rent payments, security deposits and the allocation of property tax.

CUSHMAN & WAKEFIELD

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ABOUT CUSHMAN & WAKEFIELD

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