

# Office Outlook

Vilnius, Lithuania  
2025 Q1

newsec 



# Vilnius Office Market 2025 Q1

## Key Indicators

			Q-o-Q	Y-o-Y	Forecast
<b>Supply</b>					
Stock	1 066 600 sqm		▲	▲	▲
New supply	8 200 sqm		▲	▼	▲
Under construction	128 900 sqm		▼	▲	▼
<b>Demand</b>					
Take-up	31 500 sqm		▼	▲	▼
<b>Vacancy</b>					
Total	8.1 %		◄►	▼	▲
A class	6.3 %		▲	▼	▲
B class	9.5 %		▼	▲	▲
<b>Rent rates</b>					
Prime	19.0-22.0 €/sqm		◄►	▲	◄►
A class	16.0-20.0 €/sqm		◄►	▲	◄►
B class	12.0-16.0 €/sqm		◄►	▲	◄►
<b>Yields</b>					
Prime	6.50-6.75 %		◄►	▲	◄►
Secondary	7.50-8.75 %		◄►	▲	◄►

Cover picture: Office building, Developer: Vilbra

## Wider choice and stable rents support tenant relocations

- The Vilnius office market remained stable during the first quarter of 2025, rental rates remained largely unchanged across all segments. One new project – Sand Offices – was delivered, adding 8 200 sqm of modern office space to the market.
- Vacancy remained stable at 8.1% in Q1 2025 – unchanged from the previous quarter and slightly lower than the 8.3% recorded a year ago. However, segment trends diverged: vacancy increased in the A class segment, while it decreased in B class. Although total availability held steady, upward pressure on vacancy is expected to persist in the longer term.
- Take-up totaled approximately 31 500 sqm, supported in part by the delayed transactions, though overall activity remained below the five-year average. Leasing was primarily concentrated in projects delivered in 2024 or planned for 2025.
- Several notable occupiers, including Ovoko, Circle K, Cobalt and PricewaterhouseCoopers made relocation decisions during the quarter. These moves

- typically involved relocating from very old office stock and ending long-term leases in favor of modern premises with higher sustainability standards.
- Rental rates are expected to remain stable, as rising vacancy and the supply-demand imbalance continue to favor tenants.
- The market continues to see an increase in secondary vacancy, particularly in older office properties that no longer meet modern tenant requirements. Landlords of such buildings are increasingly offering flexible lease terms and discounts in an effort to attract tenants and maintain occupancy levels.

**"Relocations drive activity, but leasing sentiment remains cautious"**

**Kristina Zivatkauskaitė**  
Senior Analyst  
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# Office Outlook

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Riga, Latvia  
2025 Q1

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# Riga Office Market 2025 Q1

## Key Indicators

			Q-o-Q	Y-o-Y	Forecast
<b>Supply</b>					
Stock	890 000 sqm		▲	▲	◄►
New supply	0 sqm		▼	▼	▲
Under construction	24 600 sqm		◄►	▼	▲
<b>Demand</b>					
Take-up	9 800 sqm		▲	▲	▼
<b>Vacancy</b>					
Total	10.0 %		▼	▼	▼
A class	9.4 %		▼	▼	▼
B class	10.1 %		▼	▼	▲
<b>Rent rates</b>					
Prime	15.5-19.0 €/sqm		◄►	▲	◄►
A class	15.0-17.5 €/sqm		◄►	▲	◄►
B class	9.0-15.0 €/sqm		◄►	▲	◄►
<b>Yields</b>					
Prime	6.90-7.25 %		◄►	▲	◄►
Secondary	7.75-9.00 %		◄►	▲	◄►

Cover picture: Project – Kr. Barona 30A, Developer – River Properties

## Decrease in new supply brings the vacancy down

- Q1 2025 saw no new office deliveries, although several are in the final stages of being put into exploitation. Leasing picked up from a slow end of 2024 and in total almost 10 000 sqm of office space was leased, showing a strong absorption of already existing stock.

- Vacancy in the market decreased considerably, dropping below 10% in both class A segment. As new supply of office space is expected to pick up only in 2027, we expect the market vacancy in the short term will continue to decrease class A properties.

- In Q1 Novira Plaza welcomed 2 well-established tenants - Norse Atlantic Airways, a low-cost and long-haul airline company, and Bigbank, a bank with more than 30 years in the business offering its services in 9 countries across the Europe - 720 sqm and 920 sqm were leased respectively.

- 4 Finance moved its head office to Barona Kvartals. The new office is over 1 400 sqm and will be located in the newest building in Barona Kvartals' commercial complex.

- Although demand has picked up in Q1 2025, the market can still be characterized as the tenant-market, and thus landlords are still focusing on offering the best conditions possible. But in the medium and long-term this trend might reverse, especially in class A segment.

- New developments are hindered by not only the prevailing uncertainty and rapid increase in new supply in the recent years. Due to a considerable increase in construction costs, it is estimated that for a new A class development to make economic sense, the rent rates need to increase. This factor is expected to become more prevalent as the 2025 progresses.

**"Big lease transactions are bringing vacancy down"**

**Patriks Simsons**

Real Estate Analyst

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# Office Outlook

Tallinn, Estonia  
2025 Q1

newsec



# Tallinn Office Market 2025 Q1

## Key Indicators

		Q-o-Q	Y-o-Y	Forecast
<b>Supply</b>				
Stock	1 092 000 sqm	▲	▲	▲
New supply	20 000 sqm	▼	▲	▼
Under construction	71 300 sqm	▼	▼	▼
<b>Demand</b>				
Absorption	16 900 sqm	▼	▲	◄►
<b>Vacancy</b>				
Total	8.2 %	◄►	◄►	◄►
A class	7.3 %	▼	▼	◄►
B class	8.6 %	▲	▲	◄►
<b>Rent rates</b>				
Prime	17.3-24.0 €/sqm	◄►	◄►	◄►
A class	16.5-22.0 €/sqm	◄►	▼	◄►
B class	11.8-15.8 €/sqm	◄►	▼	◄►
<b>Yields</b>				
Prime	6.75-7.00 %	◄►	◄►	◄►
Secondary	7.70-9.00 %	◄►	◄►	◄►

Cover picture: Volta 1, A-Building, Developer: Invego

## Hope for market recovery?

- Office supply increased a bit in Q1 2025 by 20 000 sqm. It consists of one project located at near Krulli quarter and the projects anchor tenant is Wise. This is the second building near this quarter. The first buildings was constructed in 2023 and the size of it was about 6 000 sqm of office space.

- About 70 000 sqm of projects remain under construction. During year 2025 expected total new supply is about 43 000 sqm, down by -28% from year 2024. Rest of the supply will be finished within 2026-2028.

- Vacancy rate in general remained on similar levels to previous quarter, standing at 8.2%. Meanwhile class A offices showed a small decline and dropped to 7.3% and class B buildings increased to 8.6%.

Improving economy suggests that vacancy rate may have peaked, and vacancy remains at similar level or starts to decline at slow pace. For rapid decline lower unemployment rate is needed.

- Average prices remained similar to previous quarter. Class A buildings stayed in range 16.5-22.0 EUR/sqm with average price of 18.1 EUR/sqm. Meanwhile class B buildings were in range of 11.8-15.8 EUR/sqm. Price levels likely remain the same during 2025 as vacancy continues to stay high and real estate market tend to react to changes in economy with a lag.

- Investment market remained quiet during Q1 2025. No major transactions over EUR 5 million took place during that time.

**"Despite positive news about economy real estate market tends to react with about 6 months lag"**

**Mihkel Männik**

Analyst

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