

Office Outlook

Baltic States
2025 Q4

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Vilnius Office Market 2025 Q4

Key Indicators

		Q-o-Q	Y-o-Y	Forecast
Supply				
Stock	1 241 200 sqm	▲	▲	▲
New supply	33 300 sqm	▼	▲	▲
Under construction	91 200 sqm	▲	▼	▼
Demand				
Take-up	32 400 sqm	▲	▼	◄►
Vacancy				
Total	9.9 %	▲	▲	◄►
A class	10.9 %	▲	▲	▼
B class	8.9 %	▼	▼	▲
Rent rates				
Prime	19.0-22.0 €/sqm	◄►	◄►	◄►
A class	16.0-20.0 €/sqm	◄►	▲	◄►
B class	12.0-16.0 €/sqm	◄►	▲	◄►
Yields				
Prime	6.75-7.25 %	▲	▲	▲
Secondary	7.50-8.75 %	◄►	◄►	▲

Cover picture: Business Garden Vilnius

Unexpected upswing - new initiations exceed completions

- The Vilnius office market expanded by 33 300 sqm in Q4 2025, a substantial quarterly addition representing ~40% of annual completions. Total stock reached 1.24 million sqm. Most new deliveries were A class, materially increasing the share of high-quality space, with ~70% delivered in A class and in the CBD.

- Vacancy increased on the back of new deliveries and slower absorption. The sharp increase in supply lifted the overall vacancy rate to 9.9% (from 9.5% in Q3). A class vacancy rose from 9.7% to 10.9%, primarily reflecting new project completions entering the market and a lag in tenant absorption. B class vacancy edged down to 8.9%, supported by limited new B class supply and occupier relocations.

- Take-up reached ~32 400 sqm, a notable increase quarter-on-quarter and ~14% above the long-term average. Full-year 2025 take-up totaled ~104 thousand sqm.

- Market activity continued to be driven mainly by relocations, consolidations, and quality upgrades, as tenants prioritised efficiency, building quality, and sustain-

nability over pure expansion.

- Rents stayed stable, but incentives widened. Prime headline rents remained broadly unchanged; however, landlords increasingly relied on more generous incentive packages to secure tenants.

- As vacancy rises and competition intensifies, effective rents are expected to face downward pressure over the next 12 months.

- Pipeline expanded as new starts surprised. Contrary to recent sentiment, new construction starts accelerated. The area of projects initiated (~36 000 sqm) exceeded quarterly completions (33 300 sqm) in Q4, pushing the total development pipeline up to ~91 200 sqm.

"Supply surge pushed vacancy higher despite a strong leasing quarter"

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Riga Office Market 2025 Q4

Key Indicators

		Q-o-Q	Y-o-Y	Forecast
Supply				
Stock	923 400 sqm	◄►	▲	▲
New supply	0 sqm	▼	▼	▲
Under construction	50 000 sqm	◄►	◄►	▲
Demand				
Absorption	3 000 sqm	◄►	◄►	▲
Vacancy				
Total	10.4 %	▼	▼	◄►
A class	9.9 %	▼	▼	▼
B class	10.7 %	◄►	▼	▲
Rent rates				
Prime	16.0-21.0 €/sqm	▲	▲	▲
A class	15.5-18.0 €/sqm	▲	▲	▲
B class	9.0-15.0 €/sqm	◄►	▲	◄►
Yields				
Prime	7.25-7.75 %	▲	▲	▲
Secondary	7.75-9.00 %	◄►	◄►	▲

Slowdown in the absorption and expectations for 2026

- In Q4 2025 no new supply came to the market. The two main deliveries - Preses Nams and Verde C&D buildings - are expected to come in 2026 and 2027 respectively. No new office development projects have been announced, but an activity among developers is observed, so it may change in the coming quarters.
- Tenant consolidation into smaller premises continues and shows relatively strong demand. Such smaller type premises are now offered across Riga in both A and B class properties. At the end of Q4 2025 together with a number of bigger transactions the vacancy in A class dropped below 10%, while B class remained unchanged.
- YIT announced about moving their office to Business Garden, which helped bring the office complex to 95% occupancy.
- Another landmark transaction includes Epson over 1 800 sqm office in Novira Plaza, with opening planned in the first half of 2026.

- Albeit rental levels in 2025 remained relatively stable, upward pressures due to construction costs in new developments, demand for newly built premises and general movement of the market are making changes in the market, and in 2026 we are expecting a sizable rise in rent rates, especially in A class and Prime properties.
- Office market in terms of investments remained slow with no major transactions happening in Latvia. From investor point of view, the office market is less predictable and safe, and has not moved very much in pricing to justify the investment.

"Preses Nams to lead the way in new deliveries in 2026"

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Tallinn Office Market 2025 Q4

Key Indicators

		Q-o-Q	Y-o-Y	Forecast
Supply				
Stock	1 113 650 sqm	▲	▲	▲
New supply	3 800 sqm	▼	▼	▲
Under construction	166 900 sqm	▲	▲	▼
Demand				
Absorption	3 500 sqm	▲	▲	◄►
Vacancy				
Total	8.7 %	◄►	▲	◄►
A class	7.2 %	◄►	▼	▼
B class	9.6 %	▲	▲	▲
Rent rates				
Prime	17.3-24.0 €/sqm	◄►	◄►	▲
A class	16.5-22.0 €/sqm	◄►	▼	◄►
B class	11.8-15.8 €/sqm	◄►	▼	▼
Yields				
Prime	7.00-7.50 %	▲	▲	▲
Secondary	7.75-9.00 %	◄►	◄►	▲

Vacancy and rents stabilise as Tallinn office development slows

- In Q4 2025, Tallinn's total office supply increased by approximately 3 800 sqm. The most notable completion was Telliskivi I, delivered in Telliskivi area.

- In total, 43 000 sqm of new office space was delivered to the market in 2025, representing a 30% decrease compared to 2024. Following the exceptionally high level of new completions in 2024, development activity has now returned to more normalised levels. As of year-end, approximately 167 000 sqm of office space is under construction. One of the key newly announced projects is the commencement of the first phase of the Krulli Quarter development, with the first building expected to deliver approximately 15 000 sqm of new office space by 2027.

- Vacancy rates in Tallinn remained broadly stable compared to Q3. A class vacancy stands at 7.2%, reflecting sustained demand in prime locations. B-class offices faced greater challenges, with vacancy rates increasing slightly to 9.6%.

- Rental rates in Tallinn have remained largely stable compared to previous quarters. A class offices rent levels are currently at 17.3–24.0 EUR/sqm/month, with prime locations, particularly in the CBD and harbour area, reaching up to 27.0 EUR/sqm/month. B class offices rent levels range between 11.8–15.8 EUR/sqm/month, reflecting a more competitive segment where landlords increasingly offer incentives such as rent-free periods to attract tenants.

- The investment market remained relatively quiet in Q4 2025, with no major transactions exceeding EUR 5 million recorded during the period.

“Tallinn office market remains resilient, amid strong prime demand and a controlled pipeline”

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