

Retail Outlook

Vilnius, Lithuania
2025 Q1

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Vilnius Retail Market

2025 Q1

Key Indicators

		Q-o-Q	Y-o-Y	Forecast
Supply				
Stock of shopping centres	469 600 sqm	◄►	▲	▲
Stock per capita	0.8 sqm	◄►	▲	▲
Rent rates				
Large area	7.0-28.0 €/sqm	◄►	▲	◄►
Medium area	15.0-38.0 €/sqm	◄►	▲	◄►
Small area	22.0-70.0 €/sqm	◄►	▲	◄►
Yields				
Prime	7.25-7.75 %	◄►	▲	▼
Secondary	7.75-8.50 %	◄►	▲	▼

Turnover growth, YTD		Economic indicators, 2025F	
Total	+4.5 %	GDP	+2.8 %
Supermarket	+3.4 %	HICP	+3.3 %
Fashion	+2.1 %	Unemployment	7.0 %
Restaurants	+5.8 %	Wages	+8.4 %
E-commerce	+28.6 %	Household consumption	+3.6 %

A strong start to the year amid structural resilience

- Q1 2025 reaffirmed the strength and stability of retail market. Retail turnover grew by 4.5% Y-o-Y, slightly surpassing the growth recorded in Q1 2024, suggesting an even more promising trajectory for the full year. This successful quarter followed an exceptional end to 2024, during which Q4 turnover exceeded the EUR 5 billion threshold—a record high for the Lithuanian retail sector.

- Demand remains robust, particularly in leading shopping centres, where vacancy rates stayed at historic lows. Key performance indicators such as customer footfall and tenant turnover remained stable or improved, with turnover growth continuing to outpace traffic increases—reflecting higher spending per visit.

- The tenant mix evolution remains a central strategy, with new leases focusing on value-oriented and experiential concepts, aiming to diversify offerings and boost footfall. Reflecting broader trends, the market saw a rise in family-oriented and leisure-enhancing projects, further embedding retail centres into daily

community life.

- A latest development at the end of 2024 was the opening of the Kalnenai neighbourhood retail centre. This 9 000 sqm project features a balanced, community-oriented tenant mix, including grocery, health services, family leisure, and food & beverage offerings. Its launch illustrates ongoing suburban growth and demand for convenience-driven spaces.

- The EUR 52 million redevelopment of Vilnius's Mada shopping centre, scheduled to begin in September 2025, will transform the ageing complex into a modern, multifunctional hub featuring retail, leisure, and community spaces.

"New projects: retail meets lifestyle, close to home"

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Riga, Latvia
2025 Q1

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Riga Retail Market 2025 Q1

Key Indicators

		Q-o-Q	Y-o-Y	Forecast
Supply				
Stock of shopping centres	628 500 sqm	◄►	▲	◄►
Stock per capita	1.0 sqm	▲	▲	◄►
Rent rates				
Large area	10.0-26.0 €/sqm	◄►	◄►	◄►
Medium area	24.0-28.0 €/sqm	◄►	◄►	◄►
Small area	30.0-55.0 €/sqm	◄►	◄►	◄►
Yields				
Prime	7.00-8.25 %	▼	▼	◄►
Secondary	8.25-8.50 %	◄►	◄►	◄►

Turnover growth, YTD

Total	+2.0 %
Supermarket	+1.1 %
Fashion	-1.2 %
Restaurants	+6.0 %
E-commerce	-2.5 %

Economic indicators, 2025F

GDP	+1.2 %
HICP	+2.5 %
Unemployment	6.7 %
Wages	+5.8 %
Household consumption	+2.0 %

Stand-by mode in the Riga retail market

- Although the total retail turnover has grown in the first quarter of 2025, the sentiment in the segment remains stagnant with negative outlook. The grocery segment slightly grew, whereas fashion and online shopping experienced a decline. On the other hand, the consumers are allocating more of their disposable income towards restaurants, wellness and fitness, with restaurant segment particularly growing more than 5% (Y-o-Y).

- In Q1 2025 there were no new shopping center deliveries and no deliveries are currently in the pipeline. Smaller SCs and non-performing SCs are continuing their conversion into destination places, offering various services like fitness, beauty, entertainment and others to supplement the shopping experience at them.

- The retail segment continues to be negatively impacted by the prevailing inflation that stood at 3.3% in Q1 2025 compared to the same period in 2024 with the main driver for it being grocery prices. In grocery segment the prices grew 6.4%

compared to March 2024. Stable wage growth and diminishing energy prices and interest rates are keeping the economy from a contraction.

- The rent levels in retail segment can be characterized as stable, especially in the big shopping centers, and recently built small SCs in residential area centers, whereas others in order to attract tenants might have to lower them. Street retail in Riga continues to face challenges, which is a particularly hot topic in Riga Old Town and big focus is put in municipality level to tackle this issue.

"The retail market faces a persistent inflation"

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Retail Outlook

Tallinn, Estonia
2025 Q1

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Tallinn Retail Market

2025 Q1

Key Indicators

		Q-o-Q	Y-o-Y	Forecast
Supply				
Stock of shopping centres	479 600 sqm	◄►	◄►	▲
Stock per capita	1.1 sqm	◄►	◄►	▲
Rent rates				
Large area	10.0-20.0 €/sqm	◄►	▲	◄►
Medium area	12.0-30.0 €/sqm	◄►	▲	◄►
Small area	25.0-70.0 €/sqm	▲	▲	◄►
Yields				
Prime	7.00-8.50 %	◄►	▲	◄►
Secondary	7.70-9.00 %	◄►	▲	◄►

Turnover growth, YTD

Total	-2.4 %
Supermarket	-4.1 %
Fashion	-15.7 %
Restaurants	-0.6 %
E-commerce	-17.0 %

Economic indicators, 2025F

GDP	+1.5 %
HICP	+6.0 %
Unemployment	7.6 %
Wages	+6.3 %
Household consumption	+4.6 %

Increasing retail sales is positive news?

- Retail sales increase by 4% in February 2025 (YoY) according to Statistics Estonia. This was a third month of consecutive growth (YoY). It marks that economy is finally on the road of recovery and consumers are a bit more optimistic about the future, especially because inflation is low compared 2022, salaries have continued to increase and unemployment rate remains stable.

- Despite optimism of recovery, tax hike looms ahead in 2025. This tax reduces consumers purchasing power and speeds up inflation. It is expected that highest price increase is among groceries. Estimated inflation rate for this year is about 6% and therefore purchasing power remains at similar level as in year 2024. However, it is expected that situation improves in 2026 when amount for tax free income is increased.

- In Q1 2025 interest rates continued to decline and landed on 2.5% level. As eurozone inflation is still a bit higher than a targeted 2%, interest rates could be reduced even further. However, potential

tariffs imposed by US may accelerate inflation again, meaning there is no incentive to continue reducing interest.

- Retail segment of commercial real estate showed significant resilience to turbulent times. Vacancy rates were up to 4% as demand for retail space remained strong. Even rent rates were rather stable. Situation remained the same during Q1 2025.

- Despite the fact that Tallinn supply of shopping centres has not grown, smaller towns outside Tallinn see increased activity. For example, Keila has 2 retail projects under development with total size of 15 800 sqm which will be finalized in 2025-2026.

"Upcoming tax hike increases inflation and reduces purchasing power"

Mihkel Männik

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