

The Changing Face of Retail Formats

▲ 4.0M Total Modern Stock, sqm	▶ 48-55 Prime S/C Rent, €/sqm/mo.	▶ 40-55 High Street Prime Rent, €/sqm/mo.	▼ 0 K Completions, sqm	▲ -3.5 Retail Confidence Index (pts)	▲ -12.6 Consumer Confidence Index, pts
-----------------------------------	--------------------------------------	--	---------------------------	---	---

Note: Arrows indicate change from corresponding period of the previous year

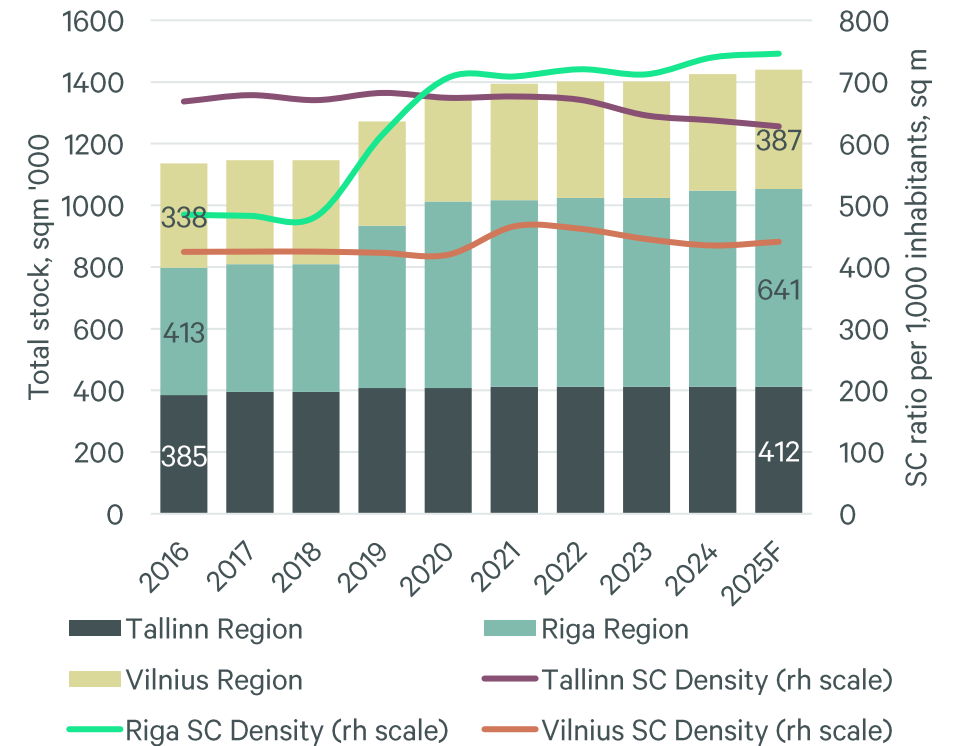
Supply. No significant new developments were initiated in Q4 2024 in the Baltics, except for one project in Kaunas: Raudondvario pl. 169B, which is a two-story neighborhood shopping center featuring a GLA of nearly 6,200 sqm. While most new commissions in Q4 were minor, some older properties completed their refurbishments: ca. 11,000 sqm was modernized at Akropolis Klaipėda, also “Saulės Miestas,” a 20,000 sqm shopping center in Šiauliai, finished its first major renovation in 15 years. These enhancements not only improved energy efficiency but also increased appeal to the changing consumer preferences. By the end of Q4, around 96,000 sqm of retail space was under construction across Estonia, Latvia, and Lithuania, with anticipated completion by the end of 2026, mostly consisting of neighborhood shopping centers or retail park projects.

In 2024, the retail market remained stable with a slight shift in a market. Around 71,000 sqm of GLA was added through new developments, renovations, or expansions, mainly from assets such as hypermarkets, retail parks, and retail warehouses. More developments are occurring outside traditional city centers, often in suburban or even more remote locations. This indicates an ongoing shift in the market, where larger retail establishments are strategically placed closer to end-consumers.

Demand. In the last quarter, the retail sector has experienced marginal growth in consumer sentiment across all Baltic countries. However, for the full year, only Lithuania and Latvia reported an increase in retail trade, while Estonia faced a decline, indicating different levels of consumer confidence throughout the region. Inflation and economic uncertainty continued to influence spending patterns, with consumers favoring essential and value-driven purchases.

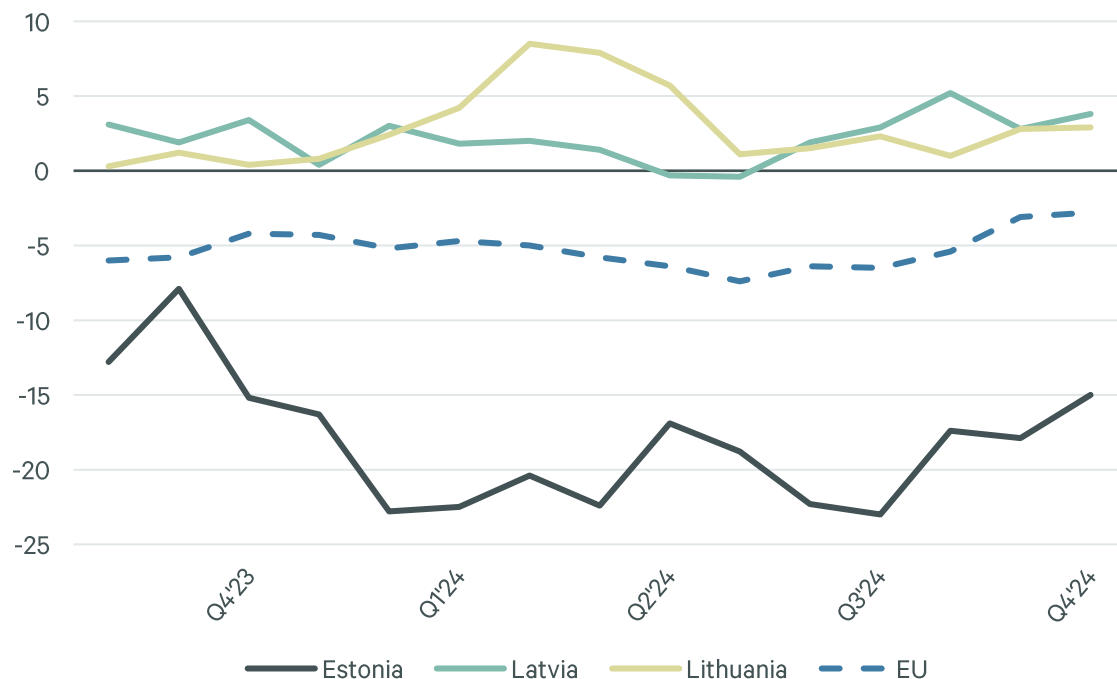
Trends. Consumer demand continues to drive changes in retail property development. Developers prioritize mixed-use properties and plan new shopping schemes in outer areas. Older retail spaces are being renovated to stay competitive. Baltic shopping centers are shifting towards experience-driven retail, integrating entertainment options like trampoline parks, gyms, electric carting, and interactive gaming. On the other hand, car dealerships are acquiring licenses to sell the more affordable Chinese electric cars, such as Lynk & Co and BYD, which has been gaining popularity.

Figure 1. Shopping Centre Stock & Density (GLA sqm/'000 capita) SC with GLA > 10,000 sqm



Source: CBRE Baltics Research

FIGURE 2. Retail Confidence Indicators in the Baltics and the EU, Q4 2023 – Q3 2024



Source: Eurostat, CBRE Baltics Research

Definitions

CEE – Central and Eastern Europe

Gross Leasable Area (GLA) - total floor area within a commercial building that is available for rent to tenants, excluding common non-leasable spaces.

Prime Rent – for retail, Prime Rent is represented as the typical «achievable» open market headline rent which an international retail chain would be expected to pay for a ground floor retail unit of up to 200 sqm of the highest quality and specification and in the best location in each market commensurate with demand in each location.

QoQ – Quarter-on-Quarter

Retail Trade Confidence Indicator - the arithmetic average of the balances (in percentage points) of the answers to the questions on the present and future business activity and on current stocks (the last with an inverted sign).

Shopping Center (SC) Stock – represents the total completed retail space (occupied and vacant) in the shopping centers at the survey date, recorded as net rentable retail area. Included are shopping centers with a gross lettable area above 5,000 sqm, excluding hypermarkets, DIY stores, retail parks and other specialized stores. Included are shopping centers with an anchor tenant, for which the leasable area does not exceed 60 percent of GLA.

Total Modern Retail Stock - represents the total completed modern retail space (occupied and vacant). Total Retail Stock includes purpose-built space converted from other uses and independent space forming part of a mixed-use development. Includes shopping center stock, total retail space in retail parks, theme-oriented centers and department stores with a gross leasable area from 5,000 sqm. Space under construction is excluded from the Total Retail Stock until development completion.

YoY – Year-on-Year

Research

Ieva Vitaitytė

Manager
Research & Consulting
+370 656 09710
ieva.vitaityte@cbre.lt

Jelena Dubrovski

Senior Market Analyst
Research & Consulting
+372 506 7084
jelena.dubrovski@cbre.ee

Deividas Kairys

Market Analyst
Research & Consulting
+370 612 17348
deividas.kairys@cbre.lt

Advisory & Transactions

Iveta Ardava

Head of Retail
Advisory & Transactions
+371 2916 1744
iveta.ardava@cbre.lv

Triin Kolk

Senior Consultant
Advisory & Transactions
+372 502 0570
triin.kolk@cbre.ee

Dainius Šarka

Associate Director
Investor Leasing
+370 694 88318
dainius.sarka@cbre.lt

© Copyright 2025. All rights reserved. This report has been prepared in good faith, based on CBRE Baltic's current anecdotal and evidence based views of the commercial real estate market. Although CBRE Baltics believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE Baltic's control. In addition, many of CBRE Baltic's views are opinion and/or projections based on CBRE Baltic's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE Baltic's current views to later be incorrect. CBRE Baltics has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE Baltic's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE Baltics or any other company—based on the views herein. CBRE Baltics disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE Baltics as well as against CBRE Baltic's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

CBRE Baltics
PART OF THE AFFILIATE NETWORK