

# Regional Uncertainty Remains Vivid

▼ €180M

Investment Volume

▲ 6.50-6.75%

Prime Office Yield

► 7.50-7.75%

Prime S/C Retail Yield

► 7.00%

Prime Logistics Yield

▲ 6.25-6.50%

Prime Residential Yield

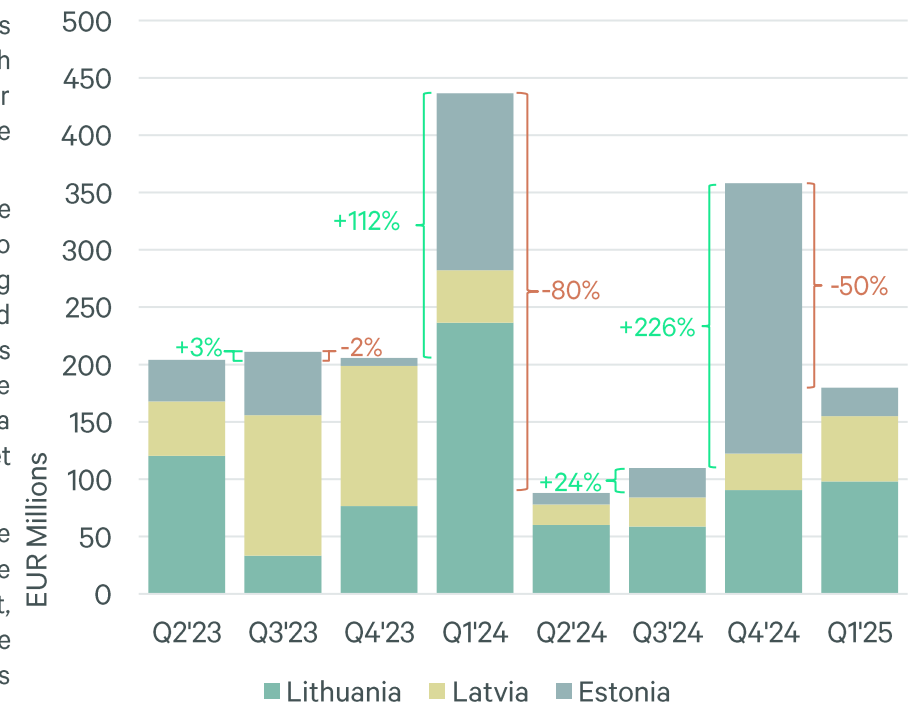
Note: Arrows indicate change from the previous year

**Total Volumes.** In Q1 2025, total investment volumes reached nearly €180m, marking an almost 50% decline from the previous quarter. Notably, last quarter, one investment deal was nearly €130m, the sale of Kristiine SC, contributing to the pronounced percentage decrease. This quarter's most considerable transaction occurred in the retail sector, this time in Riga, where Indexo Real Estate Fund acquired the Olimpia SC for ca. €43m. Latvia and Lithuania had QoQ growth of 79% and 8%, respectively. In contrast, Estonia experienced a drop of 89%, attracting only about 14% of the total, or nearly €25m. Latvia accounted for 32% of the Baltic investment volumes, totaling almost €57m. Finally, Lithuania led the quarter, comprising ca. 55% of total investment volumes, which amounted to approximately €98m.

**Asset Classes & Transactions.** In Q1 2025, retail assets continued to lead the market for the fourth consecutive quarter, accounting for 48% of total investment volumes, all taking place in the Lithuanian and Latvian Markets, with no transactions in Estonia. The industrial sector experienced substantial growth, with a QoQ increase of 188%, capturing 39% of the total investment volumes, approximately €69m. The two most notable transactions here were the sale and leaseback of the VMG Technics R&D Park in Klaipėda, and the sale of the Kaunas terminal, both of which Prosperus Asset Management acquired for ca. €26m and €18m respectively. Office investments constituted 14% of the total. The largest office deal was the sale of the 7,000 sqm GLA Meraki BH in Vilnius for ca. €16m, which was bought by Groa Capital. Other asset classes did not attract attention this quarter, but it is forecasted that transactions in other asset classes, such as hotels, should increase in the upcoming quarter.

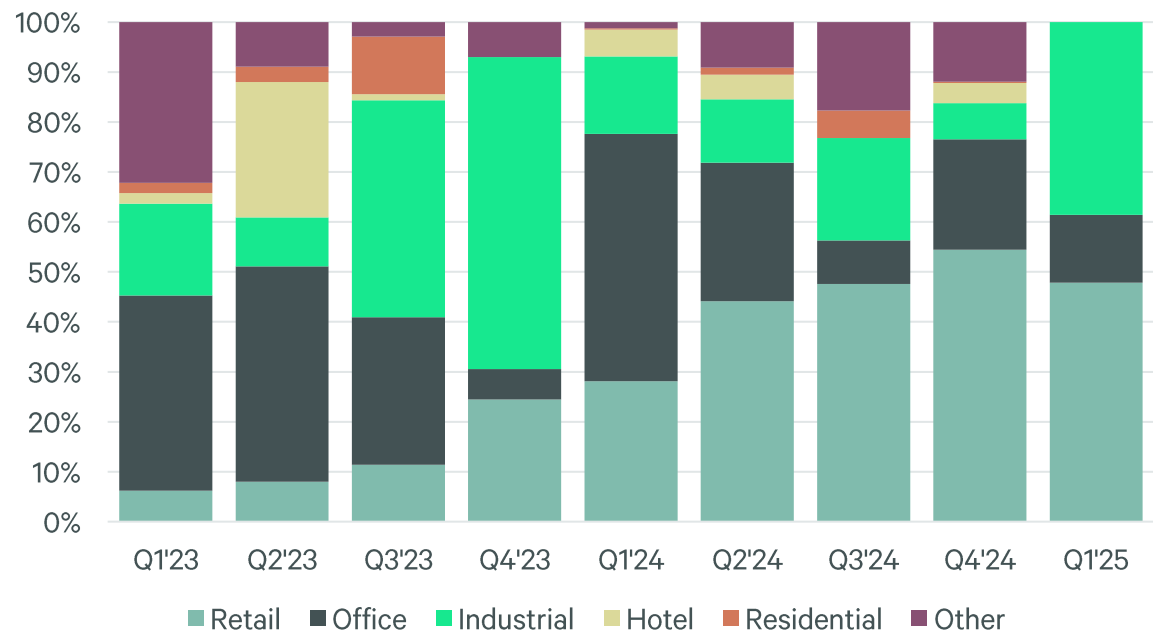
**Yields.** In the Baltic region, yields have mostly remained stable and unchanged in Q1 2025, with the exception of prime Shopping Centers in Vilnius, which saw a decrease of 0.25 p.p. in January. In the neighboring region CEE, most prime yields also remained stable. In Prague, the Prime Office yield marginally declined by 0.1 p.p. This trend indicates that, due to improving economic fundamentals and a recovering investment sentiment, similar declines in yields may be expected in the CEE region, likely occurring in the latter half of 2025, especially if the geopolitical environment remains favorable and the trade war does not majorly impact the CEE economies. In SEE markets, a moderate compression in yields has already been observed, suggesting that the trend could gradually extend across the broader region.

**Figure 1. Total Investment Volumes, Q-o-Q % Change, Q2'23 – Q1'25**



Source: CBRE Baltics Research

Figure 2. Investment Share per Segment, %, Baltics, Q1'23 – Q1'25



Source: CBRE Research

Contacts

Denis Rein

Director  
Transactions & Investment  
+370 69851716  
denis.rein@cbre.lt

Mārtiņš Grīnbergs

Associate Director  
Investment Properties  
+371 26177874  
martins.grinbergs@cbre.lv

Jelena Dubrovski

Senior Analyst  
Research & Consulting  
+372 5067084  
jelena.dubrovski@cbre.ee

Ieva Vitaitytė

Manager  
Research & Consulting  
+370 65609710  
ieva.vitaityte@cbre.lt

Deividas Kairys

Market Analyst  
Research & Consulting  
+370 61217348  
deividas.kairys@cbre.lt

Jelizaveta Sivačova

Market Analyst  
Research & Consulting  
jelizaveta.sivacova@cbre.lv

Definitions

CEE – Central Eastern Europe.

**Investment Volume** – the total amount of the value of commercial real estate investment transactions with income-producing assets, a value over 1 million EUR, that have been completed during the period reported. A property is deemed to be sold only when contracts are signed or a binding agreement exists. Pure land deals (empty sites) and owner-occupation transactions in our investment volumes are not included.

**Prime Yield** – the yield that an investor would receive when acquiring a grade/class A building in a prime location (CBD, for example), which is fully let at current market value rents. Prime Yield should reflect the level at which relevant transactions are being completed in the market at the time but need not be exactly identical to any of them, particularly if deal flow is very limited or made up of unusual one-off deals. If there are no relevant transactions during the survey period a hypothetical yield is quoted, and is not a calculation based on particular transactions, but an expert opinion formed in the light of market conditions. The same criteria on building locations and specifications still apply.

**Yield** – represents the income return on an investment after operational costs have been deducted. Yield is determined by first subtracting the property's annual operational costs from its gross operating income and then dividing this by a sum of the purchase price, not including additional acquisition costs.

© 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.