

FIGURES | BALTIC RETAIL | Q1 2025

Modern Moves in Baltic Retail



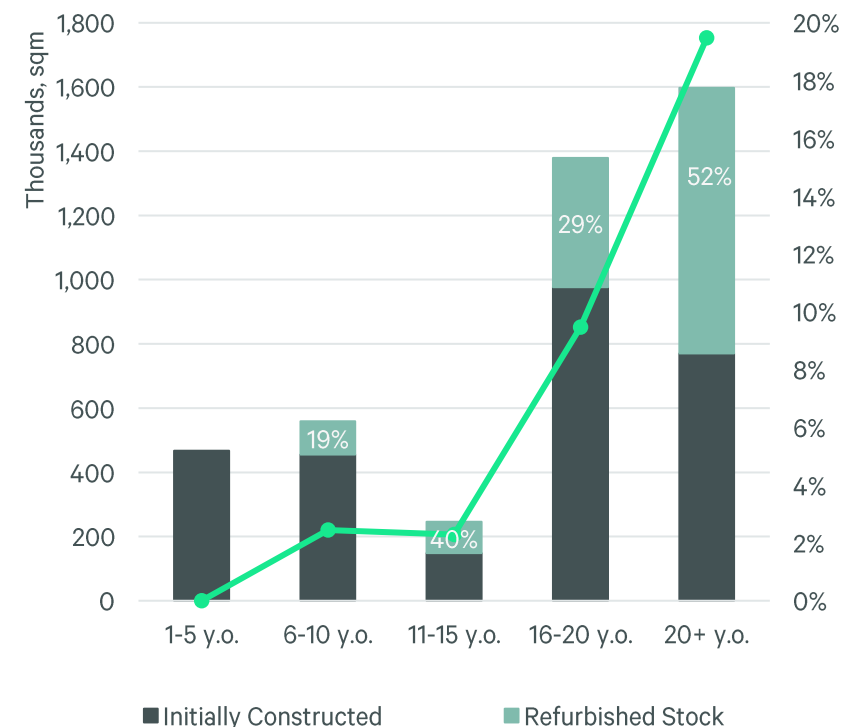
Note: Arrows indicate change from corresponding period of the previous year

Supply. In Q1 2025, the modern Baltic retail market showed a stable trend, with several developments in the region. In Latvia, the completion of the renovation of Tirdzniecības Nams Kurši, a 5,500 sqm retail warehouse in Riga (with an additional 1,500 sqm), stood as the only addition to the market. Lithuania saw a more dynamic quarter, with three significant completions. These included two shopping centers in Šiauliai - Gardino st. 39 (5,400 sqm) and Kiemas (5,800 sqm), as well as a retail warehouse in Kaunas (4,500 sqm) at Islandijos hw 30. While Estonia saw no major new completions, the March opening of Lidl in T1 Mall marked a milestone as the first store in Estonia integrated into an existing shopping center. Additionally, there are two projects under construction: Keila Keskus shopping center (13,000 sqm), which is expected to be completed by Q1 2026, and the first in the Baltics IKEA mini-store in Pärnu (1,500 sqm), scheduled for completion in Q3 2025. Furthermore, a new Depo DIY store development in Lasnamäe (30,000 sqm) is underway, with construction expected to be completed by autumn 2026.

Demand. Retail demand in the Baltic region remains uneven. Even with negative consumer confidence index Estonia saw a 4% YoY increase in retail turnover. Lithuania, being the only Baltic country with positive consumer confidence also reported an increase (2.9% YoY) in retail sales. However, Latvia's retail sales dropped 0.8% YoY, with food retail seeing a sharp decline (4.2%). Retail confidence improved across all three countries compared to last year (by 2.1 p.p. in total) with Estonia having the largest increase by 5.8 p.p., when Latvia and Lithuania had 1.6 and 0.4 p.p. increase, respectively. Yet the overall sentiment remains cautious, with confidence still in the negative across the region. This, compounded by the potential impact of trade tariffs, the upcoming increase in excise tax on goods in Estonia in May, and the VAT increase in July, may further reduce consumer confidence and disrupt supply chains, adding additional pressure on the retail sector.

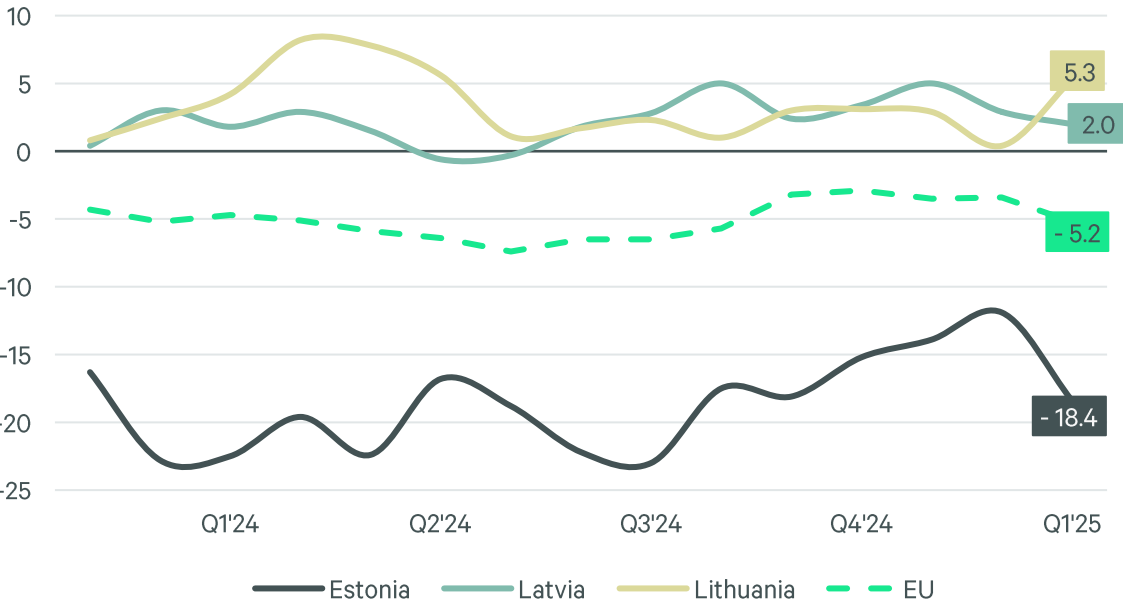
Trends. Modernization is further taking center stage in the Baltic retail market. In Riga, Akropole Alfa is investing over EUR 2 mln in upgrades, introducing new amenities to better serve shoppers. Over in Vilnius, Akropolis is dedicating EUR 800,000 to renovate its second floor. The most significant transformation awaits Mada Shopping Center in Vilnius, which, after over 30 years of operation, will close in late August for a comprehensive EUR 52 mln overhaul. Set for completion by 2027, the redevelopment includes a full redesign of its interior, facades, and public spaces. Despite the construction and evolution, the sector remains evident. Major shopping centers across the region are reporting near-zero vacancy rates and continued growth in foot traffic.

FIGURE 1. Volumes of Refurbished Modern Stock by Age, Baltics



Source: CBRE Baltics Research

FIGURE 2. Retail Confidence Indicators in the Baltics and the EU, Q1 2024 – Q1 2025



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

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