CBRE Baltics
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# Retail-Led Rebound

| ▲€242M | ▶6.5-6.75% | ▶7.5-7.75% | ▶7.0% | ▶6.0-6.5% |
|---|---|---|---|---|
| Investment Volume | Prime Office Yield | Prime S/C Retail Yield | Prime Logistics Yield | Prime Residential Yield |

Note: Arrows indicate change from the previous year

**Total Volumes.** In Q3 2025, total investment volumes reached ca. €242M, up ~46% Q-o-Q and over two times the Q3 2024 volume. Latvia led the investment market with 61% of the quarterly total, followed by Lithuania (27%) and Estonia (11%). For 9 months of 2025, cumulative volumes stand at ~€610M, which is roughly in line with the first nine months of last year (2024) – only about 3% lower Y-o-Y, pointing to a steady market. Overall, liquidity clustered around resilient retail-warehouse and grocery formats, with Latvia setting the tone for Baltic activity. Nevertheless, the activity is increasing across the Baltics with a number of deals in the pipeline, additionally development land transactions has picked up investor's attention.

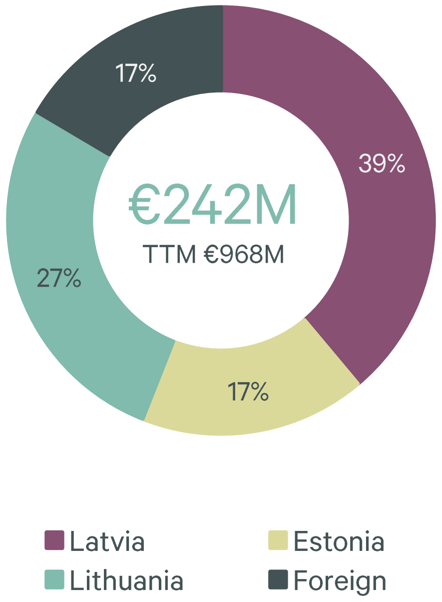
**Asset Classes & Transactions.** Retail once again dominated during the quarter (57%), led by acquisitions of DEPO stores in Latvia and Lithuania (~€100M in aggregate), with the largest single asset deal being DEPO Ukmergės in Vilnius. Activity was concentrated in retail-warehouse and supermarket formats, alongside selective office transactions took place (7.5% out of total) and additionally, hotel sector added €13M. Investments in industrial accounted for 21% and were spread across warehouse and light-manufacturing assets. Office deals were mostly of a medium-size and B class. Key examples were the NFQ office in Kaunas and Magnetiq Bank's HQ in Riga. Alternative asset deals were driven by automotive properties, featuring multiple Amserv autosalon sales throughout the Latvia and Estonia.

**Yields.** The ECB's rate cuts lowered financing costs and narrowed the gap between the investor yield, and sellers pricing expectations. In the connection with that, the first places across the CEE region to feel pressure on yields are retail-warehouse and modern industrial. In Baltics prime yields were largely stable during Q3, with a slight tightening bias in the most resilient segments. Residential demand strengthened, especially in Riga, and multifamily leasing in Vilnius remained strong, which may drive residential/multifamily yields slightly lower.

**Figure 1. Investment Volumes by Sector, Baltics, Q3 2025**

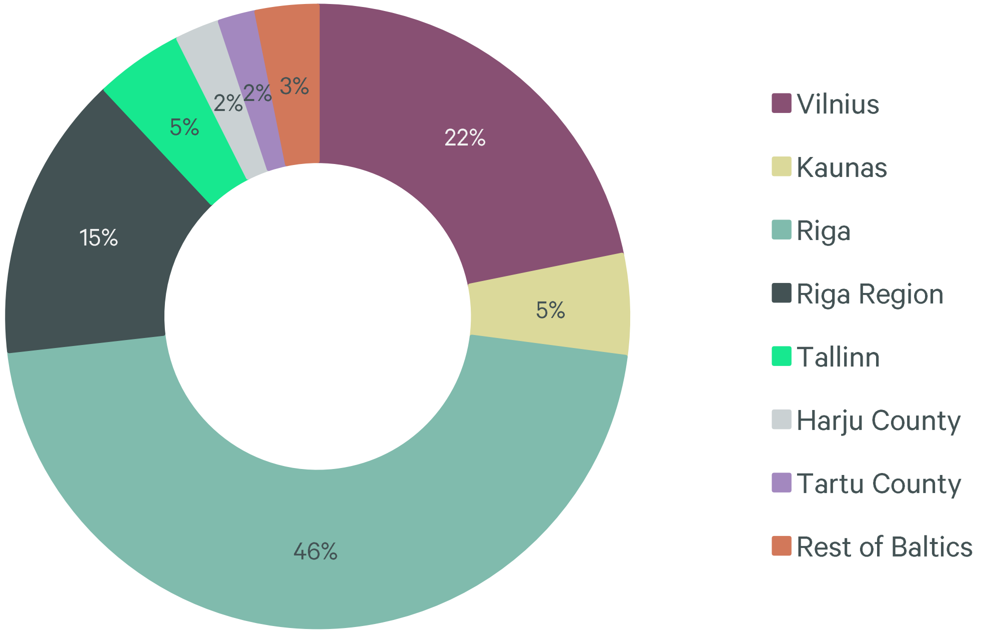
| | | TTM | YoY change |
|---|---|---|---|
| RETAIL | €137.7M | TTM: €491M | YoY change: 164% ▲ |
| OFFICE | €18.1M | TTM: €129M | YoY change: 88% ▲ |
| INDUSTRIAL | €50.7M | TTM: €188M | YoY change: 125% ▲ |
| MIXED-USE | €4M | TTM: €65M | YoY change: -40% ▼ |
| HOTEL | €13M | TTM: €45M | YoY change: ▲ |
| OTHER | €15.7M | TTM: €42M | YoY change: 103% ▲ |
| HEALTHCARE | €3.5M | TTM: €9M | YoY change: -70% ▼ |

**Figure 2. Investment Volume by Buyer's Nationality, Baltics, Q3 2025**




**Source:** CBRE Baltics Research

**Figure 3. Investment Volume by Regions, Q3 2025**




**Source:** CBRE Baltics Research

## Definitions

**CEE** – Central Eastern Europe.

**TTM** – Trailing Twelve Months

**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.

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