

Speculative Pipeline Expands Despite Subdued Demand

▲ 4.1-6.5

Vacancy Rate, %

▼ 5.0-6.0

I&L Prime Rent Range, EUR/sqm/month

► 9.0-12.0

Stock Office Prime Rent Range, EUR/sqm/month

▼ 98K

Completions, sqm

▼ 426K

Under Construction, sqm

Note: Arrows indicate change from the previous year, considering Tallinn, Riga, Vilnius, Kaunas, and Klaipeda markets

Industrial & Logistics

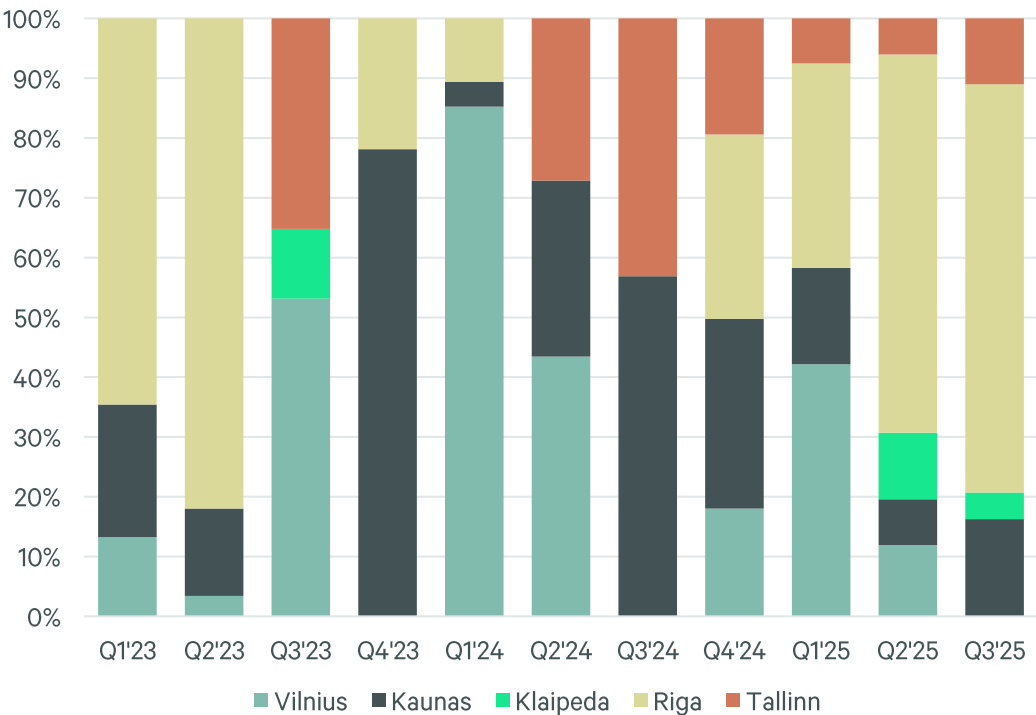
Supply. In the Q3 2025, a total of 5 I&L projects, totaling 98,000 sqm, were completed across Vilnius, Kaunas, Klaipėda, Riga, and Tallinn. Although fewer, but bigger projects were completed this quarter, compared to the last, with the most significant being an owner-occupied Depo DIY warehouse in Riga, of ca. 67,000 sqm, which in general comprises ca. 68% of all completions this quarter. Two completions, one speculative, another Built-to-Suit has been commissioned in the Tallinn region, both totaling almost 11,000 sqm. Sirin Development has completed its 5th building the in Kaunas FEZ Sirin Park, adding another 16,000 sqm of speculative stock to the market. Last, owner-occupied completion has been completed in Klaipėda. If no delays occur, another 9 projects with ca. 98,000 sqm GLA are expected to reach the market this year, 80% of which in Lithuania. Even though Built-to-Suits and Owner-Occupied constructions are dominating the market currently, speculative stock developers are actively announcing new projects and plans for the next years across the Baltics.

Demand.

The demand for the speculative stock in the Baltic region remains subdued, vacancies are still elevated, and it takes longer periods to lease out new completions. The key trend across new tenants and landlords of modern stock – focus on sustainability, smart building management systems and clean energy. Leasing activity has increased this quarter, with some of the completions from last year attracting tenants of 2000-4000 sqm GLA. It is forecasted that in 2025, exports will grow from 3% to 7% across all the Baltics states, when compared to 2024, whereas imports will decrease yearly by 0.6-2.8% in Estonia and Latvia, and an increase of 0.4% in Lithuania. Overall, the industry is active, attention from the FDI is increasing, especially from the military sector.

Lease Terms. In Q3 2025, vacancy & prime rents for I&L properties have remained stable, ranging from €5.00 to €6.00 per sqm, while secondary assets start from €3.00/sqm. Across the Baltics, industrial vacancy rates ranged between 4.1% and 6.5%.

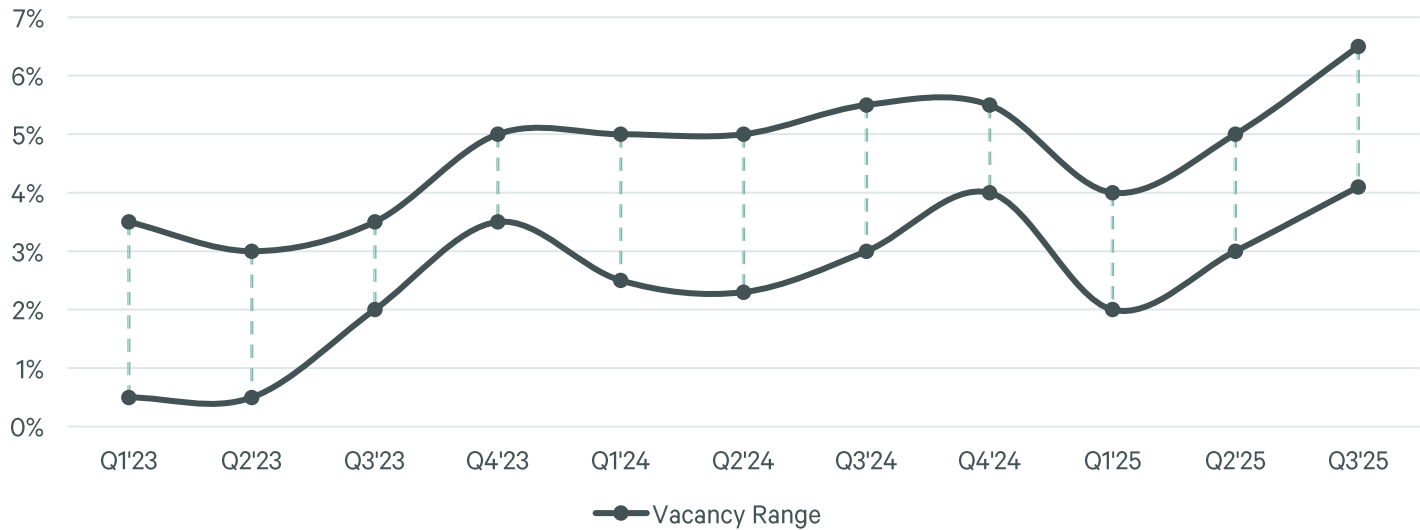
Figure 1. Quarterly New Completions, Baltics by Regions, Q1 2023-Q3 2025



Source: CBRE Baltics Research
*Excluding Production Stock & Stock Offices

Stock Offices. In the 3rd quarter of 2025, approximately 23.500 sqm of stock office space was completed across all Baltic States. Around 13,000 sqm began construction, in Tallinn and Klaipėda. while in total ca. 144,000 sqm was under construction, with almost 34% expected to be completed in the last quarter of a year. Rental prices have remained stable, ranging from €9.00 to €12.00 per sqm. Vacancy rates for stock offices are on the higher end, falling between 9% and 12%.

Figure 2. Industrial Vacancy Range, Baltics, 2023 – Q3 2025



Source: CBRE Baltics Research
*Excluding Production Stock & Stock Offices.

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Definitions

Total Modern Industrial Stock – represents the total completed stock-office, warehouse and logistics space (occupied or vacant) in the private and public sector at the survey date. It includes both speculative and owner occupied (OO) space in Tallinn, Riga, Vilnius, Kaunas, Klaipeda and their surrounding areas.

Prime Rent – represents the top open-market tier of rent that could be expected for a unit of standard size (commensurate with demand in each location) of the highest quality and specification and the best location in a market at the survey date. The Prime Rent should reflect the level at which relevant transactions are being completed in the market at the time. If there are no relevant transactions during the survey period, the quoted figure will be more hypothetical, based on an expert opinion of market conditions.

Stock Office – a building that combines a showroom, office space, warehouse and in some cases manufacturing premises together; unit sizes could vary, and the schemes are designed for small and medium business operations.

Under Construction (U/C) – total warehouse, distribution & logistics and stock office space that is currently in its construction phase.