

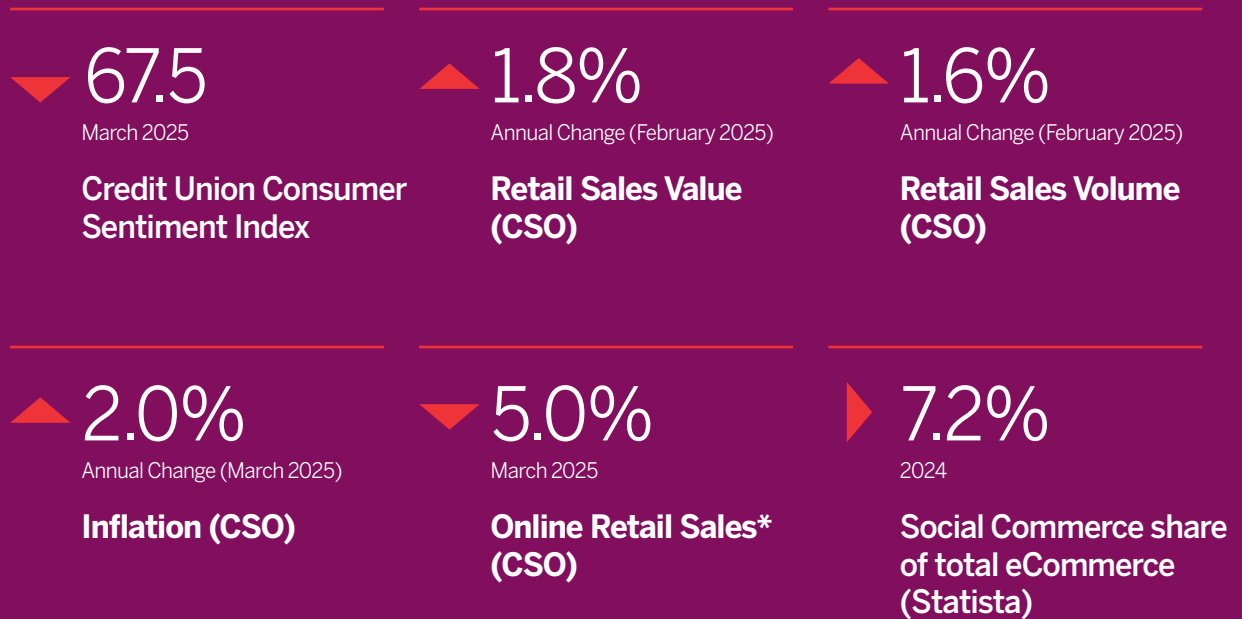
RETAIL REPORT

Q1 2025



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The Irish retail industry continues to adapt to a shifting landscape shaped by evolving consumer behaviour, digital integration, and wider economic pressures. Most traditional retailers have now embraced e-commerce and omni-channel strategies, blending in-store and online offerings to remain competitive. Meanwhile, Dublin's prime retail districts continue to attract strong demand, with several notable brands committing to physical stores in recent months.



* Only enterprises registered in Ireland.

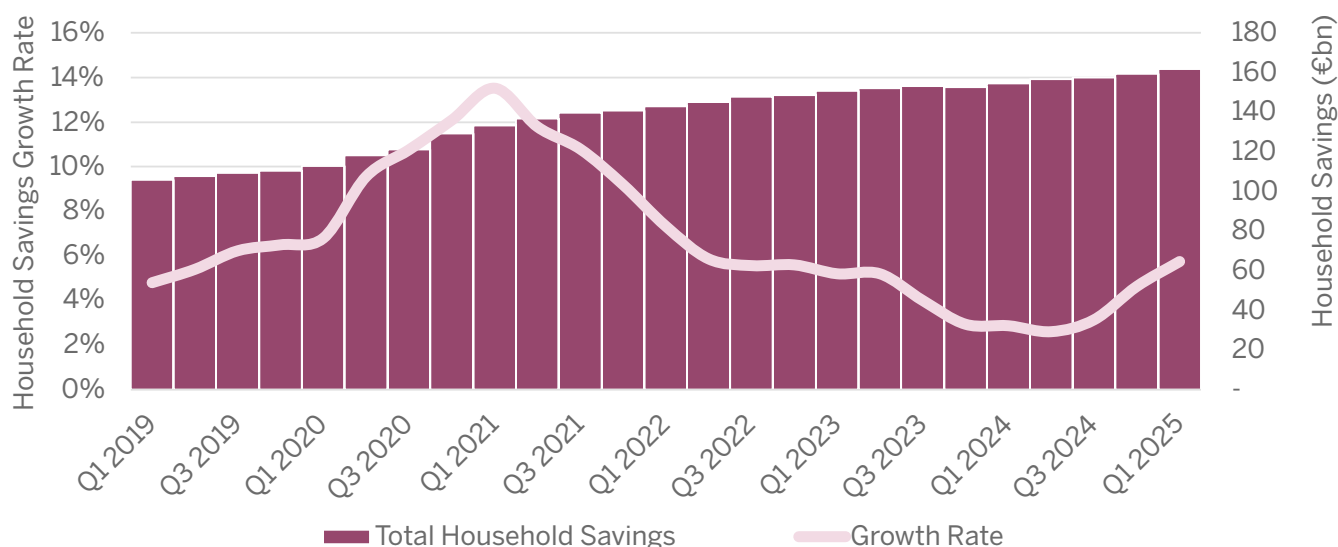
Arrows represent quarterly trends unless otherwise stated.

Savings

Household savings remain elevated, with deposits reaching €161.9bn in February 2025. This represents a 5.6% annual growth rate, continuing the upward trend that re-emerged in late 2024 after more subdued growth through much of both 2024 and 2023. For comparison, deposit growth averaged just 3.5% over the course of 2024, compared to over 13% annually during the 2020–2021 period.

While the pace of growth has moderated from the double-digit highs seen during the pandemic, current deposit levels are at a new record high. In fact, practically every month in the last few years has set a new all-time high in terms of savings. This may seem surprising given ongoing cost-of-living pressures. On one hand, it may well indicate precautionary savings by some and also a reluctance to spend due to inflationary conditions. On the other, it highlights the financial resilience of certain households — particularly those in secure, well-paid employment who have maintained or grown their income despite broader economic uncertainty.

Household Deposits – Annual Rate of Change (January 2019 - Q1 2025)



Source: Central Bank of Ireland, Lisney analysis

Consumer Sentiment

The Credit Union Consumer Sentiment Index weakened in March 2025 to 67.5, down from 74.8 in February, marking the lowest level in nine months.

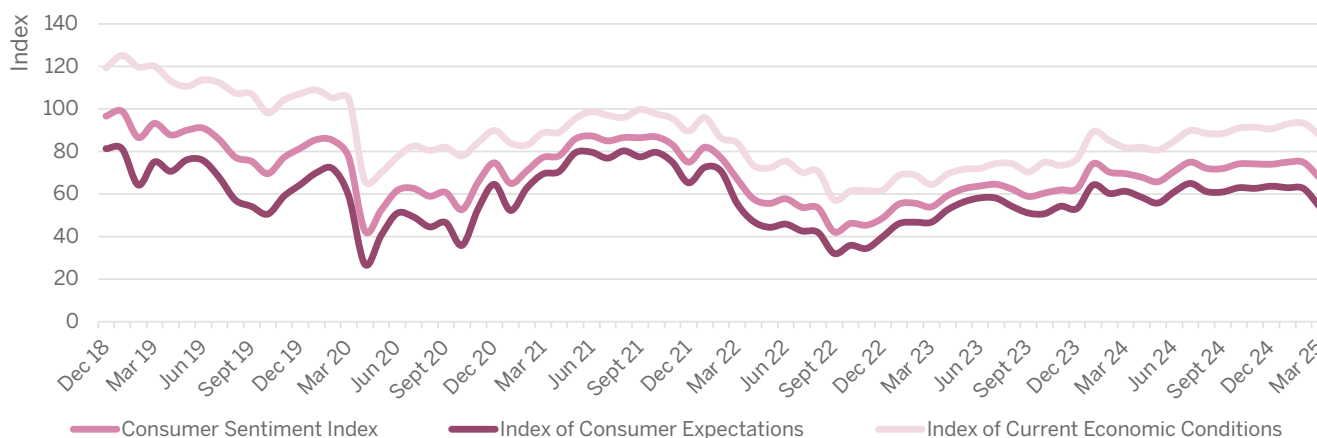
The fall was driven largely by growing fears over a potential trade war between the US and EU, which could have a disproportionate impact on Ireland. Additional concerns stemmed from a series of price increase announcements and broader economic uncertainty. Despite low unemployment figures, the growing threat of tariffs and global economic instability weighed heavily on sentiment in March.

All elements of the Credit Union Consumer Sentiment Survey decreased in March 2025



Source: Irish League of Credit Unions, Lisney analysis

Consumer Sentiment Index (December 2018 – March 2025)



Source: Irish League of Credit Unions, Lisney analysis

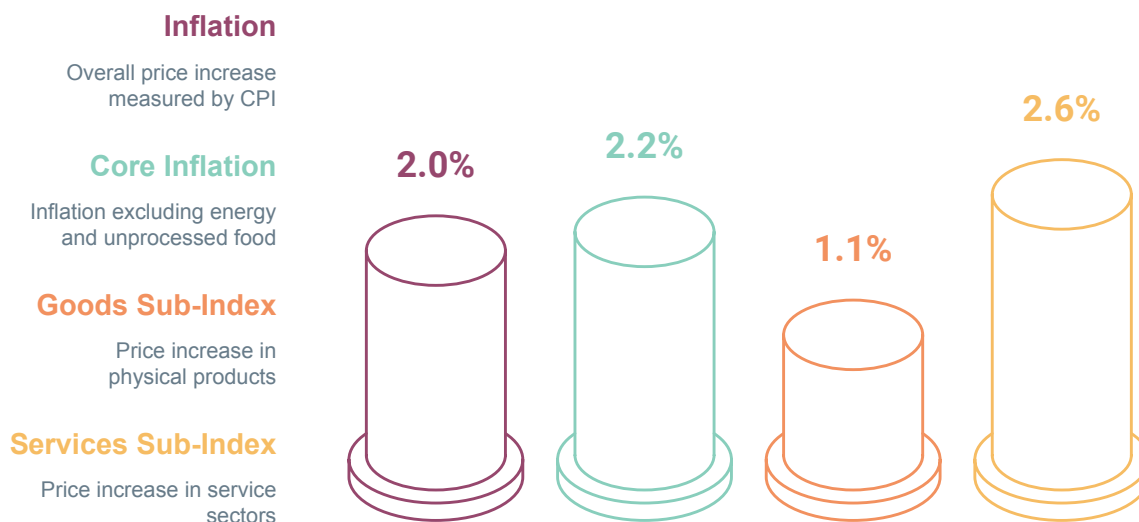
Inflation

The Irish annual rate of inflation (measured by CPI) stood at 2.0% in March 2025, up from 1.8% in the previous month and 1.9% in January 2025.

Despite the slowdown in inflation (disinflation – growth but at a reduced rate), prices remain significantly higher than pre-crisis levels, standing approximately 20% above pre-COVID levels and 16% above pre-Ukraine war levels.

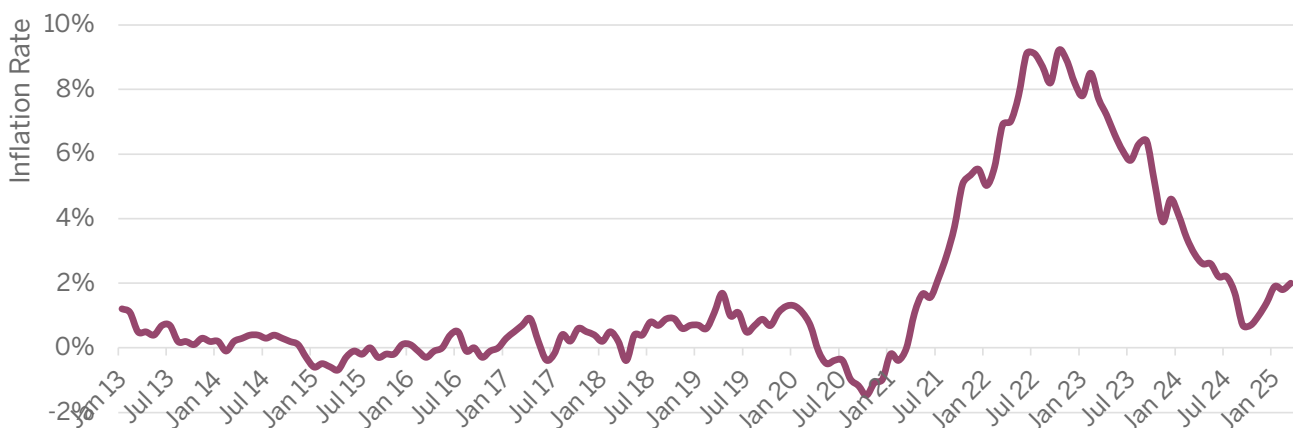
While disinflation offers some relief, the affordability of goods and services remain a concern, as consumers are still dealing with elevated prices reflecting the lasting impact of global supply chain disruptions and energy price shocks.

Irish Inflation Annual Change (March 2025)



Source: CSO, Lisney analysis

Annualised Rate of Irish Inflation (January 2013 – March 2025)



Source: CSO, Lisney analysis

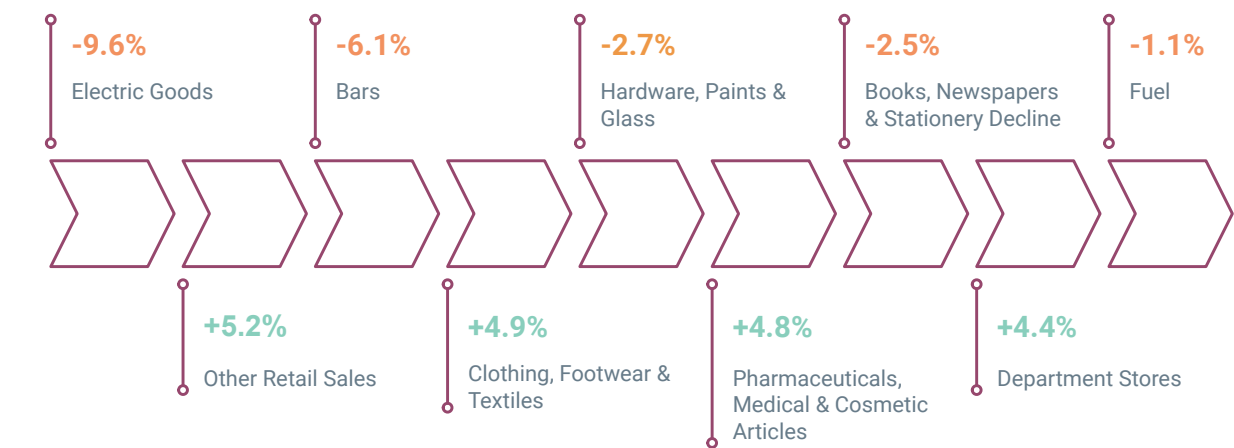
Retail Sales

Based on CSO data, there continued to be a slight divergence in the scale of change in the volume and value of retail sales. In Q1 2025, the value of core retail sales increased by 1.9% while the volume of core sales rose by 1.6% over the same period – reflecting price inflation. On an annualised basis, the value and volume increased by 1.8% and 1.6% respectively.

Data from the CSO for February 2025 shows that 5.0% of turnover from Irish registered companies was generated from online sales in the month, down from 5.5% in January and 6.1% in December 2024. However, this only relates to Irish companies and consequently, the proportion of money spent online is significantly higher.

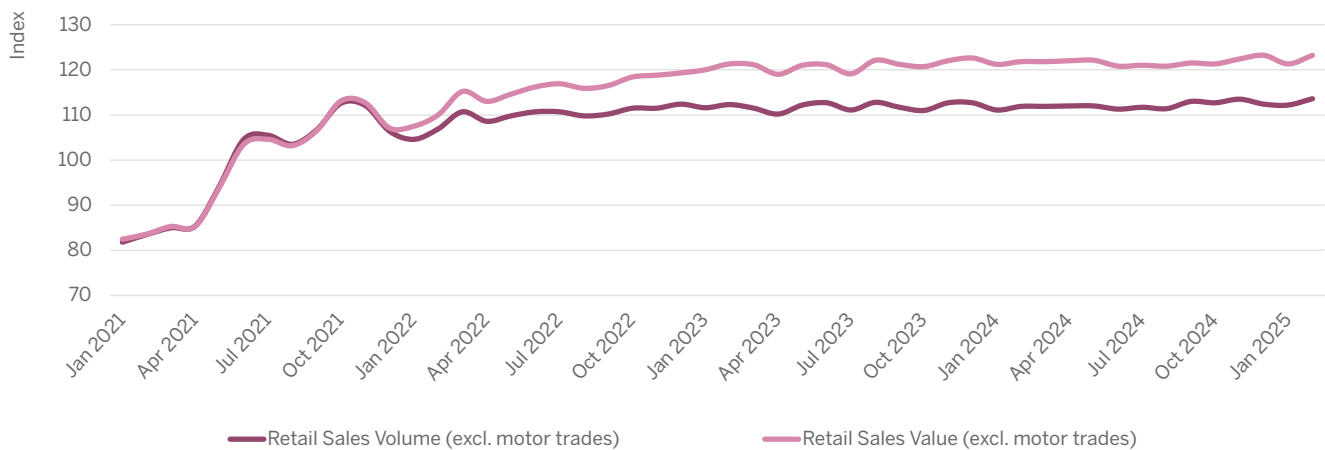
Data from Statista (an independent specialist in surveys and data gathering) shows that online purchases in Ireland accounted for 14% of all transactions in 2024, totalling US\$5.37bn, up from 12.9% (US\$4.75bn) in 2023 with expectations that 2025 will reach 15.6% (US\$6.22bn). By 2029, online purchases are expected to exceed US\$8.69bn.

Business Sectors: Annual Change in Volume of Sales (February 2025)



Source: CSO, Lisney analysis

Volume and Value of Retail Sales Index (excluding Motor Trades) (February 2020 – February 2025)



Source: CSO, Lisney analysis



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Retail Property Market Trends

Dublin's prime shopping streets continue to attract both domestic and international retailers. Mango is set to open on Grafton Street, while Kiko Milano will occupy the former Claire's unit, following its Henry Street opening in 2024. Arket is confirmed for Grafton Place (corner of Nassau Street and Dawson Street), and terms are reportedly agreed on the former Ted Baker unit on Grafton Street.

While expansion continues, it is not without challenges. Recent New Look and Quiz closures in the UK and Ireland reflect the pressures facing parts of the retail sector. In contrast, TM Lewin's return to physical retail in the UK signals a growing focus on combining digital convenience with the value of in-store experiences, a shift likely to influence retail strategies in Dublin.

As consumers increasingly expect flexibility, more brands are adapting their store formats to offer integrated physical and digital experiences. However, a persistent constraint in Dublin remains the limited availability of larger floor plates on prime shopping streets. Securing the right space in prime locations is becoming increasingly difficult and competitive.

In line with these changes, digital commerce is also advancing. The recent launch of TikTok Shop in Ireland enables users to buy directly through videos, livestreams, and profiles on the app. This evolution of social shopping presents opportunities for retailers to diversify further their sales channels and remain relevant to younger, mobile-first consumers.

Outside the core city centre, Dublin City Council's Shopfront Improvement Scheme continues to support smaller retail zones, offering funding for shopfront refurbishments in locations such as Thomas Street and surrounding areas. The scheme aims to enhance visual appeal and strengthen the draw of local retail clusters.



Grafton Street

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Outlook

Demand will remain healthy in 2025 with new and expanding retailers active on prime high streets, as well as in some shopping centres and retail parks.

A lack of supply in certain key areas will be noticeable. Indeed, practically no new retail accommodation has been built in almost two decades, and despite the requirement for new space in a limited number of specific locations, this is unlikely to materialise in the medium-term.

Some retailers, particularly those still recovering from the effects of the pandemic, inflation, or shifts in consumer behaviour, may continue to consolidate or close underperforming stores. This could create opportunities for new entrants or lead to the repurposing of space for alternative uses, including mixed-use, leisure, or experiential formats.

We do not expect any significant increase in prime rental values in 2025 and the rents achieved will very much depend on the nature of the landlord and individual building / location specifics. Rents in retail parks are reasonably stable, given the lack of available supply. Dublin high street rents are also largely stable with perhaps some modest upside for specific units.

Retailers, restaurateurs, coffee shop and leisure operators will continue to analyse the ongoing viability of their business, focusing on income generation and the prevailing challenges of the increased cost of goods, fluctuating consumer sentiment, elevated energy costs, labour shortages and supply chain issues.

Sustainability will remain a long-term consideration for retailers and landlords. Ireland's Climate Action Plan and initiatives like the 'Return' scheme are expected to drive change, though progress is gradual. As consumers place more value on eco-friendly practices and ethical sourcing, retailers aligning with these expectations through store design, supply chain practices, and transparency are likely to gain a competitive advantage.

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