

# RETAIL REPORT

# Q2 2025



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The global retail industry continues to operate within an ever changing landscape; one that is influenced by technology, sustainability, changing consumer habits, tariff pressures as well as wider financial and economic pressures. The adoption of e-commerce and omni-channel offerings is now widespread, including social media platforms, but there has been a renewed focus on physical stores in recent times. These international trends follow through to the Dublin market and the prime retail districts continued to attract strong demand in H1 2025 as several brands have committed to stores.



\* Only enterprises registered in Ireland.

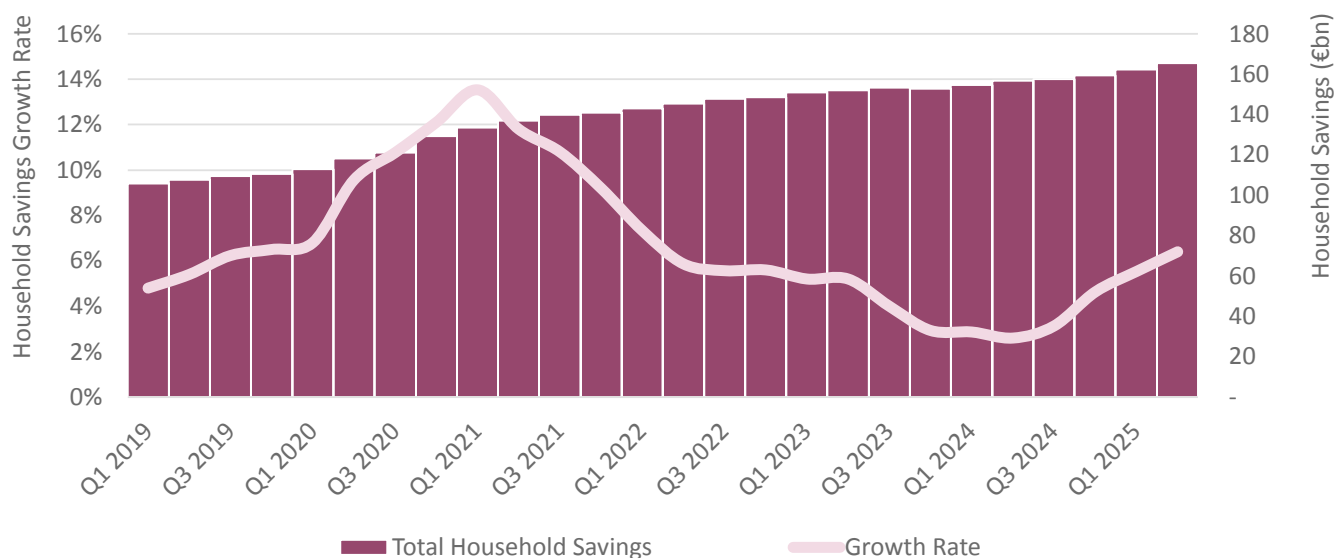
Arrows represent quarterly trends unless otherwise stated.

# Savings

Household savings remained elevated in recent months, with deposits reaching €165.3bn in May 2025, a new record high. This represents a 6.5% annual growth rate, continuing the upward trend that re-emerged in late 2024 after more subdued growth through much of both 2023 and 2024. For comparison, deposit growth averaged just 3.5% over the course of 2024, compared to over 13% annually during the 2020–2021 period.

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 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 (Q1 2019 – Q2 2025)



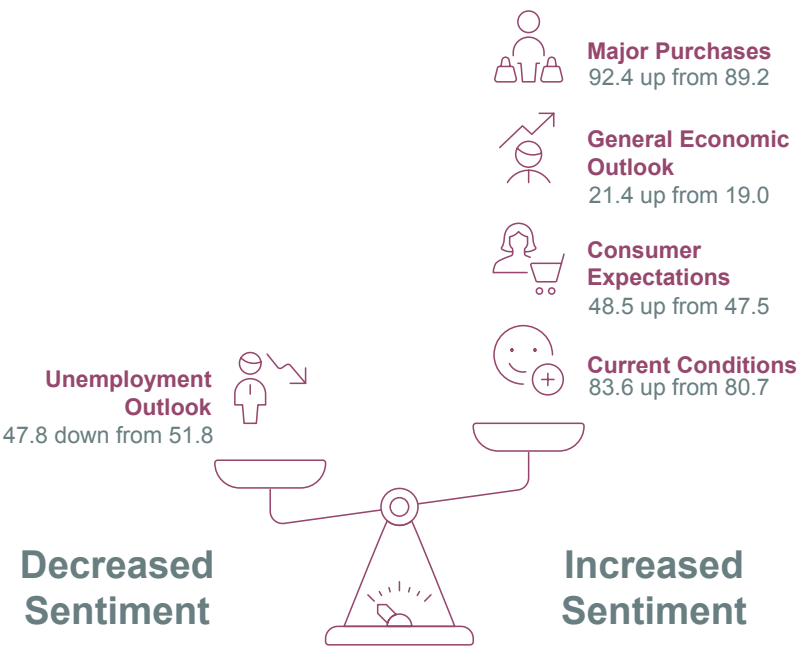
Source: Central Bank of Ireland, Lisney analysis

# Consumer Sentiment

The Credit Union Consumer Sentiment Index rose slightly to 62.5 in June 2025, up from 60.8 in May. Still, it remained well below the 70.5 recorded in June 2024 and significantly under the long-term average of 84.0.

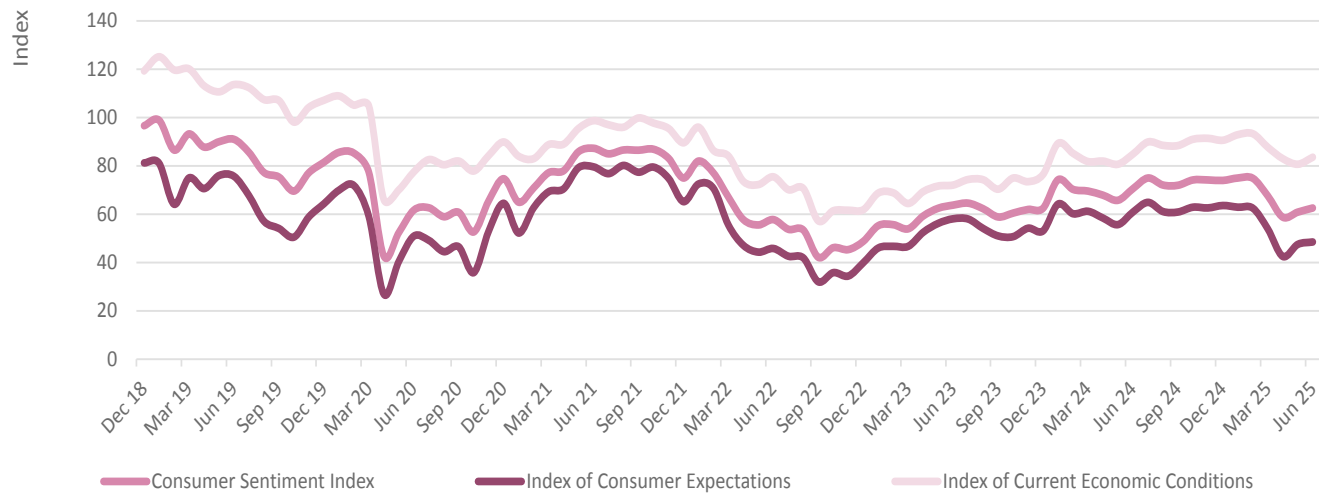
The improvement was mainly due to easing tariff threats, falling oil prices and interest rates, and continued strength in the Irish economy, particularly in activity and employment. However, the rise in sentiment was only marginal and does not reflect any real shift in consumer confidence. Ongoing concerns around trade tensions, military conflicts and the persistent pressure of living costs continue to leave many Irish households uncertain about their economic outlook.

## How did Consumer Sentiment elements change in the month of June?



Source: Irish League of Credit Unions, Lisney analysis

## Consumer Sentiment Index (December 2018 – June 2025)



Source: Irish League of Credit Unions, Lisney analysis

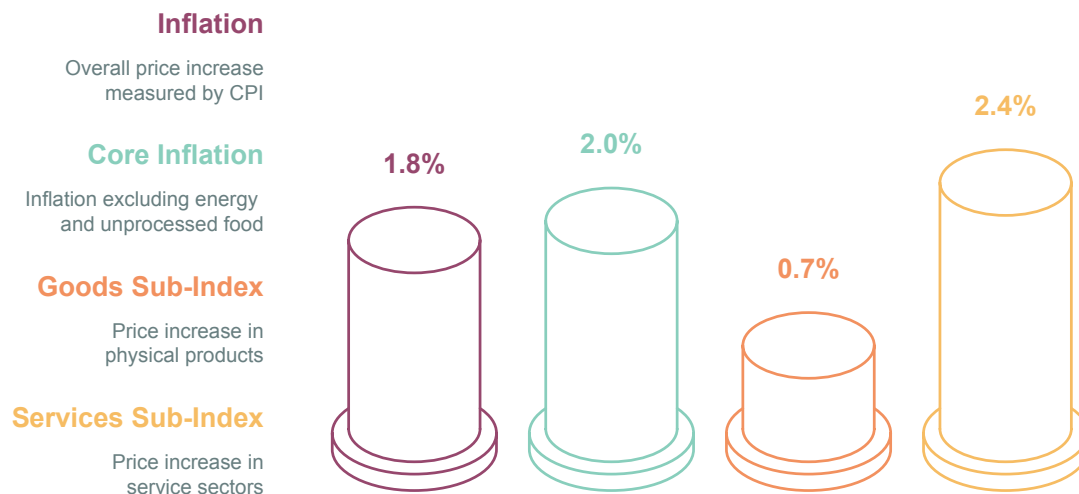
# Inflation

The Irish annual rate of inflation (measured by CPI) stood at 1.8% in June 2025, up from 1.7% in the previous month but lower than April 2025 (2.2%).

Despite the slowdown in inflation, prices remain significantly higher than pre-crisis levels – approximately 22% above pre-COVID levels and 16% above pre-Ukraine war levels.

While disinflation (growth but at a reduced rate) 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 (June 2025)



Source: CSO, Lisney analysis

## Annualised Rate of Irish Inflation (January 2013 – June 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 the month of May 2025, the value of core retail sales decreased by 0.7% while the volume of core sales dipped by 0.6% over the same period. On an annualised basis, the value and volume increased by 1.7% and 1.6% in May respectively.

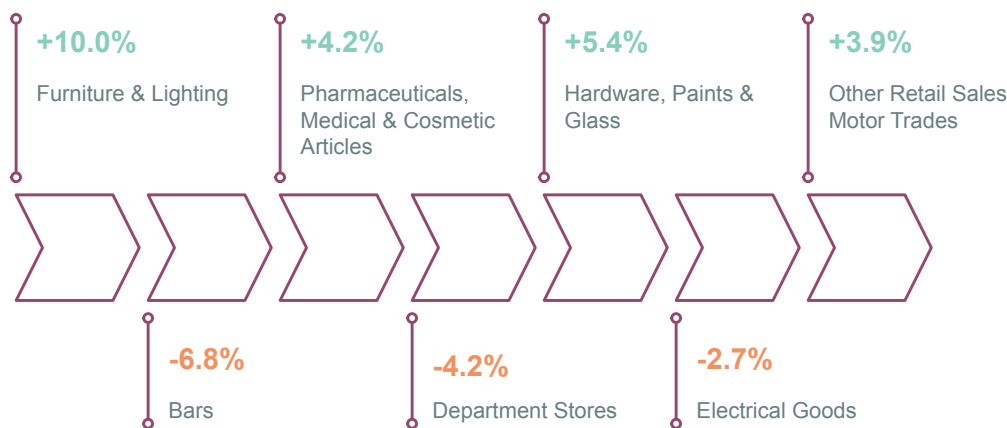
Data from the CSO for May 2025 shows that 4.7% of turnover from Irish registered companies was generated from online sales in the month, down from 5.0% in April and 4.8% in March. However, this only relates to Irish companies and consequently, the proportion of money spent online is significantly higher.

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 in Ireland.

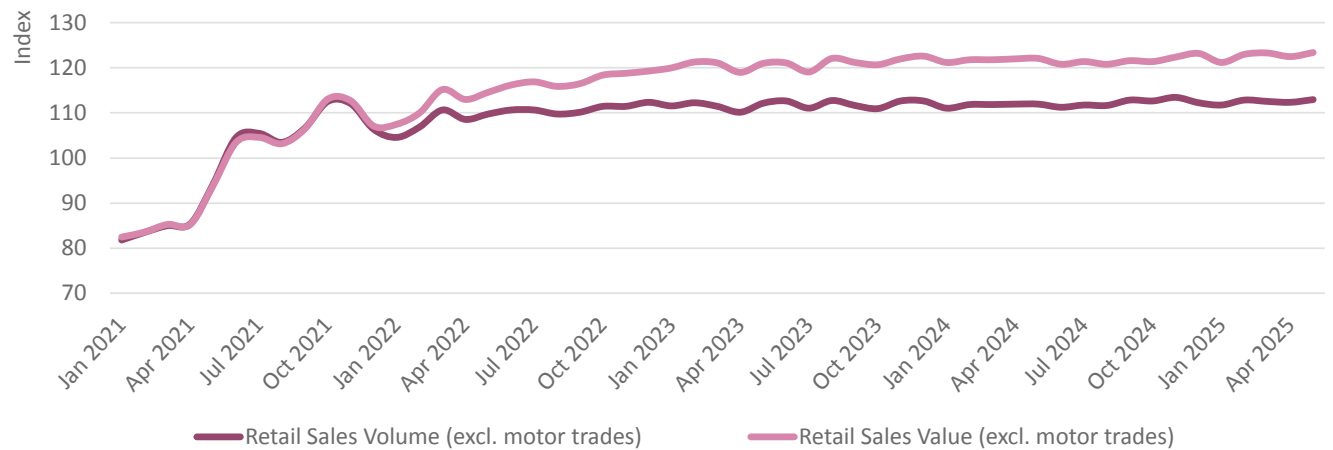
In 2024, the top five online stores in the Irish eCommerce market were amazon.co.uk, tesco.ie, next.ie, shein.com, and currys.ie. The top three online stores combined accounted for a market share of 33.0% of the top 100 stores.

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



Source: CSO, Lisney analysis

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



Source: CSO, Lisney analysis









# Retail Property Market Trends

Dublin's prime shopping streets continue to attract both domestic and international retailers, with several notable openings and announcements on Grafton Street, Henry Street and the surrounding areas in recent months.

New retail openings include:

- Lovisa – a jewellery brand, opened its 9th Irish store at 11 Grafton Street in June.
- Kiko Milano – the Italian cosmetics retailer, opened its 3rd Irish location in the former Claire's unit on Grafton Street in July, following its Henry Street debut in 2024.
- MANGO – it launched a new flagship store at 112/113 Grafton Street in June.
- Accessorize – the UK-based chain, opened a new store at 19 Henry Street in June.
- Dylan Oaks – an Irish luxury jewellery brand, opened a store at 22 Henry Street in May.

Upcoming and new F&B entrants:

- Arket – part of the H&M Group, is set to open its Irish flagship store at the end of July at Grafton Place (corner of Nassau Street and Dawson Street).
- The Ivy – will open a second Dublin location called Ivy Asia, an Asian-inspired premium restaurant, at 9-12 Dawson Street (former New Ireland Assurance building) next door to its existing restaurant.
- Popeyes Louisiana Kitchen – pending planning, it intends to open its first Dublin outlet at 11-12 Westmoreland Street (former TGI Fridays unit).
- Big Mamma – a French restaurant group known for Italian cuisine, will launch its first Irish restaurant, Gloria Dublin, at 41 Westmoreland Street (former AIB building) by the end of the year.

- Fáilte Ireland secured planning permission to establish a food hall at the vacant St Andrew's Church on Suffolk Street in Dublin 2. While Fáilte Ireland will not operate the venue directly, it will appoint a dedicated operator and remain involved to ensure the project stays true to its original goals – celebrating Irish cuisine, creating jobs, and preserving the site's heritage.

While expansion continues, it is not without challenges. Following the recent New Look and Quiz closures in the UK and Ireland, River Island is at risk of collapsing into administration if restructuring plans are not approved. The company's rescue plan includes closing down 33 stores across the UK and Ireland and paying reduced rents on a further 71 shops. The UK-based high street fashion retailer closed its Henry Street store in Dublin in June. The Grafton Street store remains open for now.

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 further diversify their sales channels and remain relevant to younger, mobile-first consumers.





Grafton Street



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## Outlook

Demand will remain healthy in the second half of 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 shops and leisure operators will continue to assess the viability of their businesses, focusing on revenue and the ongoing challenges posed by higher costs, shifting consumer sentiment, energy prices, labour shortages and supply chain disruption. On a more positive note, Budget 2026 is expected to restore the 9% VAT rate for the food-led hospitality sector, entertainment and hairdressing. The government has indicated this will be a permanent cut.

Sustainability will remain a long-term consideration for retailers and landlords. Ireland's Climate Action Plan and initiatives like the 'Return' scheme are driving change, albeit 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.

# Meet The Team

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