

RETAIL REPORT

Q3 2025



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The global retail sector continues to evolve in an environment shaped by technology, changing consumer expectations, and supply chain cost pressures, including tariffs. Sustainability, automation, and data-driven decision-making remain central themes, while online and social commerce continue to shape spending patterns. Despite the strength of digital channels, physical retail has regained importance as brands focus on customer experience and integrated omni-channel strategies. These global trends continue to filter through to Ireland, where occupier demand for prime pitches remains steady, and both domestic and international retailers continue to expand.

▼ 61.7

September 2025

**Credit Union Consumer
Sentiment Index**

▲ 3.5%

Annual Change
(September 2025)

**Retail Sales Value
(CSO)**

▲ 4.6%

Annual Change
(September 2025)

**Retail Sales Volume
(CSO)**

▲ 2.7%

Annual Change
(September 2024)

Inflation (CSO)

▲ 5.0%

Annual Change (May 2025)

**Online Retail Sales*
(CSO)**

▶ 74.9%

2025

**eCommerce
Adoption (Statista)**

* Only enterprises registered in Ireland.

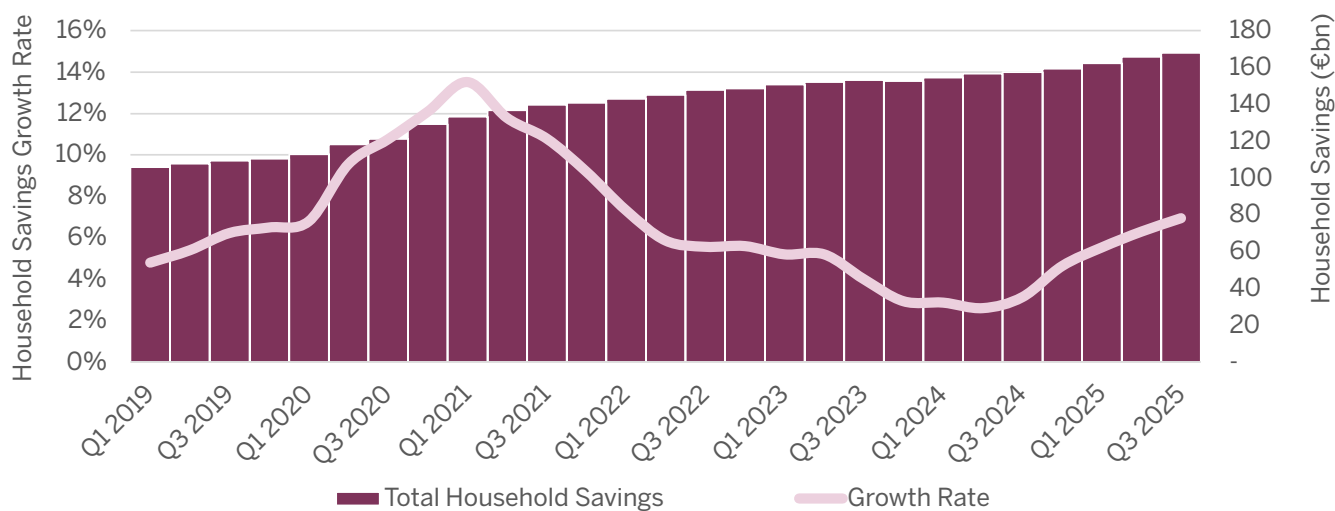
Arrows represent quarterly trends unless otherwise stated.

Savings

Household savings continued to edge higher over the summer, reaching €168bn by August 2025. This represents a 7% annual increase, up from a growth rate of 6% in both Q2 and Q1. The savings pace remained well above the average growth of 3.8% recorded through most of 2023 and early 2024, though below the 11.4% average seen during the pandemic years of 2020 and 2021.

The ongoing rise suggests that much of the savings built up during the last five years remain intact, even as inflation has eased. Almost every month in recent years has set a new all-time high in household deposits. While this may appear counterintuitive given cost-of-living pressures, it likely reflects a mix of higher nominal incomes and a degree of continued financial caution, with many still favouring saving over discretionary spending.

Household Deposits – Annual Rate of Change (Q1 2019 – Q3 2025)



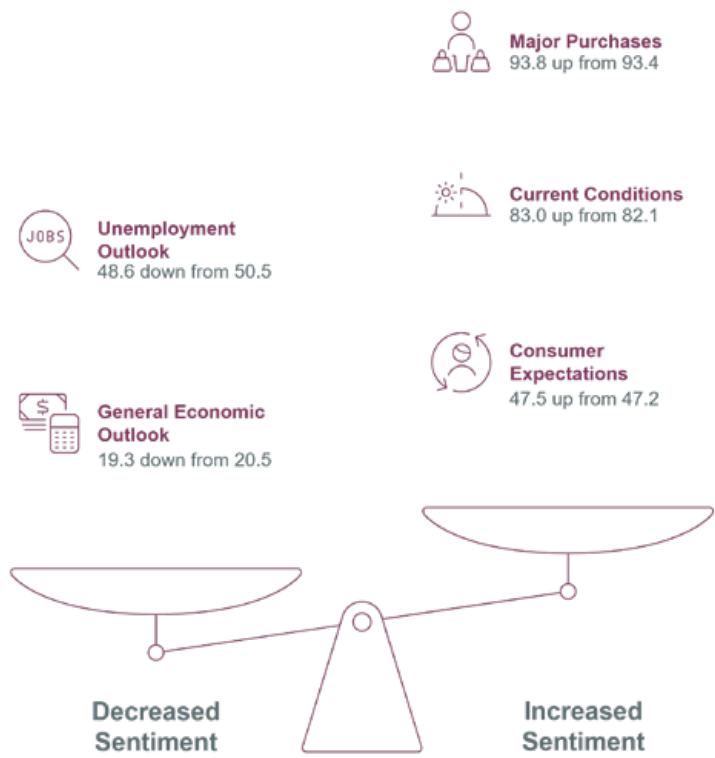
Source: Central Bank of Ireland, Lisney analysis

Consumer Sentiment

The Credit Union Consumer Sentiment Index edged up slightly in September to 61.7 from 61.1 in August, but was slightly down from 62.5 in June 2025, indicating little change in the overall mood of Irish consumers.

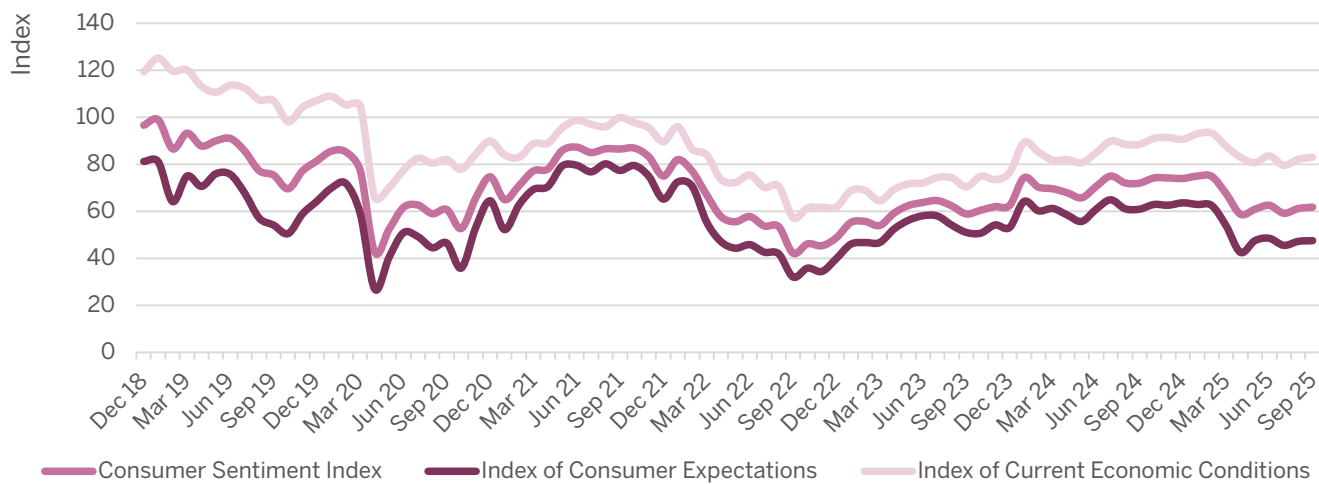
The small uptick suggests that households remain cautious rather than optimistic, with rising grocery prices and uncertainty around the global outlook weighing on confidence. Overall, sentiment has stabilised in recent months after earlier declines, but it remains well below both year-ago levels and the long-term survey average, highlighting ongoing caution in the face of cost pressures and external risks.

How did Consumer Sentiment change in September?



Source: Irish League of Credit Unions, Lisney analysis

Consumer Sentiment Index (December 2018 – September 2025)



Source: Irish League of Credit Unions, Lisney analysis

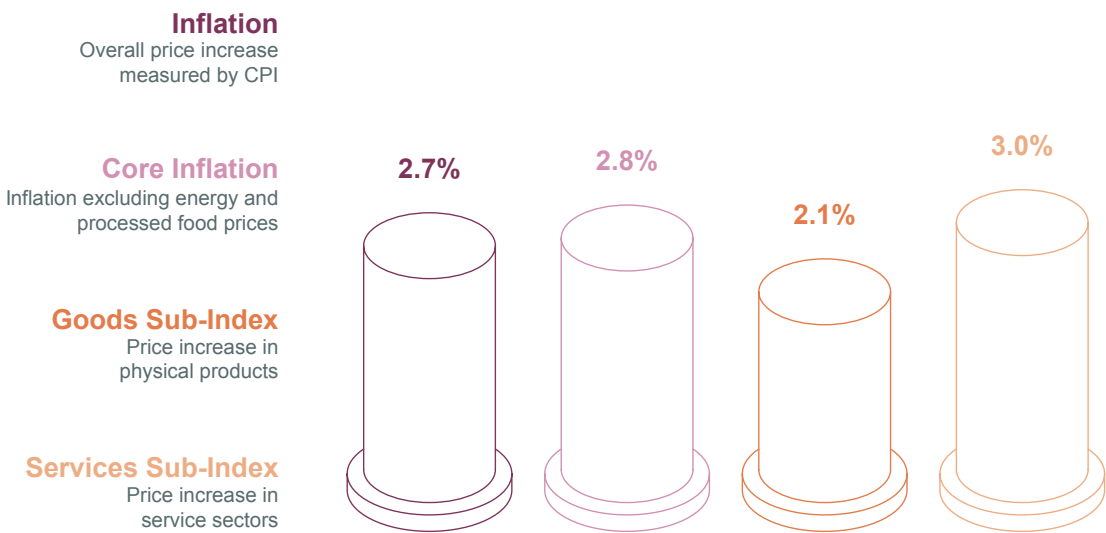
Inflation

The Irish annual inflation rate (CPI) was 2.7% in September 2025, up from 2.0% in August, reaching its highest level since March 2024 (2.9%). Excluding energy, the CPI increased by 2.9% over the year.

Despite the relatively moderate inflation rate, prices remain well above pre-crisis levels, continuing to weigh on household budgets – approximately 22% above pre-COVID levels and 18% above pre-Ukraine war levels. The persistence of higher

food, services, and housing costs underscores the lasting impact of earlier supply chain pressures and wage growth across the economy.

Irish Inflation Annual Change (September 2025)



Source: CSO, Lisney analysis

Annualised Rate of Irish Inflation (January 2015 – September 2025)



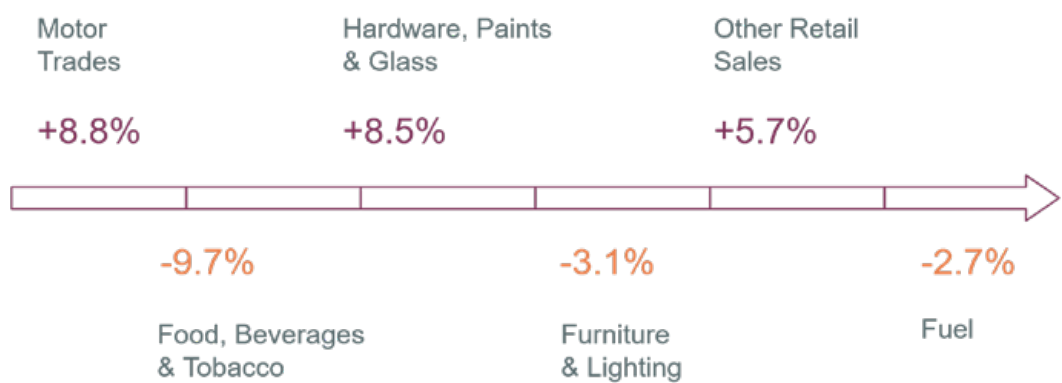
Source: CSO, Lisney analysis

Retail Sales

Based on CSO data, retail activity strengthened in the year to the end of September 2025, with retail sales volume increasing by 3.5%. Excluding motor trades, sales volumes were up 1.7% year-on-year.

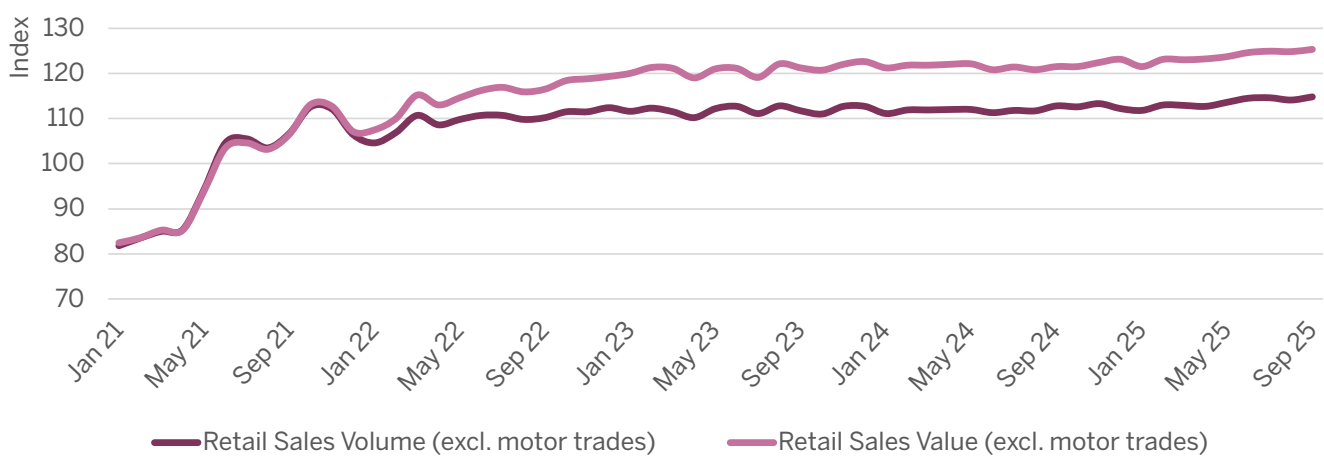
In value terms, retail sales rose by 4.6% over the year, reflecting both higher prices and stronger turnover in certain categories. Excluding motor trades, sales value was up 3.1% year-on-year.

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



Source: CSO, Lisney analysis

Volume and Value of Retail Sales Index (excluding Motor Trades) (January 2021 – September 2025)



Source: CSO, Lisney analysis

Data from the CSO for September 2025 shows that 5.0% of turnover from Irish registered companies was generated from online sales in the month, unchanged from August but down slightly from 5.1% a year earlier. However, this only relates to Irish companies and therefore the overall proportion of consumer spending taking place online is considerably higher.

Data from Statista shows that online purchases in Ireland accounted for 14% of all transactions in 2024, up from 12.9% in 2023, with 2025 expected to reach 15.6% or around US\$6.7bn. In 2024, the top three online stores in the Irish eCommerce market were amazon.co.uk, shein.com, and tesco.ie. By 2030, online spending is projected to exceed US\$8bn. The share of the population shopping online at least once is forecast to reach 74.9% in 2025 and rise to 79.7% by 2030.



Retail Property Market Trends

Dublin's retail market remained active, with a steady flow of new openings and brand expansions supported by solid occupier demand from both Irish and international retailers. The quarter also saw some movement on the development side, with An Coimisiún Pleanála refusing permission for the proposed €100m redevelopment of St Stephen's Green Shopping Centre in July 2025. The board overturned approval previously granted by Dublin City Council, citing concerns around design and placemaking quality, though it left open the possibility of a revised submission.

On the occupier side, activity remained strong through late summer and early autumn:

- Jysk opened its fourth Dublin store at Airside Retail Park in August, with additional stores planned in Cork and Killarney.
- Jack & Jones reopened a refurbished and expanded store at Liffey Valley in September, joined by Costa Coffee, which introduced a redesigned café with a new drive-thru format.
- Also at Liffey Valley, Dreams & Sofa Time opened new showrooms in September, while Boots launched its latest Dublin store at the Point Square in early October.
- Normal, the Danish variety retailer, is set to open before Christmas in the Ilac Shopping Centre, taking the former River Island unit.

Food and beverage operators continued to drive activity, reflecting robust demand for casual dining and fast-service formats:

- Taco Bell entered the Irish market with its first outlet at Applegreen Service Station in Dunshaughlin, Co. Meath, in September. This marked the start of a wider rollout in partnership with the US-based chain.
- Doner Dasch, a Berlin-style kebab shop opened on North Earl Street, just off O'Connell Street.
- German Doner Kebab (GDK) plans up to 30 restaurants nationwide over the next decade, beginning with its first Dublin location at Liffey Valley later this year.
- Liffey Valley also welcomed Musashi and Wingstop, expanding its food and beverage offering.
- Meanwhile, Lina Stores and Joe & The Juice are among several brands actively seeking prime city centre locations.
- At Dundrum Town Centre, several established retailers are expanding, including Zara, Pandora, Pull & Bear, and JD Sports, reflecting continued confidence in high-performing suburban centres.

Beyond physical retail, digital and operational innovation continues to evolve:

- Deliveroo has expanded into non-food delivery in Ireland, partnering with retailers such as The Perfume Shop, Accessorize, and over 20 local SMEs to provide rapid delivery for lifestyle and beauty goods.

- Zara introduced its "most advanced technology" concept store at the Trafford Centre in the UK in August, featuring an in-store sorter and enhanced omnichannel systems, an approach likely to influence future Irish rollouts.
- Meanwhile, Shein continues its expansion into physical retail through concession partnerships, launching its first French concession at Galeries Lafayette, Paris, in October.

While new brands continue to expand, a number of established retailers face pressure, with several restructuring or scaling back operations. Claire's, the US-based accessories chain, entered administration in the UK and Ireland in August but secured a rescue deal in September with 156 stores transferred to a new owner, Modella, securing about 1,000 jobs across both markets. However, 145 stores remain under the control of administrators and are expected to close.

Dealz, part of the Pepco Group, has also begun reducing its footprint in Ireland following weaker trading performance and cost pressures at group level. The company closed several outlets, including its store at Merchant's Quay in Cork, earlier this year, as part of a broader effort to streamline operations across Europe. Meanwhile, Paddy Power announced plans to close 57 betting shops across the UK and Ireland in the coming months, as part of a wider restructuring of its estate. Of these, 28 closures are expected in Ireland, with around 120 jobs at risk.

The pressure is not confined to retailers. Fastway Couriers' parent company, Nuvion Group, which also operates Parcel Connect and Nügo, entered receivership at the end of October 2025, putting about 300 direct jobs at risk and raising concerns about delivery disruption for retailers ahead of the Christmas period. The company cited rising operating costs, sustained inflation, and increased pricing competition in the parcels market.

On a positive note, the Government announced a reduction in the VAT rate for food and catering businesses, and hairdressing services from 13.5% to 9%, effective July 2026. This move aims to support smaller operators facing sustained cost pressures but may also affect pricing dynamics across parts of the food and beverage sector.

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Outlook

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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 for the remainder of 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.

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.

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