

Lisney

COMMERCIAL REAL ESTATE

RETAIL REPORT

Q4 2025



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The Irish retail market continues to operate in a cautious but stable consumer environment, shaped by elevated living costs, subdued sentiment and often a preference for saving over discretionary spending. While inflation has eased from recent peaks, price levels remain above pre-crisis norms, limiting the pace of real spending growth and resulting in broadly steady retail sales volumes. At the same time, structural shifts in how consumers shop have become more embedded, with online channels now a permanent feature of retail activity alongside a renewed focus on physical stores. As such, the retail property market has remained resilient, supported by strong occupier demand, particularly in Dublin city centre, continued international retailer interest and a growing emphasis on experience-led retail and food and beverage offerings.

▼ 61.2

December 2025

**Credit Union Consumer
Sentiment Index**

▼ 2.5%

Annual Change
(November 2025)

**Retail Sales Value
(CSO)**

▼ 3.9%

Annual Change
(November 2025)

**Retail Sales Volume
(CSO)**

▲ 2.8%

Annual Change
(December 2025)

Inflation (CSO)

▲ 5.0%

Annual Change
(November 2025)

**Online Retail Sales*
(CSO)**

▶ 39.6%

2024

**Irish enterprises
engaged in online
sales (Eurostat)**

* Only enterprises registered in Ireland.

Arrows represent quarterly trends unless otherwise stated.

Savings

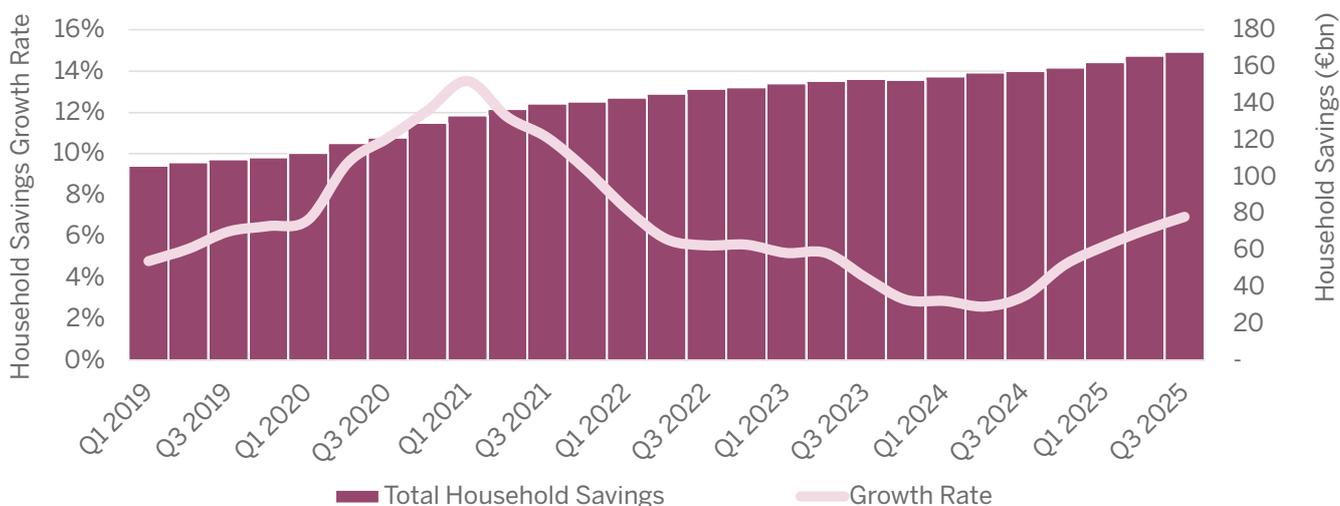
Household savings continued to rise in 2025, reaching a record €170.3bn in October and remaining at a similarly elevated level in November (€169.8bn).

This represented 6.4% annual growth, easing from 7.1% in Q2 and 6.8% in Q1, but remaining 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.

Almost every month in recent years has set a new all-time high in household deposits. The persistence of elevated savings suggests likely continued financial caution, with a significant proportion of the savings accumulated over the past five years remaining intact, even as inflation has eased and households continue to favour saving over discretionary spending.



Household Deposits – Annual Rate of Change (Q1 2019 - Q4 2025)



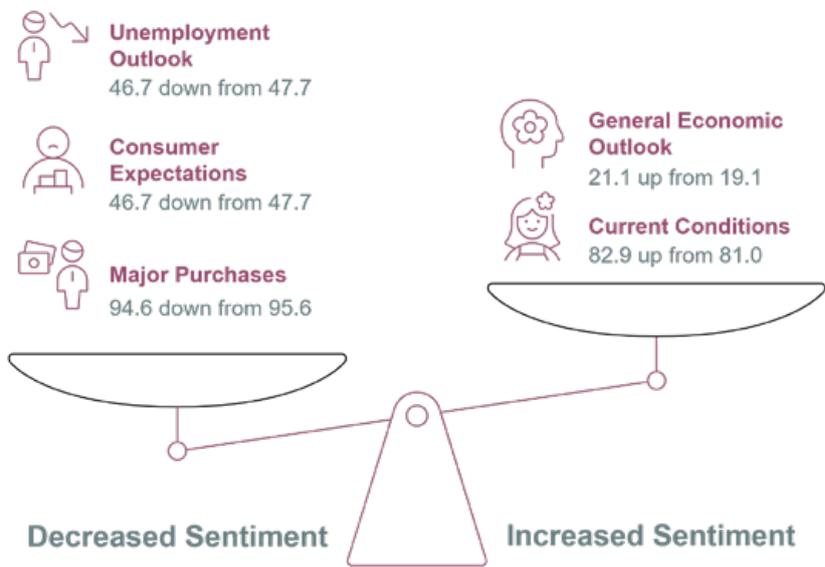
Source: Central Bank of Ireland, Lisney analysis

Consumer Sentiment

The Credit Union Consumer Sentiment Index remained broadly unchanged in December, at 61.2, marginally up from 61.0 in November, but well below the December 2024 level of 73.9, pointing to a continued period of subdued confidence rather than any meaningful recovery.

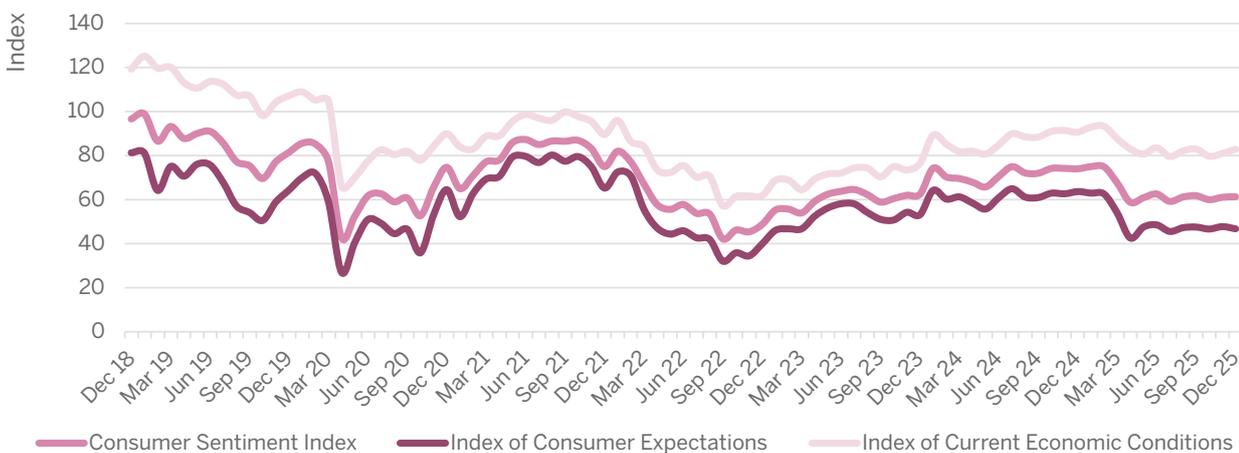
While a slight easing in cost-of-living concerns late in the year helped offset rising anxiety around the jobs market, overall sentiment remained weaker than a year earlier and well below the long-term average. Survey results suggest 2025 was a difficult year for many households, with rising living costs, limited progress on housing and a riskier global backdrop weighing heavily on confidence. Despite Ireland's strong headline economic growth, many consumers perceive a disconnect between macro performance and their own financial circumstances, reinforcing a cautious outlook for 2026.

Consumer Sentiment Sub-Indices (December 2025)



Source: Irish League of Credit Unions, Lisney analysis

Consumer Sentiment Index (December 2018 - December 2025)



Source: Irish League of Credit Unions, Lisney analysis

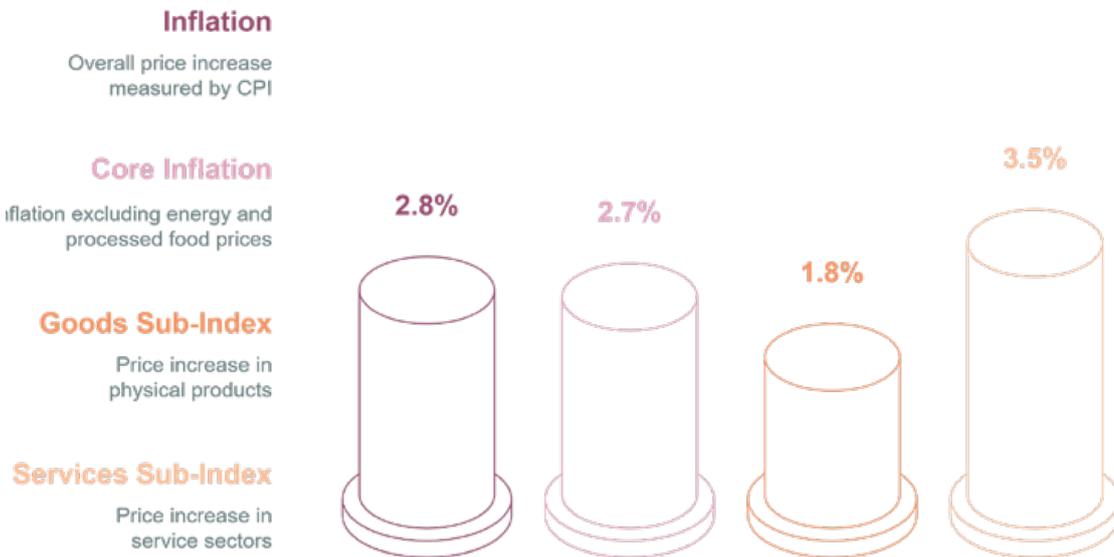
Inflation

The Irish annual inflation rate (CPI) was 2.8% in December 2025, down from 3.2% in November but slightly up from 2.7% three months prior. Excluding energy, CPI rose by 2.8% over the year.

Despite the relatively moderate inflation rate, prices remain well above pre-crisis levels, continuing to weigh on household budgets – approximately 23% 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 (December 2025)



Source: CSO, Lisney analysis

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



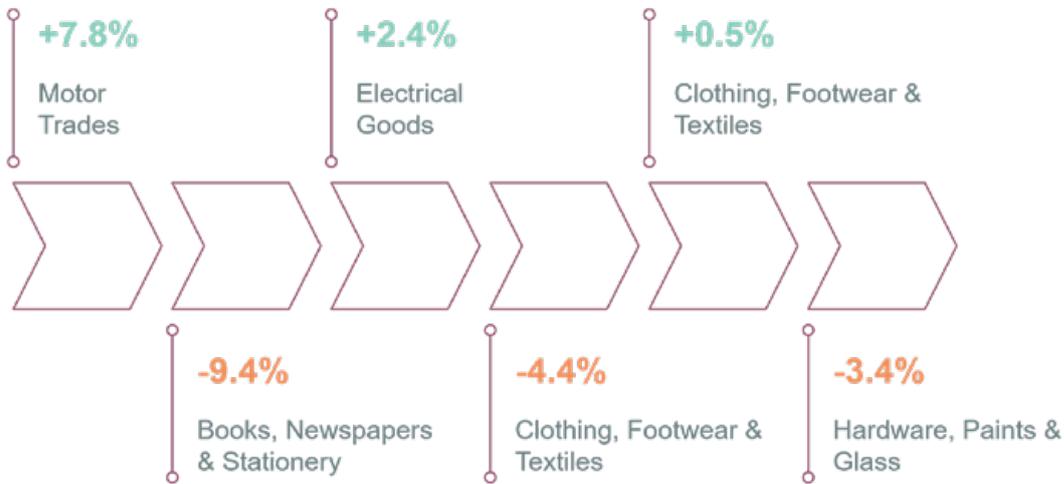
Source: CSO, Lisney analysis

Retail Sales

Based on the latest CSO data, retail activity softened towards the end of 2025. In December, retail sales volumes fell by 0.1% year-on-year, reversing the stronger growth seen earlier in the year.

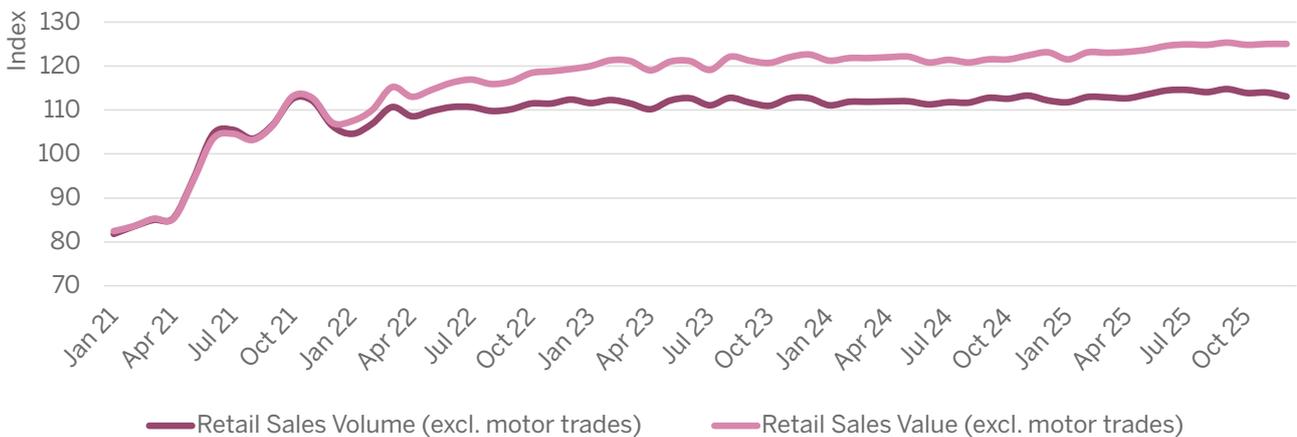
Excluding motor trades, sales volumes were down by 0.9% compared with December 2024, indicating a weaker underlying consumer demand. In value terms, retail sales increased by 1.5% year on year, reflecting price effects rather than volume growth. Excluding motor trades, sales values rose by a more modest 0.8% annually.

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 – December 2025)



Source: CSO, Lisney analysis



Online Sales

Data from the CSO for December 2025 shows that 6.5% of turnover from Irish-registered companies was generated from online sales, down from 7.0% in November but up from 6.1% a year earlier.

As is typically the case, the final two months of the year show elevated online activity, likely reflecting festive season-related spending. For most of 2025, online sales accounted for a more stable share of between 4.8% and 5.7% of monthly turnover, broadly in line with trends seen since 2022.

While well below the peaks recorded during the pandemic (up to 15.3%), online sales share of the market exceeds pre-COVID norms, when online sales generally accounted for between 2% and 4% of retail turnover. This suggests that a lasting shift in consumer behaviour has taken hold, with online channels now an embedded part of Irish retail spending, even as in-store activity has normalised. It should be noted that this only relates to Irish companies and therefore the overall proportion of consumer spending taking place online is considerably higher.

According to ECDB, online purchases in Ireland accounted for 15%-20% of all transactions in 2024, up from approximately 13% in 2023, with 2025 expected to exceed this. ECDB states that the largest e-commerce retailer in the Irish E-Commerce Market is Amazon, followed by Shein and eBay.

ONLINE ACTIVITY

According to Eurostat, 39.6% of Irish enterprises engaged in online sales in 2024, placing Ireland among the leading EU markets for digital commerce adoption, up from 35% the year prior. This compares with an EU average of 23.8% in 2024, highlighting Ireland's more advanced uptake of online sales channels. Ireland ranked second highest in the EU, behind Lithuania (42.1%) and ahead of Denmark (38.8%). This contrasts sharply with several other EU countries, where online sales adoption remains significantly lower, with Luxembourg (12.2%), Romania (14.7%) and Bulgaria (15.1%) at the lower end of the scale.

Eurostat data shows that internet usage in Ireland remains widespread, with online purchasing now set in consumer behaviour. In 2025, 95% of individuals aged 16 to 74 made an online purchase during the year, with 87% purchasing within the previous three months. This was broadly in line with 2024 levels, when 95% purchased within 12 months and 86% within three months. The contrast with 2020 is more noticeable, when 74% of individuals made an online purchase during the year, highlighting the structural growth in digital engagement and online spending over the past five years in Ireland.

Retail Property Market Trends

Dublin's retail property market in 2025 was active with falling vacancy across prime locations and continued occupier demand from both Irish and international retailers, particularly in city centre locations. Prime and next-to-prime streets saw activity from a range of occupier types, including fashion, beauty, lifestyle and F&B.

Grafton Street again led the market, while Henry Street also saw a steady flow of new openings. Retail parks continued to perform strongly, supported by low vacancy and fast re-letting of large format units. Alongside the expansion activity, some retailers exited the market or downsized, highlighting ongoing structural change within parts of the sector rather than a weakening in underlying demand.

Q4 2025 ACTIVITY

Momentum carried into Q4, with Dublin city centre continuing to attract international retailers and maintaining strong occupancy levels across prime and next-to-prime streets. Danish variety retailer Normal opened in November 2025 in the former River Island unit on Henry Street (Ilac Shopping Centre), while Polonez launched a new flagship store in the Ilac Centre in December.

Retail Park activity remained healthy in Q4. Jysk opened a new store at Mahon Point Retail Park, marking its 30th store in Ireland, while Chemist Warehouse and The Range continued to broaden their footprint. Tesco Ireland also opened a new store in Howth in December.

The F&B sector was particularly active in the latter part of the year. High-profile city centre openings included Gloria Osteria by the Big Mama Group on Westmoreland Street and The Ivy Asia on Dawson Street in November, followed by DÍON at Central Plaza in early December. Liffey Valley further strengthened its food and beverage offer with the Q4 openings of Wingstop and GDK, the latter reporting record-breaking international sales.

Outside Dublin, international expansion continued, with Wendy's opening its first Irish restaurant at Mahon Point Shopping Centre in Cork in October through a partnership with Corrib Oil.

Alongside occupier activity, several reinvestment and regeneration initiatives progressed during Q4. Emergency stabilisation and conservation works commenced at the historic Iveagh Markets in The Liberties, while revised redevelopment plans were submitted for St Stephen's Green Shopping Centre following an earlier planning refusal.





Environmental considerations will increasingly influence both occupier and landlord decisions.



Outlook

Irish and international retailers are expected to continue prioritising Dublin's core retail pitches and busy shopping centres / retail parks. With a limited supply of prime units and no meaningful new development pipeline in the medium term, competition for good quality well-located space is likely to intensify, placing upward pressure on rents and contributing to a gradual firming of lease terms, while some post-2020 flexibility in deal structures is likely to remain.

Expansion activity will remain visible, but increasingly selective. Strong brands and operators are expected to grow, while weaker or over-leveraged businesses are likely to exit, resulting in continued churn rather than uniform growth.

The reintroduction of the reduced 9% VAT rate from July 2026 is expected to support new F&B openings, particularly in high-footfall urban and suburban locations. However, elevated operating costs and changing consumer behaviours, including health trends, will continue to pressure margins.

Environmental considerations will increasingly influence both occupier and landlord decisions. 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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