

Retail Market Update

Lisney

COMMERCIAL REAL ESTATE

Q1 2026



OVERVIEW

Ireland's retail market in Q1 2026 continued to operate in a cautious consumer environment, shaped by renewed inflationary pressures, weakening consumer sentiment and elevated household savings levels.

While retail sales values continued to rise, much of the growth was driven by higher prices rather than stronger underlying consumer demand, with retail sales volumes remaining relatively subdued. At the same time, online shopping activity remained exceptionally high by European standards, reinforcing the continued structural shift towards digital retail

channels. Despite the more challenging consumer backdrop, the retail property market remained relatively active, supported by continued occupier demand for prime city centre locations, dominant shopping centres and value-led retail formats, even as store closures and restructuring activity continued across weaker parts of the sector.

▼ 56.7
Credit Union Consumer Sentiment Index
March 2026

▼ 2.2%
Retail Sales Volume (CSO)
Annual Change (March 2026)

▶ 3.9%
Retail Sales Value (CSO)
Annual Change (March 2026)

▲ 3.6%
Inflation (CSO)
Annual Change (March 2026)

▼ 5.6%
Online Retail Sales*
March 2026

▶ 95%
Irish individuals purchased online in 12 months (Eurostat)
2025

* Only enterprises registered in Ireland.



Grattan Street, Dublin

SAVINGS

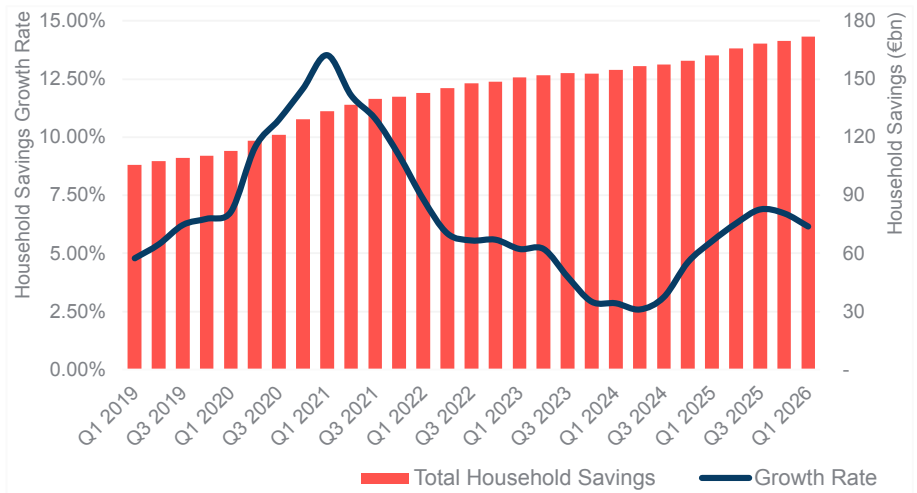
Household savings continued to rise in Q1 2026, reaching €171.8bn in March, up from €169.8bn in December 2025 and representing annual growth of 5.9%.

While this was slightly below the 6.7% annual growth recorded at the end of 2025, household deposit growth has now remained above 5% for 15 consecutive months. On a quarterly basis, average annual growth was 6.2% in Q1 2026, marginally below 6.7% in Q4 2025 but well ahead of the average of 3.8% recorded through most of 2023 and 2024, though below the 11.4% average seen during the pandemic years of 2020 and 2021.

Household deposits have continued to trend upward despite easing inflation over the past two years, with total savings now almost €59bn above pre-pandemic levels in Q1 2020. The persistence of elevated savings suggests continued financial caution among households. This continues to support a more selective spending environment, with consumers maintaining higher cash balances even as inflationary pressures moderate.

Household Deposits – Annual Rate of Change (Q1 2019 – Q1 2026)

Source: Central Bank of Ireland, Lisney analysis



Henry Street, Dublin



CONSUMER SENTIMENT

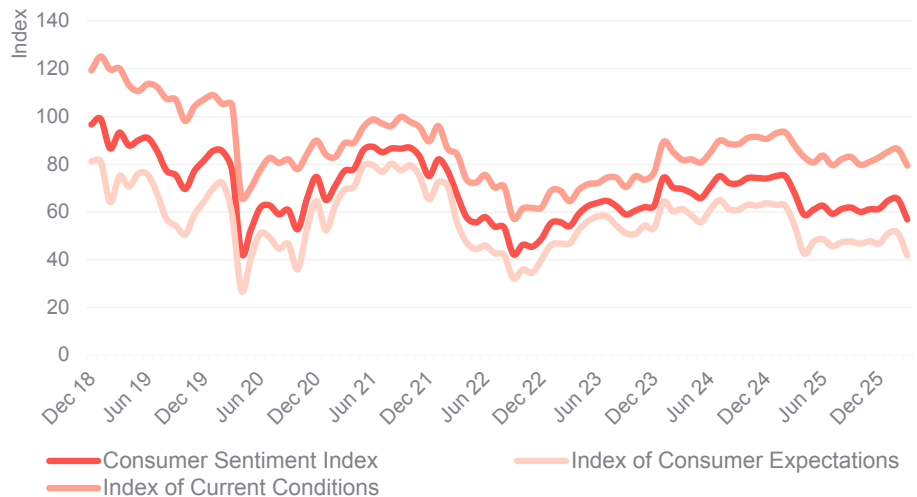
The Credit Union Consumer Sentiment Index fell sharply in March 2026 to 56.7, down from 65.2 in February and well below both the long-term survey average of 83.4 and the five-year average of 66.1. The monthly decline was the largest since April 2025, reaching the lowest sentiment level since March 2023.

The March fall reflected growing concern around the economic impact of escalating tensions in the Middle East and the prospect of higher energy costs feeding through to household spending. Consumers became notably more cautious around spending plans and the outlook for household finances, with growing concern

around spending power and the wider economic outlook. Despite the sharp decline, sentiment remained above the low of 42.1 recorded in the 2022 cost-of-living crisis.

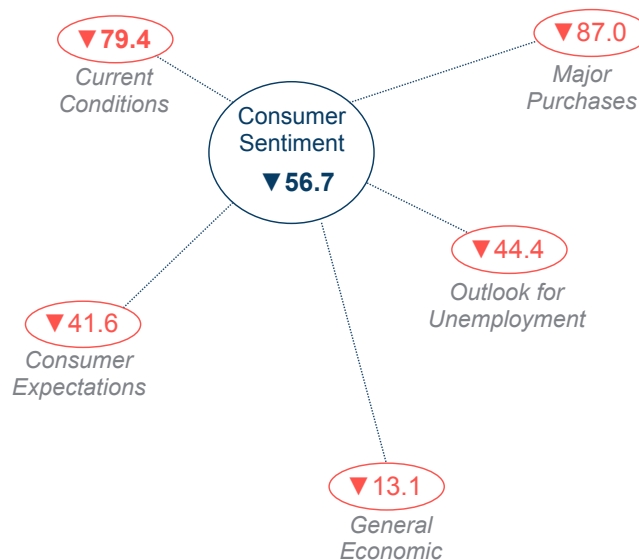
Consumer Sentiment Index (December 2018 – March 2026)

Source: Lisney



Consumer Sentiment Sub-Indices: Quarterly Movement (March 2026)

Source: Irish League of Credit Unions, Lisney analysis



INFLATION

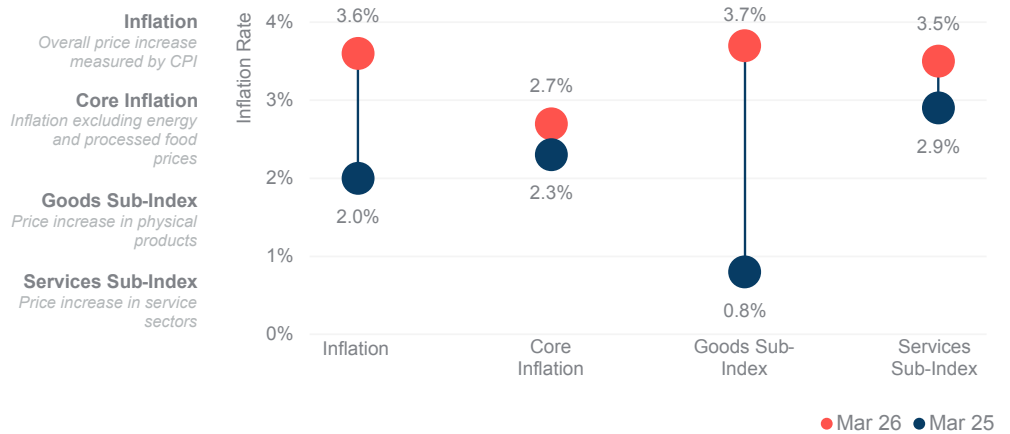
The Irish annual inflation rate (CPI) rose to 3.6% in March 2026, up sharply from 2.7% in February and was the highest annual rate recorded since January 2024. Core inflation, excluding energy and processed food prices, also increased to 2.7%, while the goods sub-index rose sharply over the year, reflecting renewed pressure across energy and household-related categories.

While inflation remained well below the 8%-9% peaks recorded in 2022, price pressures have not fully eased. Prices remained approximately 23% above pre-COVID levels and 18% above pre-Ukraine war levels, continuing to weigh on household budgets. This contributed to growing consumer caution in Q1 and weaker confidence around personal finances and discretionary spending.

Prices remained approximately 23% above pre-COVID levels and 18% above pre-Ukraine war levels

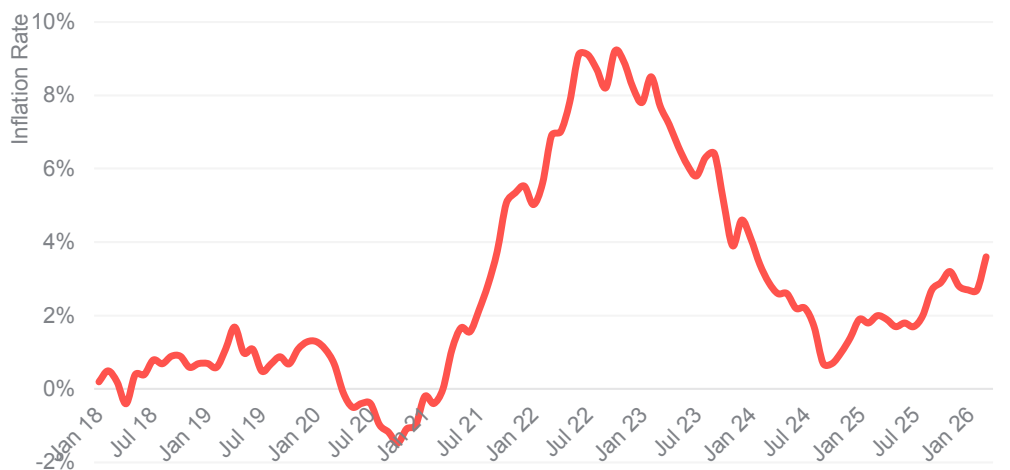
Irish Inflation Annual Change (March 2026 vs March 2025)

Source: CSO, Lisney analysis



Annualised Rate of Irish Inflation (January 2015 – March 2026)

Source: CSO, Lisney analysis



RETAIL SALES

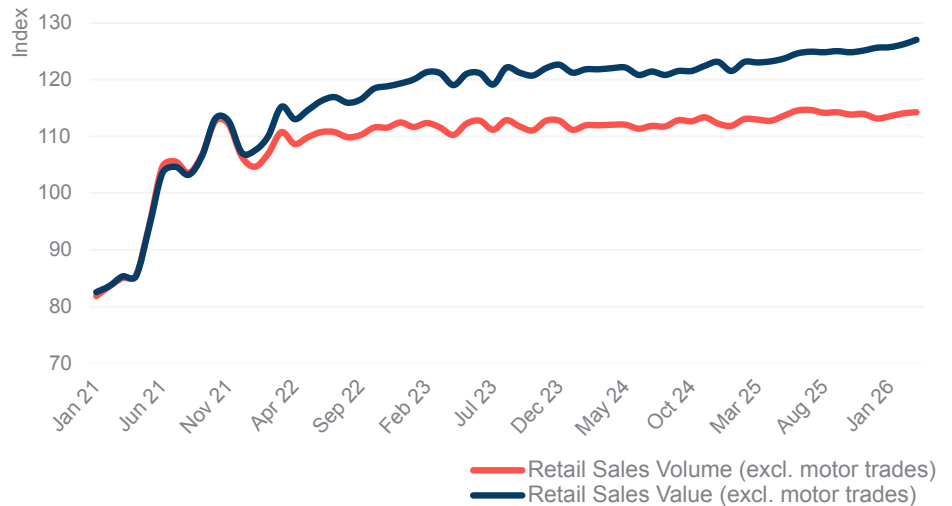
Based on the latest CSO data, retail activity was relatively subdued in Q1 2026, with growth continuing to be driven more by price effects than by consumer demand. In March, overall retail sales volumes increased by 1.6% year-on-year, while retail sales values rose by 3.8% annually. Excluding motor trades, retail sales volumes grew by 1.3%, while retail sales values increased by 3.7%.

The gap between retail sales volumes and values widened further in Q1 as inflation increased over the quarter. While retail sales values excluding motor trades continued to trend upwards into early 2026, sales volumes remained far more subdued and broadly flat. The trend highlights continued pressure on household spending power, with a significant portion of spending growth still

driven by higher prices rather than stronger underlying consumer demand.

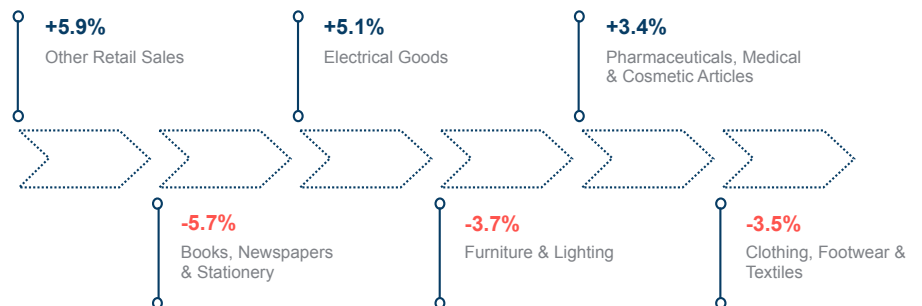
Volume and Value of Retail Sales Index (excluding Motor Trades) (January 2021 – March 2026)

Source: CSO, Lisney analysis



Retail Sectors with the Largest Annual Sales Volume Growth and Decline (March 2026)

Source: Irish League of Credit Unions, Lisney analysis



ONLINE SALES

Data from the CSO shows that online sales accounted for 5.6% of turnover from Irish-registered companies in March 2026, broadly in line with 5.5% in February and below the 6.4% recorded in December 2025. Despite some month-to-month volatility, online sales activity remained broadly stable through Q1, continuing the trend seen across most of the past two years, where online sales accounted for an average of 5.3% of monthly turnover.

While online sales remain well below the peaks of 15.3% recorded in 2020 and 2021, they continue to run materially above pre-COVID norms, when online sales typically accounted for between 2% and 4% of turnover. This suggests a lasting structural shift in consumer spending behaviour, with online retail remaining a more established element of overall retail activity even as in-store spending has normalised. It should be

noted that this data relates only to Irish-registered companies and therefore the overall proportion of consumer online spending is considerably higher.

The most recent available Eurostat data on enterprise e-commerce adoption shows that 39.6% of Irish enterprises engaged in online sales in 2024, up from 35% the previous year and placing Ireland among the leading EU markets for digital commerce adoption. 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.

Online purchasing also continues to grow across the EU consumer market, with Eurostat reporting that 78% of internet users aged 16-74 bought or ordered goods and services online in the previous 12 months in 2025, up from 62% in 2015. Ireland recorded the highest level of online shopping activity in the EU in 2025, with 95% of individuals aged 16-74 making an online purchase in the previous 12 months, while 87% purchased in the previous three months. This compares with 74% in 2020, a significant shift towards online shopping in Ireland over recent years. High levels of online purchasing were also recorded across other Northern European markets, including the Netherlands, Norway and Denmark, where more than 90% of individuals made an online purchase in the year.



RETAIL PROPERTY MARKET TRENDS

Dublin's retail property market remained relatively active in Q1 2026, supported by continued demand from both Irish and international retailers, particularly for prime city centre and dominant shopping centre locations.

Limited availability of large modern flagship units on Grafton Street and Henry Street continued to constrain expansion opportunities in these locations, while retail parks and value-led formats remained active across the country. At the same time, ongoing retailer restructuring and the growing influence of AI and omnichannel retailing reinforced the widening divergence between prime and secondary retail locations.

Prime retail streets continued to see a steady flow of relocations and expansions in Q1. On Grafton Street, Levi's relocated from number 38 to a larger flagship location at 42 Grafton Street, which is its largest store in Ireland. This move continued a wider trend on the street, where several retailers, including Swatch, ECCO, Claddagh Jewellers and Seasons of Ireland, have relocated on the street in recent years. Office, the shoe retailer, currently occupying Unit 7, is in the process of expanding into an adjoining Unit 8.

Danish discount retailer Normal continued its Irish expansion in Q1 2026 with the opening of a new store at Northside Shopping Centre in Dublin, following its recent launch on Henry Street at the Ilac Shopping Centre. The expansion reflects continued demand from value-led retail formats and forms part of the retailer's ongoing growth strategy in Ireland.

At the same time, the quarter also saw continued store closures and restructuring across parts of the retail market. While demand for prime retail locations remains healthy, several retailers continued to scale back operations as rising costs, weaker consumer spending and growing online competition continued to pressure parts of the sector.

- Russell & Bromley's Irish business entered liquidation in January 2026 following the administration of its UK parent company earlier in the month. UK retailer Next subsequently acquired the Russell & Bromley brand and certain assets through a pre-pack rescue deal. At the time of the transaction, the retailer operated 36 stores and nine concessions across the UK and Ireland. Next confirmed it would retain only three UK stores, while administrators continued to assess options for the remaining stores and concessions. In Ireland, Russell & Bromley operated stores on Grafton Street and in Kildare Village, alongside concessions in Arnotts and Brown Thomas Cork. Russell & Bromley and Schuh exited key Dublin locations.
- Schuh closed its O'Connell Street store in early 2026 following the expiry of its lease at 35-36 O'Connell Street Upper, where it had traded for more than two decades. The closure formed part of a wider review of the brand's Irish operations. The retailer continues to operate from other Dublin locations, including Dundrum Town Centre, Blanchardstown Centre, and Liffey Valley.
- Claire's UK and Irish business entered administration in January 2026, less than a year after being rescued by Modella Capital following an earlier restructuring process in 2025. However, worsening trading conditions, weak Christmas sales, rising operating costs and growing competition from online platforms continued to pressure the business. As a result, Claire's closed all 154 standalone stores across Ireland and the UK. The retailer's concessions business, however, continued trading and was not included in the closure programme. Discussions are also ongoing with interested parties regarding potential leases for some former store locations.
- EuroGiant entered court-appointed liquidation in February 2026. The discount retailer had 77 stores across Ireland, and all initially continued to trade while the liquidators reviewed the business. However, a phased closure programme later commenced, with all stores expected to close. The company cited rising rents, increasing operating costs and growing competition across the retail sector as key factors behind the decision.
- The designer department store Flannels is set to close its Blanchardstown Shopping Centre store in July 2026, less than four years after opening its first Republic of Ireland location in the former Debenhams unit in late 2022. Reports suggest the closure reflects weaker physical footfall, growing competition from online luxury retail and a wider review of store networks by parent company Frasers Group.



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.

MEET THE TEAM

The Lisney Retail Team



James Nugent

Managing Director of
Commercial Real Estate



Jennifer Prunty

Surveyor

The Lisney Research Team



Aoife Brennan

CEO



Ausra Marcelyte

Senior Research and
Data Analyst

OUR OFFICES

DUBLIN

St. Stephen's Green House,
Earlsfort Terrace, Dublin 2,
D02 PH42
t: +353 (0) 1 638 2700
e: dublin@lisney.com

CORK

1 South Mall,
Cork,
T12 CCN3
t: +353 (0) 21 427 5079
e: cork@lisney.com

Lisney

COMMERCIAL REAL ESTATE