Retail
Market Update

Lisney
COMMERCIAL REAL ESTATE

Q2 2026

OVERVIEW

Ireland's retail market remained cautious in Q2 2026. Although consumer sentiment recovered from its April low, it remained weak, and households continued to build savings as inflation weighed on purchasing power.

This caution was evident in retail sales statistics, where values again grew faster than volumes, while online activity remained broadly stable at levels above pre-COVID norms. Against this backdrop, the retail property market was resilient, with demand concentrated on prime city centre streets, major shopping centres and retail parks. Food and beverage was a notable source of activity, supported by continued expansion from both Irish independent operators and international entrants.

▲ **62.2**
Credit Union Consumer Sentiment Index
June 2028

▼ **0.3%**
Retail Sales Volume* (CSO)
Annual Change (June 2026)

▼ **3.0%**
Retail Sales Value** (CSO)
Annual Change (June 2026)

▼ **3.4%**
Inflation (CSO)
Annual Change (June 2026)

▼ **5.3%**
Online Retail Sales* (CSO)
June 2026

▶ **63**
Food & Beverage Openings Identified Across Dublin (Lisney Research)
H1 2026

* Excluding Motor Trades | ** Only enterprises registered in Ireland. | Arrows represent quarterly change unless otherwise stated.

Henry Street, Dublin 1

SAVINGS

Household deposits continued to rise in Q2 2026, reaching a record €175bn in May.

This was up from €171.8bn in March and €169.8bn at the end of 2025, leaving deposits almost €62bn higher than in March 2020. Households added €5.2bn of savings in the first five months of 2026. This was slightly below the €6bn added over the same period last year but considerably higher than before the pandemic, when the average increase between the end of December and May was around €1.7bn in 2015-2019.

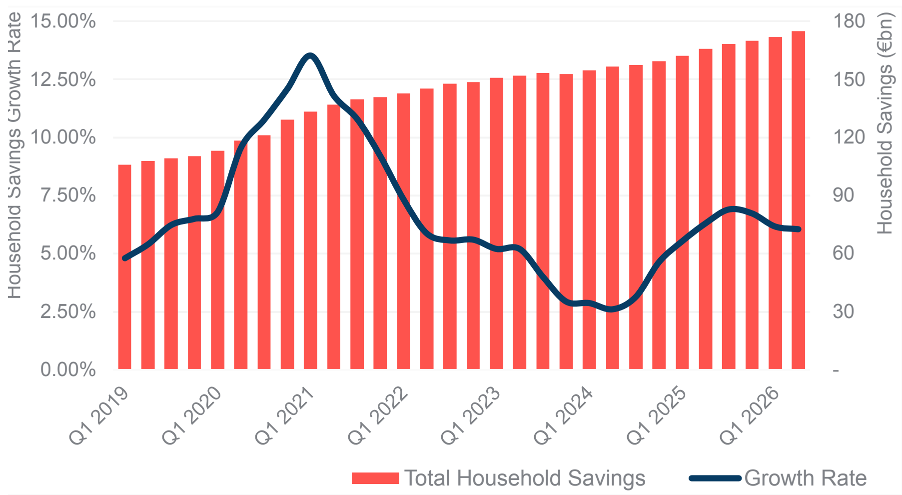
Annual growth stood at 5.8% in May, broadly unchanged from 5.9% in March, and has remained above 5% for 19 consecutive months. Deposits increased by €9.7bn in the 12 months to May 2026, with overnight deposits, which provide immediate access to funds, accounting for 74% (€7.1bn) of this increase. A further €1.9bn was placed in deposits with a maturity of up to two years.

The record level of deposits provides consumers with a considerable financial cushion and capacity to spend. However, the continued accumulation of cash also shows that many remain focused on financial security amid renewed inflationary pressure, weaker confidence and uncertainty over future living costs. Those under the greatest pressure from housing, energy and other essential expenses generally have less scope to draw on savings. Spending is therefore likely to remain selective, with consumers continuing to make careful choices about discretionary purchases.

The Central Bank expects real disposable income per household to fall by 1% in 2026 and consumer spending growth to be more subdued. It also expects the household savings ratio to decline, as consumers save less of their current income to help maintain spending amid higher costs.

Household Deposits – Annual Rate of Change (Q1 2019 – Q2 2026)

Source: Central Bank of Ireland, Lisney analysis



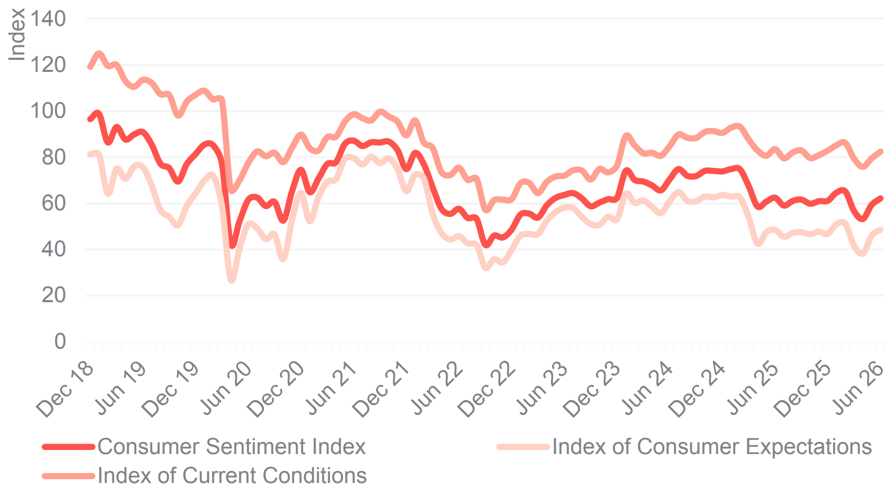
CONSUMER SENTIMENT

The Credit Union Consumer Sentiment Index improved for a second consecutive month in June 2026, rising to 62.2 from 59.4 in May and a 40-month low of 53.3 in April. The increase reversed three-quarters of the 12-point fall recorded between February and April. The June reading was broadly unchanged from 62.5 a year earlier and slightly above the 60.5 average recorded over the previous 12 months. However, sentiment remained well below the long-term survey average of 83.2.

June increase primarily reflected an easing in concerns about household finances, supported by lower global oil prices, somewhat reduced geopolitical tensions and expectations of further support in the October Budget, particularly in relation to income tax and childcare costs. Consumers became less negative about both their recent financial circumstances and the outlook for the year ahead, although views remained weak overall and spending plans improved more modestly.

Consumer Sentiment Index (December 2018 – June 2026)

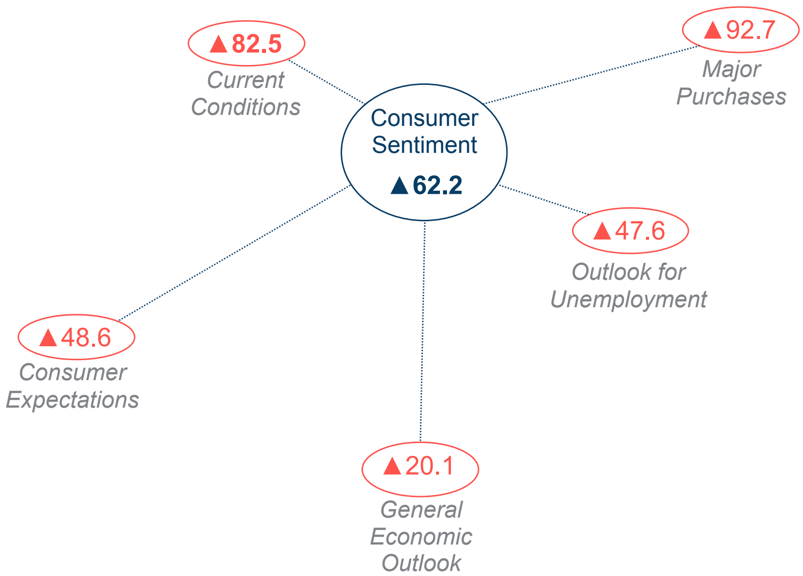
Source: Lisney



Employment was the only sub-index to weaken in the month of June. Concerns increased following the announcement of job cuts at Meta, evidence of weaker hiring intentions and continued uncertainty about the effect of AI on employment. On a quarterly basis, all sub-indices improved between March and June. The largest increases were recorded in consumer expectations and the general economic outlook. Major purchase intentions also strengthened, while current conditions and the outlook for unemployment improved more modestly. modestly.

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

Source: Irish League of Credit Unions, Lisney analysis



INFLATION

The Irish annual inflation rate (CPI) eased to 3.4% in June 2026 from 3.6% in March, having reached 3.7% in April. However, it was nearly double the 1.8% rate recorded in June 2025 and well above the lower rates seen throughout much of last year. While inflation was well below the 8%-9% peaks recorded in 2022, price pressures have not fully eased.

The increase in June was driven mainly by housing-related costs, including rents, mortgage interest repayments, home heating oil and electricity. Consumer prices were approximately 26% above their pre-COVID level and 20% higher than before the war in Ukraine. Prices also increased by 2.3% between the end of 2025 and June 2026, adding further pressure to an already elevated cost base

The Irish annual inflation rate (CPI) eased to 3.4% in June 2026 from 3.6% in March, having reached 3.7% in April

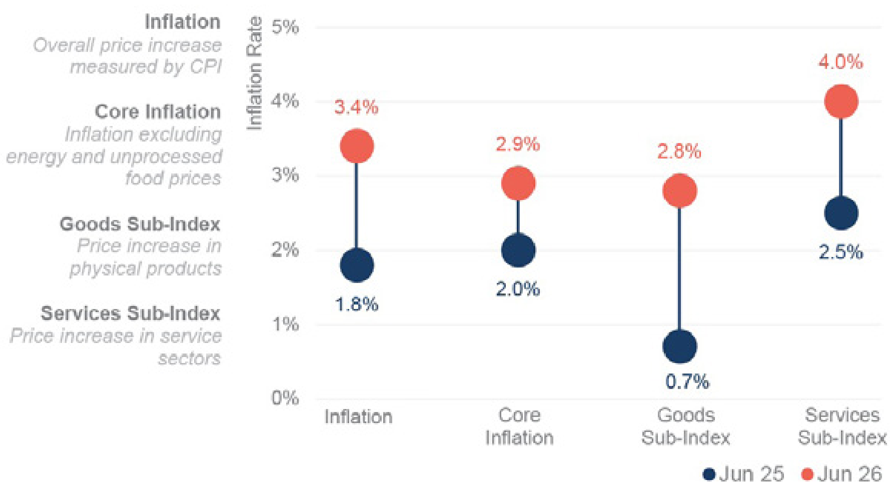
Annual Rate of Irish Inflation (January 2015 – June 2026)

Source: CSO, Lisney analysis

Core inflation, which excludes energy and unprocessed food, and both goods and services inflation were higher than a year earlier, with the sharpest increase in goods prices. The renewed increase in inflation continues to put pressure on household purchasing power and is likely to keep discretionary spending cautious.

Irish Annual Inflation (June 2026 vs June 2025)

Source: CSO, Lisney analysis



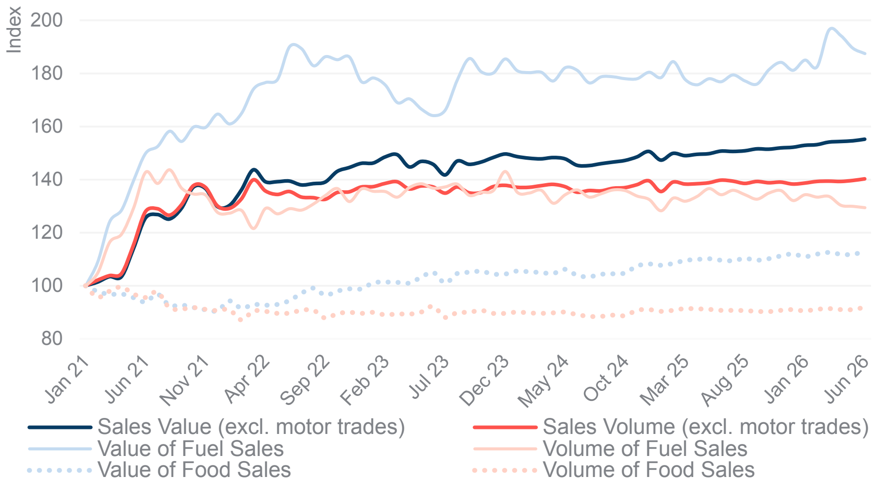
RETAIL SALES

Retail sales growth remained modest in Q2 2026. In June, sales volumes were 0.6% higher than a year earlier, while sales values rose by 2.8%. Excluding motor trades, volumes increased by just 0.3%, compared with a 3.0% rise in values. Both volumes and values increased by 0.4% in the month of June.

The gap between retail sales volumes and values remained wide in Q2. Excluding motor trades, the value index continued to rise, while the volume index remained broadly flat, showing that most of the growth in retail turnover was price-led. This was particularly evident in fuel, where sales values rose by 6.0% in June despite volumes falling by 3.6%. Higher fuel prices can also increase production and distribution costs across retail and, over time, add to food price pressures. In June, the value of food sales was 3.2% higher than a year earlier, compared with a 1.3% increase in volumes.

Retail Sales Volume and Value Indices (January 2021 – June 2026)

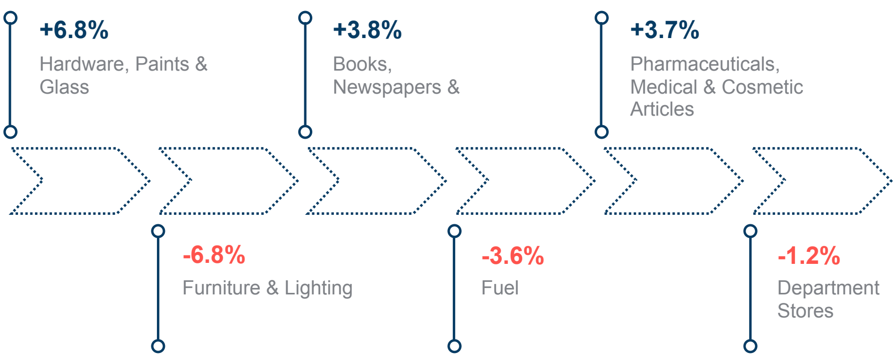
Source: CSO, Lisney analysis



As higher prices can increase sales values without any rise in the amount sold, sales volumes give a clearer indication of changes in underlying demand. In June, volumes were higher than a year earlier in eight of the 13 categories. Hardware, Paints & Glass had the strongest annual growth, followed by Books, Newspapers & Stationery and Pharmaceuticals, Medical & Cosmetic Articles. Furniture & Lighting saw the largest decline, followed by Fuel and Department Stores.

Top Three Retail Sectors by Annual Sales Volume Growth and Decline (June 2026)

Source: CSO, Lisney analysis



E-COMMERCE

Data from the CSO shows that online sales accounted for 5.3% of retail turnover generated by Irish-registered companies in June 2026, unchanged from May and slightly below 5.6% in March. Despite some month-to-month volatility, online sales activity remained broadly stable in 2026 and continued the trend seen across most of the past two years, where online sales accounted for an average of 5.3% of monthly turnover.

Online sales remain well below the peaks recorded in 2020 and 2021 that often exceeded 10% and reached 15.3% in April 2020. However, they continue to exceed pre-COVID levels, when online sales typically accounted for between 2% and 4% of turnover. This points to a lasting shift in consumer behaviour, with online retail remaining a more established part of overall 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%).

RETAIL PROPERTY MARKET TRENDS

The Irish retail property market remained resilient in Q2 2026, despite softer consumer spending and wider economic uncertainty.

Occupier demand continued to focus on prime city centre streets, prime shopping centres and retail parks, while interest in secondary locations was more selective.

On Grafton Street, the shortage of large modern units continued to limit options for brands seeking flagship space, though some notable occupier movements took place in the quarter. In April 2026, Levi's relocated from 38 to 42 Grafton Street, opening its largest store in Ireland. OFFICE expanded into the adjoining unit and now trades across Units 7 and 8, increasing its floorplate. At the same time, Victoria's Secret confirmed plans to leave its flagship store at 28-29 Grafton Street, where it had traded since 2017, and relocate to a smaller unit at 40-43 Nassau Street.

On the north side, the redevelopment of the former Debenhams building on Henry Street was the most significant retail scheme to progress in Q2. The property reopened shortly after quarter-end, with Sports Direct occupying the lower floors and Everlast Gyms+ above. The gym is Everlast's first location outside the UK and Ireland's first official HYROX Performance Centre. The scheme brought one of Henry Street's largest vacant units back into use and introduced a combined retail, fitness and leisure format, which is a very positive development. New Yorker (a German budget fashion retailer) also confirmed plans to open its first Irish store in Jervis Shopping Centre, taking a unit that fronts onto Mary Street.

Outside the city centre, Waterstones opened a new bookstore at Westend Shopping Park in Blanchardstown in June, its first new store in Ireland in 20 years. At Dundrum Town Centre, Zara progressed a major expansion and refurbishment of its flagship store, while Zara Home announced plans shortly after quarter-end to open its first standalone Irish store at the centre.

Sports Direct, Henry Street, Dublin 1

In-Focus: Dublin's Evolving Food and Beverage Scene

Food and beverage is taking on a larger role in the Irish retail market as people increasingly look for places to meet, spend time and try something new. Cafés, bakeries and restaurants can draw people into an area throughout the day, extend visits and add a stronger social and leisure element to shopping streets and centres.

This shift has been building for several years and continued in 2026. In Dublin, international brands targeted prime city centre locations and major shopping centres, while Irish independents expanded across both central and suburban areas. Openings ranged from bakeries, speciality coffee shops and neighbourhood cafés to chef-led restaurants, premium casual dining and wine-led venues. Many independent operators are favouring smaller, carefully designed units, while established suburbs, particularly in south Dublin, are attracting a growing share of premium restaurant openings.

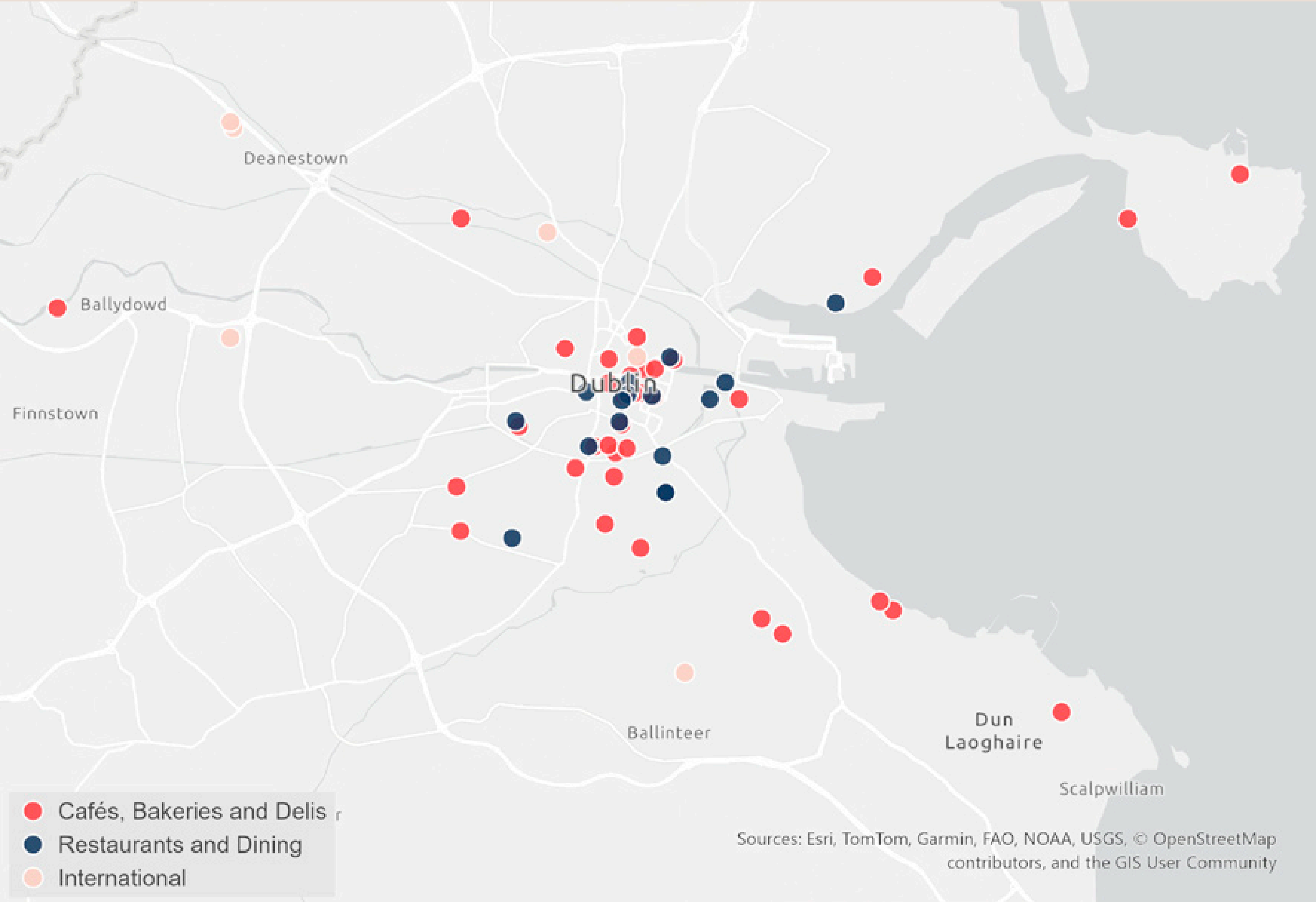
Our research identified 62 food and beverage openings across Dublin in H1 2026, including new independent businesses, additional locations from established Irish operators and a small number of international entrants. Cafés, bakeries, coffee shops and delis accounted for 39 of these.

This does not mean the sector is growing evenly, as closures, relocations and rebrands remain part of the market. Even so, the breadth of activity shows how central eating and drinking out has become to Dublin's wider retail and social culture.

The map shows a broad spread of openings across Dublin. In the city centre and surrounding areas, new openings included Volumes at George's Quay, Allta na Farraige in Grand Canal Dock, Morso on Drury Street and Banco in Stoneybatter.

Further out, openings included B4 in Blackrock, Tábla in Mount Merrion, Loverboy in Clontarf, Tribe in Rathgar, PÓG The Bubble in Sutton, Green Beards in Shankill and Dandelion in Howth. This confirms that Dublin's evolving food and beverage scene is no longer confined to the traditional retail core, with cafés, bakeries and restaurants becoming destinations in their own right.

Food and Beverage Openings Across Dublin (H1 2026)



Source: CSO, Lisney analysis

International Brands in Dublin

The first half of 2026 also brought several international food and beverage brands into the Dublin market. These included European operators, with German cinnamon-roll brand Cinnamood opening its first Irish store on Lower O'Connell Street and Danish café chain Joe & The Juice entering the market at Grafton Place, with further Dublin openings planned. The more distinctive trend, however, was the growing presence of US food chains, particularly chicken-led. Slim Chickens opened its first Irish restaurant at Dundrum Town Centre, Popeyes made its Irish debut at Blanchardstown Centre and Dave's Hot Chicken opened its first EU location at One Central Plaza, ahead of planned expansion across continental Europe.

Expansion also continued among brands already established in Ireland. Wingstop, which opened its first Irish restaurant at Liffey Valley in December 2025, added a second Dublin location in Glasnevin. Shortly after quarter-end, Taco Bell opened its first standalone Irish restaurant at Blanchardstown Retail Park, following the brand's initial Irish opening in Dunshaughlin in September 2025. Wendy's opened its second Irish restaurant at Tullamore Retail Park in June, having entered the Irish market at Mahon Point Shopping Centre in Cork in October 2025. The company plans to open 10 locations across Ireland over the coming years, comprising standalone restaurants and outlets at selected Corrib Oil service stations.

> Food and beverage is expected to remain the most active occupier sector

OUTLOOK

- Irish and international retailers are expected to continue prioritising Dublin's prime streets, dominant shopping centres and busy retail parks. With little new supply in the pipeline, competition for the best units is likely to remain strong.
- Expansion will remain visible but selective. Retailers are increasingly rightsizing their portfolios rather than withdrawing from physical stores, closing weaker locations while investing in larger or better-positioned units. Strong brands and value-led operators are expected to remain active, while weaker or over-leveraged businesses may continue to exit, resulting in ongoing churn.
- Food and beverage is expected to remain the most active occupier sector, supported by further expansion from US chains and continued demand from premium independent operators. The return of the 9% VAT rate in July 2026 should support activity, although high labour, energy and food costs will continue to put pressure on margins.
- Shopping centres are expected to increase their leisure and food and beverage provision as they become more experience-led. Fitness, entertainment and social uses will play a larger role in extending visits and giving consumers more reasons to spend time at these locations.
- AI is likely to become more embedded across retail operations, particularly in inventory management, demand forecasting, pricing, customer engagement and site selection. Retailers that use it effectively should be better placed to improve efficiency and respond to changes in consumer demand.
- 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

Divisional Director,
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