

25

**REAL ESTATE
MARKET
REPORT**

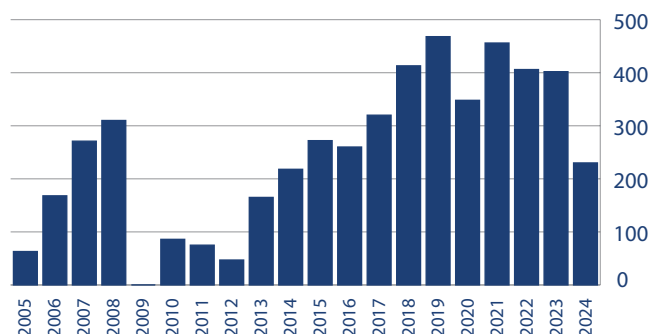
LITHUANIA



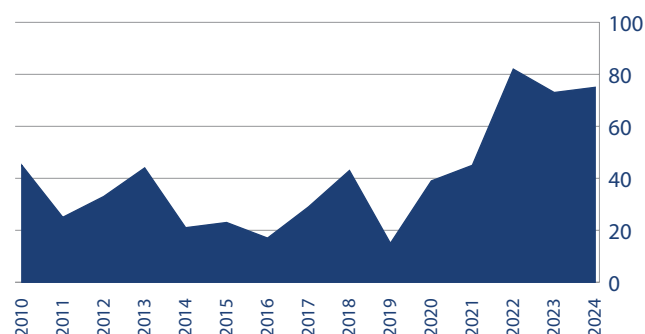
**VILNIUS,
LITHUANIA**

INVESTMENT

**COMMERCIAL PROPERTY INVESTMENT
VOLUMES IN LITHUANIA, M €**



**SHARE OF DOMESTIC CAPITAL IN LITHUANIA'S
INVESTMENT MARKET, %**



In 2024, the investment market results in Lithuania aligned with global trends, marking the weakest performance since 2015. According to Ober-Haus data, the value of acquired modern cash-flow commercial properties (office, retail, industrial and logistics) amounted to €230 million, a 43% decrease compared to 2022 and 2023.

Only small and medium-sized transactions were recorded in 2024, with no acquisitions of larger assets. For the first time in many years, the value of the largest deal did not exceed €30 million.

Retail properties attracted the largest share of investments, totaling €134 million, or 58% of all commercial property investments in Lithuania. This segment also saw the most notable acquisitions and the highest number of transactions. For example, a fund managed by the Estonian company EFTEN Capital acquired the Una retail park, which opened in mid-2023 in the northern part of Vilnius. Meanwhile, a fund managed by the Latvian investment company Provendi Asset Management purchased a DIY shopping center operated by the Depo chain in Panevėžys.

In addition to the larger deals, investors in the retail segment actively targeted small-format supermarkets (1,500–2,500 sqm) operated by major grocery chains. In total, ten such properties were acquired in 2024. The largest transaction involved the sale of four newly built Lidl stores to a fund managed by investment company DIFF Assets. The wide geographical distribution of acquisitions, spanning major cities and smaller towns, demonstrates sustained investor interest in this property type.

The second-largest investment share went to the office segment, with €70 million invested – 31% of the total commercial property investment in Lithuania. The number of deals and the pricing trends suggest that slower business expansion and rising vacancy rates have reduced the attractiveness of this segment, prompting more conservative investor assessments.

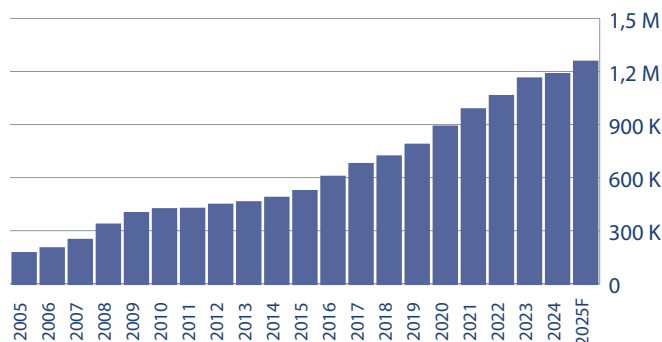
The remaining (11%) smallest share of investments traditionally went to the acquisition of warehousing and manufacturing premises. The largest deal of 2024 was concluded in Kaunas, where the fund of the investment company Eika Asset Management sold a 5,600 sqm logistics building to its tenant, Camelia pharmacy chain. Other smaller acquisitions were carried out in Vilnius and Kaunas and Klaipėda regions.

Local capital has maintained its dominant role in the commercial real estate transaction market, continuing the strong growth trend that began in 2022. In 2024, local investors accounted for 75% of transactions volume (compared to 82% in 2022 and 73% in 2023). This suggests that foreign investors have yet to return to Lithuania's real estate market, with only investors from neighboring Baltic states – Latvia and Estonia – remaining active foreign participants. At the end of 2024, yields for prime properties began at 6.5%–7.0%, while secondary properties offered yields of 8.0%–9.0%.

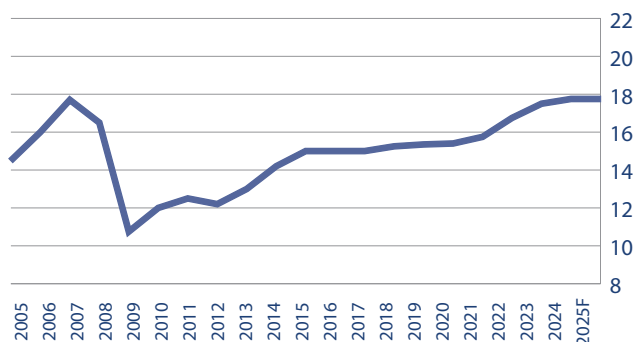
A photograph of a modern office interior. The scene is viewed through a glass partition, showing a clean, minimalist workspace. In the foreground, a desk with a laptop and a cardboard box is visible. The background features more desks, office chairs, and large windows letting in natural light. The overall atmosphere is professional and bright.

OFFICE

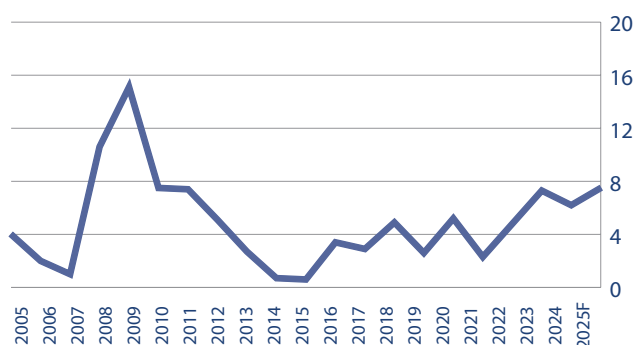
TOTAL MODERN OFFICE STOCK, SQM



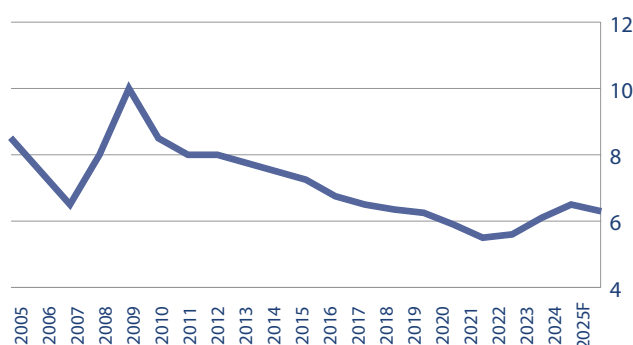
A CLASS OFFICE RENTS, €/SQM



A CLASS OFFICE VACANCY RATE, %



A CLASS OFFICE INVESTMENT YIELDS, %



In 2024, the Lithuanian economy again demonstrated resilience to external negative shocks and grew by a solid 2.7%. However, the office market in Vilnius experienced a decline in both new supply and demand. In total, just five new projects were completed bringing 24,700 sqm of office space and this is the lowest level of completions in the last decade. At the end of 2024 total area of usable modern office space stood at 1,183,900 sqm (all projects can be viewed on [QHMAP](#)) and currently capital city has 1.95 sqm of usable office space per capita (37% more than five years ago). In terms of floor space, A class accounts for 41% of the total modern office premises in Vilnius, and B class, 59%.

A low number of new completions and persistently weak tenant activity led to a significant decline in take-up figures. A total of 52,100 sqm of office space were leased in Vilnius business centres, which is 58% less than in 2023. It can also be noted that demand for shorter lease terms (2–3 years) has increased. Subleases are also becoming a more common option in the market.

The vacancy rate in modern offices in Vilnius increased from 7.9% to 8.8% in 2024, and the total area of vacant premises for the first time in history exceeded 100,000 sqm. At the end of

2024, the vacancy rate for B class buildings was 10.7%, while for A class, it was 6.2%.

Due to weak demand, rents saw only minor changes throughout the year. B and A class office rents increased on average by 2%, and by the end of 2024, rents for B class offices were €10.00–€15.50 per sqm and A class offices were €15.50–€20.00 per sqm. At the top end, rents might reach €21.00–€22.00 per sqm on the top floors of exclusive projects or smaller-sized premises.

Depending on the building, additional total costs to tenants (triple net) are from €3.50 to €5.50 per sqm. Landlords of business centres charge an extra €35–€100 per parking space, and even as high as €150 per space in the most prestigious areas of the city.

Based on the progress of ongoing projects, a few larger-scale and a number of small to medium-sized office developments are expected to be completed in 2025, providing a total of 70,000 sqm of usable office space. If tenant activity does not recover sufficiently in 2025, the vacancy rate will continue to rise, and rents could face further stagnation throughout the year.



RETAIL

BABOR

KASTASE
PARIS

DANU

MA MA

Drogs

CAFFEINE

NIS

At the end of 2024, a local company opened a new 9,000 sqm shopping and leisure center in the rapidly developing residential district of Kalnenai in the southeastern part of the city. Up to 5,000 sqm is dedicated to traditional retailers, with the anchor tenant being the retail chain Iki. At the end of 2024, there were 28 traditional shopping centers in Vilnius (those over 5,000 sqm GLA with more than 10 tenants), with a total leasable retail area of 517,700 sqm. Since the city's population increased by almost 1% in 2024, the shopping area per capita remained at the same level as the previous year – 0.86 sqm.

The real estate company MasterKeyBaltics is continuing the development of a shopping center in the Seskinė district, located on Ukmergės Street. The 3-storey building, with a total above-ground area of almost 8,300 sqm, will provide approximately 7,400 sqm of space for retailers and other service providers and is expected to be completed by the end of 2025.

In terms of retail space development, landlords are mainly focusing on upgrading existing properties, while retail chains are further strengthening their positions in the supermarket segment. For example, the German supermarket chain Lidl, which opened its first stores in Lithuania in 2016, now operates more than 80 stores across 29 cities. Baltisches Haus, the manager of the Mada shopping center in Vilnius, has announced plans to invest over €50 million in a major upgrade of this shopping center, which has been operating for around 30 years.

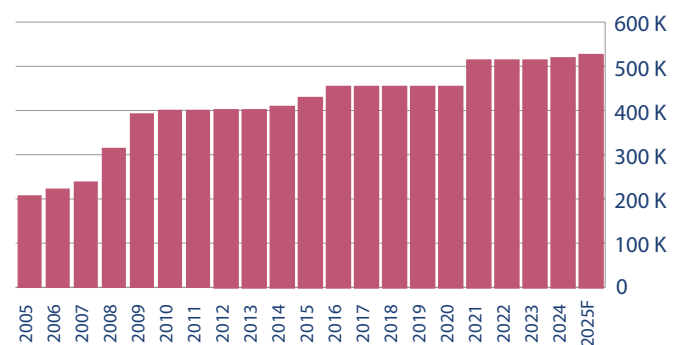
Lower inflation, a strong labor market, and high consumer confidence increased the purchasing power of the population. In Lithuania, total retail sales, adjusted for comparable prices, increased by 4.8% in 2024, following a 1.3% decrease in 2023. Online sales are becoming increasingly important in the retail market, reaching new heights each year and posing a threat to physical sales. In 2024, retail sales via mail and the internet reached a record turnover of €1.79 billion, representing a 10% increase compared to 2023. Additionally, the share of online sales rose to a record 9.2% of total retail turnover.

In terms of visitor numbers and tenant turnover, the most popular shopping centers in Vilnius experienced stable results or even growth in 2024. Rents for retail premises under new rental agreements increased by 1-3% in 2024. Rents for medium-sized units (150–300 sqm), in major shopping centres were €15.00–€40.00 per sqm and €50.00–€75.00 for small-sized units. Rents for anchor tenants were €9.00–€14.00 per sqm.

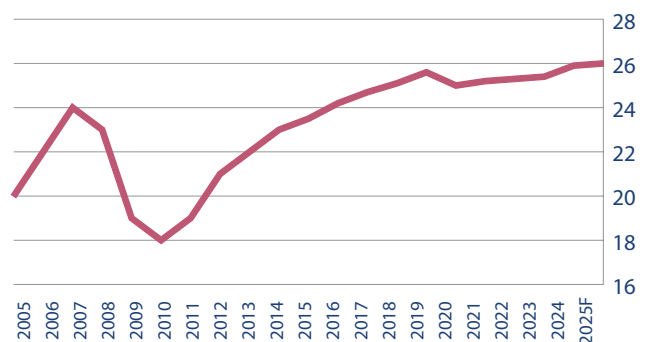
The rents for retail premises on the major shopping streets of Vilnius remained stable in 2024. Nevertheless, it is clear that competition and pressure in the catering sector have increased

significantly, as consumer spending in this sector has slightly decreased, while operational costs continue to rise. At the end of 2024, rents for medium-sized retail premises (100–300 sqm), on main streets such as Gedimino Avenue, Didžioji Street, Vokiečių Street and Pilies Street, were €15.00–€40.00 per sqm.

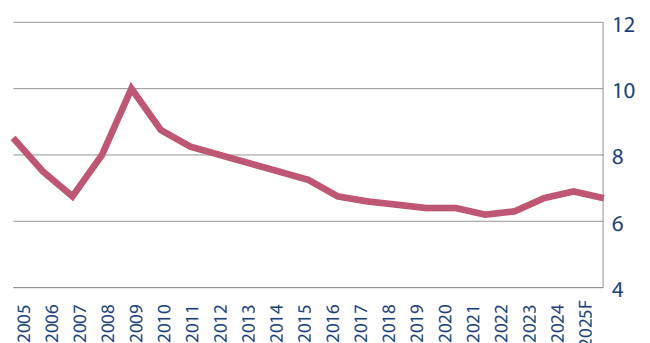
TOTAL LEASABLE SPACE IN SHOPPING CENTRES, SQM



AVERAGE SHOPPING CENTRE RENTS, €/SQM



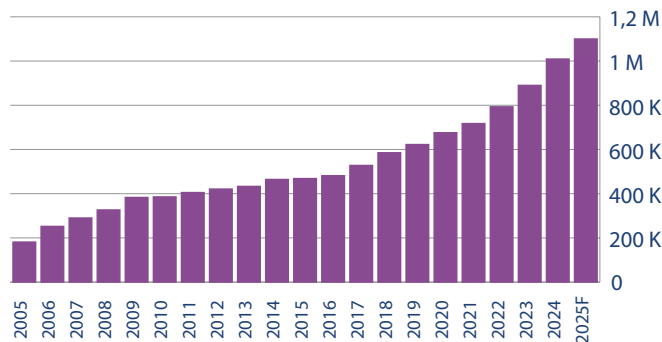
SHOPPING CENTRE INVESTMENT YIELDS, %



LOGISTICS



TOTAL MODERN WAREHOUSE SPACE, SQM



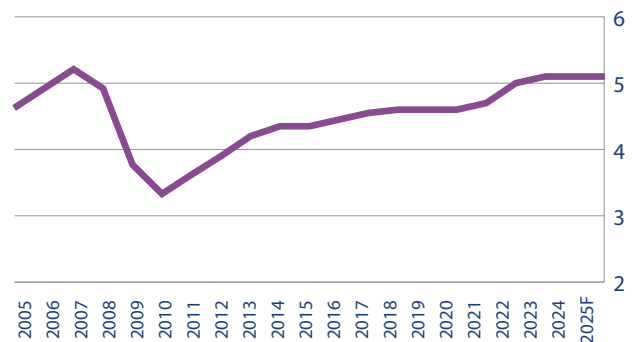
In 2024, almost 120,000 sqm of warehousing space was added to the Vilnius market and its surroundings, marking a record supply growth. This expansion increased the total leasable area of modern warehousing premises by 13%, reaching 1.0 million sqm. 80% of the modern warehouse supply is located within Vilnius' city limits. Most new warehouses are situated in the southwestern industrial zones of the capital – Kirtimai, Vilkipėdė, Aukštieji Paneriai, and Žemieji Paneriai – as well as near strategic highways, including Vilnius–Kaunas and Vilnius–Minsk.

The recent supply growth is driven by the development of large logistics centers for major retail chains seeking new production and distribution hubs. In 2023, Lidl completed the construction of its 64,000 sqm logistics center in the western part of the city, and in 2024, Maxima opened its 46,000 sqm logistics center in the same area. Additionally, there is a rapid increase in the development of mixed-use stock-office projects, which provide not only showrooms and offices but also warehousing space for tenants, with typically over 50% of the space dedicated to production storage. Recently completed projects were developed by VPH, Darnu Group, and SBA Urban.

Investments in speculative developments have not been very active in recent years. However, developers like Sirin Development are seizing the opportunity to further increase their market share. Since 2017, the company has developed over 170,000 sqm of warehousing projects in the Vilnius region.

At least six projects with a total warehousing area of around 100,000 sqm are planned for completion in Vilnius and its environs in 2025. It was also announced that Panattoni, the leading pan-European industrial real estate developer, plans to start its operations in the Baltics with a focus on build-to-suit projects.

NEW WAREHOUSE RENTS, €/SQM



After reaching a record high in 2023, the revenue of warehousing and storage companies in Lithuania decreased in 2024. According to the State Data Agency, revenue totaled €292 million, which is 8.4% lower compared to 2023.

During 2024, the vacancy rate of modern warehousing in the Vilnius region increased to around 5%. The current vacancy rate is not significant, as the majority of new supply was developed for own use or built as build-to-suit projects. However, vacancy pressure could increase for older projects as companies relocate to newer ones.

In 2024, rents for warehousing premises remained stable. At the end of 2024, rents for typical new warehouses ranged from €4.50 to €5.50 per sqm, depending on size and location. Renovated premises were offered at €3.00 to €4.00 per sqm, while average and lower-quality premises were available for €2.00 to €3.00 per sqm. Additional costs for tenants averaged €1.20 to €1.50 per sqm. Rents for typical blocks (warehouse, office, showroom) in stock-office projects ranged from €8.00 to €12.00 per sqm.



RESIDENTIAL

In 2024, the Lithuanian and its capital housing market was characterized by changing trends. Until mid-year, a decline in market activity was still observed, while the second half of the year saw a recovery. However, the total number of registered transactions in 2024 remained almost the same as in 2023. In 2024, Vilnius saw a 3% decrease in apartment sales and a 2% increase in house sales. On average, 860 apartments and almost 70 houses were sold each month in the capital.

According to Ober-Haus, the average annual apartment price increase in Vilnius in 2024 was 2.1% – the lowest figure in the past decade. By the end of 2024, the average price reached €2,646 per sqm, reflecting a 2.8% increase compared to the end of 2023. Prices for newly constructed apartments rose by 4.1%, while older apartments saw a 1.5% increase. House prices in Vilnius and its environs increased by 2-4% in 2024.

In 2024, affordability (income-to-price ratio) in Vilnius increased as the average annual wage growth (9.1%) outpaced the average annual increase in apartment prices (2.1%). An inhabitant of the capital could purchase 7.1 sqm of a medium-class apartment with their average net annual salary – a 0.4 sqm increase compared to 2023.

Decreasing interest rates also contributed to rising affordability, especially for those using borrowed funds. According to data from the Bank of Lithuania, the average annual interest rate on new mortgage loans was 5.11% in 2024 (2.81% in 2022, 5.47% in 2023). New mortgage loans worth €2.17 billion were issued in 2024, an increase of almost 25% compared to 2023.

The rental market demonstrated strong stability over the year, as renting a home remained an affordable housing alternative. The number of offers for rental apartments in Vilnius secondary market stayed stable and rents increased by 3.1%, after rising 10.2% in 2023. Investors continued to invest in housing projects for long-term rental, and in 2024, four more projects were completed, increasing the total number of professionally managed units to 2,500. Few new projects should be completed in Vilnius in 2025, offering another 200 units for rent.

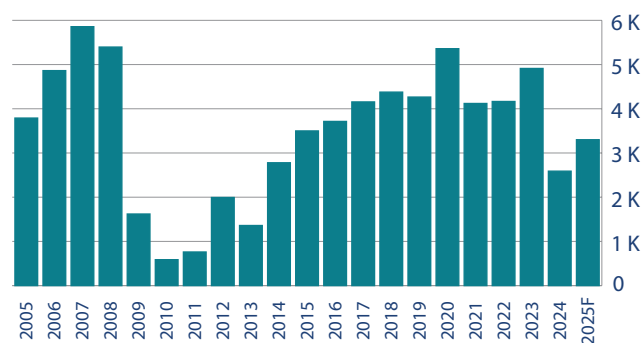
After a significant drop in sales in Vilnius' primary apartment market (new builds) in 2022–2023, a notable increase was recorded in 2024. According to Ober-Haus data, 3,130 apartments were purchased directly from developers – 43% more than in 2023. When considering the supply-to-demand ratio, developers in Q4 2024, needed over 4 months to absorb the existing supply in Vilnius, as compared to over 9 months in Q4 2023.

The drastic decline in activity in the primary market in 2022–2023 forced most developers to halt their investments or slow down the pace of development. According to Ober-Haus data,

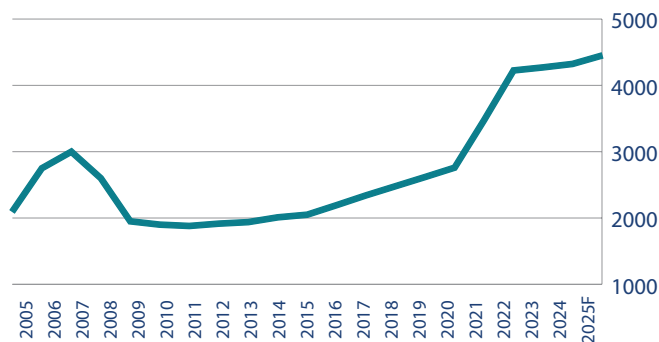
developers built 2,589 apartments for sale in Vilnius in 2024, which is 47% less than in 2023. In 2025, approximately 3,300 apartments are expected to be built for sale in Vilnius.

Strong fundamentals should continue driving the residential market forward in 2025, leading to increased activity and a moderate rise in prices. However, geopolitical tensions will continue to influence buyers' decisions, potentially slowing the market's recovery.

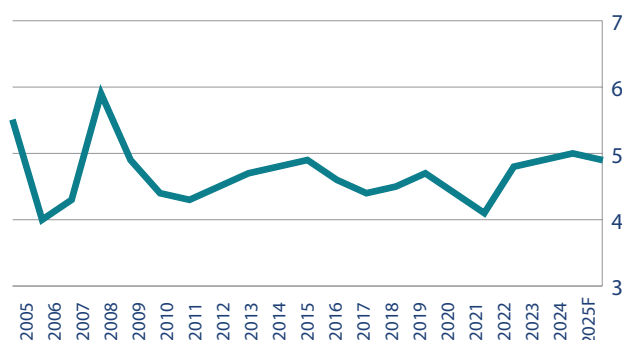
COMPLETED APARTMENTS



APARTMENT PRICES IN CITY CENTRE, €/SQM



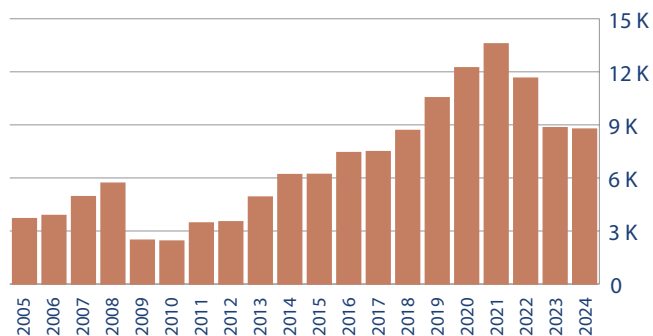
APARTMENT INVESTMENT YIELD IN CITY CENTRE, %





LAND

LAND TRANSACTIONS IN VILNIUS CITY



According to data from the Central Registry, the total number of land transactions in Lithuania fell by 2% in 2024, following a 14% decline in 2023. This continued downturn has brought the land market back to levels last seen in 2016. However, some positive trends emerged in the Vilnius region. In 2024, total land transactions in Vilnius city decreased by just 1%, while the Vilnius district saw a 7% increase.

The recovery of activity in the residential primary market in 2024 slightly boosted investor confidence in the land segment. While land prices suitable for development remained stable throughout the year, the most attractive and high-potential plots in Vilnius city continued to attract sufficient demand – particularly those suitable for residential development.

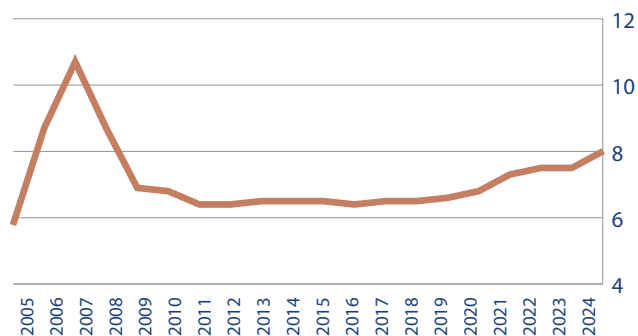
In 2024, real estate development company Omberg Group announced plans to develop new residential projects in Vilnius residential districts on recently acquired land plots on P. Vaičiūčio Street (0.85 ha) and Pušaloto Street (0.76 ha). The total investment in both projects is expected to reach around €20 million, with over 360 apartments planned to be built.

In 2024, real estate development and management company Galio Group transferred ownership of a 0.45 ha land plot on T. Kosciuškos Street, located in the central part of the city, to Kenova Group. The new owner plans to invest around €25 million in the development of an upper-class residential project.

In mid-2024, a fund affiliated with real estate development company Eriadas acquired old buildings on a 1 ha land plot in the Pašilaičiai district, on Justiniškių Street. Eriadas plans to develop over 200 apartments and invest more than €20 million.

In the second half of 2024, real estate developer Realco acquired a 2 ha land plot with administrative buildings on A. Juozapavičiaus Street, in the central part of Vilnius. The company sees new development opportunities in the area.

LAND PRICES FOR PRIVATE HOMES IN VILNIUS SUBURBS, €/100 SQM



At the beginning of 2024, real estate development company Eriadas, together with the closed-end investment fund DIFF Develop, acquired office buildings on a 1.35 ha land plot next to Vingis Park, on Geležinio Vilko Street. A new multi-functional project is planned for the site.

Asking prices for land plots in the central part of the city or other prestigious districts suitable for residential and commercial development (with detailed plans or a construction permit), are now at €600–€1,600 per sqm, or roughly, €500–€1,200 per gross buildable square metre.

Plots in residential suburbs for multi-apartment developments (with detailed plans or a construction permit) range from €120 to €350 per sqm, which works out at roughly €100–€280 per gross buildable square metre of residential space.

Strong demand for land parcels for individual housing construction on the outskirts of Vilnius drove prices up by as much as 5-10% in 2024. These parcels were offered both privately and by investors who prepared entire packages for sale – including installed utilities, built access roads, and other necessary infrastructure. By the end of 2024, the price of plots with partial or full infrastructure ranged from €35 to €45 per sqm in more affordable suburbs, and reached €50 to €100 per sqm in areas such as Visoriai, Riešė, Bajorai, Kalnėnai, and Gulbinai.

In Lithuania, prices for agricultural land depending on location, land fertility and size, remain at €1,500–€2,500 per hectare for less attractive and smaller-sized plots in less desirable locations, and €6,000–€8,000 per hectare for highest productivity, mid and large-sized plots.

ABOUT OBER-HAUS

Ober-Haus provides all real estate services in Lithuania and the Baltic region. The company opened its first office in Tallinn in 1994. Today, Ober-Haus has 20 offices in the largest cities of Lithuania, Latvia, and Estonia, employing more than 240 employees.

In 2007, Ober-Haus has been acquired by Realia group, a leading real estate market player in Finland. Since 2021, Ober-Haus belongs to a leading real estate market player in Finland – real estate brokerage and consultancy company Kiinteistömaailma.

25 years of experience, a high level of knowledge, and strict adherence to professional standards allow us to provide only the highest quality real estate services:

- brokerage in leasing, selling, and buying commercial and residential real estate;
- valuation of real estate and movable property;
- business valuation;
- complex services for real estate development projects, marketing and sale;
- property management;
- market research and analysis.

MORE ABOUT OBER-HAUS



OBER

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