

Tashkent's residential property market is predominantly represented by low-rise private cottages and Soviet-era apartment blocks. One third of the urban area is detached single-storey houses, where 45% of the urban population lives.

In 2021, a draft master plan for the city's development until 2041 was published. According to this plan, the city's population is to increase to 3.3 million people by 2041. The area of the city will be increased from 33 to 41.5 thousand hectares by joining neighbouring territories.

The housing stock in Tashkent will increase from 47.5 million square metres (19 square metres per capita) to 71.6 million square metres (21.7 square metres per capita).

In general, it is planned to improve the efficiency of land use by increasing the density of housing construction in redeveloped areas and reducing the share of low-rise housing in the total volume of new construction.

By 2025, the length of the metro will grow more than four times - up to 157 kilometres, 74 stations will appear, including 17 interchange stations. This factor will also have an impact on the development of territories.

For the period January-December 2023 there were construction works worth 149,864 billion UZS, of which 36,223 billion UZS were carried out in Tashkent city. In January-February 2024, the volume of construction works totalled UZS 16,164 billion, of which UZS 5,420 billion were in Tashkent.

The growth rate of construction works in the Republic for 12 months of 2023 was 15 per cent and 10 per cent in Tashkent.

Stabilisation of the exchange rate, demographic factors, as well as the removal of barriers to the purchase of housing in Tashkent by residents of other regions and non-residents also had a positive impact on demand.

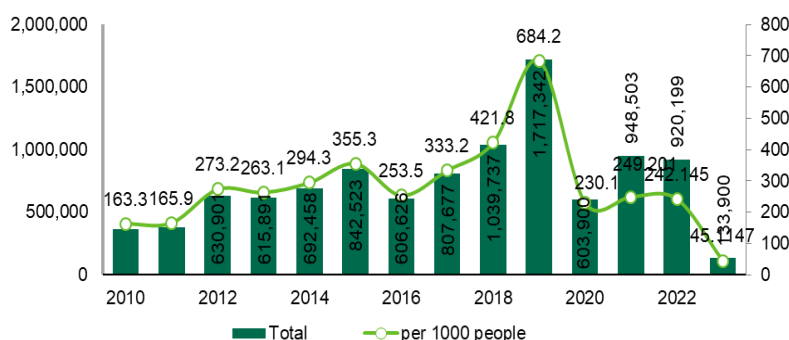
According to the Central Bank of Uzbekistan, in January-December 2023, second-tier banks issued loans for the purchase and construction of housing totalling UZS 16,851 billion, up 17% compared to the same period in 2022.

In general, the residential property market in Tashkent has seen a steady growth. Tashkent is experiencing stable growth. The average cost of 1 square metre of secondary housing in March 2023 is USD 1,000-1,200, which corresponds to the cost at the beginning of 2024.

The possibility of obtaining a loan for the purchase of housing by persons without confirmed income also contributed to the growth of housing prices.

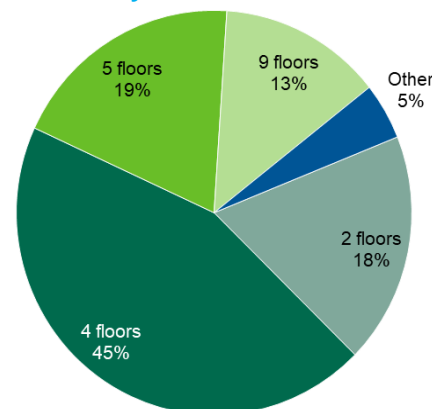
The rental rates in comparison with the beginning of the year fell by 9% on average and amounted to 9.5 USD per 1 sqm. At the moment, the rental market is stabilising after a sharp jump during the period of Russians' relocation.

Commissioning of housing in Tashkent, sqm



Source: Uzbekistan Statistics Committee

Breakdown of multi-apartment buildings in Tashkent by number of floors

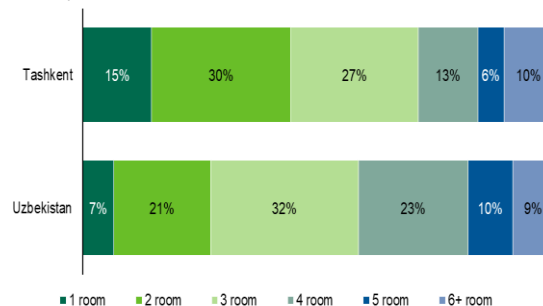


Source: Uzbekistan Statistics Committee

Mortgage lending

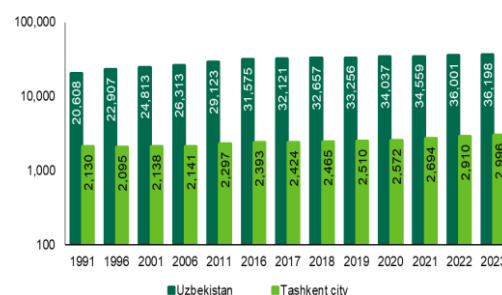
In 11 banks in Uzbekistan it is possible to obtain mortgage loans under the state program. Rates under this program vary from 16% - 18% over 20 years. In addition, there is an opportunity to reduce the rate when depositing 30%-70% of the value of the property.

The rates on regular mortgage programs range from 21% - 26%. The repayment period is from 3 to 20 years.



Source: Uzbekistan Statistics Committee

Population change from 1991 to 2023, thousand people



Source: Uzbekistan Statistics Committee

The office property market in Tashkent has been actively developing over the past few years. This growth has been influenced by the opening of the country's economic borders and the development of the economy by attracting foreign investment. Currently, the Uzbek market is at the initial stage of development.

Since 2H 2022, market activity has been driven by net absorption caused by relocation and expansion of Russian and international companies, which has created demand for quality office space.

Construction of quality B+ class business centres started between 2017-2020 and currently their occupancy rate is 98-100%.

At the end of 2023, the total amount of class A office space was about 97,000 sqm, class B/B+ - 314,000 sqm.

The "announced" phase of construction of Class A commercial office centres to be completed and commissioned in Q4 2023-2025 is about 350,000 sqm, most of which is in the Tashkent City and Trilliant projects.

This stock is to satisfy the current pent up market demand but also may create an oversupply of stock.

As of Q1 2024 average rental rates in class A offices vary from 30-40 USD per sqm per month with an average rate of 35 USD per sqm per month (excluding maintenance).

In Class B+ office buildings vary from 25-30 USD per sqm per month with an average rate of 27 USD per sq.m. per month (excluding maintenance).

In Class B office buildings vary from 18-23 USD per sqm per month with an average rate of 20 USD per sq.m. per month (excluding maintenance).

Maintenance costs vary from \$2 to \$3 per sqm per month.

Parking spaces are subject to an additional fee, however some spaces may be included in the rental rate.

In most business centres the fit out is done at the Tenant's expense, Landlords normally provide a rent-free period.

The market is currently Landlord favorable.

The average selling price of office space is 1,500 USD per sqm.

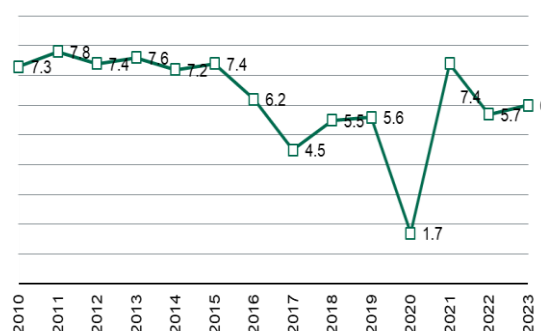
Average rental rates by class



Source: Scot Holland LLP

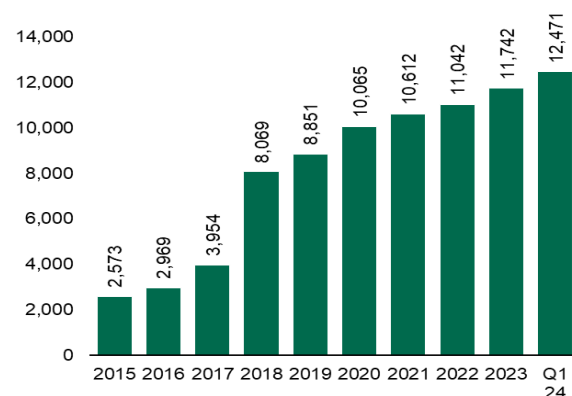
Class A - according to the landlords own classification

GDP growth 2010 till 2023, in %



Source: Central Bank, Uzbekistan Statistics Committee

UZS-USD exchange rate dynamics, 2015-2024



Source: Central Bank, Uzbekistan Statistics Committee

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