

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 it, 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.

According to the draft master plan, 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.

During January-November 2023, construction works worth 132,386.9 billion soums were carried out, of which 32,210.8 billion soums were spent on Tashkent city.

The growth rate of construction works in the Republic for the first 11 months of 2023 was 6.9 per cent and 5.3 per cent in Tashkent city

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

According to the Central Bank of Uzbekistan, in January-November 2023, second-tier banks issued loans for the purchase and construction of housing totalling 14,667.8bn UZS, up 16% compared to the same period in 2022.

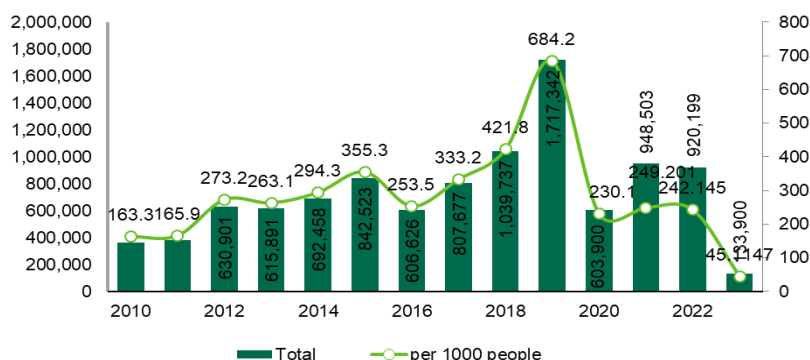
The number of housing purchase and sale transactions in Tashkent city increased by 15% compared to the same period last year.

In general, the residential property market of Tashkent city shows stable growth. The average cost of 1 square metre of secondary housing for November 2023 is 1 000 - 1200 USD, which is 23% higher than the cost at the beginning of the year.

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

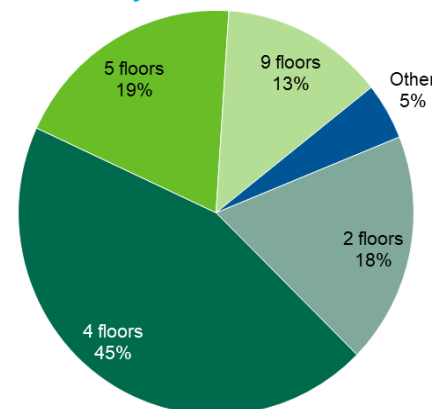
The cost of rent in comparison with the beginning of the year fell by 9% on average and amounted to 9.5 USD per 1 square metre. At the moment, the rental market is coming to an equilibrium state after a sharp jump during the period of Russian citizens' relocation.

### Commissioning of housing in Tashkent, sqm



Source: Uzbekistan Statistics Committee

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

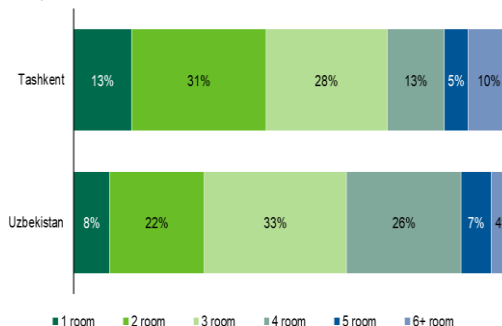


Source: Uzbekistan Statistics Committee

### Mortgage lending

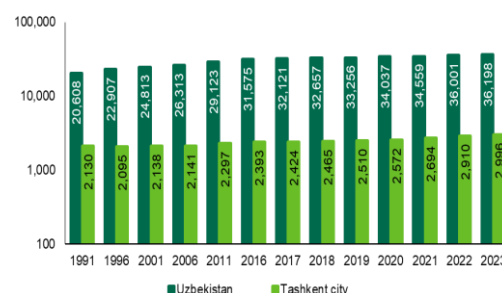
In 11 banks in Uzbekistan it is possible to obtain mortgage loans under the state programme. Rates under this programme vary from 16% - 18% over 20 years. In addition, there is an opportunity to reduce the rate when depositing 30%-70% of the value of the property.

The rates on regular mortgage programmes 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

Since the beginning of 2017, the real estate market in Uzbekistan has started to develop actively especially the Tashkent office market. This growth was influenced by the opening of the country's economic borders and the development of the economy by attracting foreign investments. At the moment, the Uzbekistan market is at an early stage of development.

Since last year, the market activity was driven by net take up boosted by relocations and the expansion of Russian and international companies which created a strong demand for good quality office space.

Construction of good quality B+ business centres started in the period of 2017-2020 and at the moment these have an occupancy rate of 98-100%.

Thus, Tashkent currently lacks business centres that meet all international standards for class A.

Currently demand exceeds supply.

The "announced" development pipeline for A class commercial office schemes to be completed and commissioned in the period Q4 2023-2025 is c. 350,000 sq. m. most of which are part of the Tashkent City project and the Trilliant project.

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

As of Q4 2023 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).

Average rental rates in Class B office buildings are estimated at \$20 per sqm 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 Landlord favorable.

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

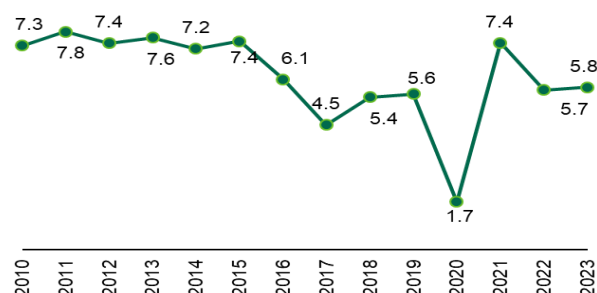
### Rental rates by class



Source: Scot Holland LLP

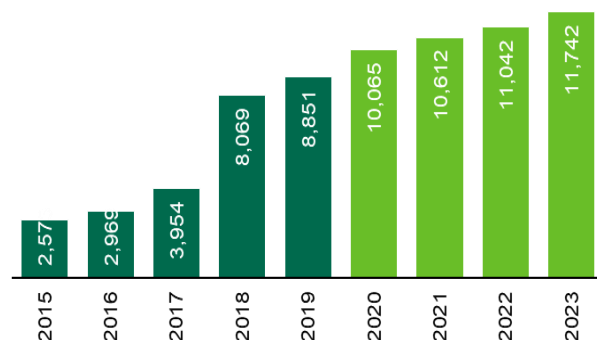
Class A - according to the landlords own classification

### GDP growth 2010 till 2023, in %



Source: Central Bank, Uzbekistan Statistics Committee

### UZS-USD exchange rate dynamics, 2015-2023



Source: Central Bank, Uzbekistan Statistics Committee

For more information regarding the Market View, please contact:

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