

Kazakhstan



Almaty Real Estate Market Q3 2025 Report

This overview covers the Almaty office real estate market for the third quarter of 2025 (Q3 2025), reflecting market trends, economic drivers, and the impact of the city's status as a major regional financial hub.

Executive Summary

The Almaty office market in Q3 2025 was characterized by historically low vacancy rates in the prime segments and firmly established high rental prices. As the financial and commercial heart of Kazakhstan, Almaty continues to attract strong demand from international organizations, banking, and fast-growing services sectors. The market suffers from an acute structural shortage of Grade A and A+ stock, which has resulted in occupancy rates reaching near-full capacity for best-in-class assets (around 97-99%). While new supply is expected in late 2025/2026, the current deficit maintained significant upward pressure on effective prime rents throughout the quarter. The anticipated commissioning of new business centers in late 2025 is expected to cause a gradual stabilization or pause in rental rate growth rather than an immediate decline.

1. Market Dynamics and Economic Context

A. Macroeconomic Drivers

Almaty's office market health is directly tied to the city's role as a non-resource-based economic engine, particularly in the financial and commercial sectors.

- * Strong Economic Activity: The short-term economic indicator for Almaty showed strong growth in the first half of 2025, driven by transportation, construction, and manufacturing. This confidence fuels the corporate demand for professional office spaces.
- * Financial Hub Status: The presence of numerous second-tier banks (including many with foreign participation), investment funds, and international financial institutions ensures a sustained, high-quality tenant base concentrated in the central business districts (CBD).

* Relocation Demand: The market continues to benefit from the active relocation of regional and international organizations that began in 2022, which significantly contributed to the initial spike and current sustained high rents.

B. Supply Constraints and Segmentation

The Almaty office market is large but heavily skewed towards older, lower-grade properties.

- * Total Stock: The total professional office stock (Grade A, B+, and B) is approximately 1.16 million sq. m. Gross Leasable Area (GLA).
- * Quality Scarcity: Grade A and A+ offices make up a mere ~12% of the quality stock, highlighting the core supply problem. The Grade B category dominates the market (around 65% of quality stock).

Office Grade Segment	Share of Quality Stock	Total Area (GLA estimate)	Key Challenge
Grade A / A+	~12%	~100,000 sq. m.	Severe Shortage
Grade B+	~22%	~260,000 sq. m.	High demand spillover from Grade A
Grade B	~65%	~760,000 sq. m.	Obsolescence and increasing competition

2. Occupancy and Rental Rate Analysis

A. Vacancy Rates (The Crisis of Supply)

Vacancy rates for prime assets are critically low, effectively leaving no large contiguous spaces available for new entrants or expanding firms.

Office Grade Segment	Estimated Vacancy Rate (Q3 2025)	Trend
Grade A / A+	< 1.0% (Reported as low as 0.3% in some sub-segments)	Stable and Extreme
Grade B+	~1.5% - 2.5%	Tight (due to strong demand absorption)
Grade B (Secondary)	~5% - 10%	Moderate

B. Rental Rates

The low vacancy rates combined with high demand and rising operational costs (utilities, maintenance, cost of construction) have driven the highest rental rates in the region. Rents are quoted in Tenge (KZT) and often indexed to the US Dollar (USD).

Office Grade	Estimated Monthly Rent Range (USD/sqm/month)*	Estimated Monthly Rent Range (KZT/sqm/month)*
Grade A / A+	\$35 - \$46+	KZT 17,000 - KZT 21,000+
Grade B+	\$25 - \$35	KZT 12,000 - KZT 17,000
Grade B (Weighted)	\$20 - \$25	KZT 9,000 - KZT 12,500

Note: USD and KZT values are approximate, based on weighted averages from market reports and local currency volatility. Prime rents often exclude VAT and operational expenditures (OPEX).

3. Key Market Trends and Outlook

A. Development Pipeline and Impact

A substantial volume of new Grade A office space (estimated at over 100,000 sq. m. GBA) is anticipated to enter the market around late 2025/2026.

* Expected Impact: This new supply is significant enough that market analysts forecast a pause in rental price growth in the mid-to-late 2025, rather than an immediate drop. The sheer volume of pre-leasing activity for these new projects (up to 40% in some cases) suggests much of the new space will be absorbed quickly, mitigating a sharp spike in vacancy.

B. ESG and Technology

There is a growing emphasis on ESG compliance and Smart Building technologies, driven by demand from international tenants. New Class A+ projects are designed to meet these modern standards, further increasing the rental premium over older stock.

C. Investment Activity

Investment sentiment remains strong, driven by the high rental yield potential of quality commercial property, which is substantially higher than residential yields. Developers are incentivized by the high rental rates and the shortage of quality stock, suggesting a healthy long-term outlook for the development sector.

Conclusion and Outlook

The Almaty office market in Q3 2025 is an extremely tight, high-cost environment for prime office seekers. The combination of strong economic fundamentals and chronic under-supply in the Grade A segment resulted in near-zero vacancy and highly elevated rental rates. While the market is poised for a significant increase in supply over the next 12-18 months, the immediate Q3 situation was one of intense competition for the limited existing professional space. The Gradual Supply/Price Stabilization phase is expected to commence only upon the successful commissioning of the major new business centers at the end of 2025.

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