Tashkent Commercia Market Overview

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Uzbekistan

Tashkent Commercial Real Estate Market Overview

Quarterly Report | Office, Retail & Industrial | Q4 2025 – Q1 2026

Executive Summary

Tashkent's commercial real estate market is undergoing a phase of rapid expansion and structural transformation, driven by economic liberalization, rising foreign investment, and strong business activity.

As of the latest quarter, the market is characterized by:
- Rising office rents and declining vacancy rates
- Significant undersupply of modern retail space
- Emerging but fragmented industrial and logistics sector
- Attractive double-digit yield potential in select segments

Tashkent stands out as one of the highest-growth commercial real estate markets in Central Asia, combining strong rental growth with high income returns, albeit with elevated execution and regulatory risk.

Macroeconomic Context

Uzbekistan continues to position itself as a regional growth economy, supported by:
- Ongoing economic reforms and market liberalization
- Expansion of trade and industrial production
- Increasing foreign direct investment

Real estate activity has remained robust, with transaction volumes rising by over 10% year-on-year in early 2025, reflecting strong underlying demand.

This macro backdrop is translating into accelerated development of commercial real estate, particularly in Tashkent.

Office Market

Market Overview

The office sector in Tashkent is currently experiencing strong growth and tightening fundamentals, supported by expanding corporate activity and limited high-quality supply.
- Total office stock reached approximately 754,000 sqm, with steady annual growth
- Vacancy declined to around 16%, down significantly year-on-year

Demand is being driven by:
- International companies entering the Uzbek market
- Local corporate expansion
- Government and institutional occupiers

Rents & Occupancy
- Prime (Class A / A+): ~ $30-35 per sqm/month
- Secondary (Class B / B+): ~ $25-27 per sqm/month
- Rental growth: ~7% annually

Occupiers increasingly favor turnkey, professionally managed buildings, reflecting a shift toward institutional-grade assets.

Yields & Investment Metrics
- Prime office yields: 9% - 11%
- Secondary assets: 10% – 12%

Well-located office and retail assets in Tashkent typically generate 9-12% gross annual yields, among the highest in the region.

Implied:

- Income multiples: ~9x - 12x
- Significant yield premium vs global markets

Tashkent's office market is increasingly defined by a new wave of large-scale, mixed-use and institutional-grade developments, particularly within the Tashkent City district and surrounding central areas. Landmark projects such as Nest One and Regnum Plaza illustrate this shift, combining office space with residential, retail, and hospitality components in vertically integrated schemes. Nest One, the tallest building in Uzbekistan at over 260 meters, incorporates office floors alongside premium amenities, while Regnum Plaza represents one of the largest urban developments in Central Asia, with multiple office towers embedded within a broader "city within a city" concept.

At the same time, a new generation of standalone and campus-style office projects is emerging, targeting international tenants and ESG standards. Developments such as Trilliant Business Park and Nurafshon Business City emphasize sustainable design, flexible floorplates, and integrated amenities, reflecting growing occupier demand for modern work environments. Trilliant, for example, is positioned as one of the first LEED-oriented office schemes in the market, while Nurafshon represents a large-scale administrative and business hub spanning hundreds of hectares. Smaller but high-quality projects such as Mirabad Business Center further highlight the trend toward boutique Grade A offices, with a focus on flexibility, tenant experience, and energy-efficient design.

Outlook

The office market is expected to:

- Continue rental growth in prime assets
- Experience gradual yield compression as institutional investors enter
- Remain supply-constrained in the Grade A segment

Retail Market

Market Overview

Retail real estate in Tashkent is one of the most undersupplied segments, despite strong consumer demand and population growth.

- Total modern retail stock reached approximately 514,000 sqm
- Over 100,000 sqm delivered in 2025 alone

However, retail provision remains significantly below international benchmarks:

- ~165 sqm per 1,000 resident's vs 450-500 sqm in mature markets

Key Trends

- Expansion of shopping malls and mixed-use schemes
- Gradual entry of international brands
- Increasing importance of modern retail formats and professional management

Despite new supply, a shortage persists of institutional-quality retail space suitable for global tenants.

Yields & Investment Metrics

- Prime retail (malls/high street): 9% - 11%
- Secondary retail: 10% - 12%+

High-street retail in prime locations offers:

- Fast payback periods (6-7 years)

Outlook

Retail is expected to remain:

- Landlord-favorable in prime locations
- A key beneficiary of:
- Consumption growth
- Urbanization
- International brand expansion

Industrial & Logistics Market

Market Overview

The industrial and logistics sector in Tashkent is emerging but strategically important, supported by:

- Trade expansion
- Growth in manufacturing
- Increasing demand for warehousing

The majority of logistics stock is concentrated in Tashkent and surrounding regions, accounting for over 70% of supply.

Market Characteristics

- Dominated by older, non-institutional assets
- Limited availability of modern logistics parks
- Increasing interest in distribution and last-mile facilities

Yields & Investment Metrics

- Logistics / warehouse: ~8%
- Industrial assets: 8% – 10%+

Higher yields reflect:

- Market immaturity
- Infrastructure constraints
- Liquidity premium

Outlook

The sector offers significant long-term upside, particularly as:

- Trade corridors expand
- E-commerce penetration increases
- Institutional-grade logistics developments emerge

Investment Market & Pricing

Capital Values & Income Multiples

Commercial real estate in Tashkent typically trades at:

- 9x – 12x income multiples

This compares to:

- Baku: 10x – 14x
- Yerevan: 10x – 14x
- Dubai: 12x – 18x

Market Positioning

Tashkent is best described as a:

- High-growth, high-yield frontier market

It offers:

- Higher returns than Caucasus markets
- Stronger growth dynamics, but higher execution risk

Risk & Return Profile

Key Risks

- Regulatory and legal framework still evolving
- Currency and repatriation considerations
- Limited liquidity and exit options
- Construction quality variability

Investment Case

Tashkent offers:

- High income returns (9-12%+)
- Strong rental growth potential
- Early-stage market entry opportunity

This positions it as:

- More opportunistic than Baku
- Higher yielding but less mature than Yerevan

Strategic Outlook (2026-2028)

Sector	Outlook
Office	Strong growth, gradual yield compression
Retail	Supply-driven expansion, high demand
Industrial	Early-stage growth, long-term upside

Key Catalysts

- Continued economic liberalization
- Foreign investment inflows
- Large-scale urban projects (e.g., New Tashkent)
- Expansion of logistics and trade infrastructure

Conclusion

Tashkent is rapidly emerging as a key commercial real estate market in Central Asia, offering a compelling combination of:

- High yields
- Strong rental growth
- Structural market development
- The office sector is expanding with rising rents and falling vacancy
- Retail remains significantly undersupplied with strong upside
- Industrial/logistics presents early-stage, high-growth opportunities

Overall, Tashkent offers a high-risk, high-return investment profile, particularly attractive for investors seeking double-digit income yields and exposure to a fast-growing frontier market.

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