

Kyrgyzstan



Bishkek Commercial Real Estate Market Overview

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

Executive Summary

Bishkek's commercial real estate market is in an early-stage growth phase, characterized by strong demand, limited institutional supply, and rising investor interest. While smaller and less mature than regional peers, the market is increasingly attracting attention due to its solid rental yields and accelerating price growth.

As of the latest quarter, key features include:

- Undersupply of modern office space and rising rents
- Fragmented retail market with strong high-street performance
- Nascent industrial/logistics sector with limited Grade A stock
- Attractive yields in the high single-digit range

Bishkek represents a frontier, income-driven market, offering stable returns with gradual potential for institutional development.

Macroeconomic Context

Kyrgyzstan's economy has shown strong momentum, with GDP growth estimated at around 9% in 2025, supported by investment inflows and construction activity.

Real estate has emerged as a key investment sector:

- Transaction volumes increased significantly
- Property prices and rents continued to rise
- Commercial real estate yields outperform traditional financial instruments

This macro backdrop supports continued expansion of the commercial property market, albeit from a relatively low base.

Office Market

Market Overview

The office sector in Bishkek remains undersupplied in modern, institutional-grade space, with demand increasingly shifting toward professionally managed business centers.

Bishkek's office development landscape is still relatively limited in scale, but recent activity points to a gradual shift toward more modern, mixed-use and institutional-quality projects. One of the most notable upcoming schemes is the planned "Aviator" business center, a 25-storey landmark development in central Bishkek that will combine office space with hotel, retail, and hospitality functions. The project is particularly notable for its aviation-inspired design and inclusion of a rooftop helipad, reflecting a move toward more ambitious, internationally styled commercial developments.

At the same time, the market is seeing incremental upgrades of existing stock and smaller-scale modern projects. A recent example is the redevelopment of the former Ai-Pery building into a contemporary office center backed by foreign investment, highlighting a growing trend of adaptive reuse and modernization of Soviet-era assets into functional business environments. In parallel, new large-scale mixed-use schemes backed by regional investors—incorporating office, residential, and retail components—are beginning to emerge, signaling the early stages of a more integrated, master-planned approach to commercial real estate in Bishkek.

Overall, while the pipeline remains modest compared to regional peers, these developments indicate a clear transition toward higher-quality, multifunctional office environments, with increasing participation from international developers and a gradual move toward institutional-grade supply.

Key characteristics:

- Majority of office stock located in residential or converted buildings
- Limited number of true Class A business centers
- Strong demand for modern, secure, and centrally located offices

This supply-demand imbalance continues to support firm rental levels in prime assets.

Rents & Occupancy

- Prime (Class A): ~\$18-25+ per sqm/month
- Secondary (Class B): ~\$12-18 per sqm/month
- Lower-quality stock: ~\$8-12 per sqm/month

Broader market ranges extend from \$7 to \$40 per sqm/month, depending on quality and location.

Occupancy remains high in quality buildings due to:

- Limited supply
- Increasing demand from SMEs, NGOs, and international organizations

Yields & Investment Metrics

- Prime office yields: 7% - 9%
- Secondary assets: 8% - 10%

Implied:

- Income multiples: ~11x - 14x
- Strong income-driven pricing

Outlook

The office market is expected to:

- Maintain stable rents with slight upward pressure
- See gradual development of new business centers
- Remain supply-constrained in the prime segment

Retail Market

Market Overview

Retail real estate in Bishkek is highly fragmented, with a mix of:

- High-street retail in central areas
- Small-format neighborhood retail
- Limited modern shopping centers

Demand is supported by:

- Urban population growth

- Rising incomes
- Strong footfall in central districts

Key Trends

- Dominance of street retail and small units
- Increasing demand for well-located, high-visibility retail space
- Limited presence of international brands compared to larger regional cities

Rents

- Retail rents: ~\$15-40 per sqm/month depending on location

Prime high-street locations command a significant premium due to limited availability.

Yields & Investment Metrics

- Prime retail: 8% - 12%
- Secondary retail: 9% - 12%+

Retail often delivers higher returns than office, particularly in:

- High-footfall areas
- Well-positioned street retail

Outlook

Retail is expected to:

- Remain income-driven with stable demand
- Gradually evolve toward more organized formats
- Offer value-add opportunities in repositioning and redevelopment

Industrial & Logistics Market

Market Overview

The industrial and logistics sector in Bishkek is small and underdeveloped, with limited modern infrastructure.

Key characteristics:

- Dominated by older warehouses and light industrial facilities
- Minimal presence of institutional-grade logistics parks
- Growing demand for urban logistics and storage space

Rents

- Warehouse rents: ~\$3-6 per sqm/month

Yields & Investment Metrics

- Industrial/logistics: 8% - 11%

Higher yields reflect:

- Market immaturity
- Infrastructure constraints

- Limited liquidity

Outlook

The sector offers long-term upside, particularly with:

- Growth in trade and distribution
- Increasing e-commerce activity
- Potential development of logistics hubs

Investment Market & Pricing

Capital Values & Income Multiples

Commercial real estate in Bishkek typically trades at:

- ~11x - 14x income multiples

Pricing reflects:

- Strong yield focus
- Limited institutional capital
- Local investor dominance

Market Positioning

Bishkek is best described as:

- A high-yield, early-stage frontier market

Compared to peers:

- Similar yields to Baku
- Less mature than Yerevan
- Lower scale than Tashkent

Risk & Return Profile

Key Risks

- Limited liquidity and exit options
- Lack of institutional-grade assets
- Currency exposure
- Regulatory and transparency considerations

Investment Case

Bishkek offers:

- Stable high yields (7-10%+)
- Strong price growth (10-15% annually in some segments)
- Low entry prices relative to regional peers

The market is primarily suited to:

- Income-focused investors

- Early-stage, value-oriented strategies

Strategic Outlook (2026-2028)

Sector Outlook

Office Gradual development, supply-led growth

Retail Stable, high-yield income plays

Industrial Early-stage expansion, long-term upside

Key Catalysts

- Continued economic growth
- Urbanization and population expansion
- Development of modern commercial projects
- Increasing investor awareness

Conclusion

Bishkek's commercial real estate market remains early in its development cycle, offering a combination of:

- High income yields
- Strong growth potential
- Limited but improving institutional supply
- The office sector is constrained but gradually evolving
- Retail remains fragmented but income-generative
- Industrial/logistics offers long-term development potential

Overall, Bishkek presents a high-yield, frontier investment opportunity, best suited for investors seeking stable cash flow with medium-term market maturation upside.

For additional information regarding this market review, please

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