

# Kyrgyzstan



# Bishkek Commercial Real Estate Market Overview

Quarterly Report | Office, Retail & Industrial | Q1 2026

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## Executive Summary

As of Q1 2026, Bishkek's commercial real estate market continues to operate in an early-stage growth phase, characterized by strong occupier demand, limited institutional-grade supply, and increasing investor interest.

Key market features include:

- Persistent undersupply of modern office space, supporting rental growth
- Fragmented but high-performing retail sector, led by prime high-street locations
- Nascent industrial & logistics segment with structural supply constraints
- High single-digit yields, reflecting income-driven pricing

Bishkek remains a frontier, high-yield market, offering attractive cash-on-cash returns alongside gradual market maturation and improving development quality.

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## Macroeconomic Context

Entering 2026, Kyrgyzstan maintains strong economic momentum, following robust growth in 2025.

Key drivers include:

- Continued investment inflows and construction activity
- Expansion of domestic consumption
- Increasing role of real estate as an investment asset class

Market implications:

- Rising transaction activity
- Continued rental and price growth
- Real estate yields remaining above traditional financial instruments

The macro environment supports continued expansion of the commercial property sector, albeit from a relatively low base.

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## Office Market

### Market Overview

The office sector remains supply-constrained, particularly in institutional-grade space.

Demand continues to shift toward:

- Professionally managed business centers
- Centrally located, secure office environments
- Mixed-use developments with integrated services

Development activity remains selective but is gradually evolving toward higher-quality, mixed-use schemes.

Notable trends:

- Emergence of landmark projects (e.g., Aviator Business Center)
  - Redevelopment of legacy assets into modern office space
  - Increasing participation from foreign and regional investors
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#### Rents & Occupancy

- Prime (Class A): ~\$18-25+ per sqm/month (stable to slightly increasing)
- Class B: ~\$12-18 per sqm/month
- Lower-quality stock: ~\$8-12 per sqm/month
- Market range: ~\$7-40 depending on location and quality

Occupancy remains high in quality assets, driven by:

- Limited supply
  - Growing demand from SMEs, NGOs, and international organizations
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#### Yields & Investment Metrics

- Prime office yields: 7% - 8.75% (early compression in best assets)
- Secondary assets: 8% - 10%

Implications:

- Income multiples: ~11x - 14x
  - Pricing remains income-driven with limited institutional compression
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#### Outlook

The office sector is expected to:

- Maintain stable-to-growing rental levels
  - See gradual expansion of modern office stock
  - Remain undersupplied in prime segments
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#### Retail Market

##### Market Overview

Retail remains highly fragmented but resilient, with performance concentrated in:

- Prime high-street locations
- Dense urban corridors
- High-footfall districts

The market is still dominated by:

- Street retail
  - Small-format units
  - Limited number of organized retail centers
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#### Key Trends

- Strong demand for visible, centrally located retail units
  - Limited penetration of international brands
  - Gradual evolution toward more structured retail formats
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#### Rents

- Retail rents: ~\$15-40 per sqm/month
  - Prime locations continue to command significant premiums
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#### Yields & Investment Metrics

- Prime retail: 8% - 11.5%
- Secondary retail: 9% - 12%+

Retail continues to deliver:

- Higher yields than office in many cases
  - Strong income performance in prime high-street assets
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#### Outlook

- Stable demand supported by consumption growth
  - Continued dominance of street retail
  - Increasing opportunities in asset repositioning and redevelopment
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#### Industrial & Logistics Market

##### Market Overview

The industrial and logistics sector remains small, fragmented, and underdeveloped, but with clear growth momentum.

Key characteristics:

- Dominance of obsolete warehouse stock
- Limited availability of modern logistics facilities
- Growing demand for urban storage and last-mile logistics

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## Rents

- Warehouse rents: ~\$3-6 per sqm/month (stable)
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## Yields & Investment Metrics

- Industrial/logistics yields: 8% - 11%

Premium yields reflect:

- Market immaturity
  - Infrastructure constraints
  - Limited liquidity
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## Outlook

The sector offers long-term structural upside, driven by:

- Growth in trade and distribution
  - Expansion of e-commerce
  - Potential development of logistics hubs
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## Investment Market & Pricing

### Capital Values & Multiples

- Typical pricing: ~11x - 14x income multiples

Market characteristics:

- Dominance of local capital
  - Limited institutional participation
  - Strong focus on yield and cash flow
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## Market Positioning

Bishkek is positioned as:

- High-yield frontier market
  - Comparable yields to Baku
  - Less mature than Yerevan
  - Smaller scale than Tashkent
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## Risk & Return Profile

### Key Risks

- Limited liquidity and exit depth
  - Lack of institutional-grade assets
  - Currency exposure
  - Regulatory and transparency considerations
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## Investment Case

### Bishkek offers:

- High income returns (7-10%+)
- Strong capital growth potential (double-digit in select segments)
- Low entry pricing vs regional peers

### Best suited for:

- Income-focused investors
  - Value-add and early-stage strategies
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## Strategic Outlook (2026-2028)

Sector	Outlook
Office	Gradual supply expansion, quality upgrade
Retail	Stable high-yield income
Industrial	Early-stage growth, strongest upside

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## Key Catalysts

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

As of Q1 2026, Bishkek's commercial real estate market remains early in its development cycle, but continues to gain momentum.

- Office: supply-constrained, постепенно институционализируется
- Retail: фрагментированный, но доходный
- Industrial: наибольший потенциал роста

Overall, Bishkek presents a compelling frontier investment opportunity, offering:

- High yields

- Strong growth potential
- Early access to a developing institutional market

For additional information regarding this market review, please

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