

Tashkent Commercial Market Overview

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Uzbekistan



Tashkent Commercial Real Estate Market Overview

Quarterly Report | Office, Retail & Industrial | Q1 2026

Executive Summary

As of Q1 2026, Tashkent's commercial real estate market continues to demonstrate strong growth momentum and structural transformation, supported by economic liberalization, rising foreign investment, and expanding business activity.

Key market characteristics include:

- Continued rental growth in the office sector alongside declining vacancy
- Persistent undersupply of modern retail space, despite active development
- Emerging industrial & logistics sector with increasing investor interest

- Double-digit yield profile across most asset classes

Tashkent remains one of the highest-growth and highest-yield markets in Central Asia, combining strong income returns with capital growth potential, albeit with elevated execution and regulatory risks.

Macroeconomic Context

Uzbekistan enters 2026 with sustained economic expansion, driven by:

- Ongoing structural reforms and market liberalization
- Growth in trade, services, and industrial production
- Increasing inflow of foreign direct investment

Real estate fundamentals remain strong:

- Transaction activity continues to expand
- Corporate demand is rising
- Development pipeline remains active

The macro environment supports accelerated development of commercial real estate, particularly in Tashkent as the primary economic hub.

Office Market

Market Overview

The office sector continues to tighten, with strong demand and limited Grade A supply.

- Total stock: ~750,000+ sqm (growing)
- Vacancy: ~14-16% (declining trend)

Demand drivers:

- Entry of international companies
- Expansion of domestic corporates
- Government and institutional occupiers

Occupier preferences are shifting toward:

- Turnkey offices
- ESG-compliant buildings
- Mixed-use developments

Rents & Occupancy

- Prime (Class A / A+): ~\$30-36 per sqm/month (continued growth)
- Secondary (Class B): ~\$25-28 per sqm/month
- Rental growth: ~5-8% YoY

Prime assets continue to outperform, with strong leasing activity.

Yields & Investment Metrics

- Prime office yields: 8.75% - 10.5% (early compression)
- Secondary assets: 10% - 12%

Implications:

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

Development Landscape

The market is being reshaped by large-scale, institutional-grade projects, including:

- Mixed-use developments in Tashkent City
- Landmark assets such as Nest One and Regnum Plaza
- New ESG-oriented business parks (e.g., Trilliant, Nurafshon)

Trends:

- Integration of office, retail, and residential

- Growth of campus-style and flexible office environments
- Increasing focus on tenant experience and sustainability

Outlook

- Continued rental growth in prime segments
- Gradual yield compression in core assets
- Ongoing supply gap in Grade A offices

Retail Market

Market Overview

Retail remains structurally undersupplied, despite increasing development activity.

- Total modern stock: ~500,000+ sqm
- New deliveries continue, but below demand
- Provision remains low compared to global benchmarks:
 - ~165 sqm per 1,000 residents vs 450-500 sqm in mature markets

Key Trends

- Expansion of shopping malls and mixed-use projects
- Entry of international brands
- Rising demand for professionally managed retail space
- Prime retail continues to outperform due to limited availability.

Yields & Investment Metrics

- Prime retail: 9% - 10.75%
- Secondary retail: 10% - 12%+
 - Prime high-street and mall assets offer:
- Fast payback periods (~6-7 years)
- Strong income generation

Outlook

Retail is expected to remain:

- Landlord-driven in prime locations
- Supported by:
 - Consumption growth
 - Urbanization
 - Brand expansion

Industrial & Logistics Market

Market Overview

The industrial and logistics sector continues to emerge as a strategic growth segment.

Drivers:

- Expansion of trade and manufacturing
- Growing logistics demand
- Increasing e-commerce penetration
- Tashkent remains the primary logistics hub, accounting for the majority of supply.

Market Characteristics

- Dominated by legacy assets
- Limited supply of modern logistics parks
- Rising demand for:
 - Distribution centers
 - Last-mile logistics

Yields & Investment Metrics

- Logistics / warehouse: ~7.75% - 8.5%
- Industrial assets: 8% - 10%+
 - Yield levels reflect:
- Early-stage market conditions
- Liquidity premium
- Infrastructure gaps

Outlook

Strong long-term upside driven by:

- Trade corridor expansion
- Institutional logistics development
- E-commerce growth

Investment Market & Pricing

Capital Values & Multiples

- Typical pricing: ~9x - 12x income multiples
- Comparison:
 - Baku: 10x - 14x
 - Yerevan: 10x - 14x
 - Dubai: 12x - 18x

Market Positioning

Tashkent is best described as:

- High-growth, high-yield frontier market
- Positioning:
 - Higher growth than Caucasus markets
 - Higher risk profile
 - Stronger development pipeline

Risk & Return Profile

Key Risks

- Evolving regulatory and legal framework
- Currency and repatriation considerations
- Limited liquidity
- Construction quality variability

Investment Case

Tashkent offers:

- High income returns (9-12%+)
- Strong rental growth
- Early-stage institutional entry opportunity
- Positioning:
 - More opportunistic than Baku
 - Higher yielding but less mature than Yerevan

Strategic Outlook (2026-2028)

Sector	Outlook
Office	Strong growth, yield compression
Retail	Supply expansion, high demand
Industrial	Early-stage growth, strongest upside

Key Catalysts

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

Conclusion

As of Q1 2026, Tashkent continues to establish itself as a key commercial real estate hub in Central Asia.

- Office: strong growth, tightening fundamentals
 - Retail: structurally undersupplied, high potential
 - Industrial: early-stage but rapidly evolving
 - Overall, Tashkent offers a high-risk, high-return investment profile, combining:
 - Double-digit yields
 - Strong rental growth
 - Structural market transformation
- This makes it particularly attractive for investors seeking opportunistic strategies and exposure to a fast-growing frontier market.

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