

Region comparison report



Central Asia & Caucasus Commercial Real Estate Comparison
Almaty | Baku | Tbilisi | Tashkent | Bishkek | Yerevan
Quarterly Overview | Q1 2026

Executive Summary

As of Q1 2026, commercial real estate markets across Central Asia and the Caucasus continue to demonstrate divergent but complementary investment profiles, ranging from core-plus stability (Tbilisi, Almaty) to high-growth frontier opportunities (Tashkent, Bishkek).

Key regional trends include:

- Strong occupier demand across all office markets, with supply constraints in most capitals
- Retail sector resilience, supported by consumption growth and urbanization
- Underdeveloped but rapidly evolving industrial & logistics sectors
- Persistent yield premium vs global markets (300-700 bps)

The region offers investors a spectrum of risk-return profiles, enabling both income-focused and growth-oriented strategies.

Regional Macroeconomic Context

The region continues to benefit from:

- Expansion of trade corridors (Middle Corridor, China-Europe routes)
- Strong urban population growth
- Increasing foreign direct investment (FDI)
- Growth in services, IT, and financial sectors

While economic growth is moderating in some markets after strong post-pandemic expansion, fundamentals remain supportive for real estate demand.

Market Positioning Overview

Market	Positioning	Risk Level	Yield Level	Growth Potential
Almaty	Core / Core+	Low	Medium	Moderate
Tbilisi	Core+ / Emerging	Low-Med	Medium	Moderate
Baku	Core+ / High Yield	Medium	Medium-High	Moderate
Yerevan	Growth + Income	Medium	Medium	High
Tashkent	High Growth Frontier	High	High	Very High
Bishkek	Early Frontier	High	High	High

Office Market Comparison

Market Dynamics

Across all six cities, the office sector is characterized by:

- Limited Grade A supply
- Increasing demand from international and regional occupiers
- Shift toward ESG-compliant and flexible office formats

Prime Rents (USD/sqm/month)

Market	Prime Rent Range
Almaty	\$25 - 35
Baku	\$25 - 30
Tbilisi	\$22 - 30
Tashkent	\$30 - 36
Bishkek	\$18 - 25+
Yerevan	\$27 - 35

Prime Yields

Market	Yield Range
Almaty	7% - 9%
Baku	7% - 8.5%
Tbilisi	6.75% - 8.25%
Tashkent	8.75% - 10.5%
Bishkek	7% - 9%
Yerevan	6.25% - 7.75%

Key Insights

- Tashkent and Bishkek offer the highest yields but with higher risk
- Yerevan shows strongest rental growth momentum
- Tbilisi and Almaty provide stability and institutional quality
- Baku remains a balanced high-yield market

Retail Market Comparison

Market Characteristics

- Tbilisi and Almaty: most developed retail ecosystems
- Baku and Yerevan: strong performance in prime assets
- Tashkent: structurally undersupplied, high growth
- Bishkek: fragmented, high-yield environment

Prime Retail Yields

Market	Yield Range
Almaty	7% - 8.5%
Baku	7.5% - 9.5%
Tbilisi	6.75% - 8.25%
Tashkent	9% - 11%
Bishkek	8% - 12%
Yerevan	6.75% - 8.75%

Key Insights

- Tashkent and Bishkek offer highest retail yields
- Tbilisi is the most mature and liquid retail market
- Yerevan benefits strongly from tourism-driven demand
- Baku maintains stable retail income performance

Industrial & Logistics Comparison

Market Dynamics

All markets remain underdeveloped relative to global standards, but:

- Demand is rising due to trade growth and e-commerce
- Supply of modern logistics space is limited
- Institutional investment is beginning to enter the sector

Prime Logistics Yields

Market	Yield Range
Almaty	7.5% - 9%
Baku	7% - 9%
Tbilisi	7.25% - 8.75%
Tashkent	7.75% - 8.5%
Bishkek	8% - 11%
Yerevan	7.25% - 9.25%

Key Insights

- Bishkek and Yerevan offer highest yields due to immaturity
- Tashkent shows strongest structural growth potential

- Tbilisi benefits from transit corridor positioning
- Almaty remains the most developed logistics hub in Central Asia

Investment Market & Pricing

Income Multiples

Market	Multiples
Almaty	11x - 15x
Baku	10x - 14x
Tbilisi	11x - 15x
Tashkent	9x - 12x
Bishkek	11x - 14x
Yerevan	10x - 14x

Risk vs Return Spectrum

Low Risk / Core+

- Tbilisi

- Almaty

Balanced (Income + Growth)

- Baku

- Yerevan

High Growth / Opportunistic

- Tashkent

- Bishkek

Strategic Outlook (2026-2028)

Sector	Regional Trend
Office	Gradual yield compression in prime assets
Retail	Shift toward experience-driven formats
Industrial	Fastest growth sector across all markets

Key Regional Catalysts

- Expansion of Middle Corridor trade routes
- Continued urbanization and population growth
- Entry of institutional investors
- Development of mixed-use and large-scale urban projects

Conclusion

As of Q1 2026, Central Asia and the Caucasus offer one of the most compelling emerging real estate investment regions globally, combining:

- High income yields (6.5% - 12%+)
- Strong rental growth potential
- Early-stage institutional market development

Investor Positioning

- Core investors: Tbilisi, Almaty
- Core+ / Income: Baku, Yerevan
- Opportunistic / Growth: Tashkent, Bishkek

The region provides a diversified investment landscape, suitable for portfolio allocation across multiple risk-return strategies.

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