

TASHKENT OFFICES

NEW CONSTRUCTION
SNAPSHOT

April 2023

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TASHKENT OFFICE MARKET

MARKET OVERVIEW

KEY MARKET FACTORS

The Tashkent office market is impacted by various factors. Uzbekistan's government has taken significant steps to deregulate and open up the economy to foreign investment and cooperation since 2017, which has led to active development of the office market. However, compared to more mature markets, the Tashkent market is still in its early stages.

As of end of 2022, there are more than 115,000 registered legal entities in Tashkent, making it an attractive destination for international companies looking to enter the Uzbekistan market. Tashkent is the largest recipient of investments in the country and contributes 17% to the country's GDP.

The service sector is the main driver of job creation in major cities, resulting in an increased demand for office space. The number of people working in the Information and Communication Technologies sector in Tashkent has grown by 12,000 people over the course of five years, according to the Department of Statistics of Uzbekistan. In addition, about 50% of business entities have been established in Uzbekistan over the past three years.

CURRENT OFFICE STOCK

At present, Tashkent's office market does not have any Class A buildings. However, a number of buildings that are currently under development are expected to receive the highest classification soon. The total area of Class B+ office real estate in Tashkent is approximately 54,000 sq.m, while that of Class B is around 180,000 sq.m. Therefore, the total area of B+/B class office real estate in Tashkent is currently 234,000 sq.m. Over half of the total office stock was built during or after 2016, and 80% of high-quality buildings (B+ and B class) were constructed between 2016 and 2020.

It is worth noting that the Tashkent market mainly involves selling office space to different owners within the same business center, which allows the developer to earn a significant return on investment in the short term. However, in the medium to long term, this results in difficulties managing the facility due to the challenges of reaching agreements between several owners, as well as a decline in the building's attractiveness to institutional investors.

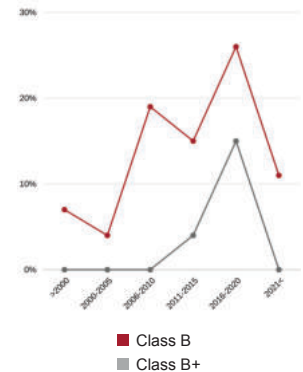
OFFICE STOCK OF B+ AND B CLASSES



■ Class B
■ Class B+

Source: Cushman & Wakefield Kazakhstan

OFFICE STOCK OF B+ AND B CLASSES BY YEARS OF CONSTRUCTION



■ Class B
■ Class B+

Source: Cushman & Wakefield Kazakhstan



TASHKENT OFFICE MARKET

MARKET OVERVIEW

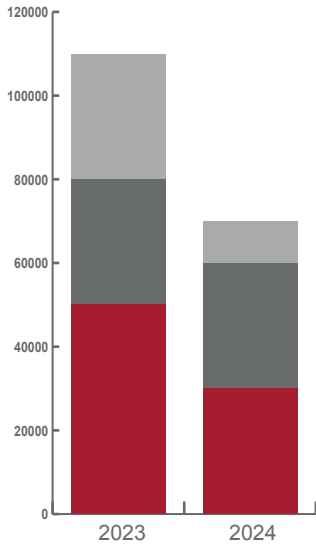
FUTURE DEVELOPMENTS

At present, there are ten development projects underway in Tashkent that are expected to be completed between 2023 and 2024. The majority of office construction is concentrated in Tashkent City, including the Summit, Financial Center, and Nest One business centers. The Trillian multifunctional complex's office segment will be located near Amir Temur Square, while the Piramit and Zarafshan projects will be adjacent to the Site. The completion of these projects will increase the city's total office space by more than 185,000 sq.m, an 84.5% increase from the current combined B and B+ class office stock of around 234,000 sq.m. As a result of downward pressures and high competition, rental rates and occupancy are likely to decline, and vacancy rates are likely to increase, pushing the market into the occupier-driven phase. However, as these business centers will be for sale, there will still be a shortage of quality landlord-operated facilities.

THE MAP OF HIGH-QUALITY BUSINESS CENTERS UNDER CONSTRUCTION



COMPLETION DATE BY CLASS, SQ.M*



- Class A
- Class B+
- Class B

Source: Cushman & Wakefield Kazakhstan
 * The are additional 81 000 sq.m of office space of BC Financial Center with unidentified commissioning date



TASHKENT OFFICE MARKET

MARKET OVERVIEW

TYPICAL LEASE TERMS

This part of the report will examine the typical lease terms in the Tashkent office real estate market. While individual landlords may have their own specific requirements and offerings, we can identify market averages for the major lease terms based on our analysis. The following lease agreement terms will be discussed in this section.

SECURITY DEPOSIT	The security deposit is a fairly common practice to provide protection for landlord in the local market. The average deposit amount is equivalent to rent for 1-3 months.
GRACE PERIOD	Provided to the tenant by the landlord for the period of fit-out works conducted by the tenant.
FINISHING OF THE PREMISES	In most cases is done by the tenant at his own expense.
PARKING	Parking spaces are often subject to additional fees. However, in some cases a certain number of parking spaces are already considered / included in asking rental rate.
STRUCTURE OF RENTAL RATES	There is no uniform practice for structuring rental payments in the Uzbekistan market. Asking may include as well as exclude operating expenses. Utilities and telecommunication expenses are excluded from rental payments and are normally paid separately upon consumption. Property owners usually include value-added tax (VAT) in rental rates. However, there is a growing practice of separating VAT as a distinct cost item in lease agreements. This shift reflects the increasing importance of transparency and clarity in commercial transactions, as well as the evolving expectations of tenants.
LEASE MATURITY	Depends on tenant's reliability. Usually, more that 3 years - for large tenants and up to 1-2 years for smaller companies.
CURRENCY	Rental rates are announced and published in both UZS and USD. However, lease agreements are always denominate in the local currency, and tying the lease to a foreign currency is prohibited, except in cases where the tenant is a foreign representative office.
REAL ESTATE MANAGEMENT	More often, internal resources and services of the developer / building owner / business center are used for this, rather than the services of a third-party professional company.

TASHKENT OFFICE MARKET

MARKET OVERVIEW

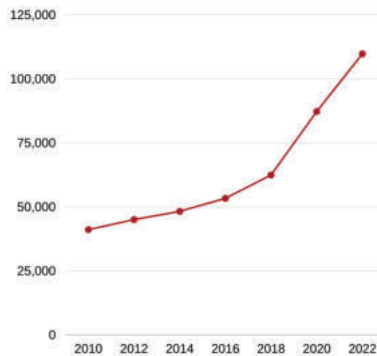
TRENDS

Modern developers are increasingly adopting open-space layouts due to their potential for higher returns on subsequent office area, lower finishing costs, and greater convenience for tenants who can organize the office space according to specific business and corporate standards. Additionally, developers are seeking green and sustainable LEED or BREEAM accreditation for both existing properties and planned projects, with the Financial Center in Tashkent City set to become the first BREEAM certified building in Uzbekistan. In the office real estate market, long-term lease contracts increase the attractiveness of investment assets to institutional investors, providing reliable income and mitigating investment risk in the medium and long term. Market performance is becoming highly polarized, with some buildings in high demand and others struggling. The Tashkent office market is witnessing stable and ongoing development activity.

DEMAND

Tashkent is the financial center of the country, resulting in high demand for various categories of office space. Initially, after Uzbekistan gained independence, most office and administrative buildings in Tashkent were occupied by state and government agencies. However, economic and political reforms in the country opened up new opportunities for international companies to enter the market, leading to the construction of modern office buildings. As a result, the development of new business centers in Tashkent began in 2016. Currently, the office segment is the most developed real estate sector in the city. A and B+ office facilities are in high demand among international and foreign companies, while smaller companies and those wanting office and warehouse space in the same building typically seek lower category office premises.

NUMBER OF REGISTERED LEGAL ENTITIES

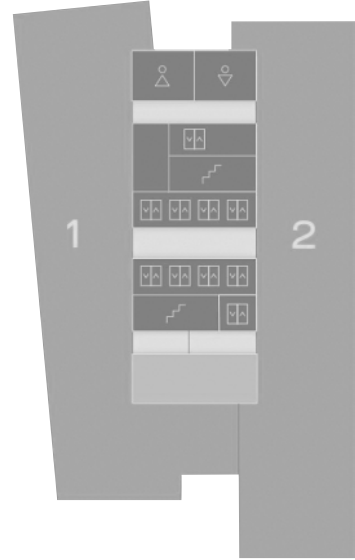


Source: Government Committee of Statistics of the Republic of Uzbekistan

TASHKENT OFFICE MARKET

NEW OFFICE STOCK

SUMMIT



1. PARKING

1.1 Type of parking

- Indoor – TBC parking spaces
- Outdoor – TBC parking spaces

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2024 Q2

2.2 Ceiling height 4.05 m

3.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications BREEAM, Seismic resistance up to 9 points

2.6 Condition Shell & Core



Grade



Address
Tashkent city,
Lot 3



Developer
Hyper Partners



Mgmt comp.
In-house



Year of constr.
2023 Q4



of floor
29



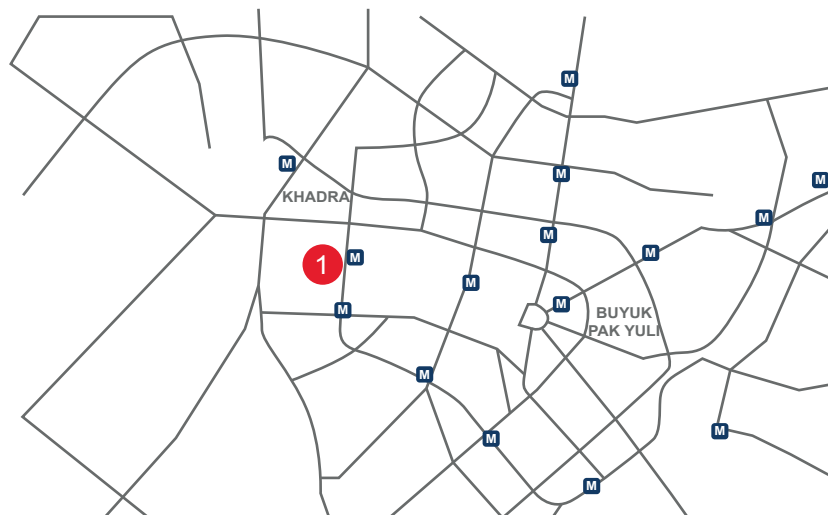
Total Area
30,696 sq.m



Available Space
24,000 sq.m



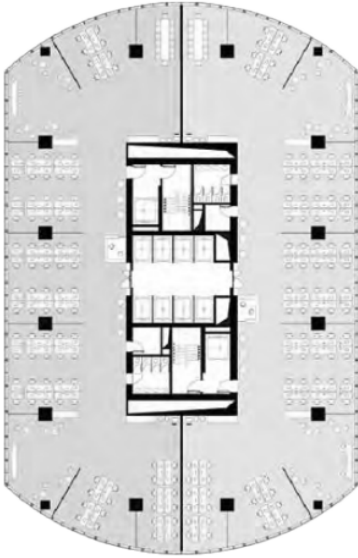
Tenants
N/A



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

PIRAMIT



Grade



Address
53B, Yakkasaray



Developer
KOC Costruction



Mgmt comp.
Landlord



Year of constr.
2024



of floor
47
BC from 10-20



Total Area
19, 263 sq.m..



Available Space
N/A



Tenants
N/A

1. PARKING

1.1 Type of parking

- Indoor – 700 parking spaces

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2024

2.2 Ceiling height 5 m - from the final floor

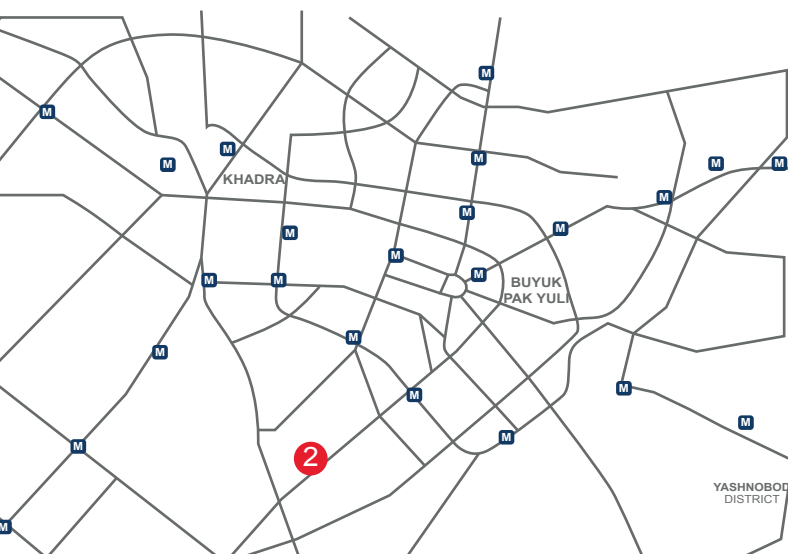
covering to the false ceiling

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

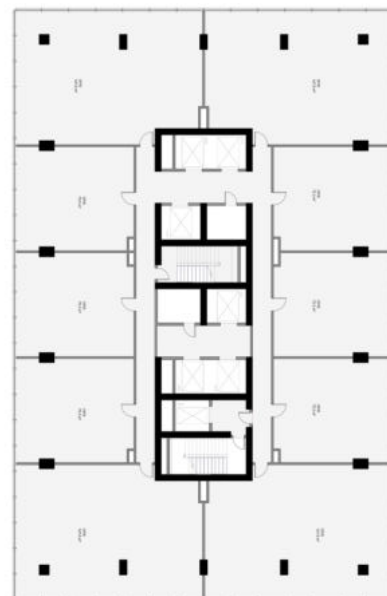
2.6 Condition Shell & Core



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

CENTRAL PLAZA



1. PARKING

1.1 Type of parking

- Indoor – 1420 parking spaces
- Outdoor

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2024 Q2

2.2 Ceiling height 2.8 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

2.6 Condition Shell & Core

B+

Grade



Address
Tashkent city,
Lot 2



Developer
KOC Costruction



Mgmt comp.
Landlord



Year of constr.
2024 Q2



of floor
25



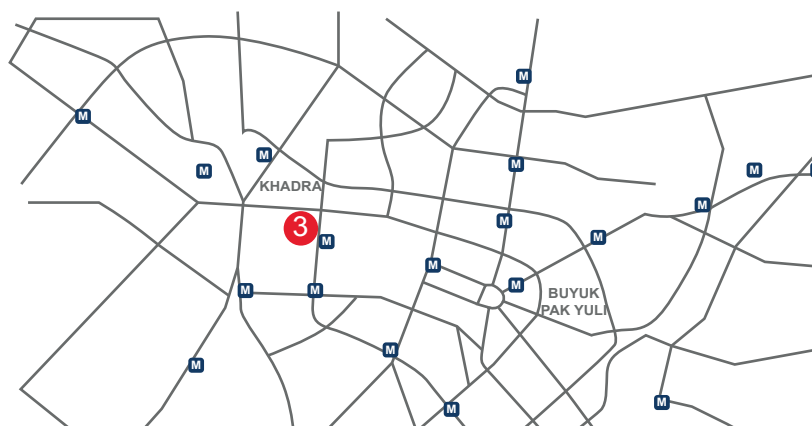
Total Area
11, 100 sq.m..



Available Space
N/A



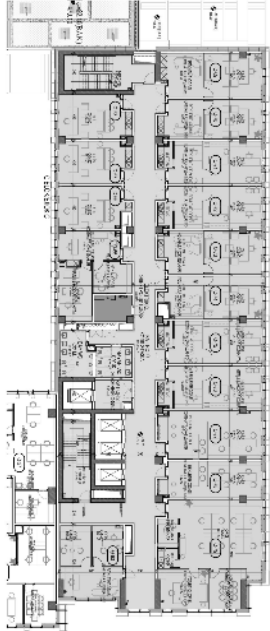
Tenants
N/A



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

NEST ONE



Grade



Address
Tashkent city,
Lot 4



Developer
Murad Buildings



Mgmt comp.
Landlord



Year of constr.
2024 Q2



of floor
51



Total Area
Block C
10, 660 sq.m.
Block E
3,417 sq.m.



Available Space
N/A



Tenants
N/A

1. PARKING

1.1 Type of parking

- Indoor
- Outdoor

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2024 Q2

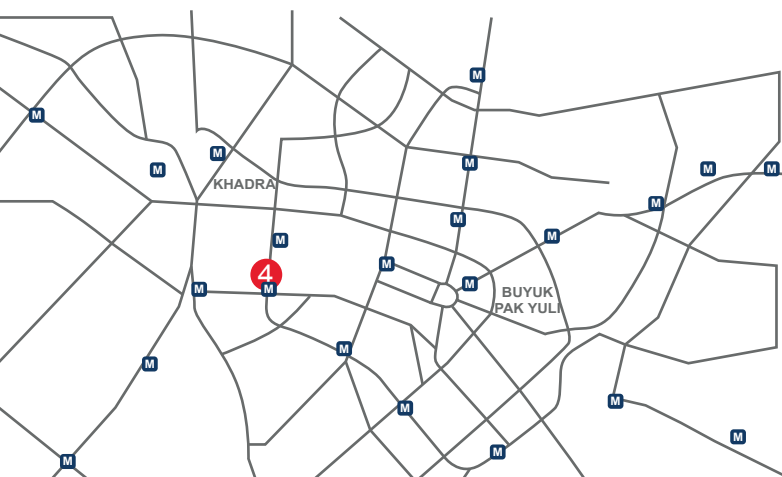
2.2 Ceiling height 2.8 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

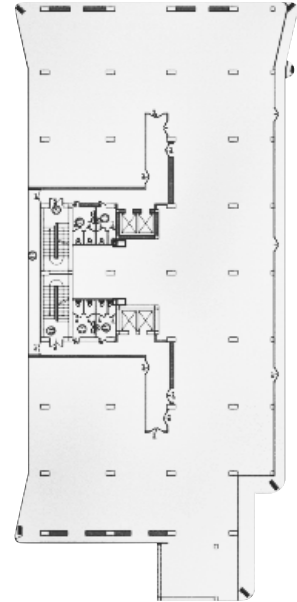
2.6 Condition Shell & Core



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

DIM



1. PARKING

1.1 Type of parking

- Indoor – 130 parking spaces
- Outdoor

2. BUILDING INFORMATION

2.1 Building age

2023 Q2

2.2 Ceiling height 3.6 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

2.6 Condition Shell & Core



Grade



Address
1, Abdulla Kadiri



Developer
Ara Insaat Group



Mgmt comp.
Landlord



Year of constr.
2023 Q2



of floor
14



Total Area
21,307 sq.m



Available Space
15,000 sq.m.



Tenants
N/A



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

NEWPORT

B

Grade



Address
190, Small Ring
Road



Developer
One house



Mgmt comp.
Landlord



Year of constr.
2024



of floor
11



Total Area
40,000 sq.m



Available Space
N/A



Tenants
N/A



1. PARKING

1.1 Type of parking

- Indoor
- Outdoor

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2024

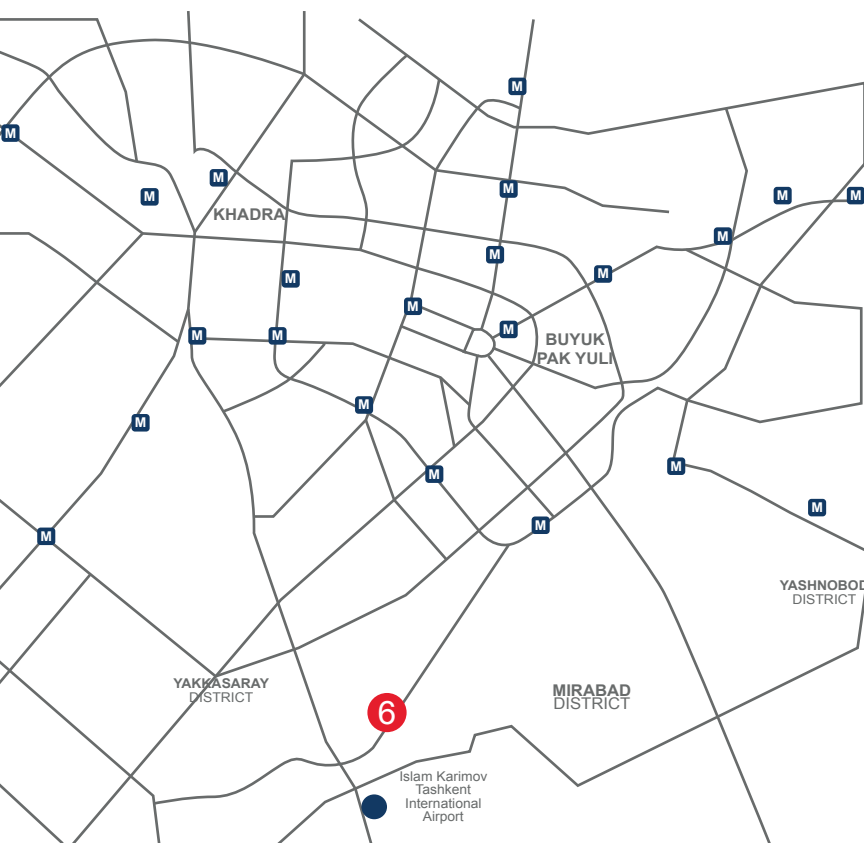
2.2 Ceiling height 3.6 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

2.6 Condition Shell & Core



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

BOMI FINANCIAL CENTER



A

Grade



Address
Tashkent city,
Lot 6



Developer
BOMI Engineering
& Construction



Mgmt comp.
Landlord



Year of constr.
2024 Q2



of floor
33



Total Area
100,000 sq.m



Available Space
N/A



Tenants
N/A

1. PARKING

1.1 Type of parking

- Indoor
- Outdoor

2. BUILDING INFORMATION

2.1 Building age

2024 Q2

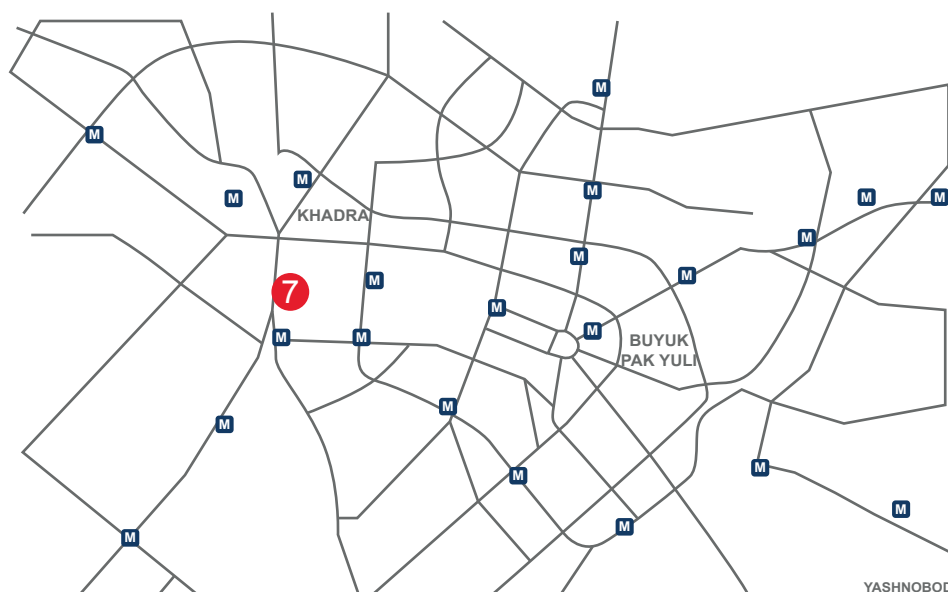
2.2 Ceiling height TBC

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

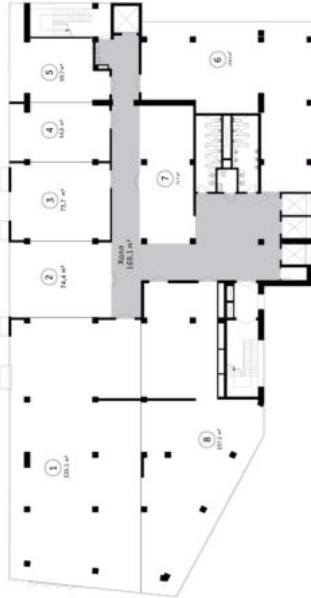
2.6 Condition TBC



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

KUBC



B

Grade



Address
174, Bobur st



Developer
Ean Kor
Development

1. PARKING

1.1 Type of parking

- Indoor
- Outdoor



Mgmt comp.
Landlord



Year of constr.
2024



of floor
11

2. BUILDING INFORMATION

1.1 Building age

Expected completion: 2024

1.2 Ceiling height 3.8 m

1.3 Office layout Open space

1.4 Telecommunication provider TBC

1.5 Certifications N/A

1.6 Condition Shell & Core



Total Area
11,000 sq.m



Available Space
N/A



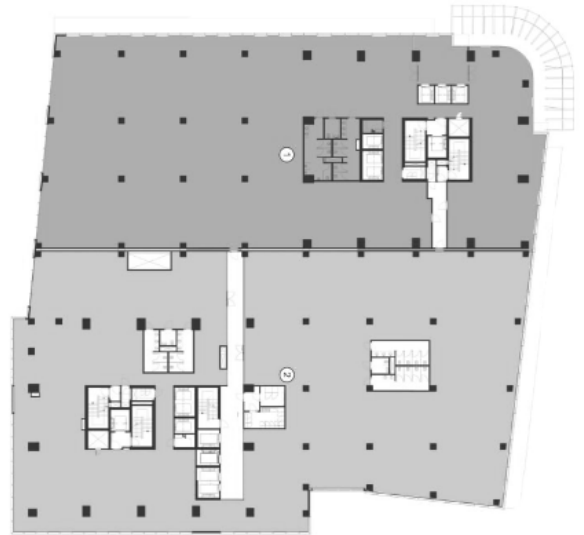
Tenants
N/A



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

MODERA TOWERS



1. PARKING

1.1 Type of parking

- Indoor – 450 parking spaces
- Outdoor – 200 parking spaces

2. BUILDING INFORMATION

2.1 Building age

2023 Q4

2.2 Ceiling height 4 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

2.6 Condition Shell & Core



Grade



Address
19/2, Shota
Rustaveli st



Developer
Zaytun Group



Mgmt comp.
MMG



Year of constr.
2023 Q4



of floor
24
BC from 2-4



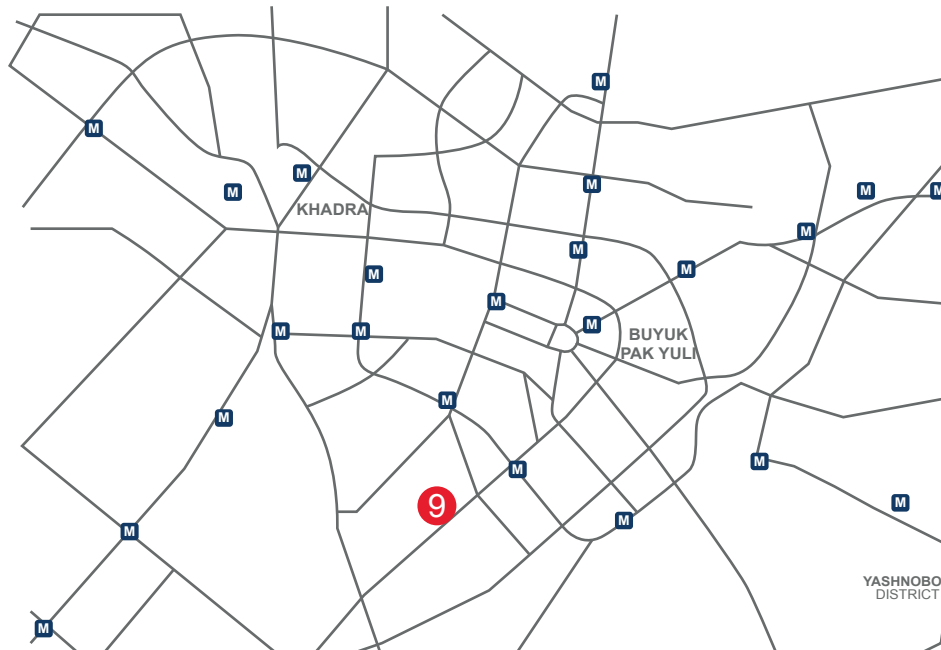
Total Area
9,825 sq.m



Available Space
N/A



Tenants
N/A



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

ZARAFSHAN



B

Grade



Address
42, Bobur st



Developer
Zarafshan
Golden Group



Mgmt comp.
Landlord



Year of constr.
2023 Q3



of floor
18



Total Area
25,000 sq.m



Available Space
5000 sq.m.



Tenants
N/A

1. PARKING

1.1 Type of parking

- Indoor 400 parking spaces

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2023 Q3

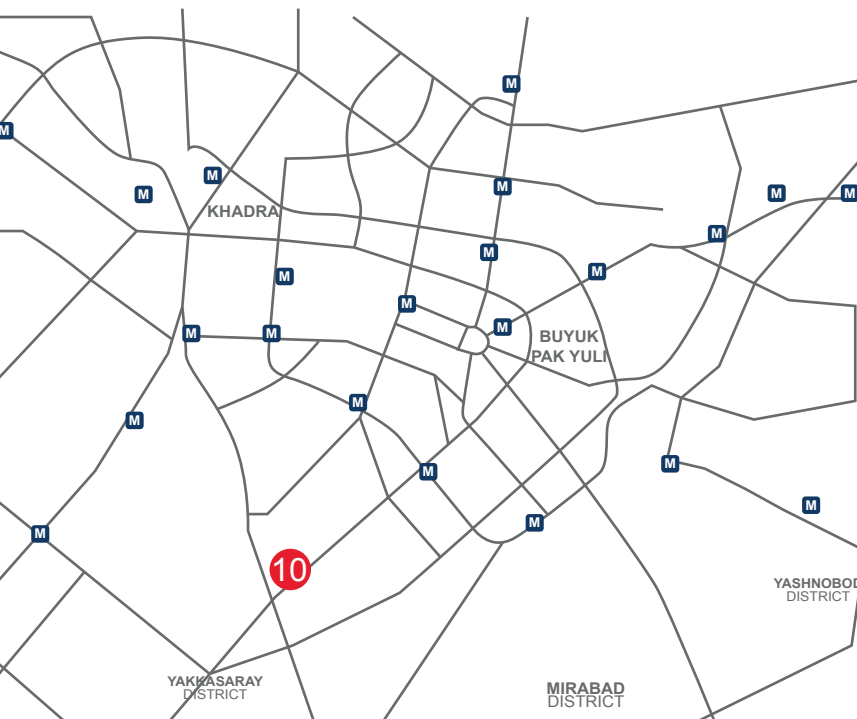
2.2 Ceiling height 2.9 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications N/A

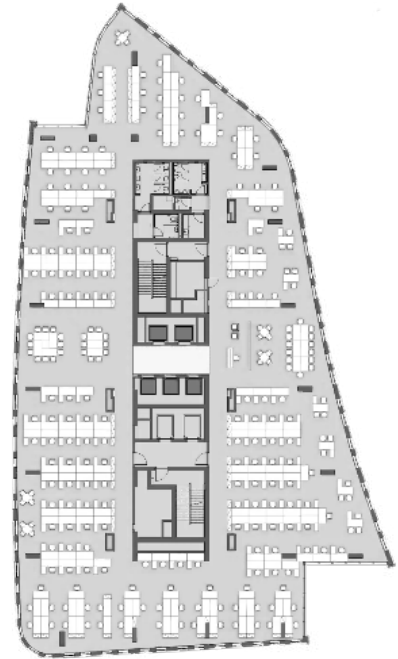
2.6 Condition Shell & Core



TASHKENT OFFICE MARKET

NEW OFFICE STOCK

TRILLIANT



1. PARKING

1.1 Type of parking

- Indoor – 700 parking spaces
- Outdoor - 150 parking spaces

2. BUILDING INFORMATION

2.1 Building age

Expected completion: 2023 Q2

2.2 Ceiling height 4.38 m

2.3 Office layout Open space

2.4 Telecommunication provider TBC

2.5 Certifications DPA, Platinum Certificate Lead

2.6 Condition Shell & Core



Grade



Address
3, Shahrizabz st



Developer
DPA



Mgmt comp.
TSP



Year of constr.
2023 Q2



of floor
BC 1 - 14
BC 2 - 17



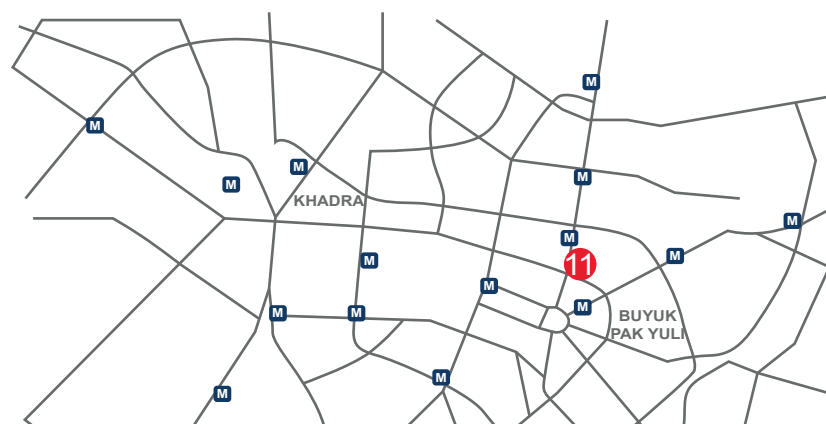
Total Area
BC 1 - 15,795
BC 2 - 22,247



Available Space
N/A



Tenants
N/A





5

3

1

11

7

4

8

Tashkent

9

10

2

6

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