



CUSHMAN &  
WAKEFIELD

VERITAS

# MARKETBEAT YEREVAN

Q4 2025

Better never settles

## ARMENIA REAL ESTATE MARKET OVERVIEW

The real estate market in Armenia demonstrated strong activity during 2024, supported by sustained demand across both residential and commercial segments. Transaction volumes increased year-on-year, highlighting the continued importance of real estate as a key investment sector in the country. Yerevan remained the dominant market, accounting for the largest share of transactions and concentrating most economic activity, population growth, and development projects. While the capital continues to drive the market, several regions have also shown increasing activity, indicating gradual diversification of real estate development across the country.

Market growth was supported by active residential sales, ongoing construction activity, and continued use of mortgage financing. The expiration of the income tax refund program for new housing encouraged many buyers to accelerate property purchases, contributing to a temporary increase in transactions. At the same time, urbanization and new development projects in Yerevan and surrounding areas supported supply expansion. Although some commercial segments saw a slowdown in foreign investor participation, overall market conditions remained stable, and the Armenian real estate sector entered 2025 with solid fundamentals and signs of gradual normalization following the rapid growth of previous years.

### TOTAL TRANSACTIONS (2024):

**247,916** **12.88%**  
Total real estate transactions YoY

Indicates strong market momentum and increased activity across residential and commercial segments

### REGIONAL DISTRIBUTION HIGHLIGHTS:

**27.79%** **+12.46%**  
Of all transactions accounted for Yerevan Regional transaction growth from 2023

Other active regions: Kotayk, Ararat, Armavir

### TRANSACTION TYPE INCREASES:

**+30.44%** **+18.77%**  
Primary registrations Mortgage transactions

### END OF INCOME TAX REFUND PROGRAM:

Buyers rushed to close deals before tax incentives expired, pushing transaction volumes up

### URBANISATION & CONSTRUCTION ACTIVITY:

Yerevan and the surrounding areas saw heightened construction supporting supply-demand growth

### MORTGAGE LENDING TIGHTENING:

Changes in lending policy affected buyer behaviour and financing trends

### PRICE GROWTH

Continued rise in property values driven by high demand and active investments

### SALES DYNAMICS

**+24.64%**  
Multi-apartment building sales

### CITIES WITH NOTABLE PRICE HIKES:

Sevan, Metsamor, Jermuk Each saw +20% + price surges, fueled by tourism growth and infrastructure projects

### COMMERCIAL SEGMENT NOTE:

Certain commercial real estate areas experienced a decline in foreign investor activity, slowing growth in select submarkets

**20-25** EUR  
Class A Rents\*

**15.5-20** EUR  
Class B Rents\*

**8.5-13** EUR  
Class C Rents\*

\* average weighted rental rates are indicated OPEX and VAT exclusive  
\*\* the rents are based on the AMD/EUR rate of 445 provided by the Central Bank of Armenia as of Q4 2025  
Source: Cushman & Wakefield Kazakhstan Research Information is available as of Q4 2025

## OFFICE MARKET OVERVIEW

Yerevan's modern office market remains relatively limited in scale, with the total stock estimated at approximately 100,000 sq m of modern office space. The majority of this stock is concentrated in the Kentron district, which functions as the city's Central Business District and includes key locations such as Republic Square, Northern Avenue and Abovyan Street. This central area hosts most of Armenia's Class A office buildings, major financial institutions, and international companies, reinforcing its role as the primary business hub of the country. Notable office properties in the city include Elite Plaza, Kamar Business Center, Yerevan Plaza, Imperium Plaza and Piazza Grande. Between 2010 and 2022, the completion of several key business centers added approximately 65,000 sq m of modern office space to the market, while the pace of new development has slowed considerably in recent years.

Over the past 18 months, new Grade A office development has slowed due to limited land in the CBD and rising construction costs, keeping vacancy in prime buildings relatively low. One of the most notable potential projects is the proposed World Trade Center Yerevan, a large-scale mixed-use development with an estimated investment of around USD 250 million that could introduce new office, retail, hospitality and exhibition spaces if implemented as planned.

Demand in Yerevan's office market continues to be strongly influenced by the structure of the national economy, where small and medium-sized enterprises dominate. Approximately 96% of registered legal entities and sole proprietors in Armenia fall within the SME category, which supports steady demand for smaller office units typically below 150 sq m. Key occupiers in the market include government institutions, banks and financial organizations, professional service firms, as well as international and domestic headquarters. In recent years, the technology and telecommunications sectors have also played an increasingly important role in shaping office demand. The expansion of Armenia's IT sector has contributed to the gradual absorption of higher-quality office space and has supported stable occupancy levels in modern buildings.

Rental rates in Yerevan remained broadly stable throughout 2025, reflecting balanced supply and demand conditions and the limited pipeline of new speculative developments. By Q4 2025, average rents were €20-25 per sq m per month for Class A offices, €15.5-20 for Class B, and €8.5-13.5 for Class C space. Overall, the stability of rental levels indicates a relatively balanced market environment where limited new supply and steady tenant demand continue to support pricing across the main office segments.

## RENTAL MARKET OVERVIEW

Rental demand in Yerevan has remained consistently strong in recent years, supported by the city's role as the primary economic and administrative centre of Armenia. Both residential and commercial rental markets continue to attract tenants due to the concentration of employment opportunities, business activity, and urban infrastructure within the capital. However, rental prices have experienced fluctuations during the period between 2023 and 2024 as a result of changing economic conditions, shifts in tourism flows, and broader market adjustments.

One of the primary factors contributing to recent changes in rental prices has been the decline in the number of Russian residents establishing long-term residence in Armenia. The influx of Russian nationals during earlier geopolitical developments had previously created significant pressure on the rental market, particularly in Yerevan. As the number of new arrivals declined and some temporary residents left the country, rental demand began to normalize, resulting in a gradual correction of rental prices.

Another important factor influencing rental price dynamics has been the increase in housing supply. The completion of new residential developments has introduced additional units to the market, expanding the available inventory and reducing pressure on rental rates. This increase in supply has been particularly noticeable in new apartment buildings, where a growing number of units have become available for both long-term and short-term rentals.

Seasonal trends have also affected rental price dynamics. The end of peak tourist seasons tends to reduce demand for short-term rental properties, particularly in areas popular with visitors. As tourism demand fluctuates throughout the year, short-term rental markets experience corresponding price adjustments. Government policies and potential regulatory changes have also contributed to market uncertainty. Proposed tax regulations, including stricter taxation for landlords operating rental properties in Yerevan, may influence pricing strategies and investment decisions within the rental sector.

Despite the recent decline in rental prices in certain segments, commercial real estate rentals have demonstrated greater resilience compared to residential rentals. Commercial tenants typically operate under longer lease agreements and are less sensitive to short-term market fluctuations. Nevertheless, economic policies and regulatory changes may still influence leasing strategies and investment decisions across the commercial property market.

Looking ahead, the outlook for the rental market remains relatively stable. Current expectations suggest that the supply of unfinished or partially completed buildings will not significantly increase the available stock in the near term. As a result, no major disruptions to the rental market are anticipated in the short term. Market conditions are expected to stabilize gradually, with more noticeable structural changes potentially emerging by 2026 as the market adjusts to new supply levels, regulatory policies, and evolving demand patterns.

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