

# RENTAL APARTMENTS

KAZAKHSTAN GEORGIA UZBEKISTAN KYRGYZSTAN



# ECONOMIC OVERVIEW

## Almaty

Almaty, as the largest metropolis in Kazakhstan, continues to be the economic center of the country. GDP growth in Almaty has been stable in recent years, and the unemployment rate remains low compared to other regions. However, inflation, especially in the real estate sector, continues to put pressure on residents of the city.

The average increase in prices for goods and services was about 8-10% in annual terms. This affected the solvency of the population, which, in turn, affected the rental market.

Urbanization in Almaty has been a significant driver of the city's growth and development, making it a central hub in Kazakhstan's urban landscape. As the largest metropolis and former capital of the country, Almaty attracts a substantial influx of people from rural areas and smaller towns seeking better economic opportunities, education, and enhanced living standards.

The migration balance is positive and amounted to 22,567 people (in January – July 2023: 22,523 people), including a positive balance of 3,067 people (2,735) for external migration, and 19,500 people (19,788) for internal migration. The increase in the number of visitors from both other countries and regions of Kazakhstan increases the demand for high-quality housing, especially in the central and business districts of the city. Foreign specialists usually place high demands on living conditions, preferring modern and comfortable apartments with developed infrastructure.

This continuous migration has led to a steady increase in the city's population, which increases the demand for housing and infrastructure. The trend of urbanization in Almaty contributes to the expansion of residential areas and has a direct impact on the real estate market, which often leads to an increase in real estate prices. While this growth provides economic benefits, it also creates problems such as the burden on public services, traffic jams and environmental problems. Addressing these challenges requires strategic urban planning focused on sustainable development to ensure that Almaty can accommodate a growing population while maintaining a high quality of life for its residents.



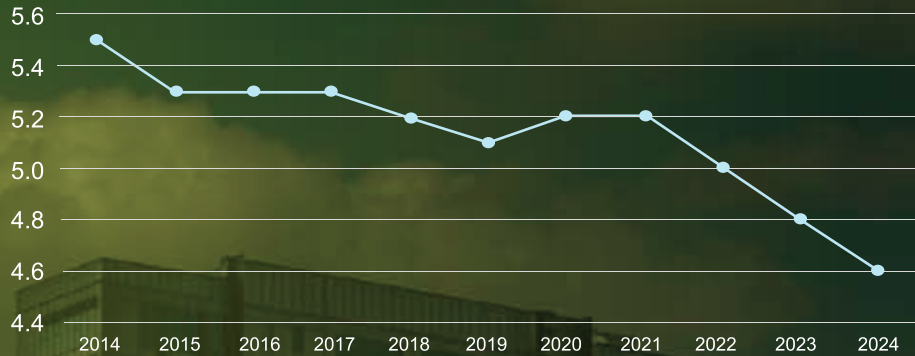
# +3.2%

## KAZAKHSTAN GDP GROWTH

# 20.3%

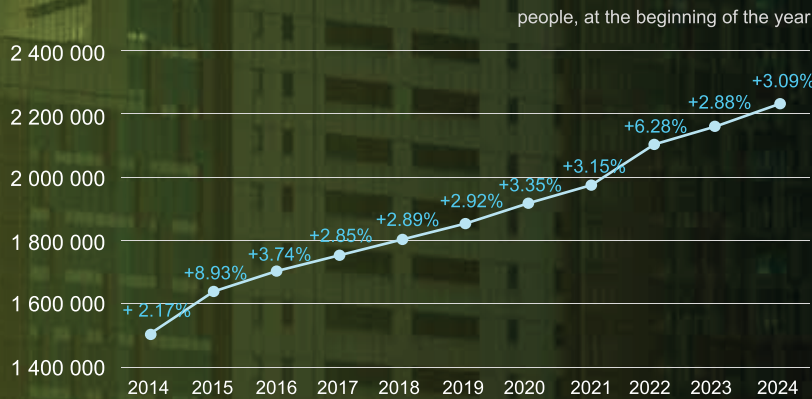
## ALMATY'S SHARE IN GDP

### ALMATY UNEMPLOYMENT RATE

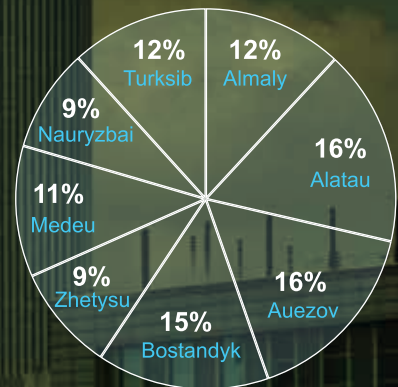


## DEMOGRAPHY

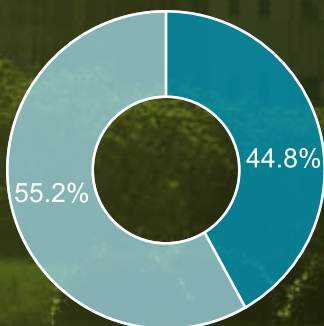
### ALMATY POPULATION



### POPULATION BY DISTRICT at the beginning at 2024



### THE STRUCTURE OF POPULATION GROWTH IN ALMATY, Q2 2024



- Natural growth
- Migration growth



# 2,264.5

THOUSAND

## ALMATY POPULATION Q2 2024

Source: Ministry of Statistics of the Republic of Kazakhstan

# DEMAND

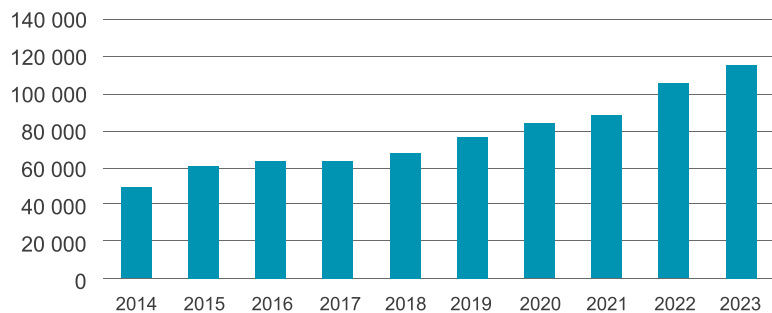
## Almaty

In Kazakhstan's cities, particularly in Almaty, the demand for rental housing typically experiences an upswing during the autumn months. Late August traditionally marks a peak period for rentals as students return to urban areas to begin their academic year. The influx of students substantially boosts the demand for affordable housing options near universities and colleges.

Moreover, the annual increase in the number of foreign companies establishing operations in Almaty has added pressure to the rental market. As the city continues to evolve as an economic and financial hub, more international businesses are setting up offices, attracting expatriate employees and foreign specialists. These professionals often seek high-quality rental accommodations, further intensifying demand.

**26 704**   
REGISTERED FOREIGN LEGAL  
ENTITIES IN ALMATY

### NUMBER OF ACTIVE LEGAL ENTITIES IN ALMATY



Source: Ministry of Statistics of the Republic of Kazakhstan

### EDUCATIONAL CLUSTER

The city is home to over a third of the nation's higher education institutions. According to the information of the Bureau of National Statistics, the number of students in the city of Almaty at the beginning of the academic year 2023-2024 amounted to 187 thousand people. The demand for rentals increase, especially in those areas of Almaty where colleges and universities are located.

Nonresident students—those coming from regions outside of Almaty—constitute a significant segment of the city's student population, totaling 106,043 in 2023, which is approximately 56.8% of all students in the city. Of these nonresident students, an estimated 70,434 require dormitory accommodation. However, due to limited dormitory capacity and prioritization policies that favor socially vulnerable groups, international competition winners, and first-year students on educational grants, many nonresident students are unable to secure dormitory housing. As a result, a substantial number of these students—around 35,609—are presumed to rent apartments or seek other housing arrangements in Almaty. This influx significantly contributes to the demand for rental housing in the city, affecting rental prices and availability, especially during the academic year.



# SUPPLY ANALYSIS

## Almaty

The majority of Kazakhstani citizens, regardless of basic socio-demographic characteristics and age, live in private households (62.7%). In the regions of the Republic of Kazakhstan, the number of apartment owners averages 35.4%, whereas in cities of republican significance, this figure increases to 59.2%. The largest share of apartment buildings out of the total residential real estate is in Astana—71.7%. In Almaty, this figure is 55.8%, while in Shymkent, there is an equal number of both types of houses.

Almaty is the absolute leader in both individual and apartment residential buildings in urban areas: there are 140,800 individual houses (15.9% of the total number of individual residential buildings) and 27,500 apartment buildings (21% of the total number of apartment buildings).

In the third quarter of 2024, the housing market price index in Almaty increased by 3.0% compared to the second quarter of 2024, reaching a value of 103.0. However, compared to the third quarter of 2023, the index decreased to 97.9, indicating a price reduction of 2.1% over the year. The quarterly price growth may be due to seasonal factors, such as increased demand for housing in the autumn period due to the return of students and workers after summer vacations. Additionally, possible improvements in the economic situation or reductions in mortgage interest rates may have stimulated short-term demand.

The annual decrease in the price index may indicate a slowdown in the real estate market caused by factors such as market oversupply, decreased purchasing power of the population, or tightening of banks' credit policies. External economic factors could also have influenced the market, such as fluctuations in the national currency exchange rate, changes in construction material prices, or geopolitical instability in the region, which could have led to caution among investors and buyers in the real estate sector.

In the districts of Almaty where most universities are situated — namely Almaty and Medeu — the cost of apartment rentals has risen by 10% in just one month. For example, a two-bedroom apartment that rented for around 200,000 tenge (418,7 USD) per month in July now costs 230,000 tenge (481,5 USD). Similarly, an apartment previously priced at 310,000 tenge (649 USD) has increased to 350,000 tenge (732,8 USD). The combined effects of seasonal student demand, currency depreciation, and the growing presence of foreign companies have collectively led to significant hikes in rental prices. This multifaceted demand underscores the need for strategic urban planning and housing policies to ensure affordability and accessibility in Almaty's rental market.

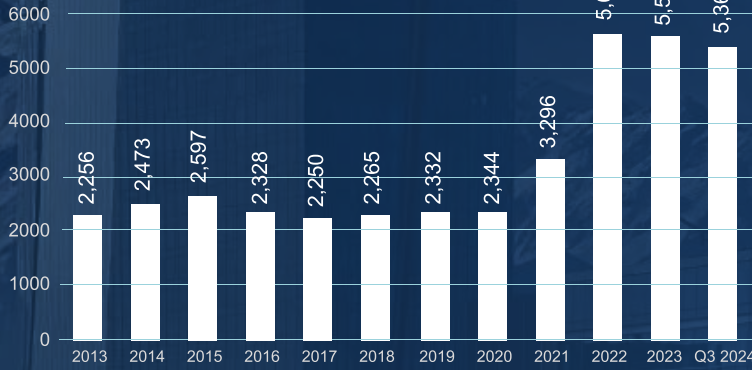
\*\* the rents are based on the KZT/USD rate of 477.65 provided by the National Bank of the Republic of Kazakhstan as of Q3 2024



**54 870,7** THOUSAND M<sup>2</sup>  
THE TOTAL AREA OF THE  
HOUSING STOCK IN ALMATY

**33,814.6** thousand m<sup>2</sup>  
THE TOTAL LIVING AREA OF THE  
HOUSING STOCK IN ALMATY

**AVERAGE RENTAL PRICE PER SQUARE METER**  
in Almaty



**HOUSING PROVISION**  
PER RESIDENT



**170,284**  
NUMBER OF RESIDENTIAL  
HOUSES IN ALMATY



**11.2** USD  
AVERAGE RENTAL PRICE PER SQUARE  
METER in September 2024 in Almaty

**1,542,448** M<sup>2</sup>  
TOTAL AREA OF COMMISSIONED  
BUILDINGS in Almaty, August 2024

Source: Ministry of Statistics of the Republic of Kazakhstan

**THE COST OF RENTAL APARTMENTS**  
USD/M<sup>2</sup> BY DISTRICTS:

2020	2024
Alatau - 4.96 USD	Alatau - 10.6 USD
Turksib - 3.76 USD	Turksib - 11.9 USD
Zhetysu - 4.15 USD	Zhetysu - 13.2 USD
Naurzbyay - 4.01 USD	Naurzbyay - 14.4 USD
Auezov district - 5.65 USD	Auezov - 10.3 USD
Almaly - 6.45 USD	Almaly - 14.06 USD
Bostandyk - 6.39 USD	Bostandyk - 15.9 USD
Medeu - 7.02 USD	Medeu - 16.1 USD

Source: Krisha.kz

**16,048**

NUMBER OF COMMISSIONED  
APARTMENTS in Almaty, August  
2024

**FOR RENT** - **8%**  
RENTAL PRICE GROWTH  
in June 2024 in Almaty

Source: Ministry of Statistics of the  
Republic of Kazakhstan

# SUPPLY ANALYSIS

## Almaty

The residential rental market in Kazakhstan is primarily controlled by individual landlords who often operates with unregistered lease agreements, leaving tenants vulnerable to various risks and uncertainties. Additionally, there is no national law in Kazakhstan that limits or strictly regulates the extent to which landlords can rise rent prices.

The dominant portion of the legitimate market consists of lodging establishments that typically offer accommodations on a daily or weekly basis, primarily catering to short-term stays of up to a month. A typical short-term rental listing in Almaty is booked for 204 nights a year, with a median occupancy rate of 56% and an average daily rate of \$52. In 2023, a typical host income (annual revenue) was \$10K. Short-term rental regulation is lenient in Almaty. Very few Airbnb listing currently have put their license number on their Airbnb listing. This likely means the local government is not strictly enforcing the short-term rental-related regulations.

According to the information of the Bureau of National Statistics (BNS), 3.9 million visitors stayed in hotels, campgrounds, and other accommodations in Kazakhstan during the first six months of this year. More than a quarter (26.7%) of them were in Almaty. In total, nearly 1.1 million people visited Almaty in the first half of the year to enjoy the beauty of the mountains, rivers, and lakes. And this only accounts for tourists who stayed in hotels, excluding those who stayed with relatives, friends, or rented apartments informally.

Meanwhile, in Almaty, four projects from two developers — The Ultimate Visionary Group and Everest Development — totaling 1,125 rooms are expected to enter the market by 2026.

Last year, the company, which had no prior experience in such projects, announced the construction of its first extended-stay hotel in Almaty — Parkside Living — with 360 rooms in the Medeu district, near the Central Recreation Park. Additionally, the company plans to build two more hotels in the Almaty (340 rooms) and Bostandyk (300 rooms) districts of Almaty by 2026, for which it has already acquired land.

The Parkside Living project is currently in the finishing stages, while the Mega View Living project in the Almaty district, next to Mega Park, is still in the excavation stage and awaiting the start of sales.



# MORTGAGE

## Almaty

On December 25, 2023, the National Bank's Board adopted Resolution №104, introducing significant changes to the "7-20-25" mortgage program—a key initiative launched in 2018 to provide working citizens with affordable mortgages at a preferential rate of 7%, for up to 25 years, with a down payment starting from 20%. As of December 28, 2023, the program had issued **71,699 preferential loans** totaling **974.1 billion tenge**.

The new resolution set the annual financing volume of the program **for 2024 at the maximum allowable level of 100 billion tenge**, to be distributed quarterly in amounts of 25 billion tenge. Additionally, it reduced the remuneration paid to banks **from 3% to 2.5% per annum for the fiduciary management of claims on mortgage loans issued under the program starting from January 1, 2024**. This amendment affected the legal relationships between the program operator—JSC "Kazakhstan Sustainability Fund"—and the participating banks but did not alter the lending terms for citizens.

These changes caused a surge of activity and placed some buyers of primary housing in challenging situations. For those who had made an initial payment during the early stages of construction (at the foundation level) and intended to take out a mortgage for the remaining amount upon the project's completion, applying online for the program became extremely difficult due to the overwhelming number of applicants. Developers, providing only a limited time to pay the remaining cost of the housing, forced buyers to choose between selling their initial investment (through the assignment of rights) and obtaining a conventional mortgage from a second-tier bank, which offered rates three times higher than those of the "7-20-25" program. Consequently, the market saw an increase in offers to sell shares in residential complexes scheduled for completion in 2023.

Further complicating the situation, in August, Otbas Bank announced a ban on the sale of deposits to clients. As a significant player in the mortgage market—accounting for 67% of all mortgages issued in 2022—the bank's refusal to allow the resale of deposits deepened the market's stagnation. Previously, purchasing a ready-made deposit at auctions significantly reduced the time needed to meet the conditions for obtaining relatively low-interest loans. Now, clients had to follow the traditional route, setting aside funds until they accumulated the required savings score.

As a result of these factors, housing prices have largely stagnated. Prices for primary housing have remained flat, while secondary housing in popular urban areas stays relatively expensive due to limited supply but without upward momentum. In 2023, the national currency's exchange rate has fluctuated minimally, showing a 2% increase compared to the dollar by the end of the first half of the year, which also restrains price growth. Moreover, inflation reached a peak of over 20% at the beginning of the year and has been steadily declining since then.

These developments highlight the complex interplay between policy decisions, financial institutions, and market dynamics in Kazakhstan's housing sector. The adjustments to the "7-20-25" program and Otbas Bank's policy changes have significantly impacted buyers' ability to access affordable mortgages, contributing to market stagnation. At the same time, external economic factors such as currency stability and declining inflation have had a moderating effect on housing prices.



**GEORGIA**

**BATUMI**

# ECONOMIC OVERVIEW

## Batumi

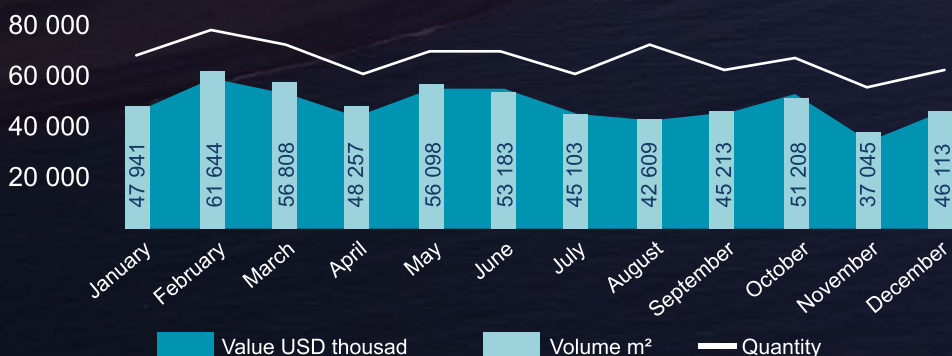
Nestled on the picturesque shores of the Black Sea, Batumi's residential real estate market presents a compelling narrative of dynamic growth and evolving trends. Known for its unique blend of modern architecture and historical charm, Batumi is not only a thriving tourist destination but also an emerging hub for real estate investment. The market has recently undergone a period of stabilization following robust growth in 2022, with key indicators showcasing both resilience and positive momentum. From the fluctuating transaction numbers to the ascending volume and value of apartment sales, Batumi's real estate market promises a nuanced tapestry of opportunities for investors and homeowners alike. Despite a decline in the number of transactions by 8.7% compared to 2022, there has been a notable increase of 18.9% increase in the total value of these sales. The market value, showing a compound annual growth rate (CAGR) of 16.9% from 2018 to 2023, indicates the market's resilience and sustained growth over the years.

This shift can be attributed to the surge in prices, which currently stand at \$980 per square meter, representing a robust 14.6% increase compared to the previous year. Notably, the weighted average price has demonstrated a compound annual growth rate (CAGR) of 4.8% from 2018 to 2023, underscoring the market's steady appreciation. These characteristics suggest that while transaction numbers may have declined, the Batumi residential real estate market continues to exhibit strength and positive growth trends, making it an area of interest for both investors and prospective homeowners.

### Annual weighted average prices (USD per m<sup>2</sup>) of residential real estate in Batumi



### Number of transactions, volume (m<sup>2</sup>), and value (USD) of residential real estate in Batumi (2023), monthly dynamics



Source: NASP

Adjara, a historical and geographical treasure nestled in western Georgia, is a tapestry of rich history, breathtaking landscapes, and diverse natural beauty. With its sunny beaches and inspiring mountainous terrain, Adjara has consistently captivated both local residents and international travelers alike. In the first three quarters of 2023, Adjara welcomed 2.2 million international and 1.6 million domestic visitors. The region's allure is often linked to seasonal trends, with a significant number of international tourists choosing to explore Adjara during the summer months. In contrast, domestic visitors show a less pronounced seasonal pattern, as many Georgians frequent Adjara not only for summer vacations but throughout the entire year, often seeking to spend time with relatives and friends.

Batumi, often referred to as the capital of Georgia's summer tourism, stands as one of the country's premier and most sought-after destinations. In the initial 9 months of 2023, the city hosted 2.1 million international visitors and 1.06 million domestic visitors. On average, international guests enjoyed an extended stay of 5-6 nights in Batumi, while locals typically opted for a 3-4-night stay.

According to STR data, upscale and upper upscale branded hotels in Batumi experienced an impressive 68% occupancy rate during Q1-Q3 of 2023. The ADR for the same period amounted to \$113.86, resulting in a RevPAR of \$80.87. This data underscores the city's attractiveness to upscale travelers seeking a comfortable stay.

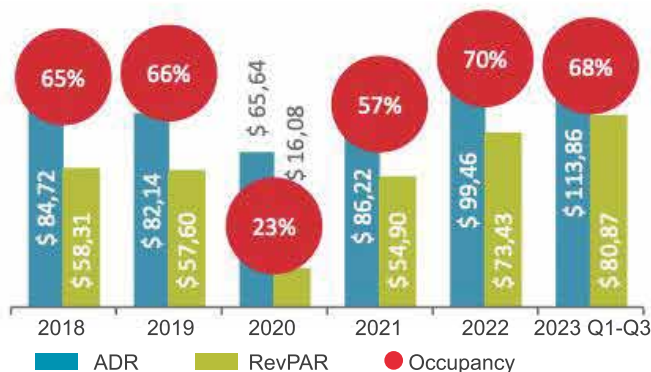
Batumi offers diverse accommodation options, with over 11,000 Airbnb rental units as of the first half of 2023. Notably, 84% of these are entire homes, providing a wide range of choices for guests. The occupancy rate for Airbnb units stood at 40%, and the ADR was \$43.

### International and Domestic Visitors in Adjara

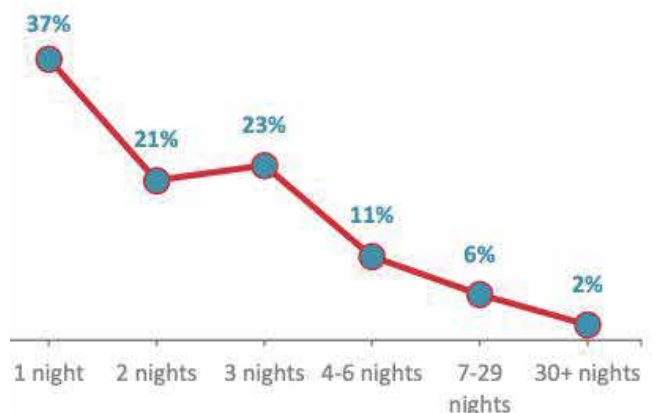


	Adjara	Batumi
	Hotels 491	Hotels 287
	Rooms 13,923	Rooms 10,154
	Beds 28,484	Beds 19,726

### Historic Annual Dynamics of Branded Hotels in Batumi



### Duration of Stay at Airbnb Rental Units in Batumi, Q1-Q2 2023



# RESIDENTIAL MARKET

## Batumi

Batumi's residential real estate market presents a compelling story of dynamic growth and evolving trends. Known for its unique blend of modern architecture and historical charm, Batumi is not only a thriving tourist destination but also an emerging hub for real estate investment. While transaction numbers may have declined, the market continues to show strength and growth trends, making it an attractive area for both investors and prospective homeowners.

This shift can be attributed to rising prices, which reached \$1,168 per m<sup>2</sup> in the first seven months of 2024. Notably, the weighted average price has seen a compound annual growth rate (CAGR) of 2.7% between 2018 and 2023. In the first half of 2024, 336 permits were issued for the construction of residential real estate in Batumi, covering a total area of 592,376 m<sup>2</sup>.





**UZBEKISTAN**

**TASHKENT**

# ECONOMIC OVERVIEW

## Tashkent

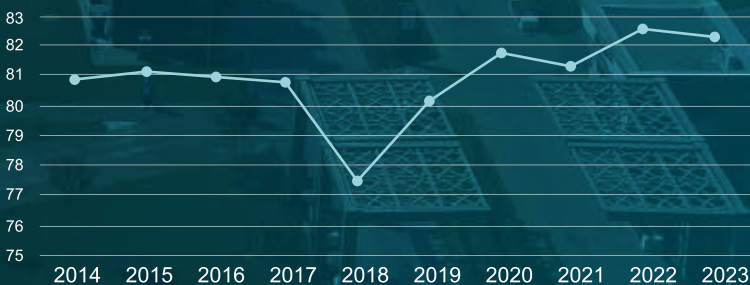
Tashkent, Uzbekistan's capital, plays a crucial role in the country's economic landscape, reflecting the overall growth and development trends of Uzbekistan. In recent years, Uzbekistan's GDP has experienced steady growth, largely driven by government reforms aimed at modernizing key sectors such as agriculture, services, and energy. As of 2023, the country's GDP growth rate was at 6.3%, showing resilience despite global economic challenges. This growth is supported by foreign investments, particularly in the infrastructure and energy sectors, and a government focus on increasing domestic production and export capabilities.

In 2023, the employment rate in Tashkent stood at 82.3%, reflecting steady progress in labor market reforms and the city's expanding economy, particularly in sectors such as services, construction, and manufacturing.

Over the past 14 years, the population dynamics of Tashkent have consistently shown a steady growth rate. One of the primary factors driving the population growth in Tashkent is urbanization, which has led to an increase in the population growth rate of the capital from 0.5%-1% to 2%-6.8% over the last decade. The peak of Tashkent's population growth occurred between 2021 and 2023. According to official data as of the beginning of 2024, the population of Tashkent was 3.040 million people, while unofficial estimates suggest a range of 4 to 5 million people. The catalyst for this growth was the decision made on April 1, 2020, to abolish permanent registration requirements in Tashkent and the Tashkent region for citizens of Uzbekistan and foreign nationals purchasing real estate in these regions.

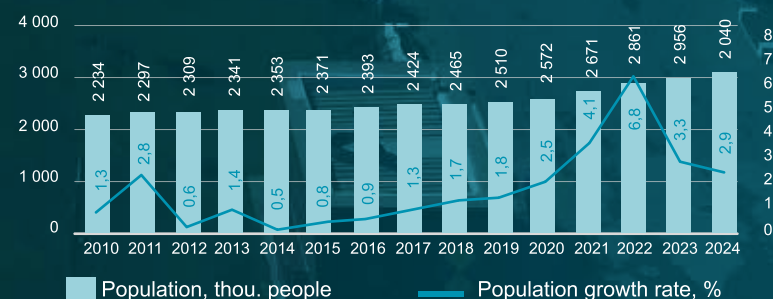
Assuming the current growth rates are maintained, the population of Tashkent is projected to reach 4.136 million people by 2030.

### Employment rate in Tashkent



Source: Stat.uz

### Tashkent population



Source: Stat.uz

# ECONOMIC OVERVIEW

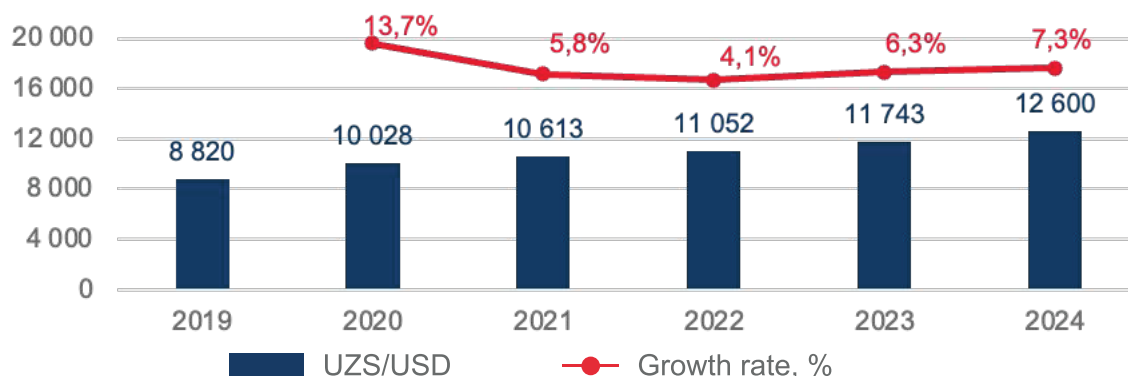
## Tashkent

In 2020 the global pandemic led to economic disruptions worldwide, including Uzbekistan. Lockdown measures and supply chain disruptions impacted economic activity and investor sentiment, leading to depreciation pressures on the UZS. This resulted in the significant depreciation of the national currency by 13.7%.

Uzbekistan maintained its commitment to structural reforms, aiming to improve the business environment and attract foreign investment. While conducive to long-term growth, short-term implications included currency volatility as the economy adjusted. Over the past three years, the average rate of currency devaluation stands at 6%.

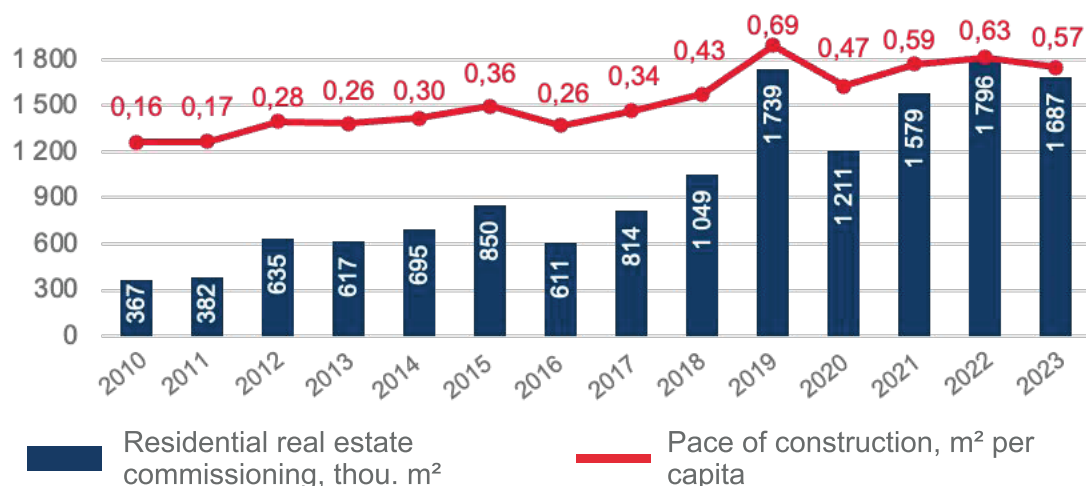
Remittances from migrants constitute one of the primary channels for currency inflows into Uzbekistan. Specifically, the earnings of migrants partially offset the outflow of currency resulting from the negative balance of trade.

### National currency devaluation statistics



Source: The Central Bank of the Republic of Uzbekistan

### Tashkent annual residential real estate commissioning and pace of construction



Source: Stat.uz



# RESIDENTIAL MARKET

## Tashkent

The housing market has exhibited consistent growth over the past five years, with an average annual growth rate of 20%.

Analyzing the structure of the market in terms of districts allows us to identify the top four leaders in terms of the volume of housing under construction: Mirzo-Ulugbek, Yashnobod, Yunusabad, and Yakkasaray.

The maximum volume of elite-class offerings is concentrated in the central and southeastern districts of the city, namely Mirzo-Ulugbek, Mirabad, and Yakkasaray.

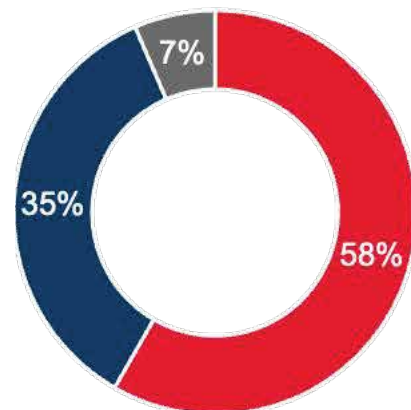
There is a noticeable shift occurring amidst the rapid construction of multifamily apartments and residential complexes, especially among younger generations. The upper group of society primarily opt for business or elite-class apartments properties in modern, unique, and high-quality projects, lower-income groups prefer private houses inherited from their parents. There is a trend towards purchasing comfort or business-class apartments to accommodate growing families and achieve greater independence from parental homes.

In the current landscape, 2-bedroom units, boasting an average size of 63 m<sup>2</sup>, stand out as the dominant type across all classes. The real estate market is seeing a shift towards smaller apartments, with more one- and two-bedroom units. A decade ago, elite-class apartments were larger, but now floor plans are optimized to meet buyers' needs. From 2017 to 2019, larger units over 100 m<sup>2</sup> were popular, but today, smaller apartments are preferred by most buyers and investors for their lower cost and quicker sales.

Over a third of the urban territory still consists of single and two-story individual residential houses, nestled within green areas. Clusters of adjacent houses form residential districts known as "mahallas", accommodating up to 35-40% of the city's population.

A new phase of urban development commenced in the 2010s, marked by the emergence of modern-format multi-apartment residential complexes in Tashkent's real estate market. These complexes introduce elements previously uncharacteristic of Tashkent's housing, such as underground parking facilities and landscaped surrounding areas. The change in government in the Republic, and consequently its political course, served as a trigger for the development of the housing sector, which is now gaining momentum confidently.

**Distribution of household by type of housing**



- Apartment buildings
- Private houses
- Other types of housing

# MORTGAGE

## Tashkent

In Uzbekistan, individuals looking to purchase a home can choose from two distinct mortgage options:

- The Government mortgage program is exclusively designed for newly constructed buildings. It offers the lowest interest rates of 17-18%. However, this program imposes a ceiling on the maximum mortgage amount that applicants can obtain.
- Commercial mortgages available for both new and existing properties. They have a comparatively higher interest rate range of 21-28%. Commercial mortgages do not have a maximum amount restrictions.

### GOVERNMENT MORGAGE

**11 banks**  
available in

**20 years**  
Maturity

**6 months**  
Grace period

**17-18%**  
Interest rate

**33,055 USD\***  
Max. amount in  
Tashkent

**25,992 USD\***  
Max. amount in other  
regions

**2,540 USD\***  
Fixed subsidy

**15%\*\***  
Down payment

\* Max. amount in Tashkent is 416.5 million UZS; in other regions is 327.25 million UZS. A fixed subsidy of 32 million UZS is available to low-income citizens. The exchange rate used – 12,600 UZS/USD.

\*\* The interest rate can decrease with a down payment between 30-70%.

### COMMERCIAL MORGAGE

**13 banks**  
Available in

**5-20 years**  
Maturity

**1-2 years\***  
Grace period

**21-28%**  
Interest rate

**No limit**  
Max. amount

**25-50%**  
Down payment

\* Only in Agrobank, Ipoteka Bank, Asia Alliance Bank

Overall, the mortgage market in Uzbekistan is diverse and is intended for different segments of the population. However, the interest rates of 21-28% makes the market of commercial mortgages unattainable.





# KYRGYZSTAN

BISHKEK

# ECONOMIC OVERVIEW

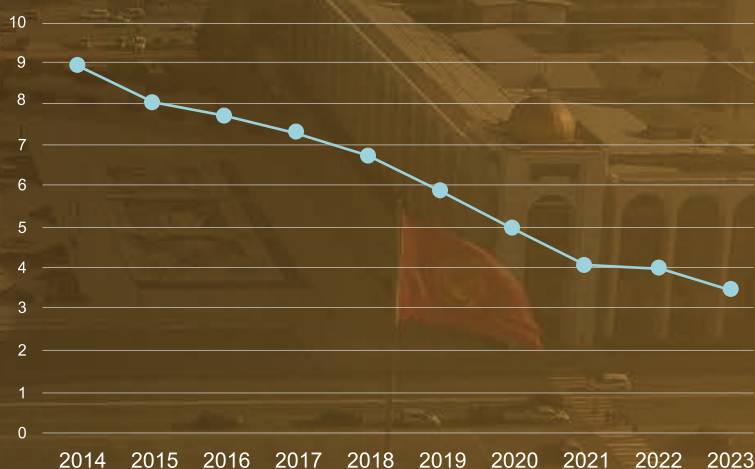
## Bishkek

Bishkek, the capital of Kyrgyzstan, plays a vital role in the country's economic framework, reflecting national trends in GDP, employment, and demographic changes. The city has seen steady economic growth, with the national GDP growth rate around 6,2% in 2023, driven largely by the services sector, agriculture, and remittances from Kyrgyz workers abroad. Despite external pressures such as inflation and global economic uncertainties, Bishkek remains an important hub for commerce and trade in Central Asia.

Unemployment in Bishkek, though higher than desired, has shown gradual improvement. Kyrgyzstan's national unemployment in 2023 was 3.5%, with urban centers like Bishkek benefiting from increased job opportunities in sectors like construction, retail, and informal markets. The government continues to focus on reducing unemployment through economic reforms and small business development programs.

Demographically, Bishkek's population exceeds 1,1 million, with a relatively young workforce. This young demographic drives demand for services, education, and housing, positioning the city for further economic growth. The city's growth rate is bolstered by internal migration, as many people from rural areas move to the capital in search of better opportunities.

### Unemployment rate in Bishkek



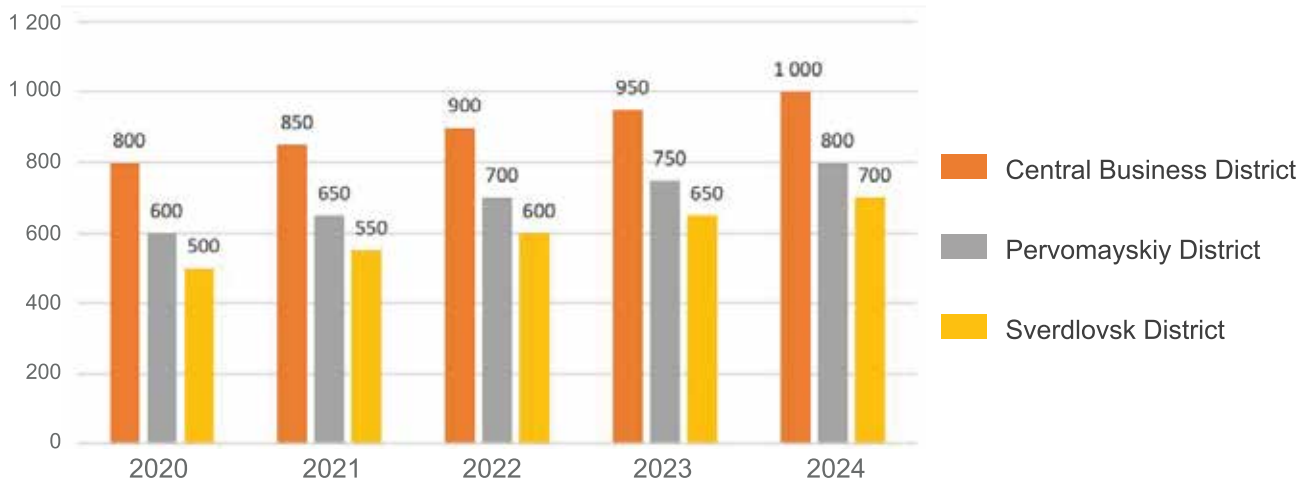
Source: Stat.gov.kg

# RENTAL MARKET

## Bishkek

The housing market in Bishkek is dominated by unbranded residential complexes, with no presence of branded residences linked to international hotel chains. Private individuals, often unregistered legally, are the main players in the accommodation sector. The market is characterized by low-quality and poorly managed residential offerings, highlighting its early stage of development. Pricing in the mid-term rental segment often mirrors hotel pricing, allowing for a premium over long-term rentals, with discounts based on factors such as length of stay and room type.

### Dynamics of average rental price of residential real estate by districts, USD



Source: Cushman & Wakefield Kazakhstan

### Reasons for buying and renting housing

As a rule, apartments are purchased to improve the family's living conditions. However, in Kyrgyzstan, as well as in Kazakhstan and Uzbekistan, investing money in residential real estate is a generally accepted practice of saving material wealth.

This is due to the limited presence of alternative investment objects and the low level of participation of the population in transactions with financial instruments on the local stock market. Historically, the majority of the population has had an established opinion that buying real estate is a reliable way to maintain wealth and a source of passive income due to high economic volatility.

Most apartments for rent are concentrated in the central business district and the southern part of the city. Here, rental prices range from \$700 to \$1,000 per apartment, which is approximately \$10 per square meter. In other parts of the city, rental rates are significantly lower.

# RESIDENTIAL MARKET

## Bishkek

Elite-class properties are primarily concentrated in the central business district and are increasingly expanding towards the southern areas, closer to the foothills.

This southern zone also hosts a significant presence of business-class developments, albeit within a wider range of locations.

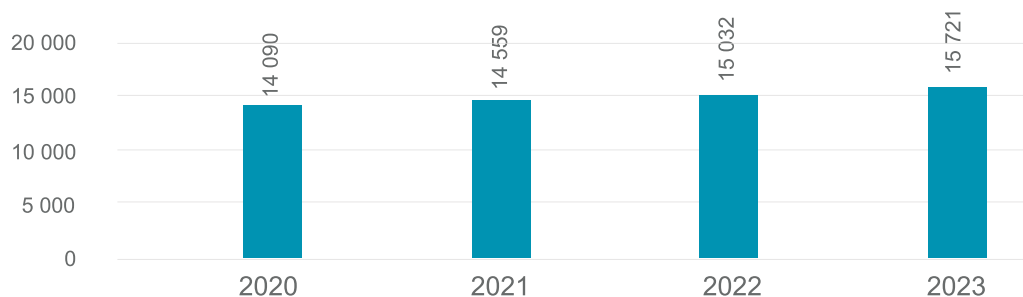
Comfort-class and economy-class properties are more evenly distributed throughout the city. However, there is a noticeable concentration of economy-class developments in the northern areas, where this segment dominates the housing landscape.

Bishkek has a large stock of secondary housing that is actively traded. Prices for secondary housing are generally lower than for primary housing, making it more accessible to a wider range of buyers. In addition, more flexible purchasing terms are often available on the secondary market, such as immediate move-in without waiting for construction completion.

Despite the active development of new construction projects, the volumes of new builds still do not fully meet the high demand for housing, leaving a significant share of transactions to the secondary market.

Also buyers frequently choose secondary housing due to its location in already developed areas with established infrastructure, whereas new builds may be located in less developed areas.

### Housing Stock in Bishkek, thou. m<sup>2</sup>



Source: Stat.gov.kg



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