



COMMONWEALTH
PARTNERSHIP

IQ KNOWLEDGE BASE / OFFICE

IQ KB 1Q2023 TASHKENT



Aging buildings

- The market is becoming more transparent with the introduction of industry standardization tools. One of those is a classification* of the office spaces, which will provide insight into the office property market.
- More than 70% of the existing stock is represented by B/B+ Class buildings. Most of them were built between 2000 and 2014, so there is a need to redevelop them.
- In 2022, 119 000 sq.m. of rentable areas in B Class Business Centers were commissioned, which resulted in increase of supply by 40%.

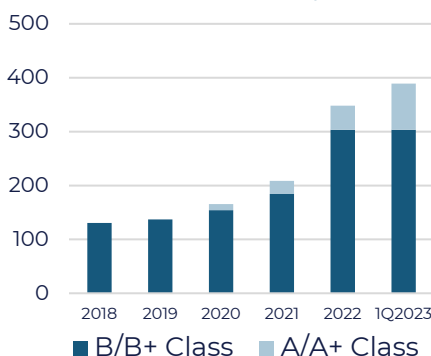
New Hight

- Large office blocks (>10,000 sqm) are the basis of the growth and are in demand by local banks, IT and telecom companies, while A+ Class is targeted at international companies.
- In 2023, 240,000 sqm of A Class office areas is expected to be commissioned. The total supply of office spaces of this class in 2024 will be several times higher than in 2022.
- The record volume of construction of B Class buildings will be broken in 2023. It will be 21% higher, with 134,000 sqm of new space.

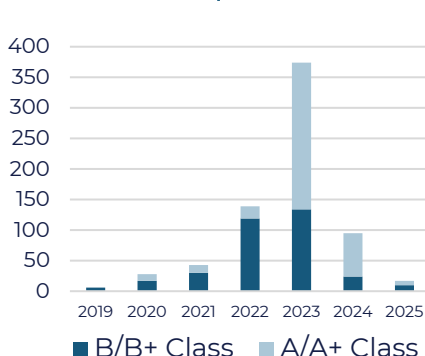
Changes in the growth trend

- Total vacancy among all classes (A, B, C) is at a record low of 6.2%.
- Commissioning of the new premium Business Center Trilliant in the first quarter of 2023 contributed to a significant growth in vacancy rates in Class A - 15,9% and increase in rates from the end of 2022 to the first quarter of 2023 - 11,7%, due to low base effect.
- Increase in supply of A Class properties restrains further growth of rental rates.

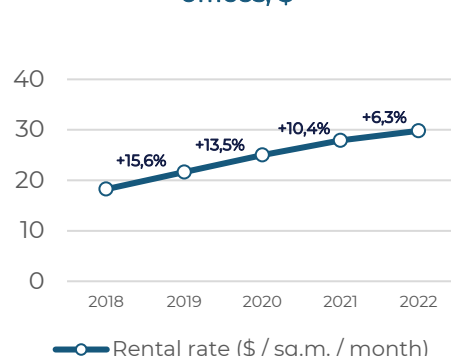
Dynamics of office real estate flow, thousand sqm.



New construction, thousand sqm.



Dynamics of rates in A Class offices, \$



1Q2023r.	Vacancy, %	Rental rate, \$
A/A+ Class	17,61%	\$33,3
B/B+ Class	3,45%	\$21,7



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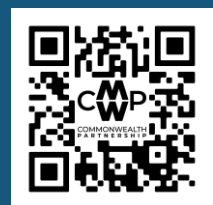
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