

IQ KNOWLEDGE BASE / RETAIL
IQ KB 1Q2023 TASHKENT



New consumption habits

- Demographic tendencies of Uzbekistan, together with the stable population growth and high proportion of young people, show great market potential for the retail industry.
- Quality malls account for a small share of the market, so with the opening of the premium Tashkent City Mall, we may see a dramatic change in visitors' preferences.
- An increase in real income also causes the changes in customer's consumption habits. With this, demand for higher quality goods and services appears.

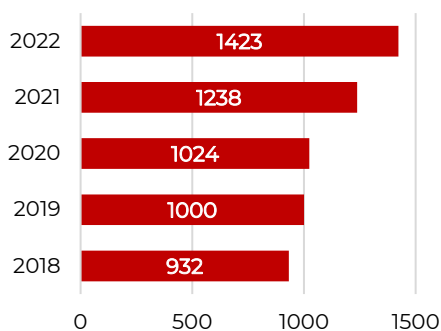
Growth rental area

- By the end of 2023, more than 238,000 sqm of rentable areas will appear on the market, which will increase supply by 61%.
- By the end of the first quarter of 2023 there are no regional shopping centers in Tashkent. The situation will change due to the expected commission of Tashkent City Mall and Alfraganus Shopping Center. They account for more than 180,000 sqm together in terms of rentable area.
- Current shopping centers will be strongly affected by the change in supply structure. They may face a strong outflow of visitors once new projects enter the market.

Changes in growth trend

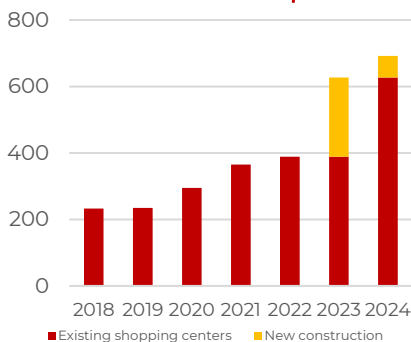
- The average marketed rate in shopping centers, as of the first quarter of 2023, is \$26.6/sqm/month.
- The annual increase in the indicative rate can be linked to the low base effect and the lack of supply on the market.
- Rental rates for anchor tenants range from \$10 to \$15 per sqm, while in retail galleries they mainly range from \$20 to \$45/sqm/month depending on the quality level of the retail unit and its specification.
- Typically, the rental rates are calculated on the all-inclusive basis. Operating and marketing fees are included in the total rent for the period.

Real aggregate income per capita in Uzbekistan, \$/year



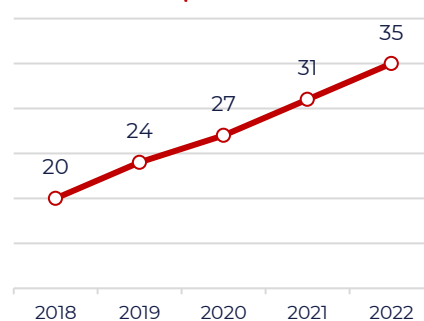
Source: Uzstat, 2023

Dynamics of the flow of shopping centers, thousand sqm.



Source: CMWP, 2023

Indicative rate in quality shopping centers, \$/sqm/month



Source: CMWP, 2023



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