



**The Central Bank**  
of the Republic of Uzbekistan

# REAL ESTATE MARKET ANALYSIS

*I quarter*  
2026

*Monetary Policy Department  
Central Bank of Uzbekistan*

## Summary

***In 2026 Q1, the real estate market recorded strong growth, driven by the introduction of the new escrow system for property transactions, which came into effect on 1 April.***

In particular, the number of transactions reached 110.1 thousand, representing a 48.4 percent increase compared to the corresponding period of the previous year. Across the country, growth exceeding 50 percent was recorded in Tashkent City and the Syrdarya, Andijan, and Navoi regions.

In the housing market, sustained demand was supported by the expansion of mortgage lending and growth in households' real incomes, while the increase in construction activity – particularly the significant rise in the construction of individual residential houses – contributed to an expansion in housing supply.

Furthermore, the share of investments directed toward the development of residential housing and infrastructure projects within the construction sector of the economy increased.

**Amid heightened activity in the real estate market, the pace of price growth accelerated compared to the previous quarter.**

Prices of apartments in the primary and secondary markets increased by 8.1 percent and 9.4 percent, respectively, in U.S. dollar terms, while in Uzbek soum terms they rose by approximately 1.8 percent and 3.0 percent.

In the rental market, rental prices across the country continued to exhibit moderate growth.

In Tashkent City, land prices have been following a downward trend due to the increasing supply of land in areas farther from the city center.

The ongoing expansion in the construction of multi-storey apartment buildings across Uzbekistan, which is extending beyond Tashkent to other regions, indicates an acceleration of urbanization processes and growing demand for housing among the population.

## Real Estate Market Activity

In the first quarter of 2026, activity in the real estate market increased significantly. The number of real estate transactions reached 110.1 thousand, representing a 48.4 percent increase compared to the corresponding period of the previous year. Nationwide, the highest growth in transaction volumes was recorded in Tashkent City (64 percent) and the Syrdarya (67 percent), Andijan (56 percent), and Navoi (52 percent) regions (Table 1).

On a monthly basis, the largest number of transactions was concluded in March, with transaction volumes more than doubling compared to March of the previous year. This trend is attributable to the introduction of the escrow system on 1 April 2026, which prompted participants in the real estate market to expedite the formalization of transaction agreements before the new system came into effect.

**Table 1. Number of Real Estate Transactions**

| Regions                    | 2026           |               | Change       |             |
|----------------------------|----------------|---------------|--------------|-------------|
|                            | Jan–Mar        | March         | Jan–Mar      | March       |
| Tashkent City              | 32 790         | 13 854        | 64%          | 118%        |
| Tashkent Region            | 9 971          | 4 490         | 49%          | 118%        |
| Syrdarya                   | 2 825          | 1 309         | 67%          | 144%        |
| Jizzakh                    | 3 330          | 1 502         | 41%          | 122%        |
| Samarkand                  | 8 219          | 3 425         | 50%          | 105%        |
| Fergana                    | 8 529          | 3 871         | 39%          | 101%        |
| Namangan                   | 5 889          | 2 601         | 49%          | 138%        |
| Andijan                    | 7 125          | 3 124         | 56%          | 131%        |
| Kashkadarya                | 5 894          | 2 350         | 42%          | 92%         |
| Surkhandarya               | 4 583          | 2 001         | 39%          | 100%        |
| Bukhara                    | 5 601          | 2 418         | 35%          | 125%        |
| Navoi                      | 5 282          | 2 165         | 52%          | 116%        |
| Khorezm                    | 5 277          | 2 219         | 17%          | 77%         |
| Republic of Karakalpakstan | 4 736          | 1 984         | 30%          | 81%         |
| <b>Total</b>               | <b>110 051</b> | <b>47 313</b> | <b>48,4%</b> | <b>112%</b> |

Source: Ministry of Justice

During the first quarter, mortgage lending reached 5.7 trillion UZS, representing a 29 percent increase compared to the same period of the previous year (Figure 1). The real growth in household incomes slightly moderated, amounting to 7.8 percent at the end of the quarter. Together, these trends have supported sustained demand in the housing market.

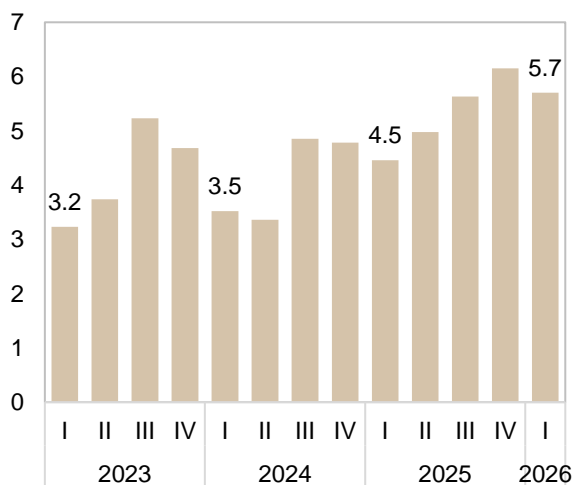
During Q1 2026, the housing construction sector maintained positive dynamics (Figure 2). The total area of housing commissioned during this period increased by 6.6 percent compared to the same period of the previous year, reaching 3.3 million square meters. This growth in housing construction was primarily driven by increased activity in individual residential housing, which expanded by 6.8 percent compared to the same period of the previous year.

In the multi-storey apartment segment, dynamics were relatively subdued. This trend may be largely explained by the commissioning schedules of several large residential complexes, which significantly influence segment performance.

In addition, an increase in the share of investments allocated to the construction sector was observed. In particular, the share of construction-related investments in total investment increased from 7.4 percent in the same period of the previous year to 10.8 percent in the first quarter of 2026.

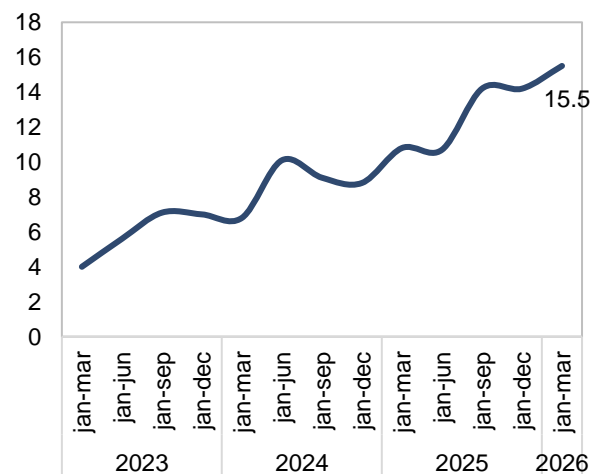
This reflects the growing importance of construction activity in the economy, as well as strengthening investment activity aimed at the development of housing and infrastructure projects.

**Figure 1. Volume of Issued Mortgage Loans, trillion UZS**



Source: CBU calculations.

**Figure 2. Growth Rate of Construction Activity, percent**



Source: National Statistics Committee.

In the housing market, the total number of listings reflecting supply remained relatively stable, reaching 118,000 at the end of the first quarter (compared to 125,000 in the same period of the previous year).

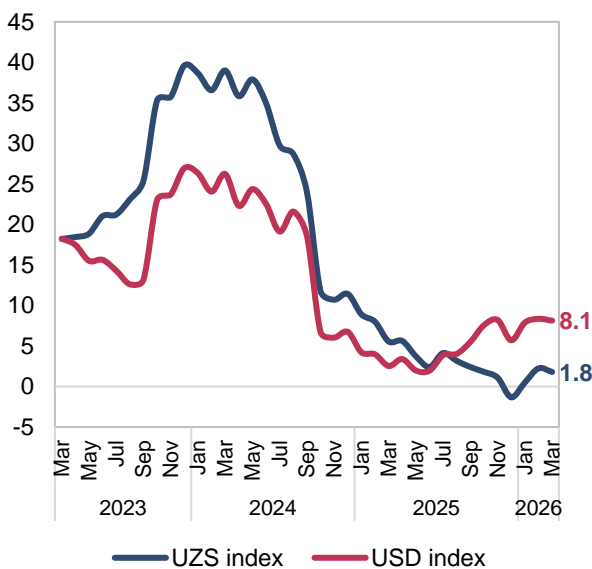
### Price trends

In the first quarter of 2026, the high level of activity observed in the real estate market was also reflected in price dynamics. In particular, in March, prices in the primary market increased by 8.1 percent in dollar terms and 1.8 percent in soum terms (Figure 3). In the secondary market, growth rates were slightly higher, reaching 9.4 percent in dollar terms and 3 percent in soum terms (Figure 4).

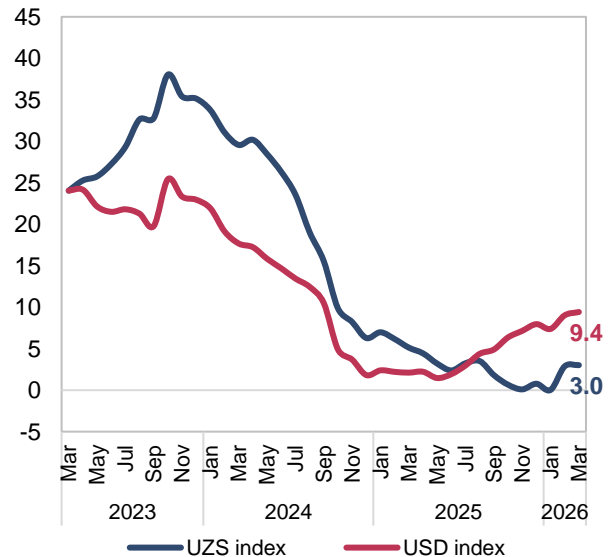
In the rental market, a moderate growth trend persisted during the first quarter of the year. Across the country, rental prices increased in March by 9.5 percent in dollar terms and 3.1 percent in soum terms. In Tashkent City, rental price growth was somewhat lower, amounting to 6.9 percent in dollar terms (0.6 percent in soum terms).

A declining trend in land prices continued. At the end of the first quarter, the price of 100 square meters of land in Tashkent City amounted to 301 million soum, representing a 6.4 percent decrease compared to the same period of the previous year. This decline is explained by the increasing supply of land in areas farther from the city center.

**Figure 3. Price Dynamics in the Primary Real Estate Market<sup>1</sup>, percent**



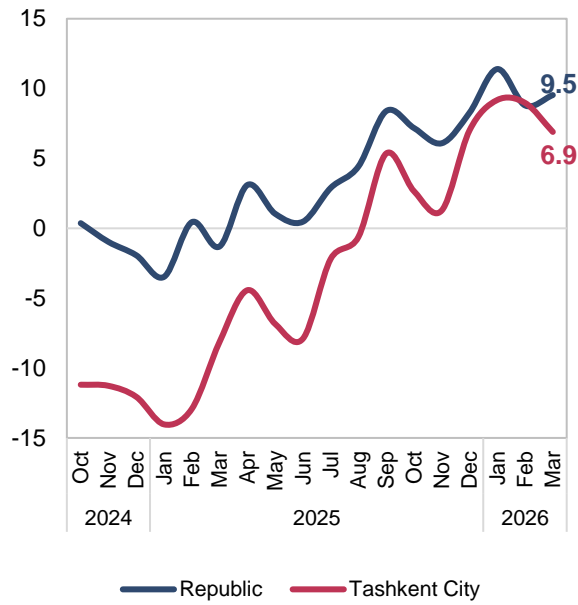
**Figure 4. Price Dynamics in the Secondary Real Estate Market, percent**



Source: CBU calculations based on open-source data.

<sup>1</sup> In calculating these price indices, apartment (flat) prices in multi-storey apartment buildings in the primary and secondary markets are taken into account, while prices of individual residential houses are not included.

**Figure 5. Dynamics of Rental Payment Prices<sup>2</sup>, in USD Terms**



**Figure 6. Dynamics of Land Prices in Tashkent City, per 100 sq. m, million UZS**



Source: CBU calculations based on open-source data.

<sup>2</sup> In this price index as well, prices of individual residential houses (private houses) are not included.

## Escrow System Implementation and Its Effects

As of 1 April 2026, Uzbekistan introduced a procedure for settlements through escrow accounts in notarised transactions involving the sale and purchase of real estate and motor vehicles.

Under the new arrangement, funds paid by the buyer are held in a designated bank account and are transferred to the seller only after the completion of notarisation. This mechanism is aimed at reducing financial and legal risks in large transactions, enhancing the reliability and transparency of settlement processes, and providing additional protection for the interests of both buyers and sellers by lowering the likelihood of post-transaction disputes related to fund transfers.

In the future, one of the key directions for developing the escrow system is its potential extension to the shared-equity construction sector, alongside the gradual improvement of its mechanisms. In such a system, homebuyers' funds would be held in a dedicated bank account until construction is completed, while project financing would be carried out through bank loans and developers' own resources. This approach would help reduce the risks of incomplete construction, protect shareholders' funds, and improve the transparency of construction project financing.

The escrow system is widely used in international practice. In particular, mandatory escrow accounts for shared-equity construction were introduced in Russia in 2019. In the Dubai emirate of the United Arab Emirates, the system was adopted in 2007. In China, the practice of holding buyers' funds in special accounts in the construction sector has been in use since the 2000s. Turkey also applies bank supervision mechanisms and escrow-like arrangements in its construction market.

**Impact on prices.** The introduction of this mechanism may raise concerns regarding potential increases in housing prices and construction costs. However, the existing literature does not provide a unified and conclusive assessment of the impact of escrow accounts on housing prices. Nevertheless, in the short term, the introduction of escrow mechanisms may affect developers' financing costs, as they are no longer able to directly use advance payments from buyers as a source of low-cost funding, and construction is financed primarily through bank loans and developers' own funds.<sup>3</sup>

International experience also shows that the long-term dynamics of housing prices are determined not only by the escrow system, but also by factors such as mortgage conditions, household incomes, the pace of urbanization, land supply, and overall economic activity.

In this context, while an initial increase in construction costs and prices may be observed, market participants are expected to gradually adapt to the new financing conditions. In the longer term, the system contributes to strengthening trust and financial discipline in the construction sector and supports greater market stability.

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<sup>3</sup> The State of the Residential Real Estate Market of the Russian Federation in the Conditions of Project Financing (SCITEPRESS, 2021); Analyzing the efficiency of development projects funded with the use of escrow accounts. Kogan A.B. 2019; Haste or waste? The role of presale in residential housing. NBER working paper series, 2013.

**Dynamics of Multi-Storey Residential Building Construction across Uzbekistan**

At the end of the first quarter of this year, a total of 2.9 thousand multi-storey residential buildings remained under construction across the country. In this regard, Samarkand Region, Tashkent City, as well as Bukhara and Khorezm regions are among the leading regions.

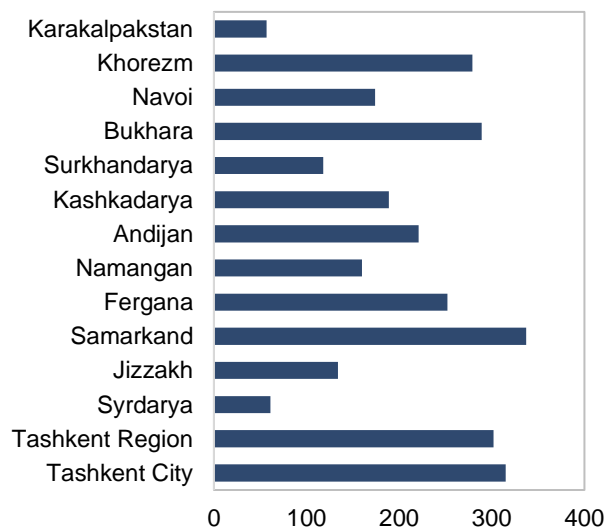
The number of floors in the ongoing construction projects varies, with buildings exceeding 13 storeys accounting for a significant share in Tashkent City (36 percent), Navoi Region (10 percent), and Samarkand Region (9 percent). This, in turn, indicates an acceleration of urbanization processes outside Tashkent and a growing demand for housing among the population (Figure 1).

Across the country, housing construction is primarily driven by fundamental demand factors, such as population and household growth. Between 2020 and 2025, a significant increase in the number of households was observed in the Fergana Valley, Kashkadarya, Surkhandarya, and Samarkand regions.

At the same time, the number of newly constructed apartments has varied across regions, influencing the degree of price growth. In particular, in Bukhara, Namangan, Khorezm, and the Republic of Karakalpakstan, the number of completed apartments exceeded household growth, which helps explain relatively lower price increases in these regions. Conversely, in regions where the growth in new households significantly outpaced housing supply (Syrdarya, Kashkadarya, as well as Tashkent City and Tashkent Region), higher price growth was observed.

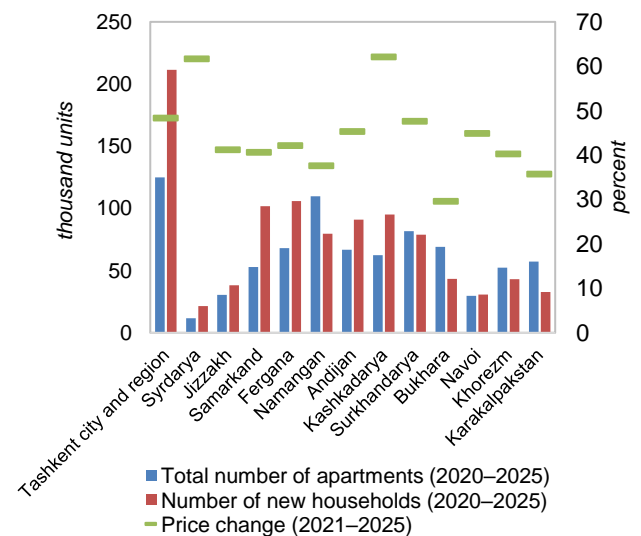
Moreover, despite a large volume of new apartments being commissioned in Tashkent City and Tashkent Region, strong price growth was still recorded. This indicates that additional demand-side factors—such as population migration, investment-driven purchases, and income growth—also played an important role.

**Figure 7. Number of Multi-Storey Residential Buildings Under Construction**



Source: CBU calculations based on open-source data.

**Figure 8. Growth in the Number of Newly Commissioned Apartments and Households over 2020–2025, and Average Housing Price Growth**



Source: CBU calculations based on data from the National Statistics Committee.

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