

# Analysis of Armenian Real Estate Market

2025



# Introduction

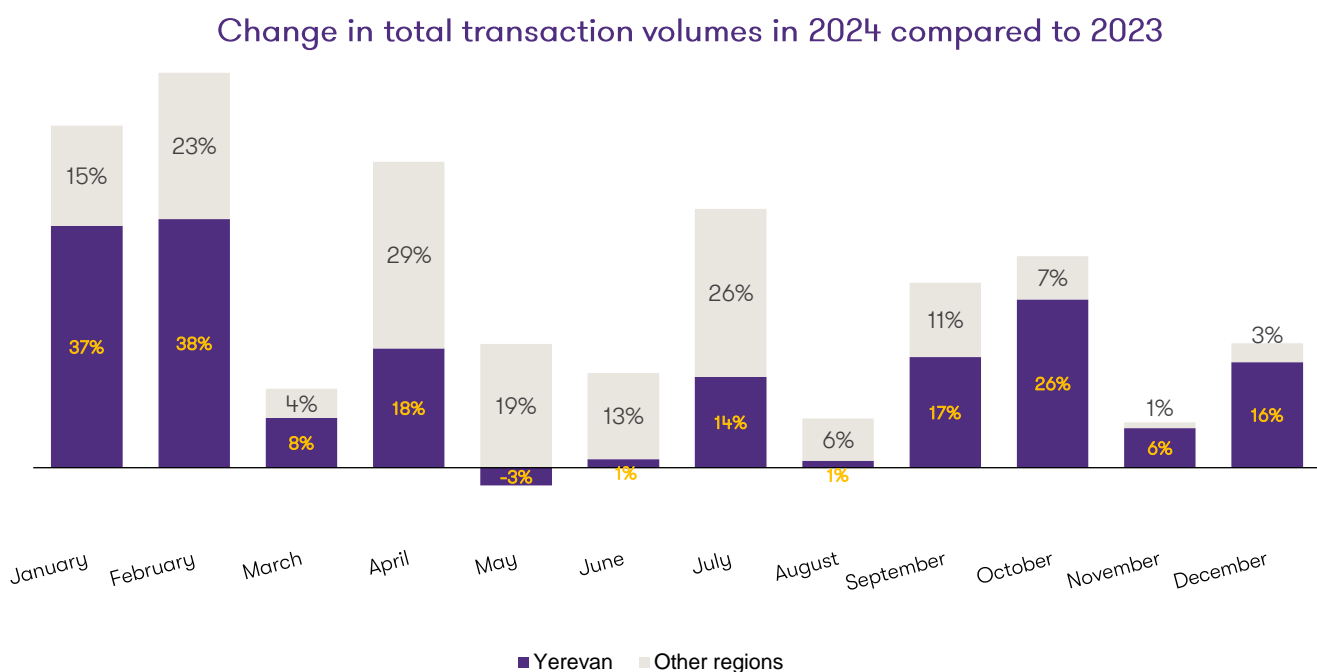
In recent years, the ongoing changes in the real estate market have continued to draw considerable attention from the public, as well as from state and private organizations.

In 2024, the activity in the real estate market has been reflected in transactions across various regions, with the majority consisting of transfer and primary registration transactions.

In 2024, Armenia's real estate market recorded a total of 247,916 transactions, reflecting an increase of approximately 12.88% compared to the previous year. Transactions registered in Yerevan accounted for 27.79% of the total, while regions experienced a 12.46% increase compared to the same period in 2023.

# Overview of Real Estate Transactions

Real estate-related transactions in Yerevan and the regions have increased compared to the previous year.



Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia Real Estate Market

In 2024, real estate transactions in Yerevan have been particularly active in January, February, and July, while in the regions, the peak months were January, May, and July. There has been a significant increase in primary registration transactions, which grew by 30.44%, while pledge and transfer transactions rose by 18.77% and 9.34%, respectively. However, the number of legalization transactions decreased by 1.28% compared to the previous year.

Yerevan has experienced significant activity, marked by a rise in the sale of residential and commercial real estate. This growth is attributed to both investor interest and the city's development and modernization programs. The development of this market has also facilitated an influx of investments.

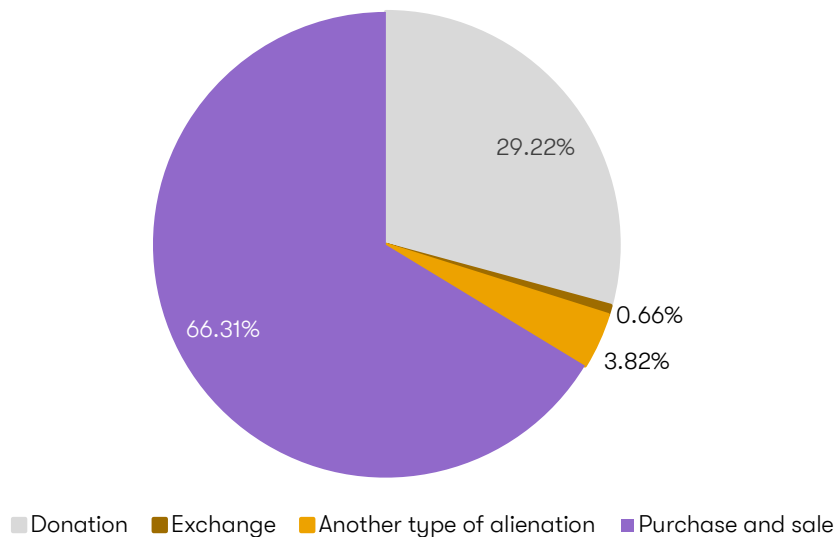
Kotayk, Ararat, and Armavir regions have also stood out for their active transfer transactions, primarily involving residential buildings and land plots. Additionally, these regions have seen a slight increase in pledges.



## Analysis of Transaction Types and Changes:

In 2024, transfer transactions accounted for a dominant share, making up 35.16% of all transactions, with 66.31% of these being sales transactions.

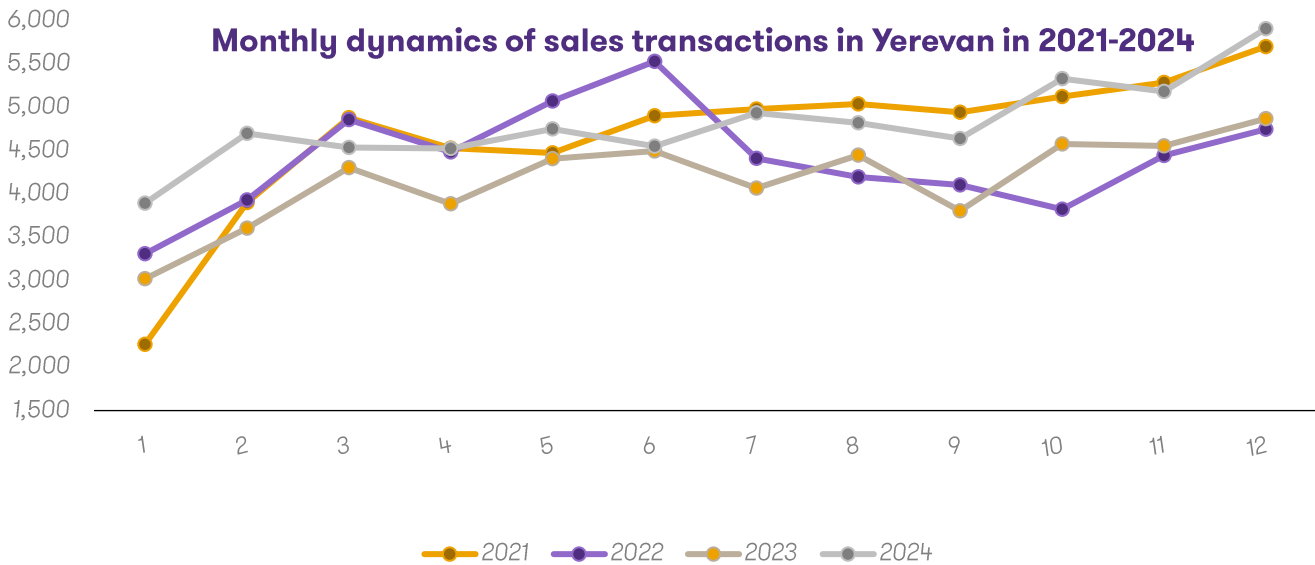
### The share of subtypes of transfer transactions in the total transfer transactions in 2024



Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market

In 2024, sales transactions have increased by 15.46% compared to 2023, with a notable growth of 32.12% in Yerevan and 9.29% in the regions.

Monthly, sales transactions in Yerevan have shown an upward trend during the fourth quarter, except for 2022, when there was a deviation from this trend.



Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market



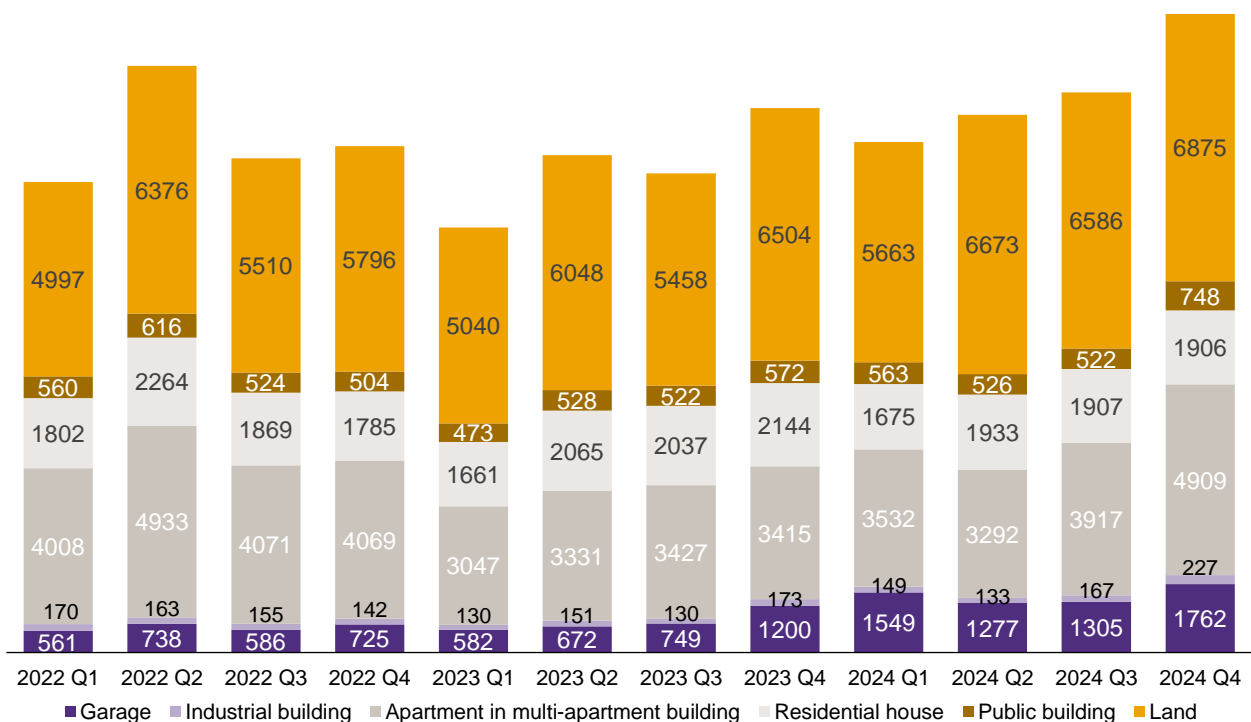
In 2024, the demand for mortgage-related real estate transactions also increased, except for the Shirak region, where real estate mortgages declined. The growth of mortgage loans is due to both the activation of the real estate market and the tightening of the rules for issuing loans by banks.

# Trends in Sales Transactions and Property Types

As in previous years, in 2024, the purchase and sale of land and apartment buildings dominated in the purchase and sale transactions.

In recent years, due to the intensification of the construction of apartment buildings in Armenia, there has been an active growth of the real estate market, which is primarily due to the stable development of the country's economy and the improvement of the construction sector. The increased construction of apartment buildings has led to a significant increase in demand for housing, including both newly built and renovated buildings.

## Quarterly dynamics of sales transactions by type of property in Armenia from 2022 to 2024

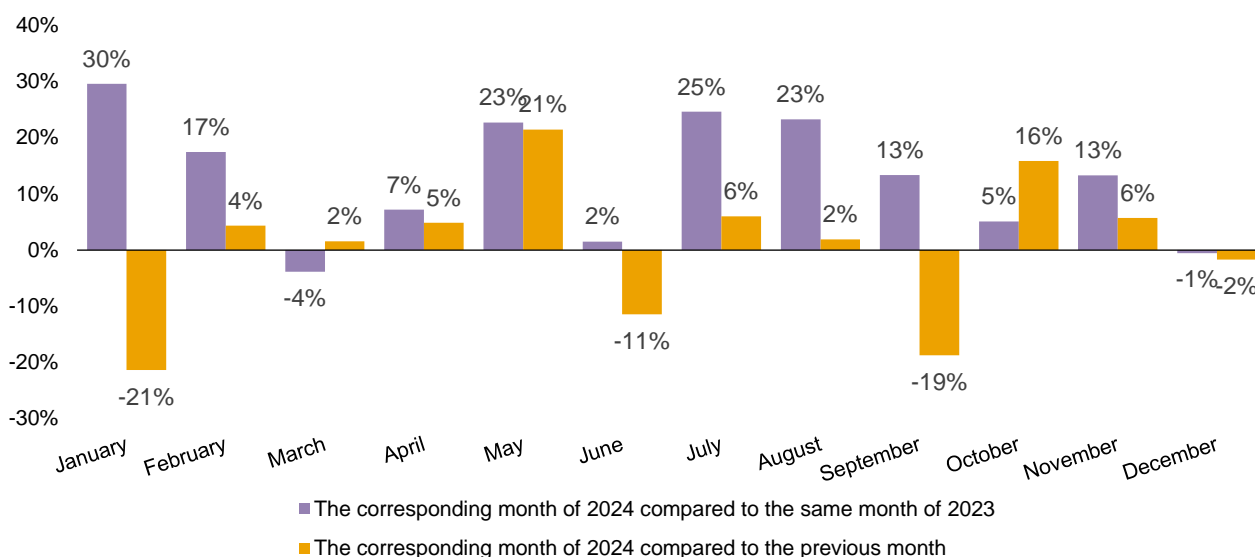


Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market



In 2024, the number of apartment purchase and sale transactions by Armenian citizens increased by 24.64% compared to 2023, which indicates a growing interest in housing. This growth in demand was also driven by the RA Government's decision to establish a procedure for refunding income tax amounts for the city of Yerevan, which concluded by the end of the year. This policy was one of the key factors in stimulating market activity.

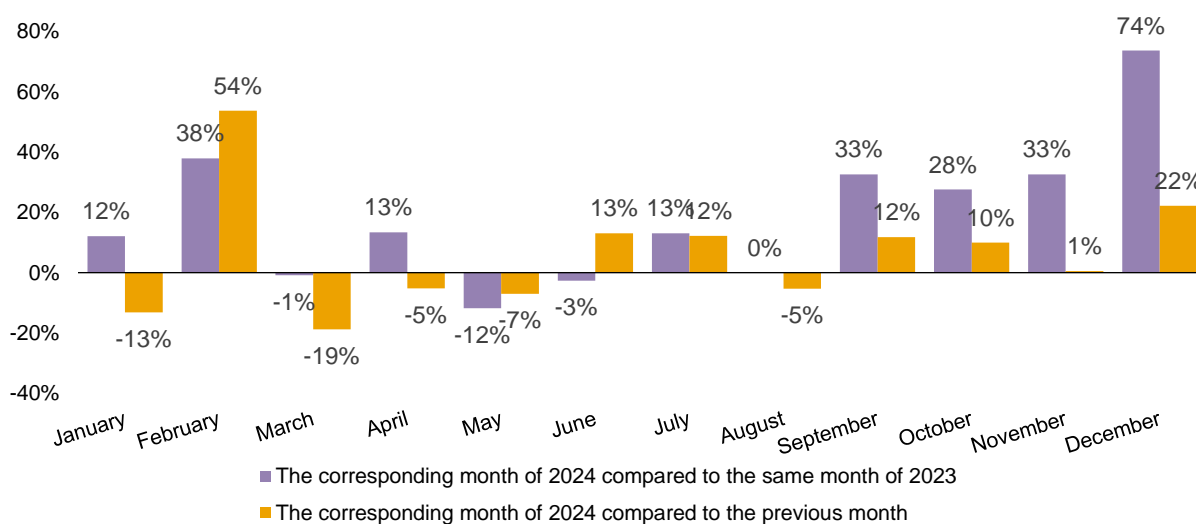
## Quantitative change in land sales transactions in 2024



Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market.

In 2024, the number of real estate purchase and sale transactions made by foreign citizens decreased significantly compared to previous years. This may be due to a number of factors, such as economic or political changes, a decrease in the participation of foreign investors, or the growth of other markets that have become more attractive. In general, the number of real estate purchase and sale transactions made by foreign investors, especially in relation to residential and industrial buildings, has decreased.

## Quantitative change in apartment sales transactions in apartment buildings in 2024



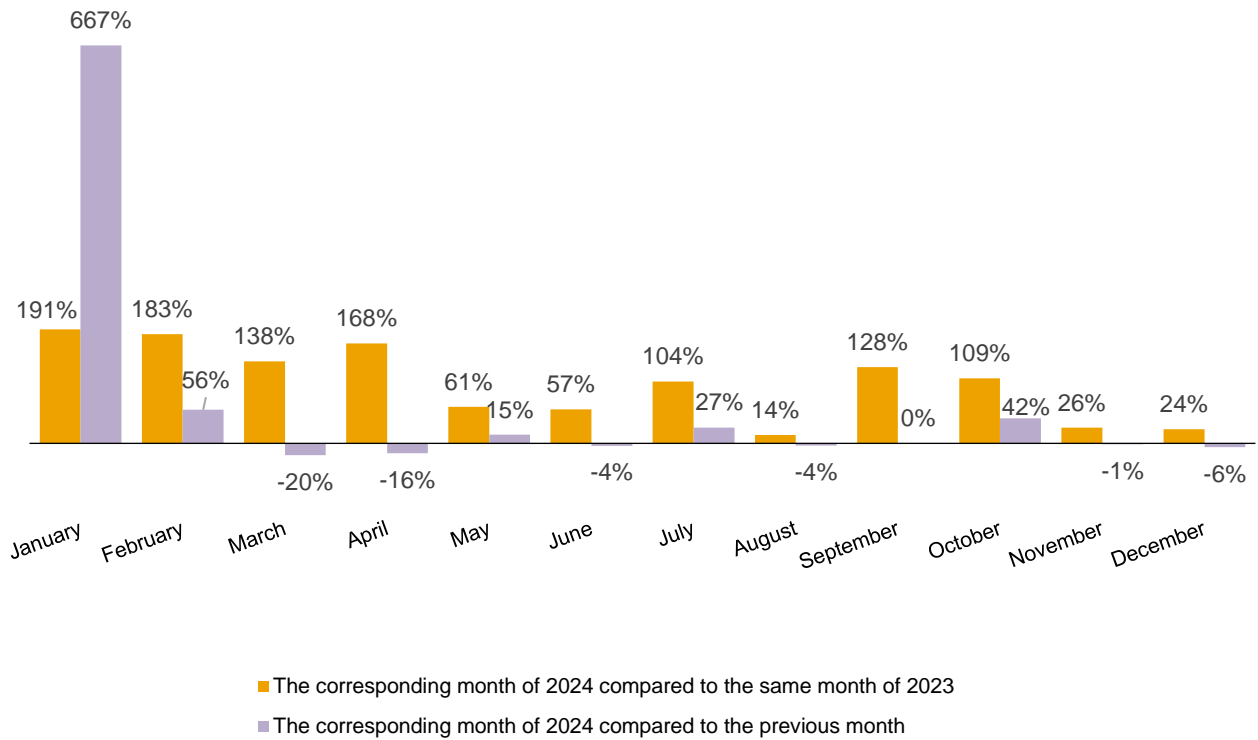
Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market.

There is a significant correlation between population growth and the expansion of residential areas across regions, especially in Yerevan, Ararat, and Kotayk. The continued population growth in these areas is reflected in the increased demand for housing and the renewed activity of the real estate market. In contrast, the real estate market in Vayots Dzor and Syunik is progressing at a slower pace with relatively lower demand for residential premises.

The activation of the market was reflected in the growth of the purchase and sale of not only apartments, but also other real estate, including industrial buildings, garages and other facilities.



## Quantitative change in land purchase and sales transactions in 2024



Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market



Nevertheless, there has been a slight increase in the number of garage transactions by foreign citizens. Compared to 2020-2023, garage transactions showed some growth in 2024. Garages are considered a more affordable option, and interest in them is related to both economic and practical purposes. However, this growth did not compensate for the decrease in the activity of foreign investors in the real estate market as a whole.



# Market Prices and Price Dynamics

## Market prices for apartments continue to rise

In 2024, compared to 2019-2023, the price per square meter in the Armenian real estate market continued to rise, albeit at a slower rate. This phenomenon may be driven by a number of factors, both local and international economic conditions, market saturation, as well as changes in capital flows.

### Changes in the average market prices of apartments in multi-apartment buildings in the regional centers and in Yerevan, calculated per square meter, 2023-2024

	1	2	3	4	5	6	7	8	9	10	11	12
Yerevan	13%	13%	12%	11%	10%	9%	8%	8%	7%	6%	5%	4%
Aragatsotn	16%	17%	17%	16%	15%	15%	15%	13%	12%	14%	13%	13%
Ararat	19%	18%	17%	16%	15%	14%	13%	13%	12%	14%	14%	12%
Armavir	18%	19%	17%	15%	14%	13%	12%	13%	13%	14%	14%	14%
Gegharkunik	18%	18%	16%	15%	14%	14%	14%	13%	13%	14%	13%	14%
Lori	13%	11%	10%	8%	7%	6%	6%	6%	7%	8%	8%	9%
Kotayk	16%	17%	16%	15%	14%	14%	14%	14%	13%	13%	13%	12%
Shirak	13%	14%	12%	13%	12%	12%	11%	11%	12%	14%	14%	14%
Syunik	19%	19%	18%	17%	15%	14%	12%	12%	12%	11%	13%	13%
Vayots Dzor	21%	22%	22%	21%	19%	18%	16%	14%	14%	16%	15%	16%
Tavush	12%	13%	12%	11%	10%	11%	10%	10%	10%	10%	10%	11%

Source: Statistical Committee of the Republic of Armenia. Socio-Economic Situation of the Republic of Armenia. Real Estate Market.

There was no increase in average prices in Spitak region in 2024, which is probably due to the fact that there was lower activity in the market than in other regions.

A number of other cities, such as Akhtala, Meghri, Berd and Ayrum, recorded a price increase up to 3% in 2024 compared to 2023. This suggests a certain level of activity in the local market, driven by market demand and regional characteristics.

And in some cities, especially Metsamor, Sevan and Jermuk, real estate prices increased by more than 20% in 2024 compared to 2023. Such significant growth, undoubtedly, can be associated with the development of tourism, investing in large projects or attracting large investments, all of which have clearly contributed to the market's increased activity.

Overall, the changes that took place in the real estate market during 2024 indicate that some regions maintained stable growth, while others experienced slower growth, depending on market conditions and local demand.



## Private financing remains the main source of financing for the construction of residential buildings.

Since 2022, Yerevan and Kotayk have seen a significant increase in private financing sources, which has contributed to these regions taking a leading position in the field of housing construction. In 2024, an area of 735,000 square meters in Yerevan was funded exclusively from private sources. The increase in the number of built settlements in Yerevan, combined with a significant increase in private investment, indicates continued urbanization and immigration trends to urban centers.

Financing provided from the State budget remained limited. At the same time, in some areas, such as Syunik and Gegharkunik, there were public investments in 2024, but their role is significantly small compared to investments made from private sources.

# Summary

The real estate market growth recorded in 2024, particularly in the purchase and sale of apartment buildings, was largely driven by the termination of the income tax refund program. This led to a sense of urgency among buyers seeking to take advantage of the tax benefit before it ended. As a result, the growth recorded in the market may create an incomplete picture of the real market situation, since it is caused solely by temporary factors that do not accurately reflect long-term trends.

There is a clear intensification in the market, yet making long-term and accurate forecasts relying on solely one year data may be an unreliable approach. It is important to note that such a rush primarily concerns transactions financed from private sources, while public financing and investments remain limited, despite their important role in the stable and positive development of the market.

At the same time, territorial differences—particularly the varying growth rates observed across different regions of Armenia—highlight disparities in local development. These differences are influenced by factors such as population growth, tourism expansion, and large-scale investments. Conversely, the slower development of the real estate market in certain regions reflects limited demand and financial constraints.

The true state of the real estate market, which is fundamental for stable and balanced forecasts, will become clearer over time, as long-term trends emerge and market activity stabilizes, free from short-term tax incentives or seasonal fluctuations.

In this context, in-depth analysis and long-term observation are more important than ever, enabling a comprehensive assessment of market trends and their impact on the overall economic situation in the country. Only through this approach can data reliability be ensured and well-informed decisions be made, avoiding misleading conclusions based on short-term fluctuations.

