



TBC CAPITAL

RESIDENTIAL REAL ESTATE IN TBILISI

DECEMBER 2023
Monthly Watch

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RESIDENTIAL REAL ESTATE IN TBILISI

December 2023 vs December 2022

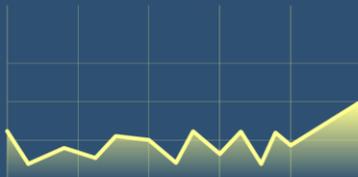
-4%



3,680

Number of
transactions

+12%



1,205\$

Average asking sale
price per SQM

+1%



12.2\$

Average asking rent
price per SQM

Transactions, price and yield

In December 2023, the real estate market activity increased significantly compared to November, with the **number of transactions** standing at 3,680. This marked nearly 14% increase in MoM terms. However, due to high base effect, in annual terms, there was a 4% decline observed.

In the same period, the asking **sale price** stood at \$1,205, increasing by about 2% relative to the previous month. In annual terms, the growth amounted to 12%. On the back of increased sale price, the **market size** reached \$296 Mln, exceeding the December 2022 level by about 7%.

Rent price amounted to \$12.2, posting a 1% decline compared to the previous month and increasing by 1% relative to December 2022.

Since sale price increased more than rent, the **rental yield** in Tbilisi continued the declining trend since last month. It stood at 10.7%, 1.2 percentage points lower than in the same period of the previous year (-0.3pp MoM).

In 2023 the residential area covered by issued construction permits reached 1.5 Mln SQM, posting a 56% growth YoY (see Annex).

Figure 1. Number of sold properties ('000 units)

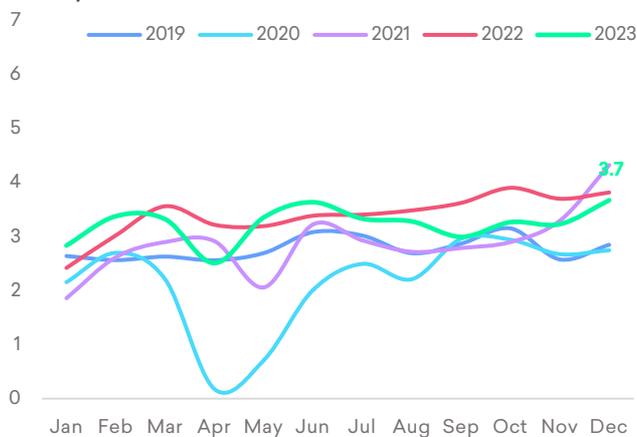


Figure 2. Average asking sale price (\$/SQM)

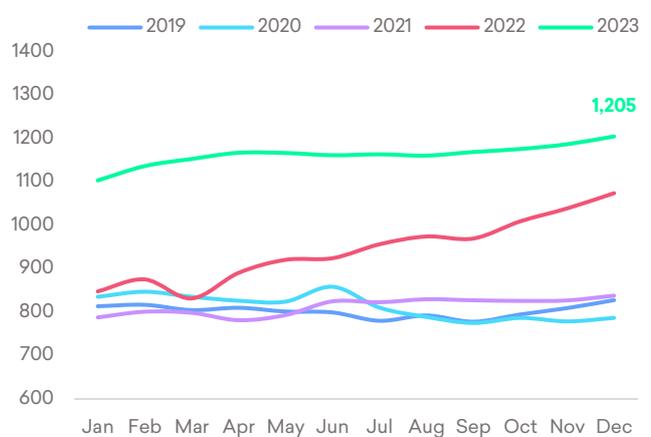


Figure 3. Average asking rent price (\$/SQM)

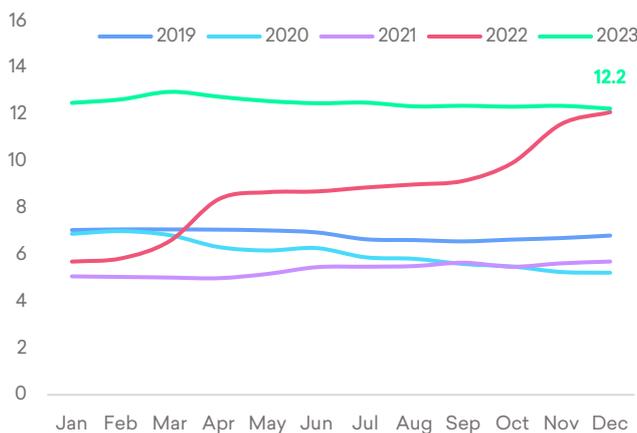
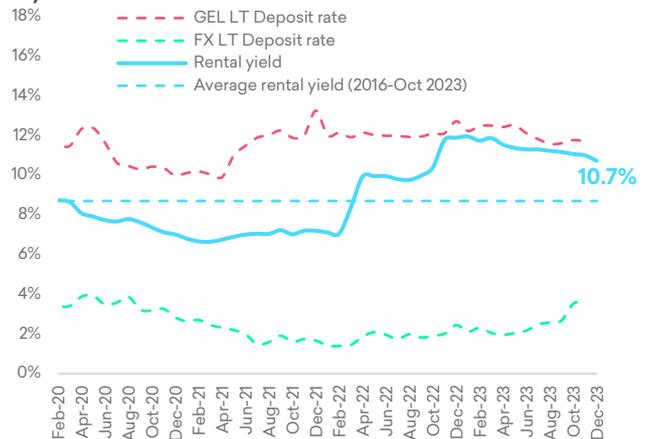


Figure 4. Rental yield and deposit rate dynamics



Source: NAPR, NBG, TBC Capital

Note: changes in sale and rent prices are calculated using NBG data, while absolute values are based on myhome data

New vs old apartments

In December 2023, 662 **new** apartments were sold, increasing by about 9% compared to November. However, there was a significant decline observed relative to December 2022 (-21%).

As for **old** apartments, a total of 3,018 transactions were made, increasing by 14% compared to the previous month and in annual terms, there was a 1% growth observed. The share of new apartments in total sales stood at 18%.

Average sale prices increased annually for both new (+14%) and old (+11%) apartments.

In monthly terms, sale prices for new apartments increased by 3.8% and in case of old apartments the price posted a minor change (+0.9% MoM).

In December 2023, sales of apartments ranging from 50 to 75 SQM took up 40% (-3 pp, MoM) of total sales. Flats above 125 SQM took 5% share.

Share of high priced apartments (>1500 \$/SQM) in total sales stood at 15%, which is 4 percentage points higher than in December 2022.

Figure 5. Number of sold properties, New vs Old ('000 units)

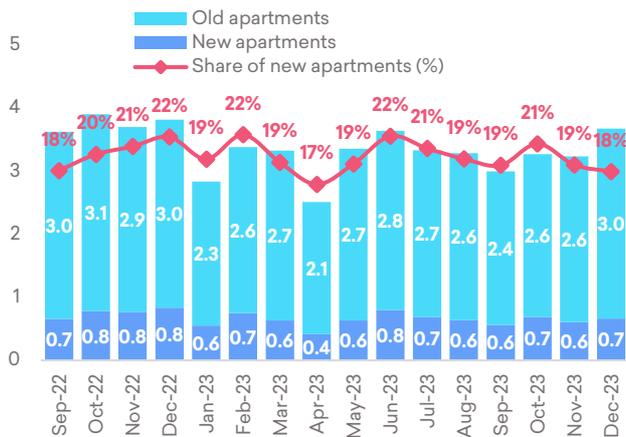


Figure 6. Average asking sale price, New vs Old (\$/SQM)

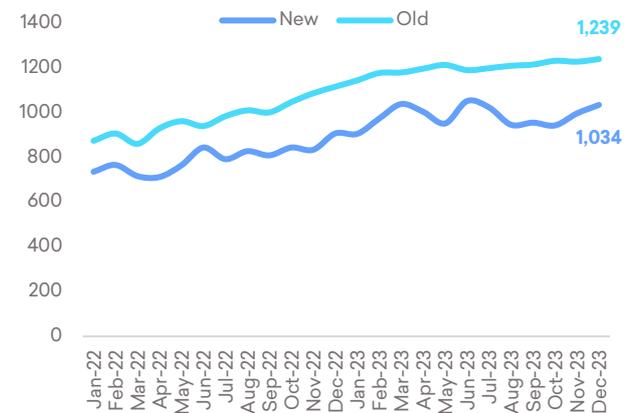


Figure 7. Distribution of sold properties by size (SQM), Tbilisi

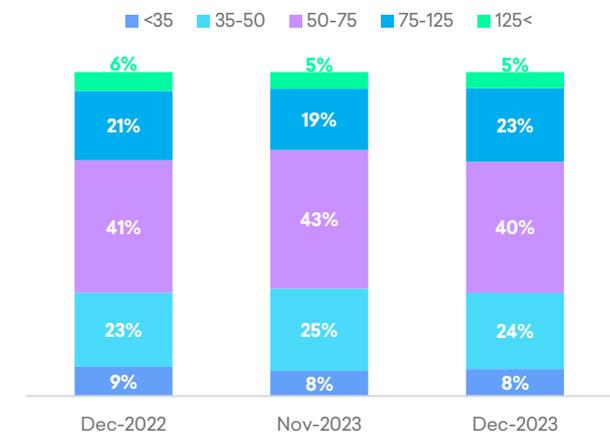
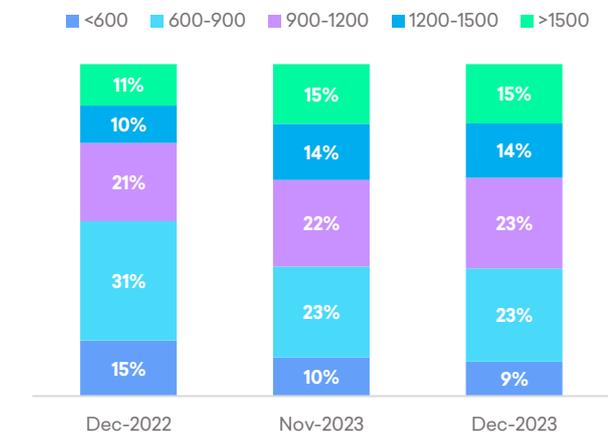


Figure 8. Distribution of sold properties by price categories (\$/SQM), Tbilisi



Source: NAPR, TBC Capital

Note I: "New" means a residential property with sale date within 3 years after construction permit issuance

Note II: NAPR sale prices adjusted using myhome data

Tbilisi districts

In December 2023, Didi Dighomi (19.1% share in total sales) took the top as the district with the highest number of sold residential properties in Tbilisi once again, followed by Saburtalo (18.3% share).

In terms of new apartments sales, Isani, Samgori, Saburtalo and Didi Dighomi posted positive growths relative to the same period of the previous year. There was a significant decrease recorded in Gldani. In case of old apartment sales, only Nadzaladevi, Didube and Didi Dighomi showed annual growth.

In the same period, average price per SQM in Vake and Mtatsminda stood around \$2,000. There was annual growth observed for old apartments in all districts, with Mtatsminda (+26%), Samgori (+20%) and Krtsanisi (+19%) posting the highest growths.

Figure 9. Number of sold properties and YoY change (%), New vs Old apartments, December 2023

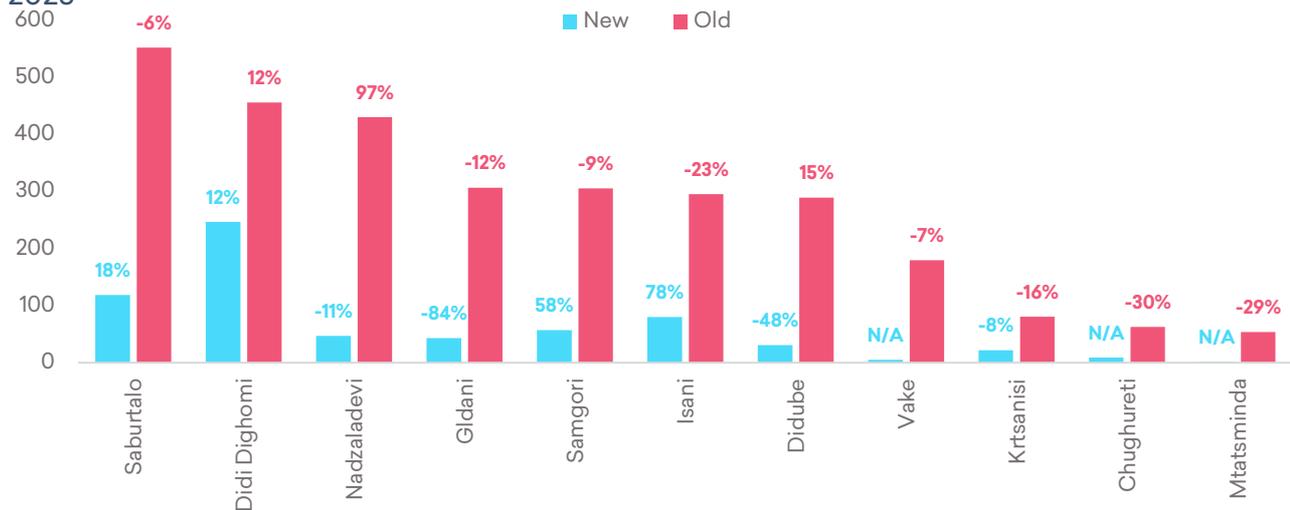
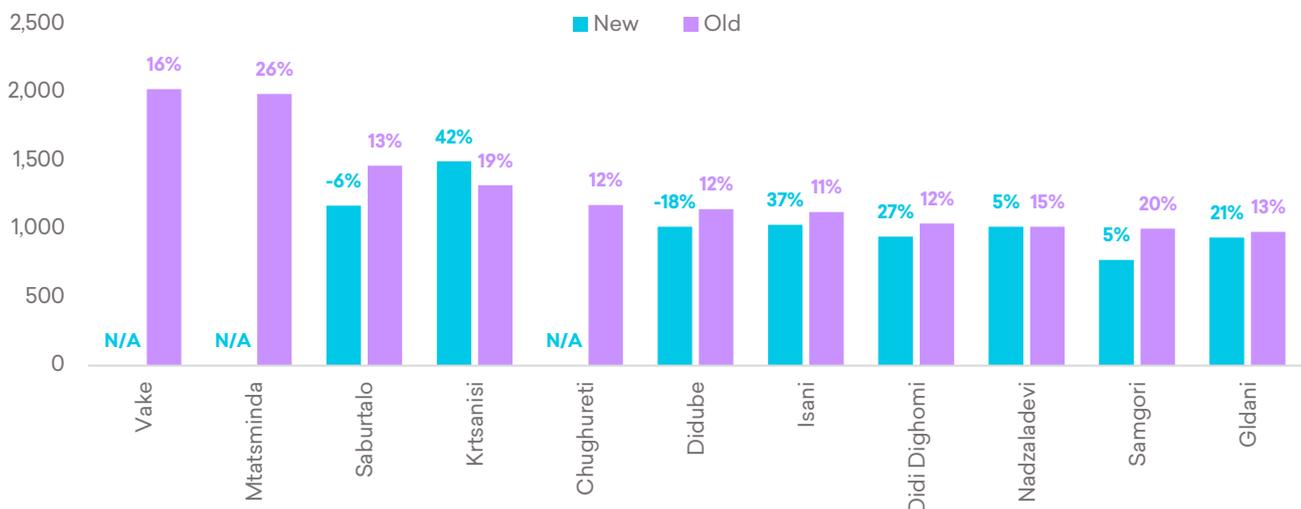


Figure 10. Weighted average sale price (\$/SQM) and YoY change (%), New vs Old apartments, December 2023



Source: NAPR, TBC Capital

Note I: indicators are not calculated for districts that had less than 10 transactions in the specified period and are shown as N/A

Note II: change in sale price is calculated using NAPR data, while absolute values are adjusted by myhome data

Annex: Georgia

A1. Area of sold properties (SQM) and weighted average sale price (\$/SQM)

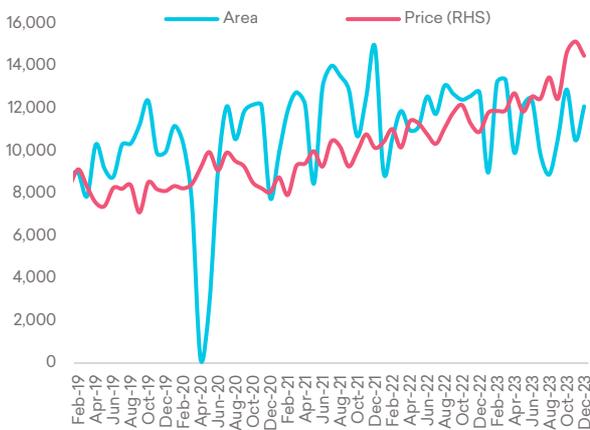
Georgia



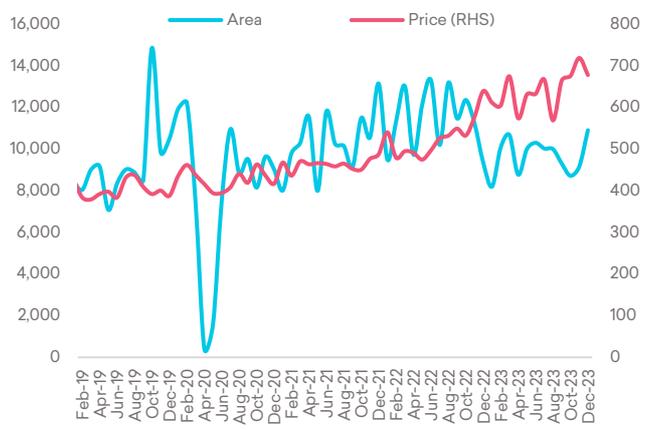
Batumi



Kutaisi



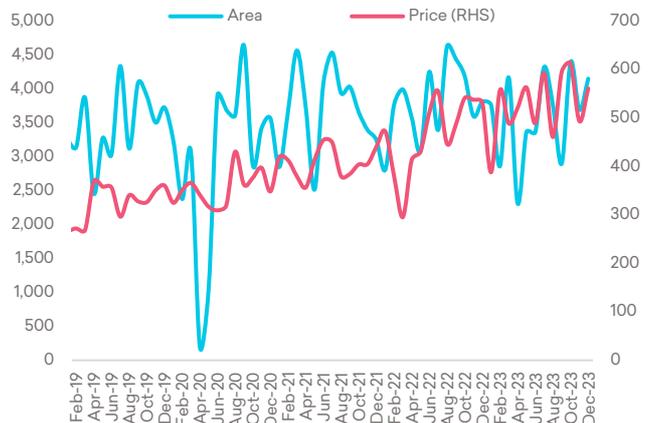
Rustavi



Borjomi



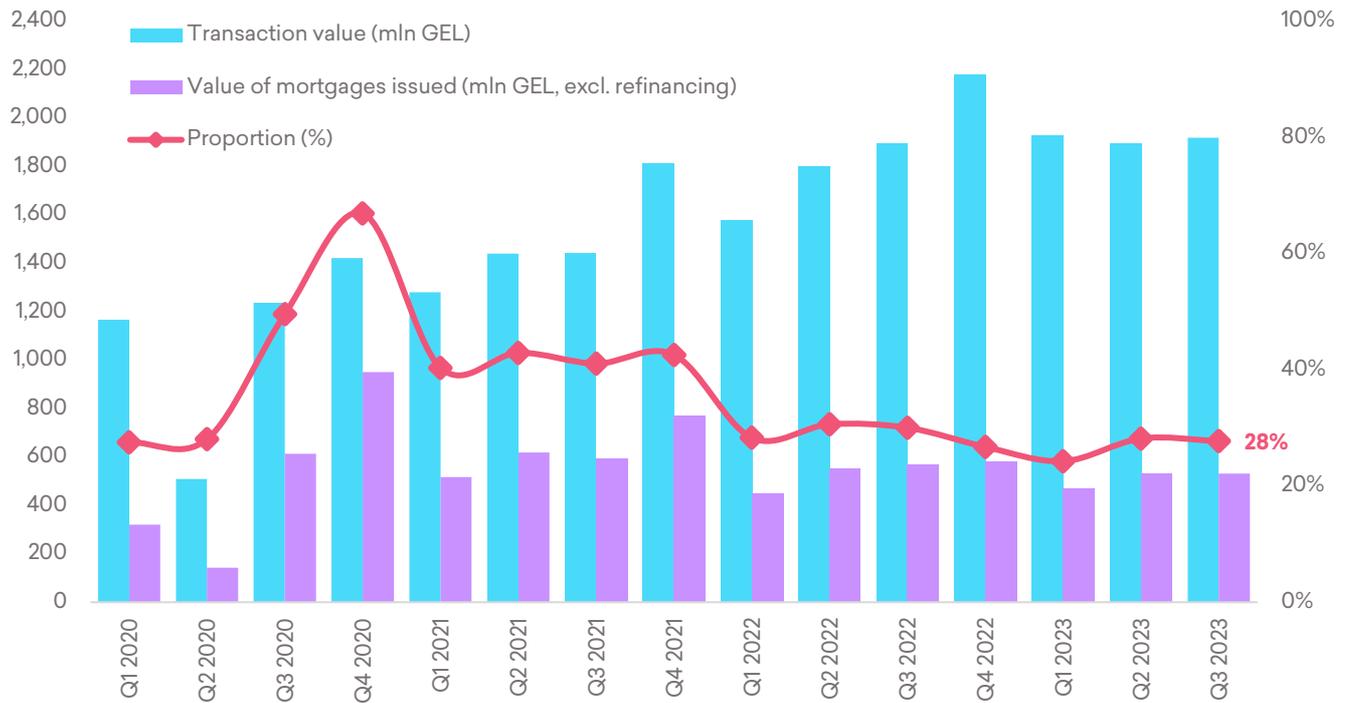
Gori



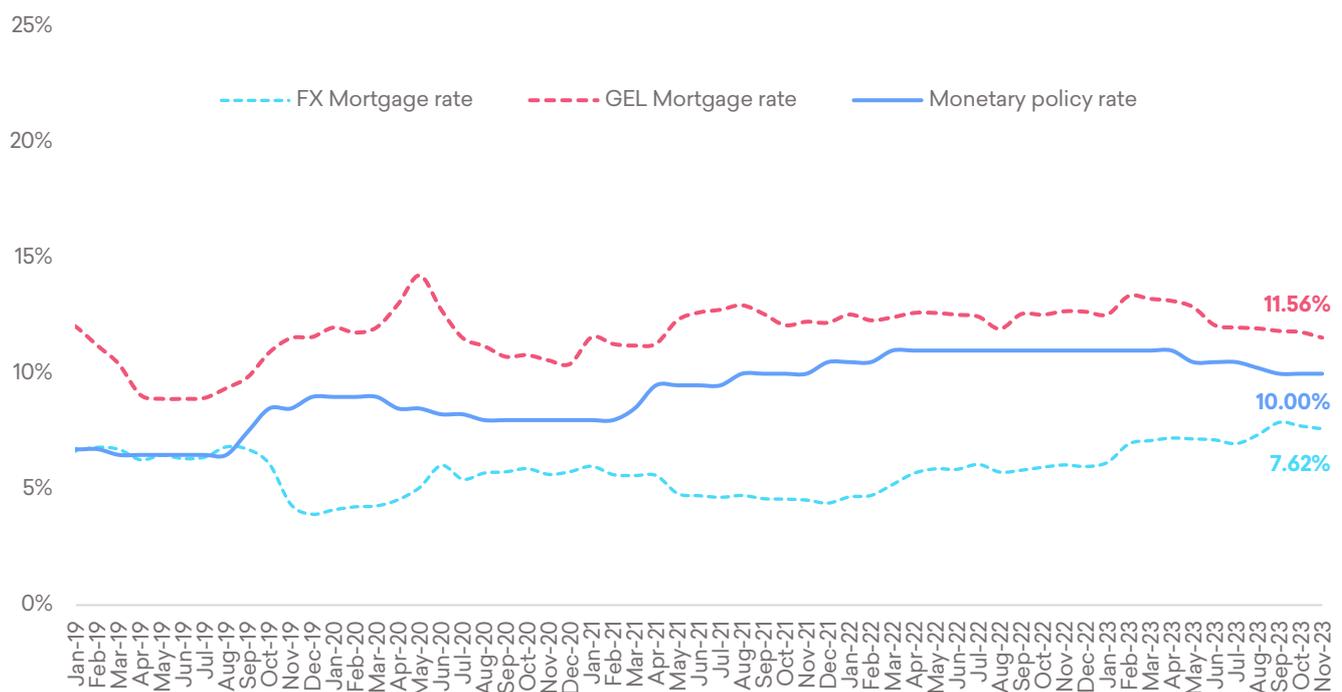
Source: NAPR, TBC Capital

Annex: Mortgage

A2. Value of issued mortgages to transaction value, Tbilisi



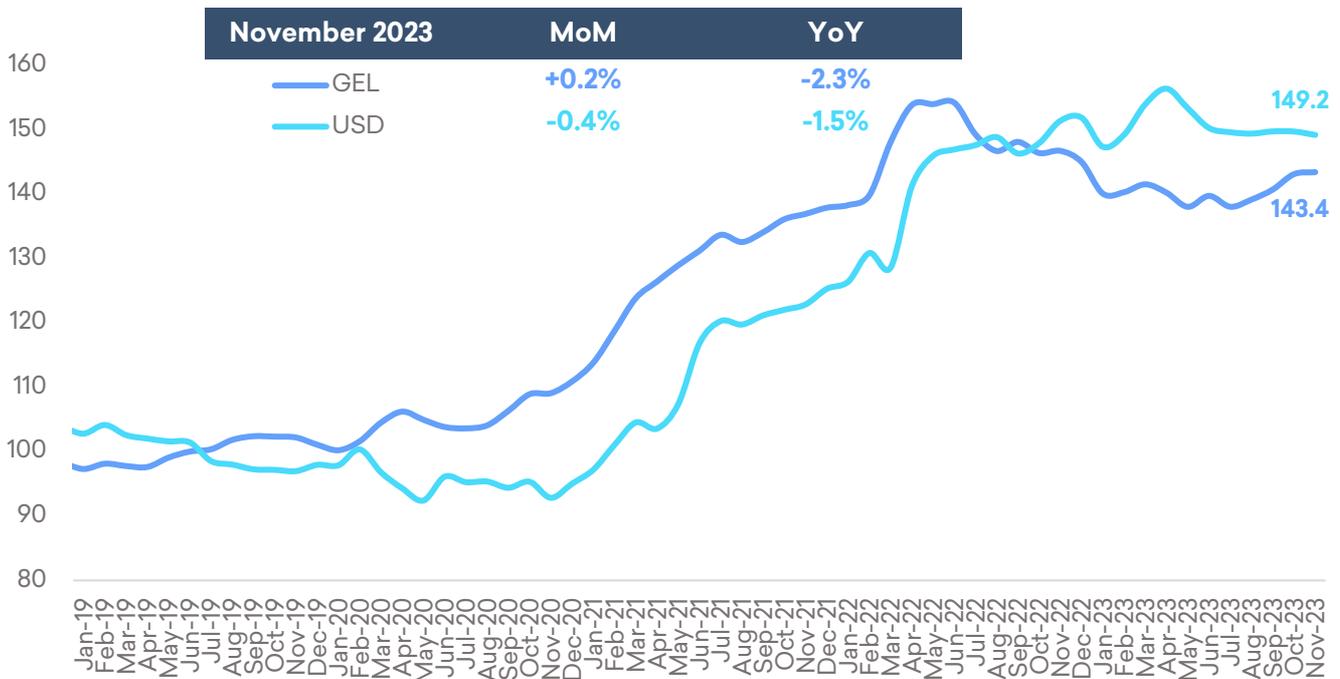
A3. Mortgage rate dynamics in Georgia



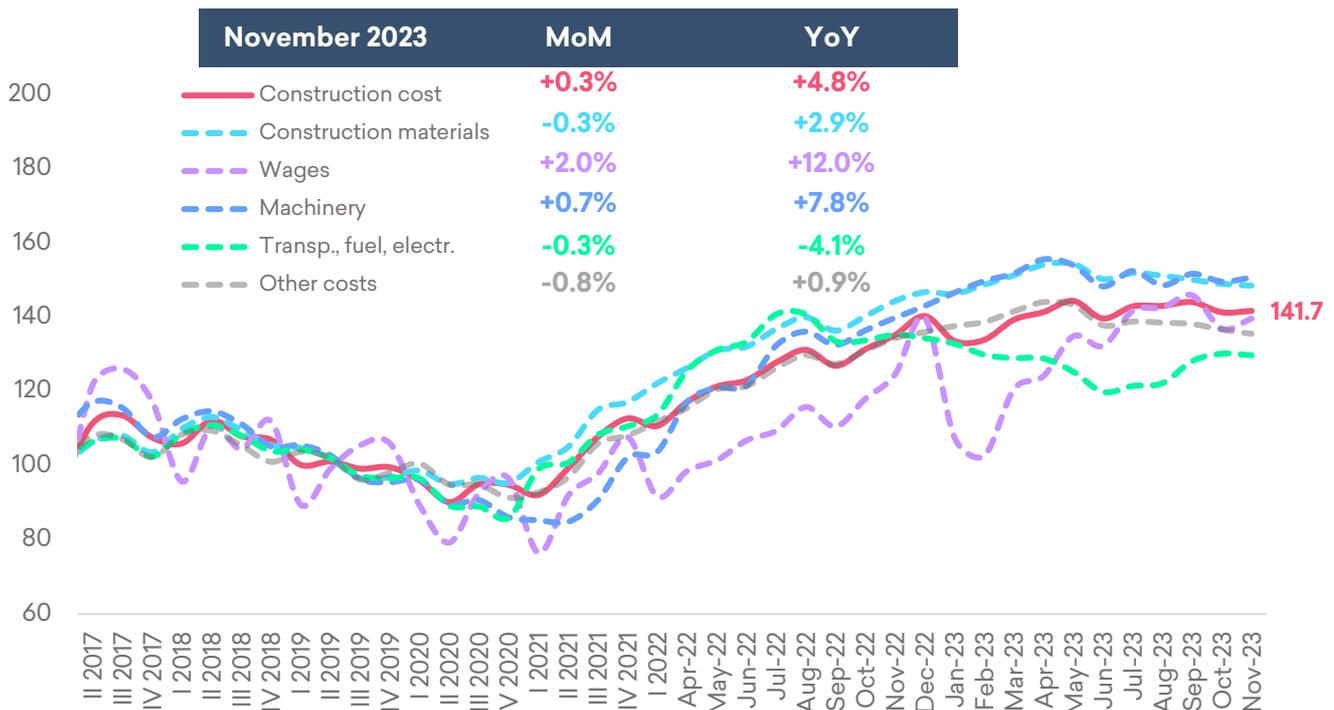
Source: NAPR, NBG, TBC Capital

Annex: Construction costs

A4. Prices of material inputs to construction industries, Indices (2019 average = 100)



A5. Construction cost index (2019 average = 100, \$)

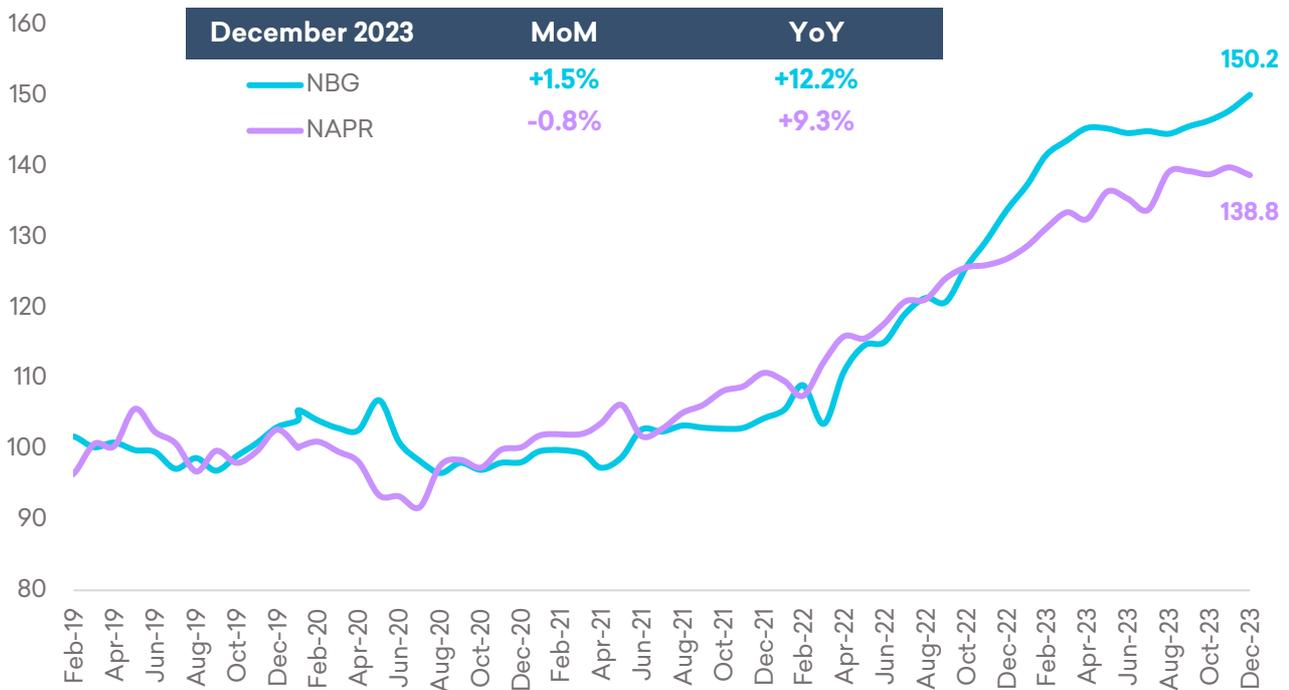


Source: Geostat, TBC Capital

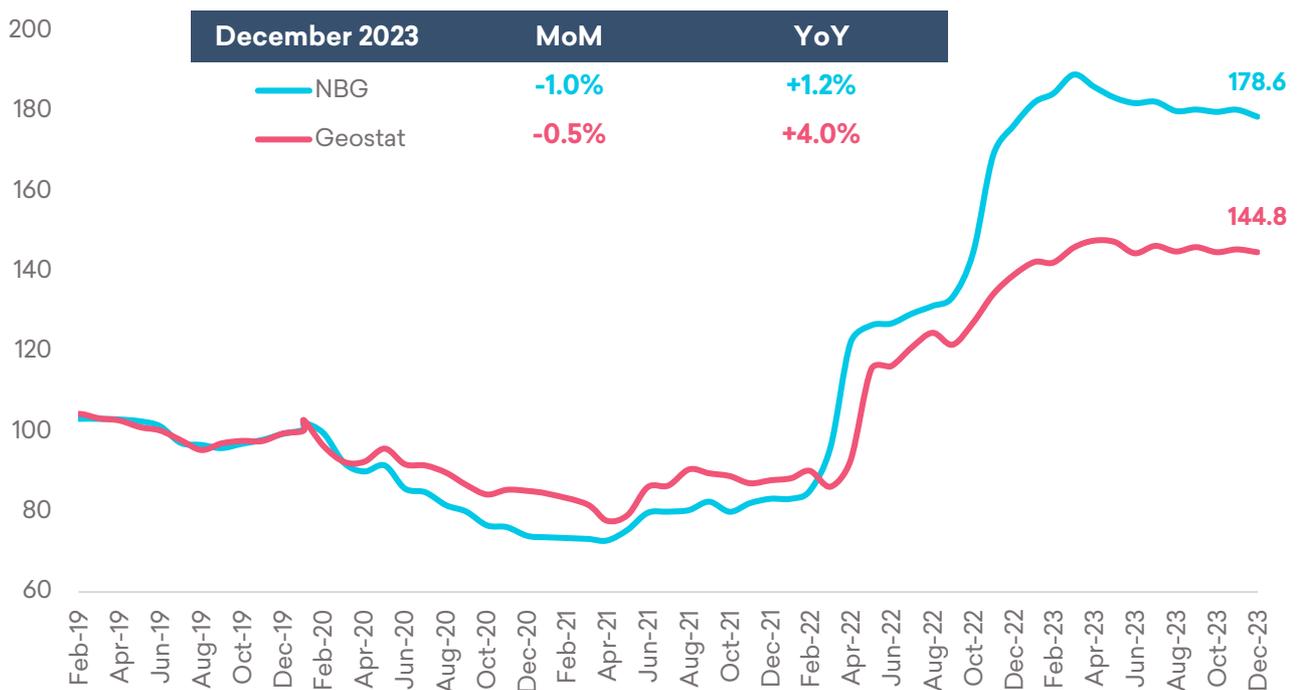
Note: Q1 2022 data is used for YoY change figures in construction cost index

Annex: Price indices

A6. Sale price indices (2019 average = 100)



A7. Rent price indices (2019 average = 100)

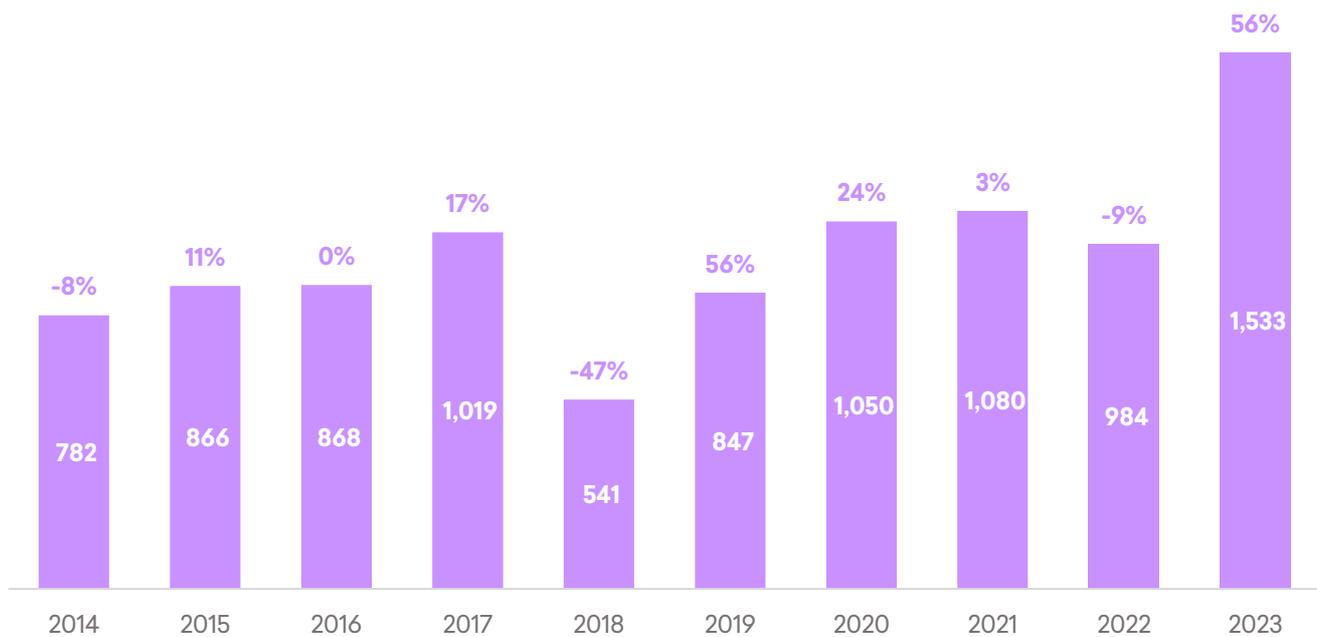


Source: Geostat, NBG, NAPR, TBC Capital

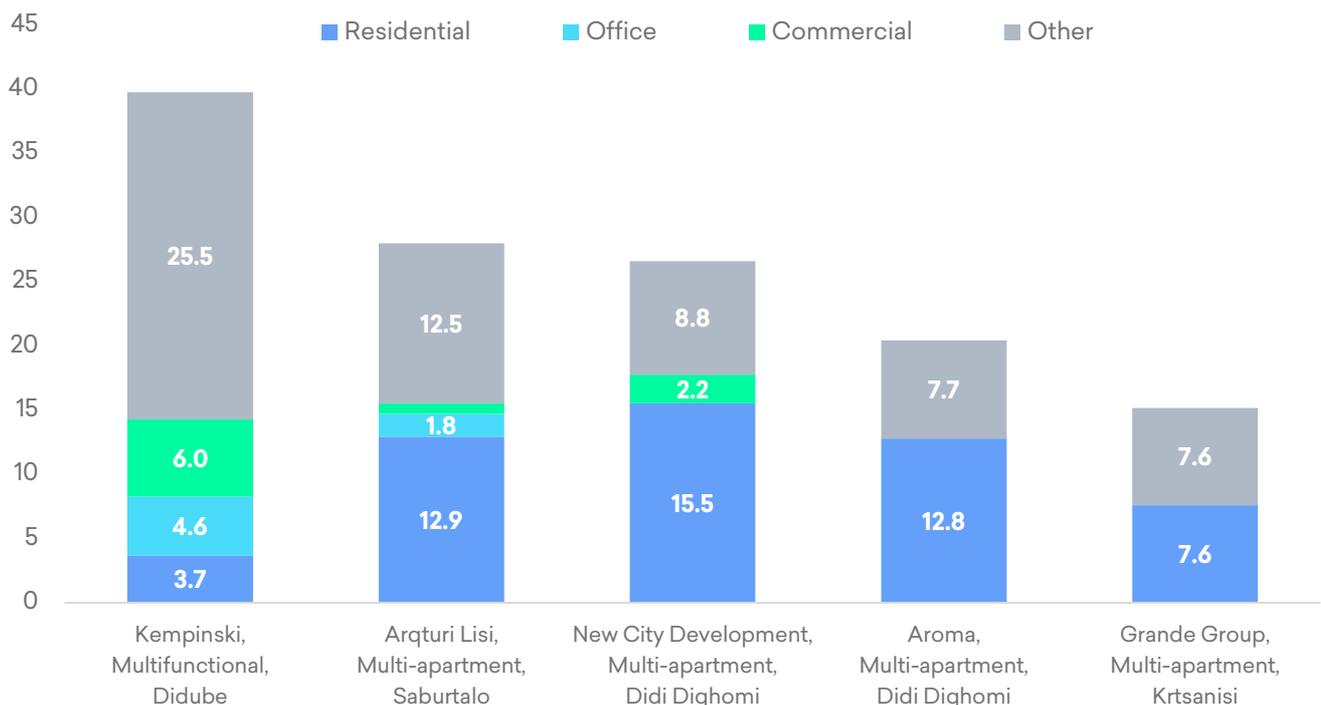
Note: index calculated using NAPR data shows change in average weighted prices recorded in RRE transactions

Annex: Construction permits

A8. Construction permits issued in Tbilisi ('000 SQM) and YoY change (%)



A9. Top 5 projects in terms of total area ('000 SQM), December 2023

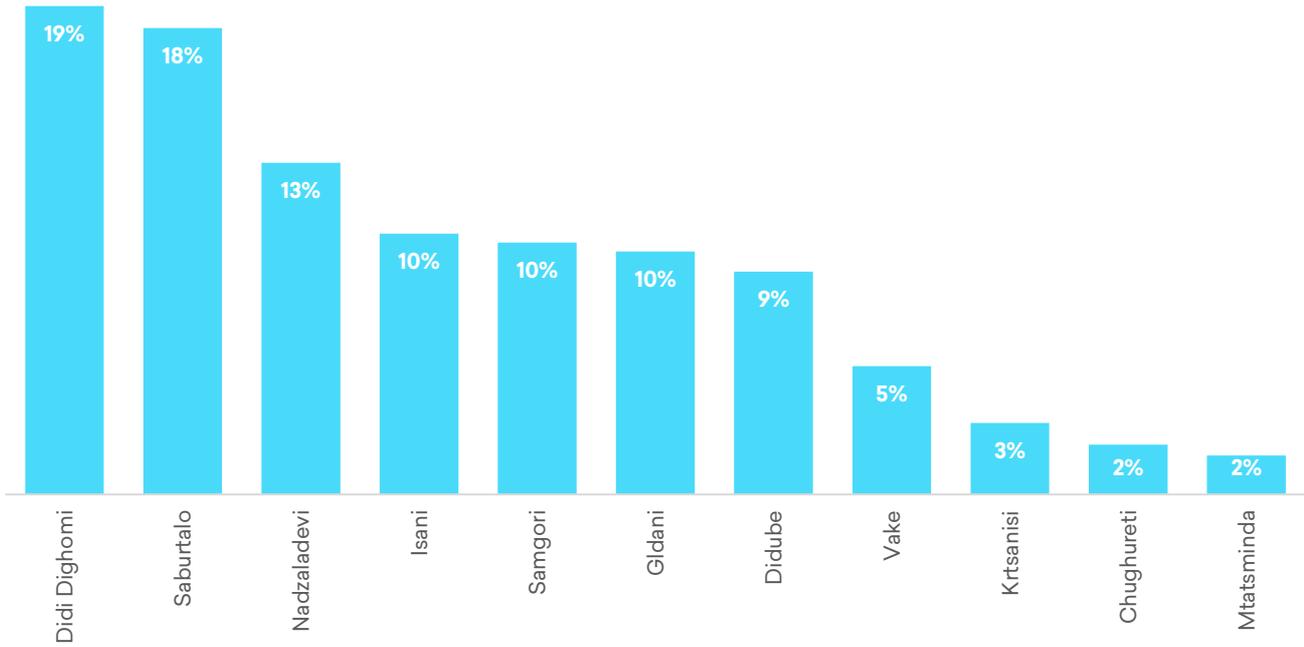


Source: TAS, TBC Capital

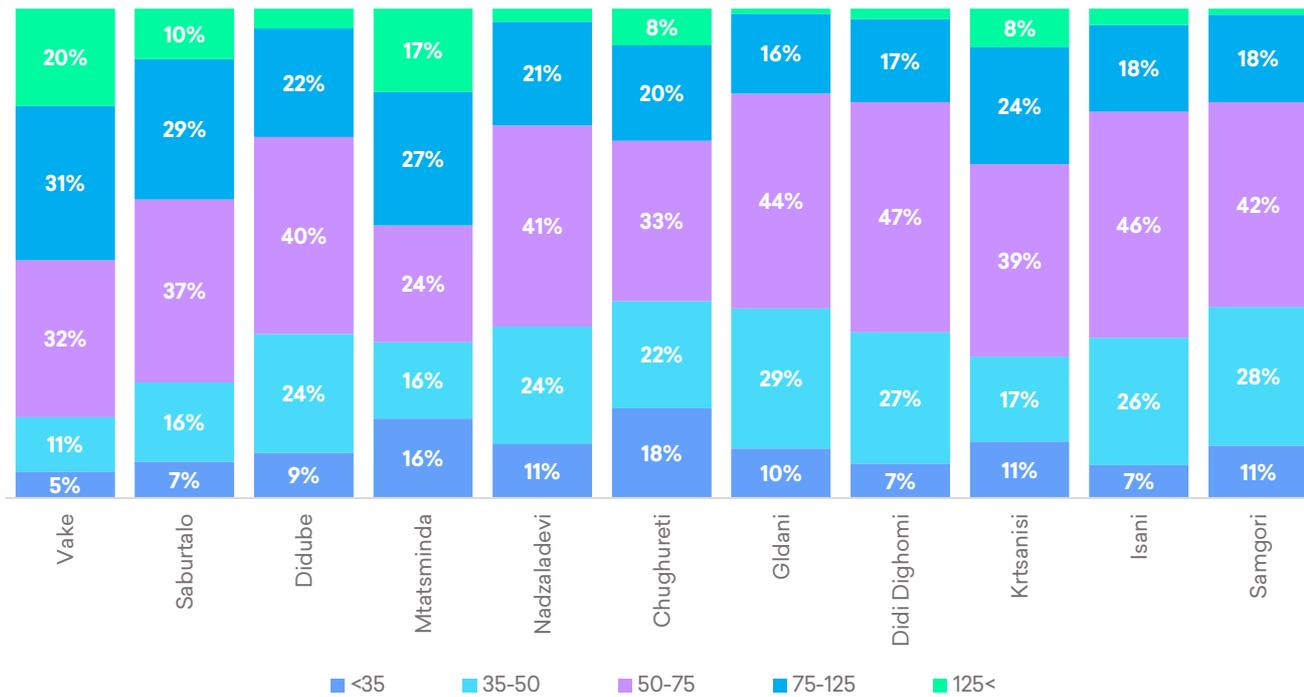
Note: residential area in class III and IV multi-apartment and multifunctional buildings

Annex: Tbilisi districts

A10. Transaction distribution by districts, December 2023



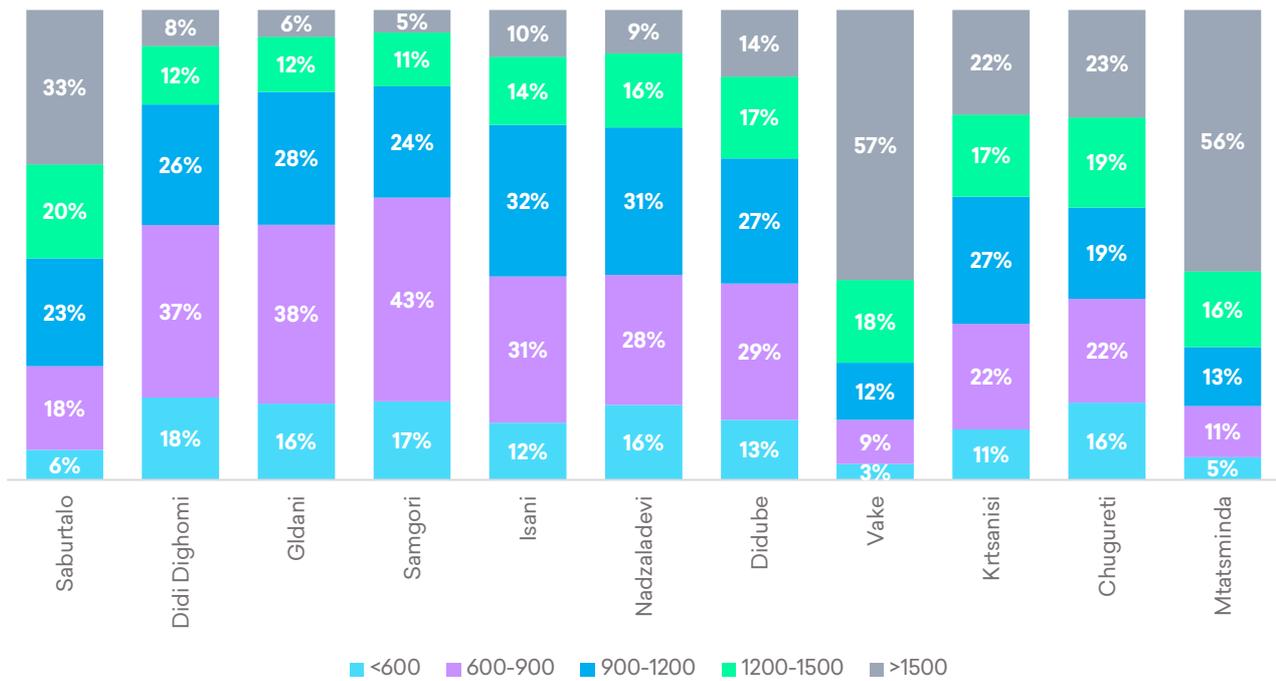
A11. Distribution of transactions by size (SQM) and districts, 2023



Source: NAPR, TBC Capital

Annex: Tbilisi districts

A12. Distribution of transactions by price categories (\$/SQM) and districts, 2023



Source: NAPR, TBC Capital

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