



TBC CAPITAL

RESIDENTIAL REAL ESTATE IN TBILISI

JANUARY 2024
Monthly Watch

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RESIDENTIAL REAL ESTATE IN TBILISI

January 2024 vs January 2023

+5%



2,967

Number of
transactions

+9%



1,205\$

Average asking sale
price per SQM

-4%



12.0\$

Average asking rent
price per SQM

Transactions, price and yield

2024 started quite actively for the Tbilisi real estate market, with the **number of transactions** standing at 2,967. Even though there was a significant decline compared to December 2023 (-19%), in annual terms the growth amounted to 5%.

In the same period, the asking **sale price** stood at \$1,205, basically staying at the exact same level as in the previous month. However, there was a 9% increase recorded compared to the same period of last year. The **market size** stood at \$234 Mln, exceeding the January 2023 level by around 11%.

Rent price amounted to \$12.0, posting a 2% decline compared to the previous month and decreasing by 4% relative to January 2023.

The **rental yield** in Tbilisi continued the declining trend and it stood at 10.5%, 1.4 percentage points lower than in the same period of the previous year (-0.2 pp MoM).

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

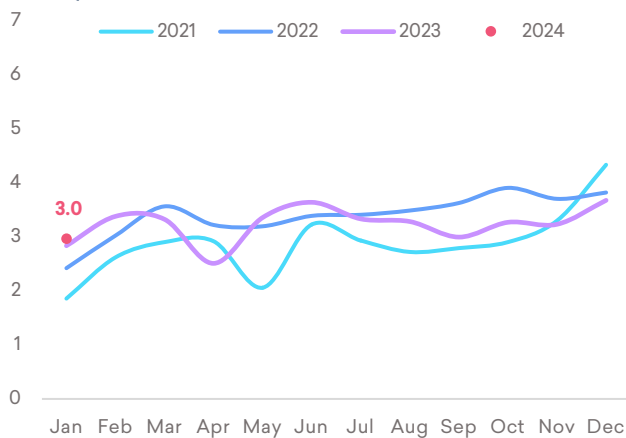


Figure 2. Average asking sale price (\$/SQM)

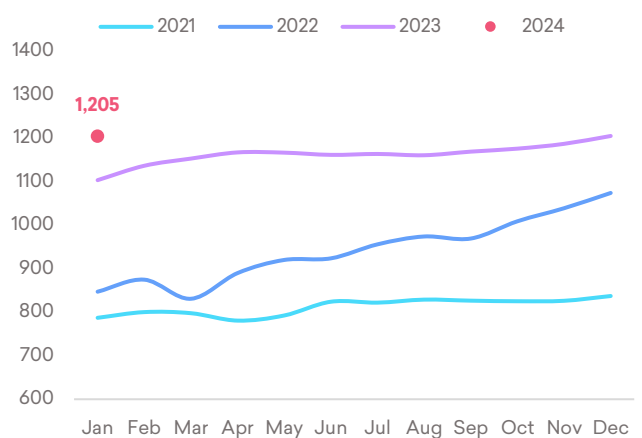


Figure 3. Average asking rent price (\$/SQM)

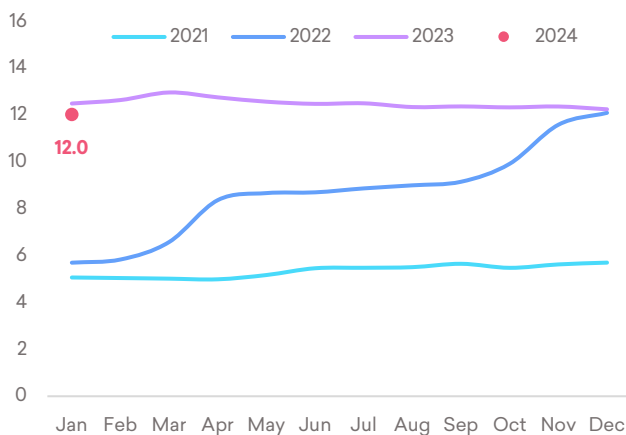
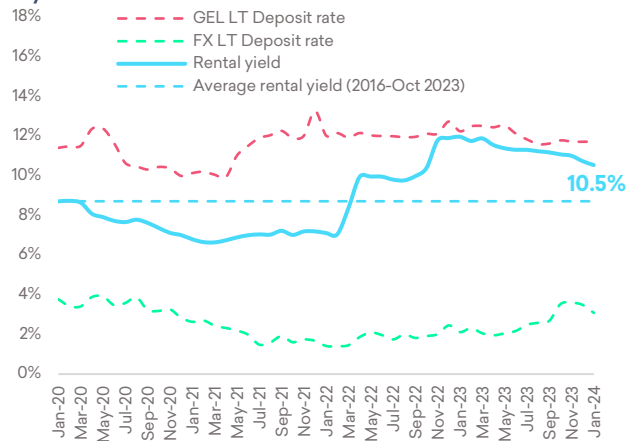


Figure 4. Rental yield and deposit rate dynamics



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 January 2024, 638 **new** apartments were sold, decreasing by 4% compared to December 2023. However, there was a significant increase observed relative to January 2023 (+16%).

As for **old** apartments, a total of 2,329 transactions were made, posting a drastic 23% decline relative to the previous month and in annual terms, there was a modest 2% growth observed. Since the demand for new apartments was much stronger, their share in total sales went up to 22%.

Average sale prices increased annually for both new (+14%) and old (+9%) apartments.

In monthly terms, sale prices for new apartments decreased by 0.5% and in case of old apartments the price increased by 0.8%.

In January 2024, sales of apartments ranging from 50 to 75 SQM took up 41% (+1 pp, MoM) of total sales. Flats above 125 SQM took 4% share.

Share of high priced apartments (>1500 \$/SQM) in total sales stood at 15%, 3 percentage points higher than in January 2023.

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

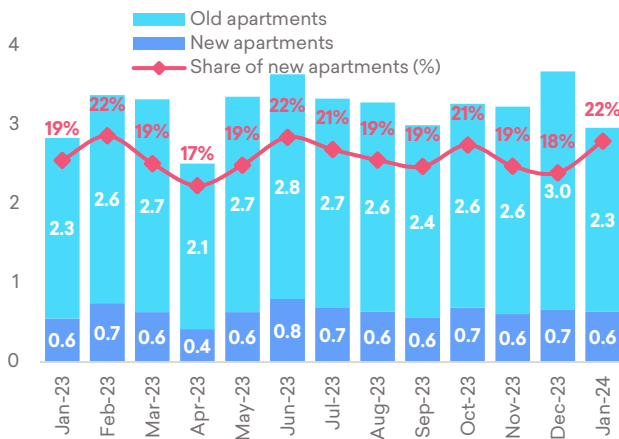


Figure 6. Average asking sale price, New vs Old (\$/SQM)

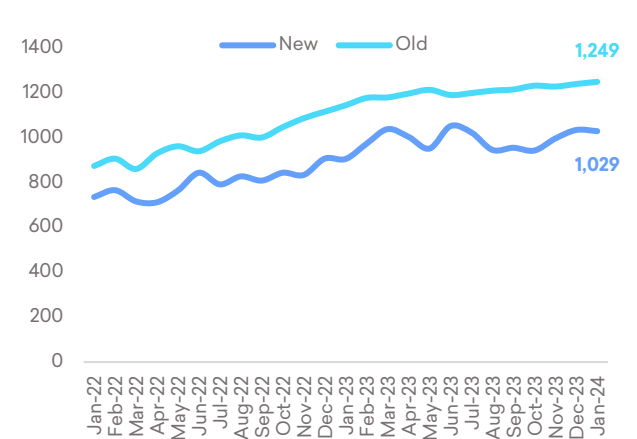


Figure 7. Distribution of sold properties by size (SQM), Tbilisi

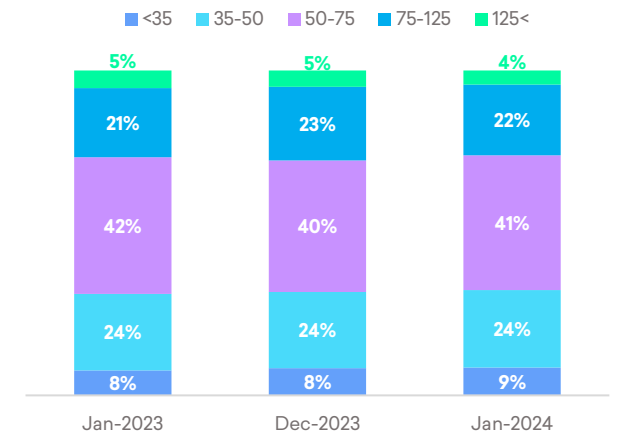
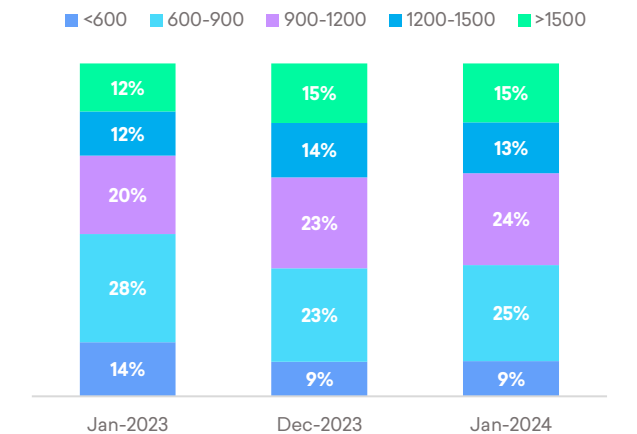


Figure 8. Distribution of sold properties by price categories (\$/SQM), Tbilisi



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 January 2024, Didi Dighomi (25% 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 (15% share).

In terms of new apartments sales, Samgori showed significant annual growth. The highest number of new apartments were sold in Didi Dighomi. In case of old apartment sales, Didi Dighomi, Nadzaladevi, Didube and Gldani posted positive annual growth.

In the same period, average price per SQM in Vake still stood around \$2,000. There was annual growth observed for old apartments in all districts, with Chughureti (+24%), Nadzaladevi (+21%) and Gldani (+21%) posting the highest growths.

Figure 9. Number of sold properties and YoY change (%), New vs Old apartments, January 2024

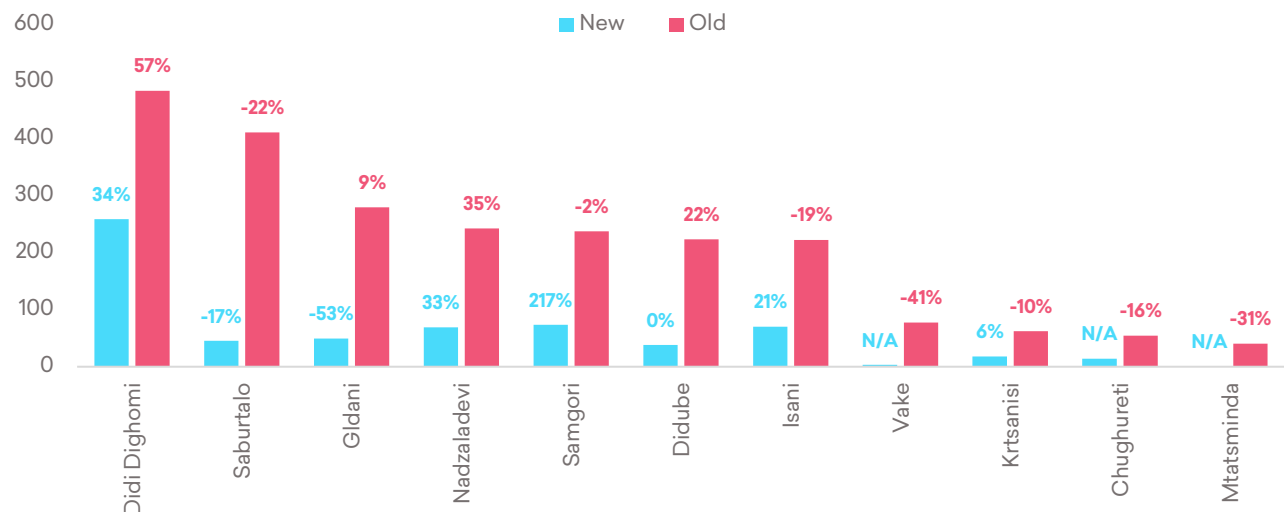
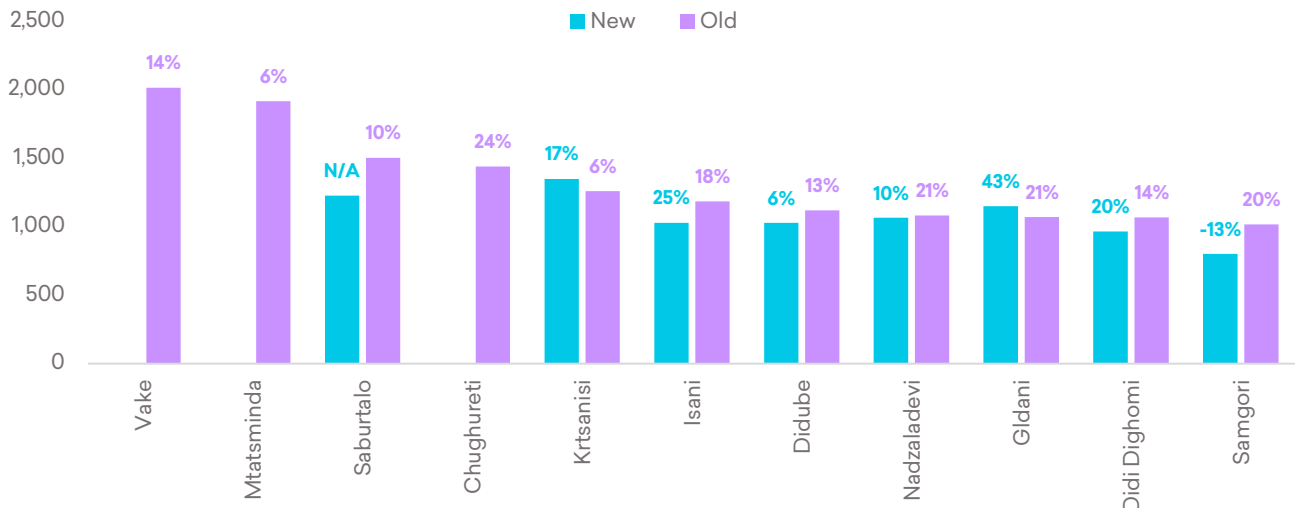


Figure 10. Weighted average sale price (\$/SQM) and YoY change (%), New vs Old apartments, January 2024



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)

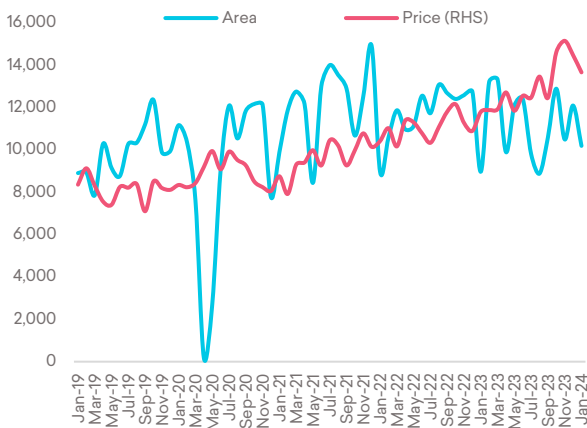
Georgia



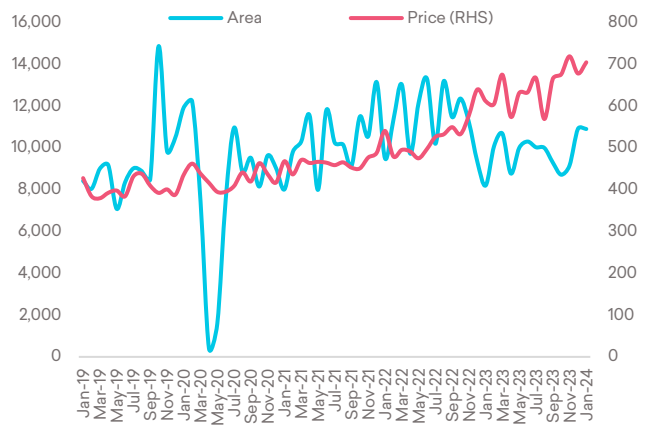
Batumi



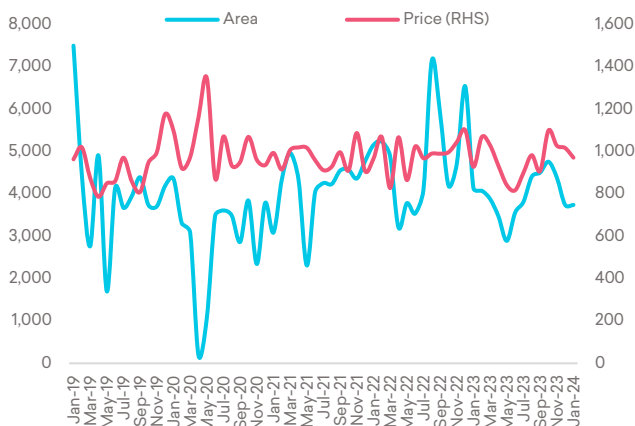
Kutaisi



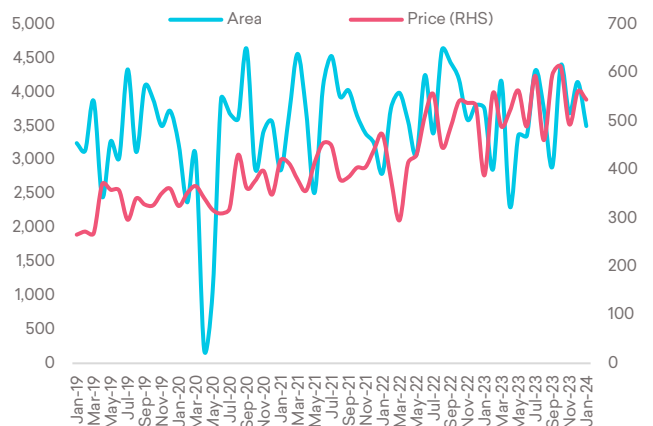
Rustavi



Borjomi



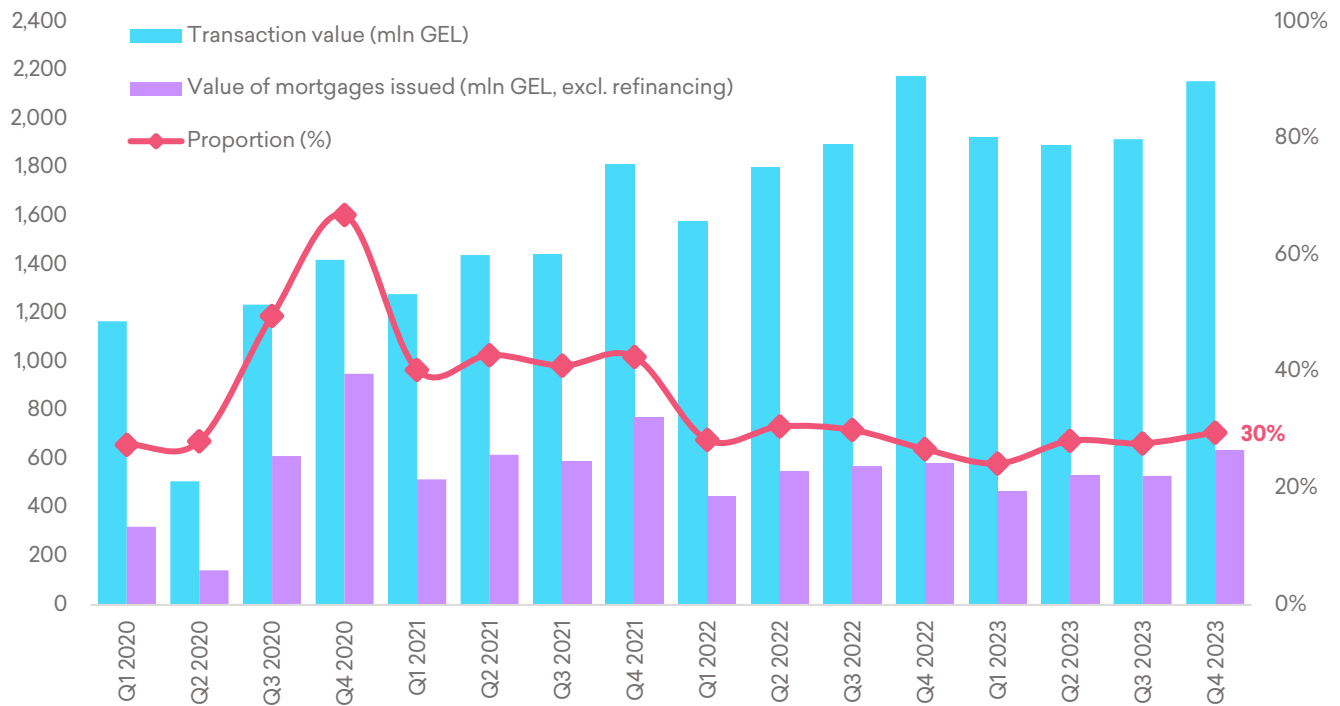
Gori



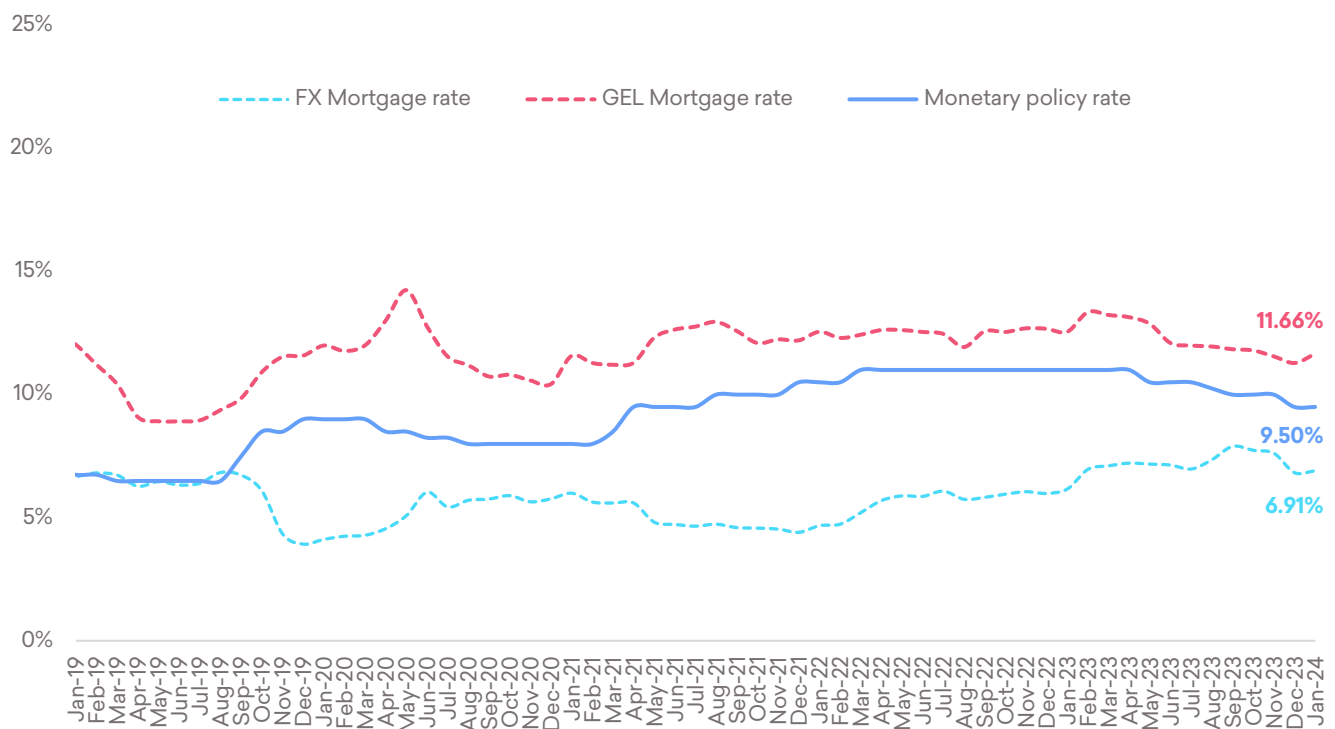
Source: NAPR, TBC Capital

Annex: Mortgage

A2. Value of issued mortgages to transaction value, Tbilisi



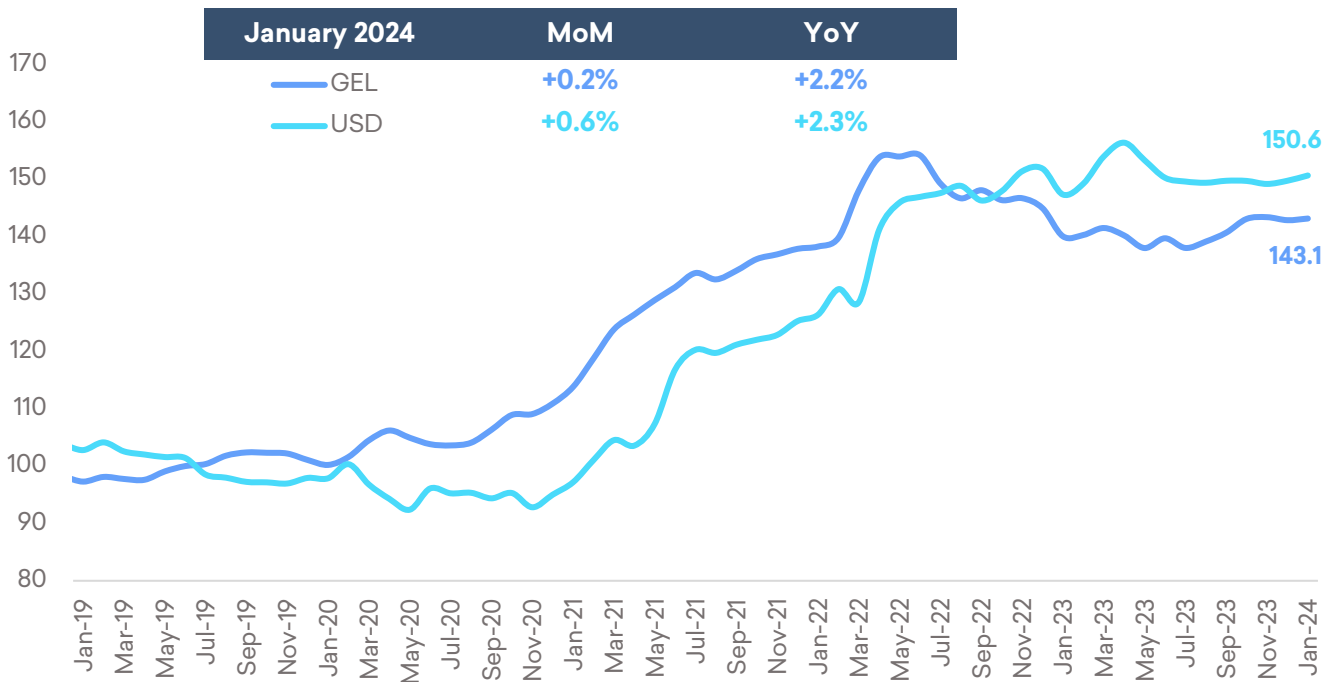
A3. Mortgage rate dynamics in Georgia



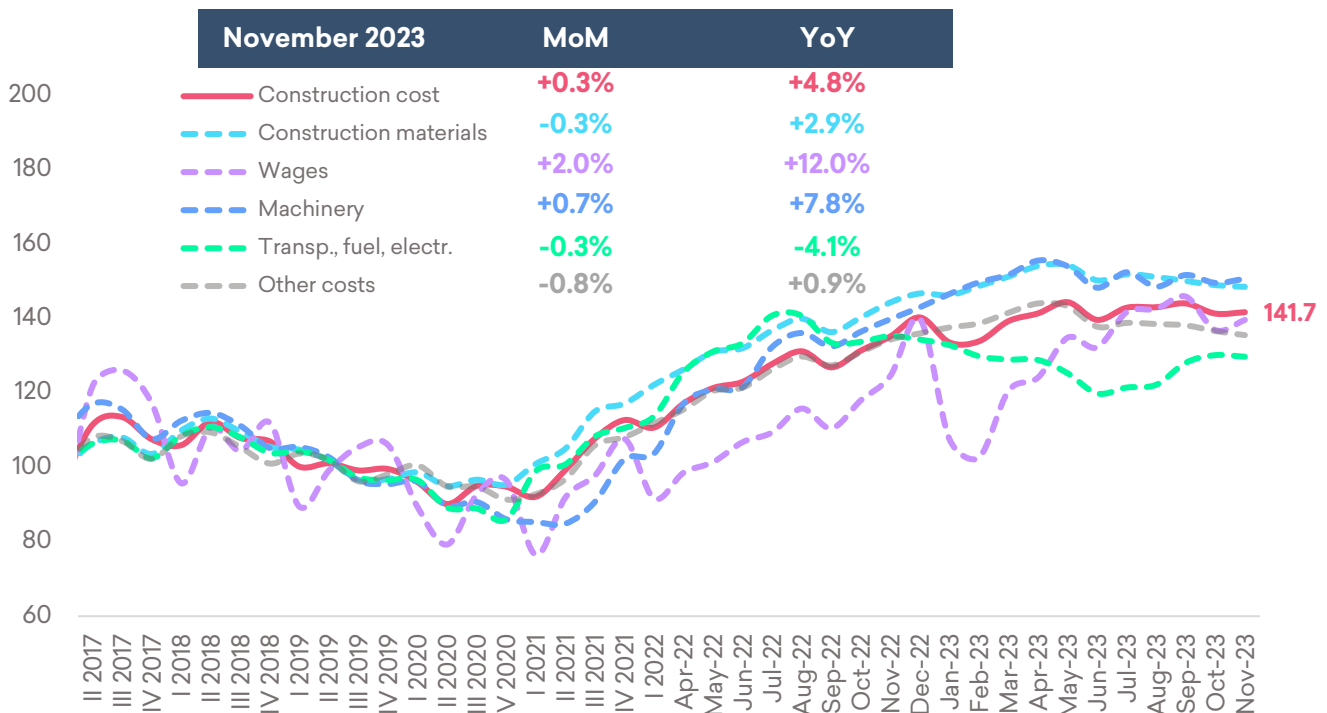
Source: NAPR, NBG, TBC Capital

Annex: Construction costs

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



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

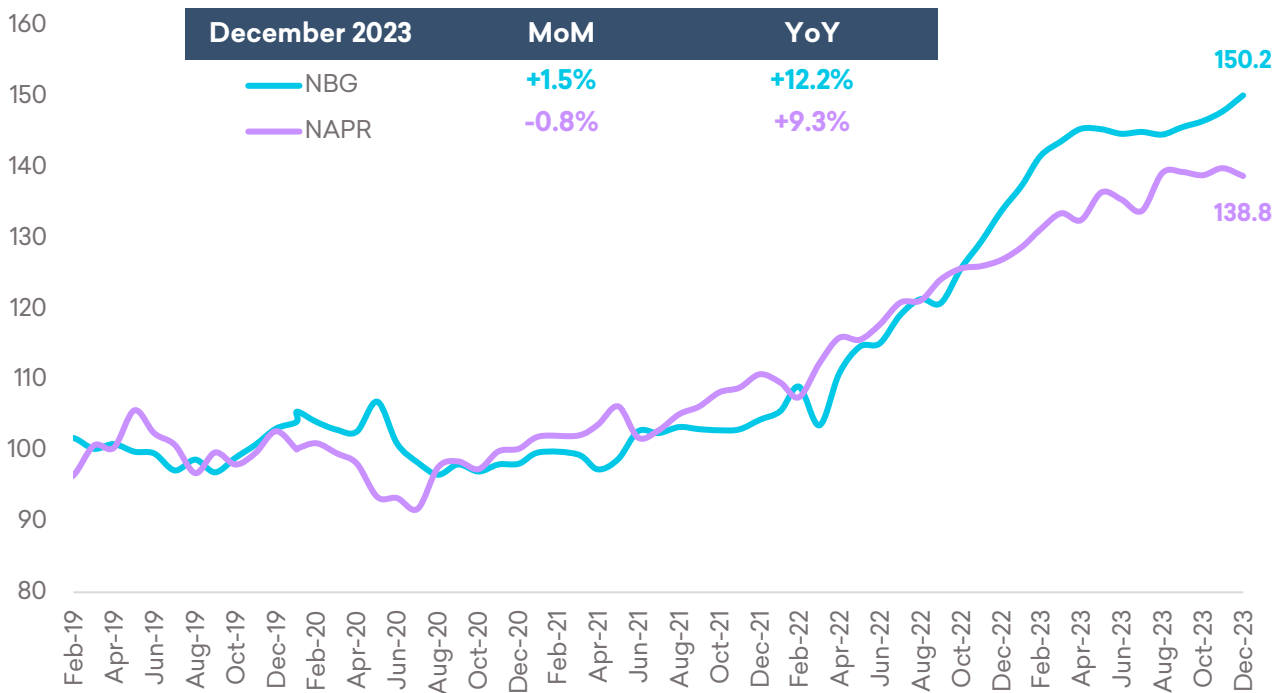


Source: Geostat, TBC Capital

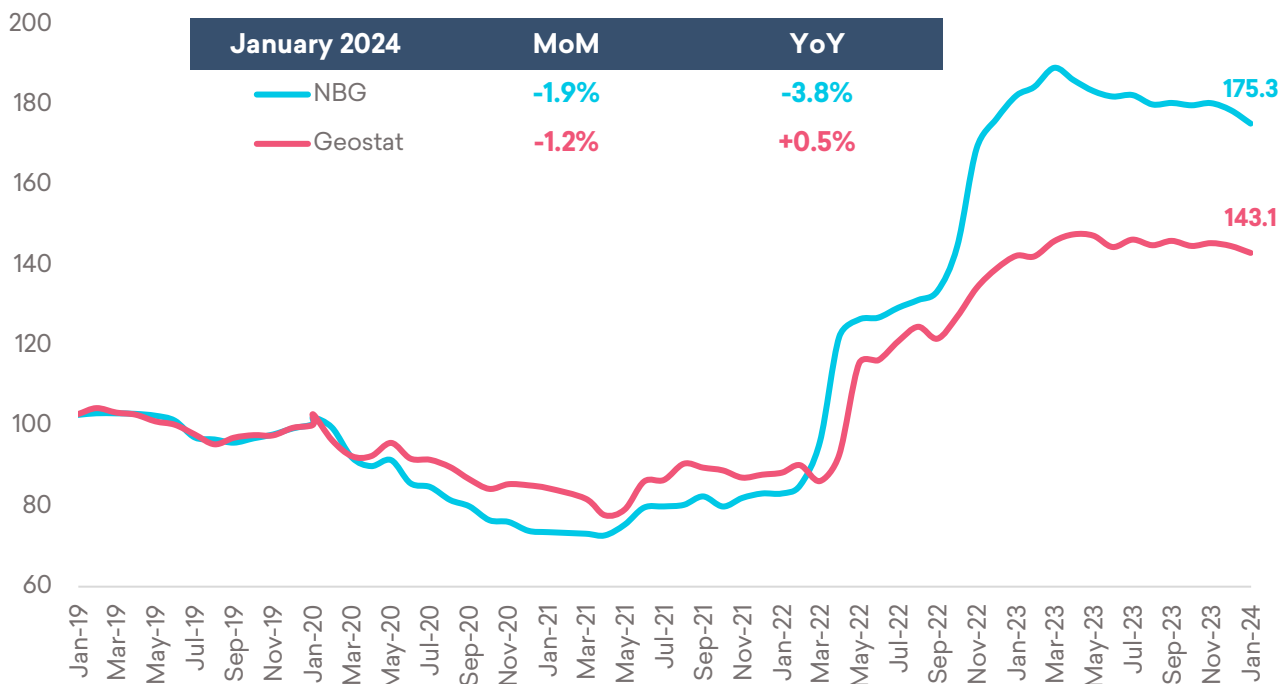
Note: Q1 2022 data is used for YoY change figures in construction cost index

Annex: Price indices

A6. Sale price indices (2019 average = 100)



A7. Rent price indices (2019 average = 100)

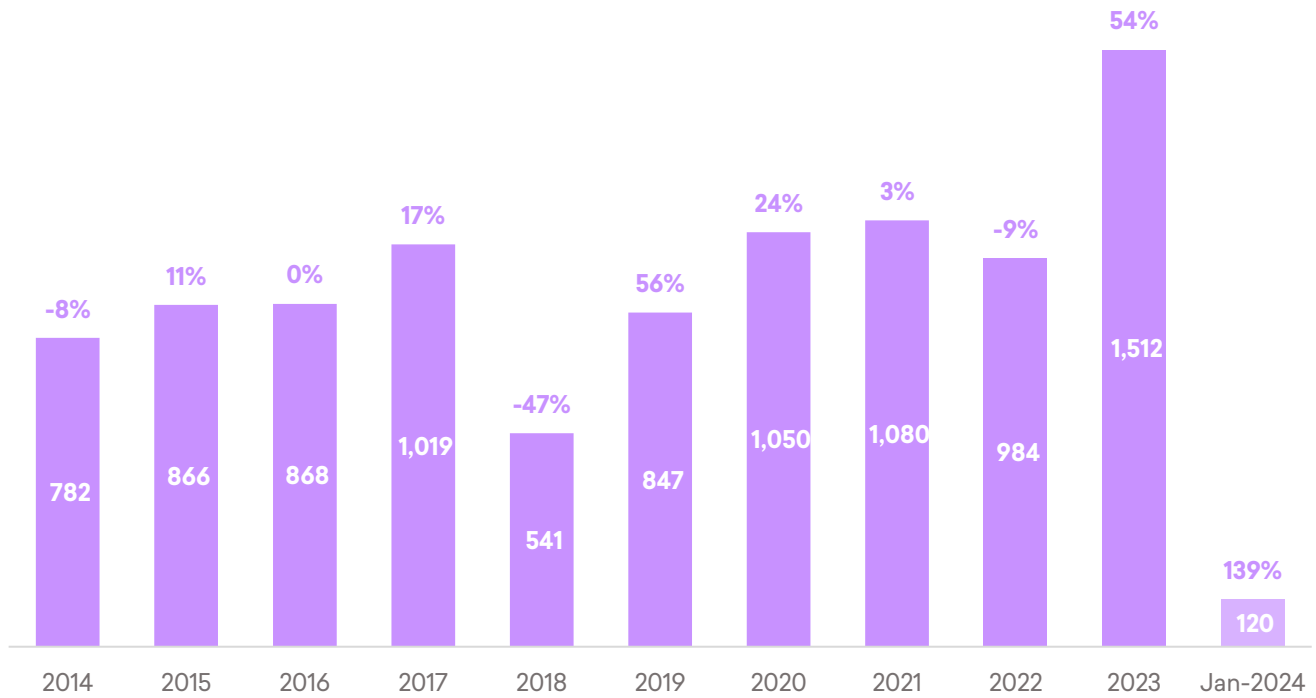


Source: Geostat, NBG, NAPR, TBC Capital

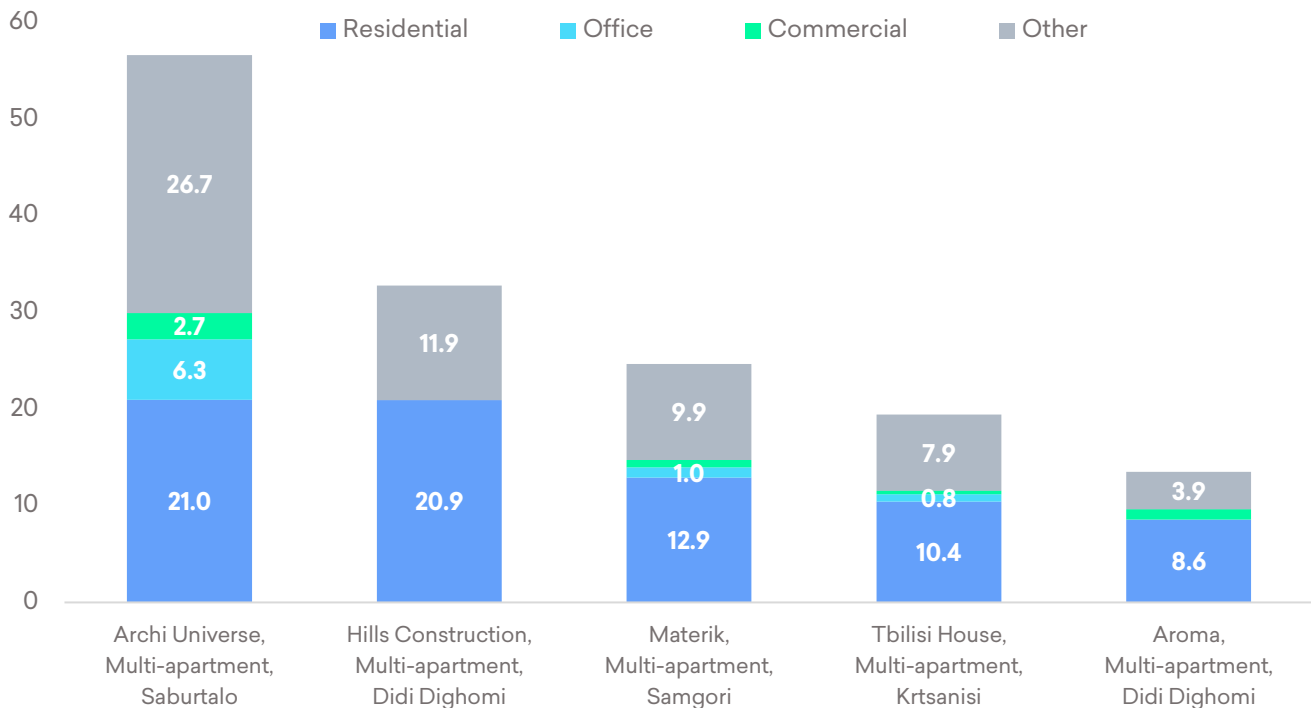
Note: index calculated using NAPR data shows change in average weighted prices recorded in RRE transactions

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), January 2024

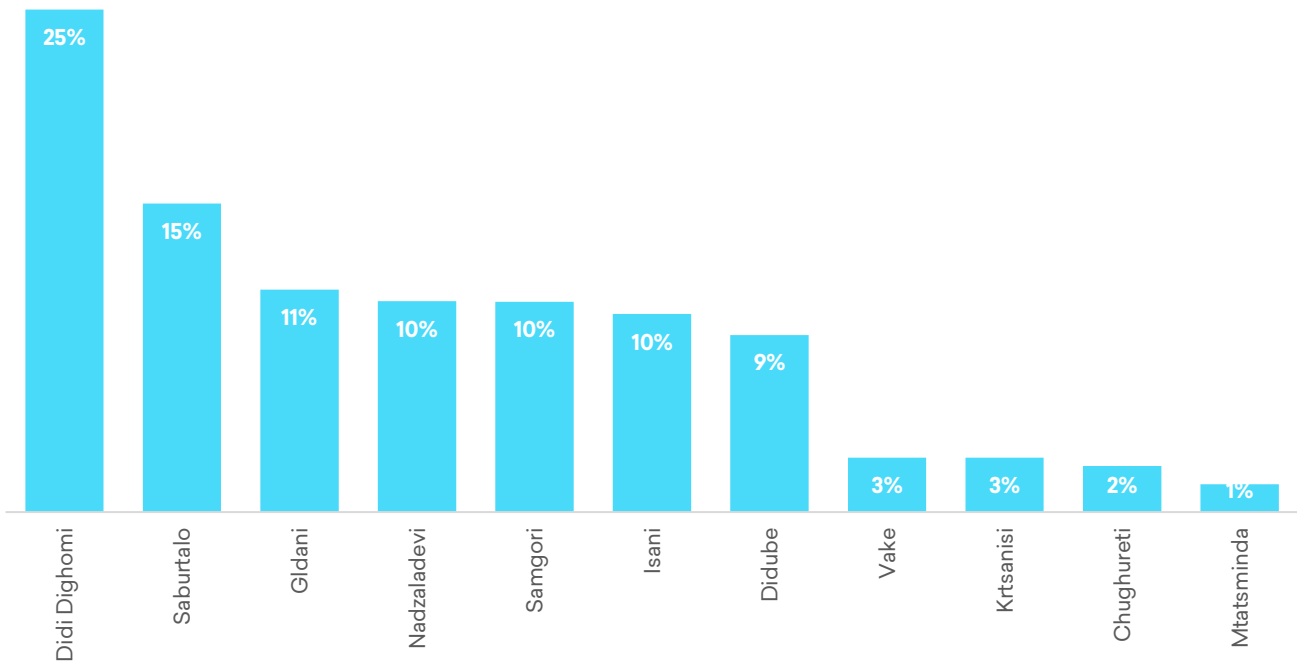


Source: TAS, TBC Capital

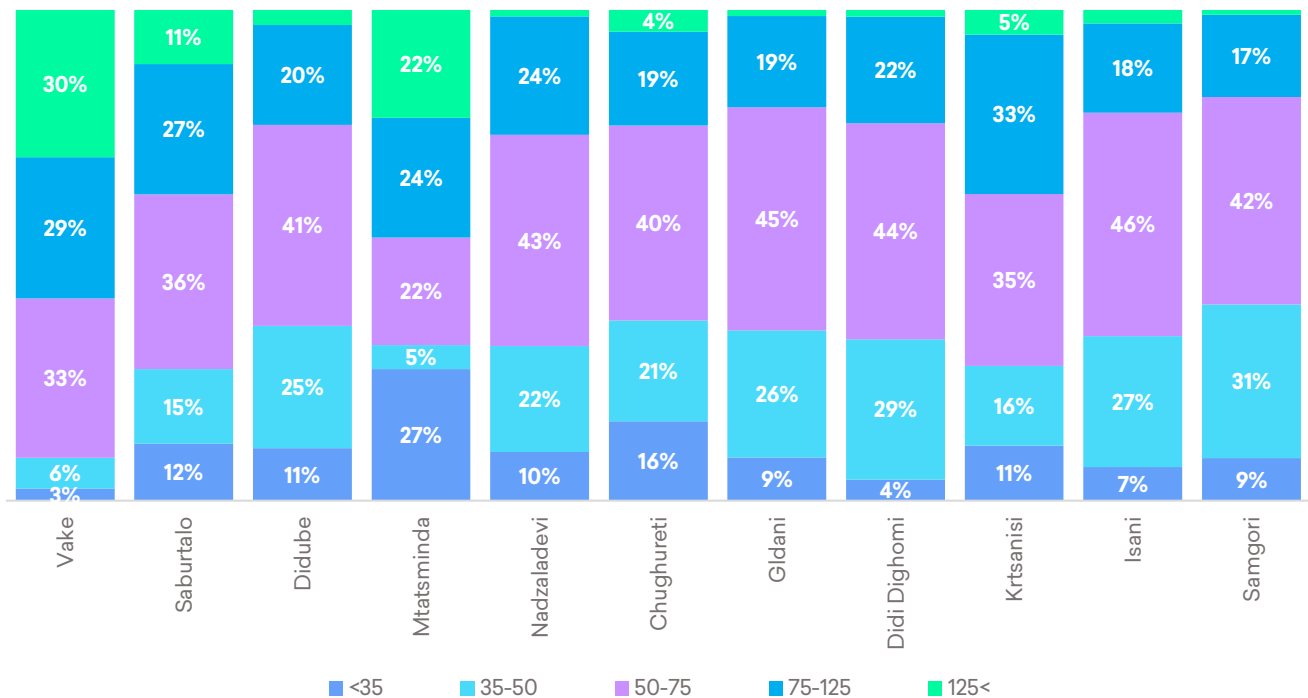
Note: residential area in class III and IV multi-apartment and multifunctional buildings

Annex: Tbilisi districts

A10. Transaction distribution by districts, January 2024



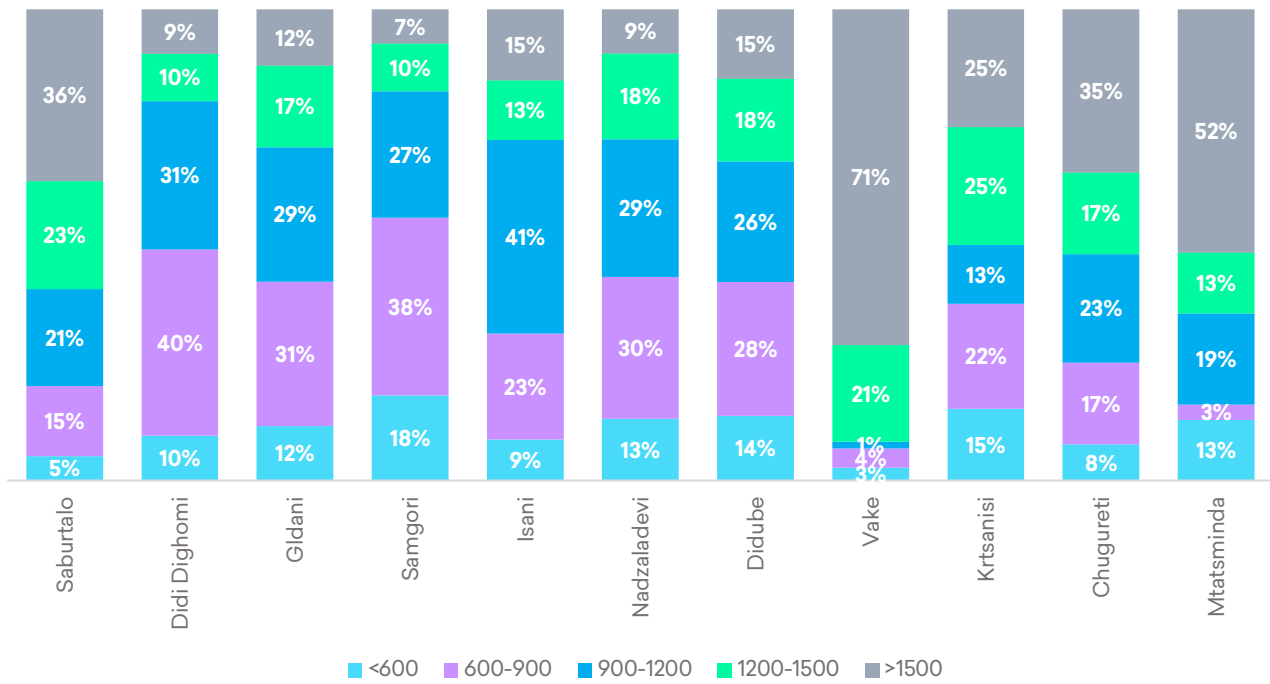
A11. Distribution of transactions by size (SQM) and districts, 2024 YTD



Source: NAPR, TBC Capital

Annex: Tbilisi districts

A12. Distribution of transactions by price categories (\$/SQM) and districts, 2024 YTD



Source: NAPR, TBC Capital

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